

Ladislav Suhányi<sup>1</sup> – Alžbeta Suhányiová<sup>2</sup> – Eszter Siposné Nándori<sup>3</sup> – Katalin Lipták<sup>4</sup>

### Developments in employment during the COVID-19 pandemic in Slovakia

*As in other countries, COVID-19 has fundamentally affected Slovakia in its day-to-day operations in various areas of society. Following the restrictive actions, the governments took measures to support the economy, which were primarily aimed at mitigating the negative consequences caused by the declared state of emergency. In this paper, we deal with the effects of crises on employment and unemployment, which have also affected the Slovak Republic in recent years, with the main emphasis on the effects of the current pandemic crisis. The main goal of this paper is to present and evaluate the development of employment and unemployment in Slovakia in times of crisis, which arose in the period of 2007-2021, with emphasis on the current global pandemic. To achieve the stated goal of the following complementary scientific research methods were used: abstraction/concretization, analysis/synthesis, induction/deduction, comparison and statistical methods – time series analysis of elementary characteristics. The research techniques that were used were the collection and analysis of indicators, as well as observations. Based on the research results, conclusions and recommendations in the area of aid measures intended to preserve jobs and to support self-employed persons were proposed. The recommendations also include the inclusion of increased Ukrainian job applicants caused by the war.*

*Key words: Employment, Unemployment, Crisis, COVID-19, Kurzarbeit  
JEL code: R23*

<https://doi.org/10.32976/stratfuz.2022.40>

### Introduction and theoretical background

There is a general consensus that investing in human capital is a key source of labour productivity and economic growth (Schultz, 1961; Schultz, 1962; Becker, 1964). One of the key objectives of economic policy is to address labour market imbalances through alternative labour market policy instruments. Unemployment costs include not only the financial side but also the social and socio-political dimensions (Tiruneh, 2014).

Human capital is also important for the successful functioning of the labour market, also in the context of the Agenda 2030. There are 17 sustainable development goals set out in Agenda 2030, adopted by the United Nations organisation (UN) in 2015 and managed by all UN member states for 15 years. One of the goals is the Goal 8 – to promote full and productive employment and decent work for all. In addition to GDP per capita, indicators of the unemployment rate of age group 20-64, the youth unemployment rate of age group 15-24, the long-term unemployment rate and the economic activity rate of age group 15-64 were selected as national indicators to meet the Goal 8. According to a report from the Statistical Office of the Slovak Republic in 2016, Slovakia is among the two-thirds of UN countries where the rate of economic activity in the age group 15-64 has exceeded 70% (Statistical Office of the Slovak Republic, 2016).

According to Lisý (2011), every market economy includes a certain level of unemployment, is a natural component of it and can help maximize net economic welfare. The natural

---

<sup>1</sup> PhD, dr.habil., associate professor, University of Presov

<sup>2</sup> PhD, associate professor, Technical University of Kosice

<sup>3</sup> PhD, associate professor, University of Miskolc

<sup>4</sup> PhD, associate professor, University of Miskolc

unemployment rate is the rate at which the labour and product markets are in balance, in other words, the number of unemployed is less than or equal to the number of job vacancies. In such circumstances, there is a match between labour supply and labour demand. The natural rate of unemployment can also be described as voluntary unemployment.

Many authors define unemployment as a consequence of labour market imbalances. "Like any other market, the labour market is characterized by supply and demand. The same economic laws apply here as in any other market. The market supply of labour can be characterized as the supply of labour of all people in the economy at a given wage rate, market demand represents the demand for labour of all companies in the economy at a given wage rate" (Uramová et al., 2010, p. 187).

Unemployment is a constantly debated and present problem in modern economies. Sujová and Šálka (2016, p. 176) understand unemployment as "a situation in the economy where able-bodied people who are willing to work cannot find work on the labour market. Only those who are actively looking for work are unemployed. Labour is one of the most important factors of production and a source of economic growth. With the existence of unemployment, the economy is below the limit of production possibilities, which means that labour is not fully utilized and the economy's production is not efficient. Unemployment causes not only economic losses, but also people's psychological and social problems." This macroeconomic phenomenon constantly raises economic, political or social issues that need to be constantly addressed at the level of the state apparatus, employees and employers.

The author Žilová (2003) summarized the causes of unemployment in several points in her works. She states them as follows: lack of jobs, inflexibility of the workforce, underdeveloped information network on the labour market, fatalism of the long-term unemployed and employers' prejudices against long-term unemployed people.

Persistent long-term unemployment is a serious phenomenon in the national economy. Slovakia has been at the top of the list of EU member states in which this phenomenon has been occurring for a relatively long time.

Different authors present different typologies of unemployment based on its duration. Short-term unemployment can generally be said if it does not last longer than 12 months. Long-term unemployment occurs after this period.

Long-term unemployment characterizes society's problems with serious social consequences. It also has a negative impact on people's psyche and family life. For the individuals concerned, it represents existential difficulties which also affect their immediate family, and it also represents a loss of education, qualification and work habits. It can also be influenced by unemployment benefits, which mean that the unemployed do not look for work, as they are not motivated enough, but rather satisfied with what the state gives them. On the one hand, this group of people loses hope of finding a new job, on the other hand, they have become accustomed to their current situation and come to terms with it, they have learned to live modestly and with state support (Gregová, 2017; Jutvik – Robinson, 2020; Islam, 2021).

Bečka (2020) states that the labour market is also significantly affected by unpredictable risks – impulses. One such impulse was the crisis in the USA real estate market, which arose as a result of the provision of subprime mortgages to a group of people with a lower standard of living. Due to this influence, the sharp fall in the economy was also due to a sharp decline in foreign demand in Slovakia, as well as the gas crisis and the associated reduction in economic production. During the first quarter of 2009, a total of 1.22 million jobs were lost in the euro area, GDP fell and poverty deepened. The number of employees decreased by 0.8% quarterly to 146.2 million (Ministry of Foreign Affairs of the Slovak Republic, 2022). Governments have been widely taking anti-crisis measures, but the consequences of the economic and financial crisis have been visible for many years.

Another unpredictable global risk, the uncertainty of which still paralyzes society as a whole, the national economies of the European Union and the rest of the world, has become the SARS-CoV-2 coronavirus (COVID-19) pandemic. More than two years have passed since the

outbreak of the pandemic. The first symptom case was officially recorded on December 1 in Wuhan, China. We are talking about the so-called global health crisis with the consequences of an economic recession (Remenyik et al., 2020; Samarah, 2021; Kravchenko et al., 2021; Hajdú, 2021; Lipták-Musinszki, 2022). The measures are taken by the Government of the Slovak Republic to prevent the further spread of the pandemic directly limit the population or limit human resources (employees) in the form of measures, as a result of which the economic activity of business entities in most sectors slowed down. The Member States of the European Union have set aside huge and unexpected amounts in their budgets to prevent the economic damage caused by the pandemic.

### Data and methodology

Based on the issues of the labour market in Slovakia and the current global crisis caused by the pandemic, we have defined a goal. The main goal of this paper is to present and evaluate the development of employment and unemployment in Slovakia in times of crisis, which arose in the period of 2007-2021, with emphasis on the current global pandemic.

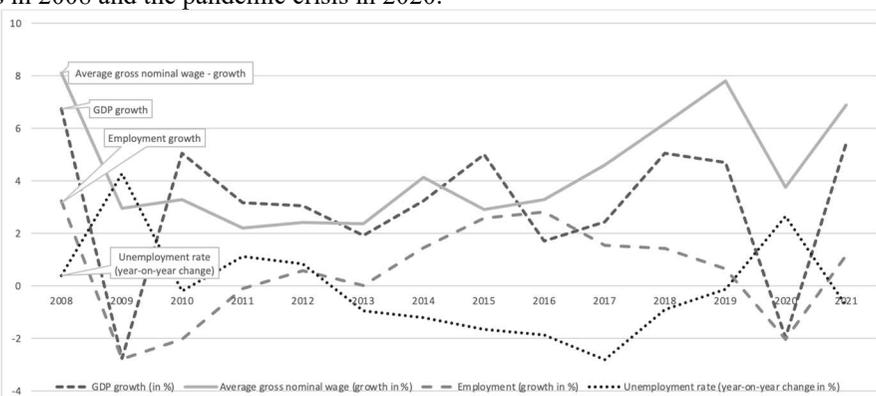
To achieve the stated goal of the research, we used mutually complementary scientific methods such as: abstraction – concretization, analysis – synthesis, induction – deduction, comparison, and statistical method – time series analysis of elementary characteristics.

We used research techniques such as the collection and analysis of indicators, as well as observations. We have determined the employment and unemployment in the economy of the Slovak Republic as the object of the research. The subject of the research is the analysis of data from the Central Office of Labour, Social Affairs and Family of the Slovak Republic and the Statistical Office of the Slovak Republic.

We drew knowledge about the object and the subject of research from the available domestic and foreign professional literature, professional domestic, foreign articles and from internet sources.

### Analysis of selected indicators in Slovakia

The aim of this part is to approach the current situation caused by the pandemic and then present its impact on the development of macroeconomic indicators – GDP, average gross wages and employment in the Slovak economy. The added value of the outputs of this part is the presentation of the development of the mentioned macroeconomic indicators over a period of 15 years, which allows us to examine and evaluate the impact of the economic and financial crisis in 2008 and the pandemic crisis in 2020.



Note: previous year = 100

Figure 1: Year-on-year change in basic economic indicators

Source: processed based on data from Statistical Office of the Slovak Republic (2022)

As mentioned above, each crisis always has a negative impact on the development of the country's economy. This was also the case of Slovakia, where the economic crisis caused by the coronavirus pandemic interrupted the continuous economic growth that Slovakia had experienced since the previous economic and financial crisis in 2008 and 2009.

Figure 1 shows the trajectory of year-on-year changes in GDP, employment, and average gross wages in Slovakia of the observed period (in %). We note that the most dramatic changes in the development of these basic economic indicators of Slovakia occurred compared to the previous period during the global economic and financial crisis, as well as at the time of the outbreak of the global pandemic crisis. The decline in economic growth in the first year of the great recession 2009 (64,848.6 million euros) compared to 2008 (EUR 66,684.6 million euros) is very significant, a decrease in GDP of 9.5%. After this year, the economy gradually took a breather, but after the outbreak of the pandemic in Slovakia in 2020 (89,948.7 million euros), there was again a significant year-on-year decline compared to 2019 (91,760.0 million euros) by 6.67%. We observe a similar situation in the year-on-year change in the level of employment. In 2009 (2,365,800 people) there was a decrease in the level of employment by 6.03% compared to 2008 (2,433,750 people) and in 2020 (2,531,270 people) it was also unfavourable compared to 2019 (2,583,636 people) a decrease of 2.69%. The growth rate of the average gross wages also slowed down rapidly during the crisis in the country, in 2008 compared to 2007 it was an increase of 8.12%, but in 2009 compared to 2008 it was only 2.97%. The increase in 2019 compared to 2018 was 7.80%, and in 2020 compared to 2019 only 3.75%.

According to preliminary data from the Statistical Office of the Slovak Republic (2022), the value of Slovakia's GDP in 2021 reached the level of 2019, it means that it reached the level before the outbreak of the pandemic crisis. However, the year-on-year growth of the Slovak economy was supported only by domestic demand. In 2021, however, employment recorded only a very slight increase compared to 2020, by 1.16%. The average gross wage in 2021 was 1,211 euros, which is the highest amount in the last 14 years. The year-on-year increase in 2021 compared to 2020 was 6.88%. The unemployment rate, which is the percentage of the unemployed in the total number of economically active inhabitants, shows a slight decrease one year after the crisis.

Table 1: Development of population, economically active population, unemployed and employed persons, 2007-2020

	<b>Population</b>	<b>Economically active population</b>	<b>Unemployed persons</b>	<b>Employed persons – total</b>	<b>Employed persons – employees</b>	<b>Employed persons – self-employed persons</b>
	<b>(1)</b>	<b>(2=3+4)</b>	<b>(3)</b>	<b>(4=5+6)</b>	<b>(5)</b>	<b>(6)</b>
2007	5,396,568	2,649,125	291,850	2,357,275	2,043,575	313,700
2008	5,405,860	2,691,200	257,450	2,433,750	2,094,150	339,600
2009	5,417,758	2,689,975	324,175	2,365,800	1,994,700	371,100
2010	5,429,973	2,606,500	289,000	2,317,500	1,947,125	370,375
2011	5,398,108	2,679,941	364,628	2,315,313	1,946,805	368,508
2012	5,406,244	2,706,446	377,487	2,328,959	1,968,838	360,121
2013	5,413,003	2,715,242	385,995	2,329,247	1,967,053	362,194
2014	5,418,559	2,721,768	358,715	2,363,053	1,999,274	363,779
2015	5,422,343	2,738,234	314,236	2,423,998	2,056,589	367,409
2016	5,430,804	2,758,112	265,994	2,492,118	2,107,680	384,438
2017	5,438,389	2,754,656	223,983	2,530,673	2,145,143	385,530
2018	5,446,001	2,746,235	179,501	2,566,734	2,187,636	379,098
2019	5,453,244	2,741,380	157,744	2,583,636	2,194,927	388,709
2020	5,460,597	2,712,712	181,442	2,531,270	2,153,087	378,183

Source: processed based on the data from Statistical Office of the Slovak Republic (2022)

When examining the development of the population of Slovakia broken down into the economically active population, the number of unemployed persons and employed persons (employees and self-employed persons), not all official data from 2021 were available, therefore in this case we examine the development of these indicators since 2007 until 2020, that is to say for 14 years.

From the data in the Table 1 it is clear that in the period 2007-2020 the development of the population in the country was favourable. During the examined period, the population increased by 64,029 persons (an increase of 1.19%). The age median (which divides the population into two equal parts with the same number of people) is 41.40 in the observed period. The average age of the population is 41.26 (or the average age of the living population). As we can see, the difference between the two figures is negligible (about 50 days).

By economically active population we mean the number of people over the age of 15 who belong to either the working population or the unemployed population, or are members of the armed forces. The economically active population makes up about half of the population in Slovakia. More precisely, it ranges from 49.01% (2007) to 50.79% (2016) in the examined period.

According to the Statistical Office of the Slovak Republic (2022), the number of inhabitants in Slovakia is 5,460,597, of which the share of persons in the pre-productive age group is 15.90%, in the productive age group 67.03% and in post-productive age 17.07%.

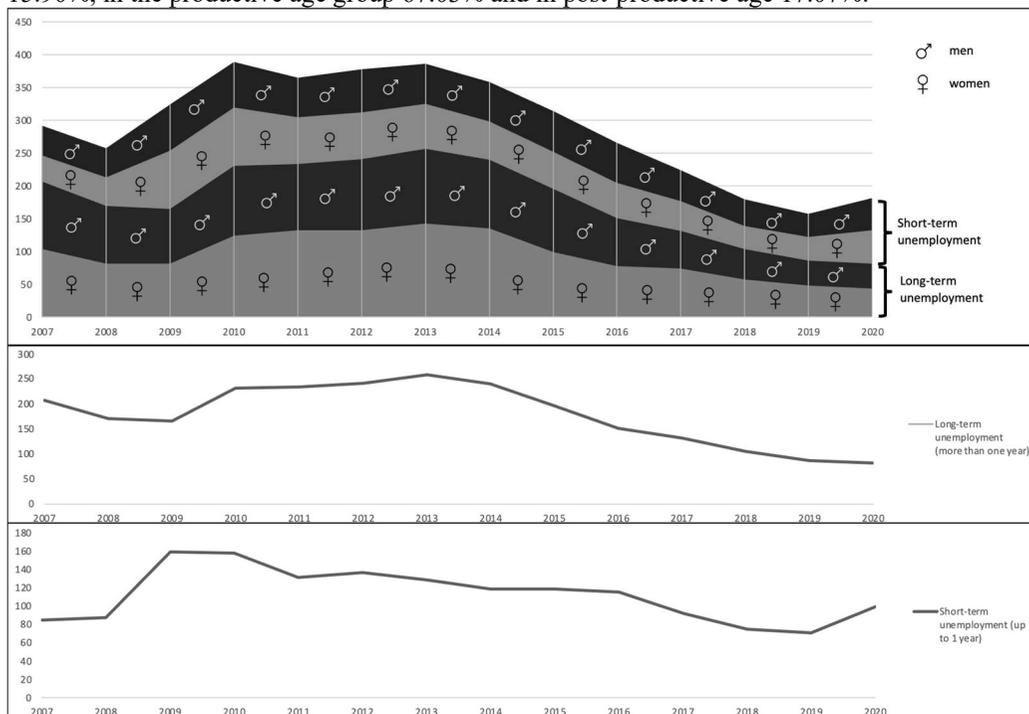


Figure 2: Unemployment (in thousands of persons)

Source: processed based on data from Statistical Office of the Slovak Republic (2022)

In the examined period, the highest number of job seekers was reached in 2013, when the consequences of the financial and economic crisis peaked. After this year, the number of job seekers began to gradually decrease until 2019 (Figure 2). We can see on the graph that the lowest number of unemployed persons was registered in 2019, i.e. before the outbreak of the global pandemic crisis, and the following year it increased by almost 24,000. The financial and economic crisis caused a sharp rise in short-term unemployment, which has, of course, grown into long-term unemployment and has affected the female population to a greater extent. After

the outbreak of the pandemic crisis, the increase in short-term unemployment is seen in approximately the same proportion of men and women.

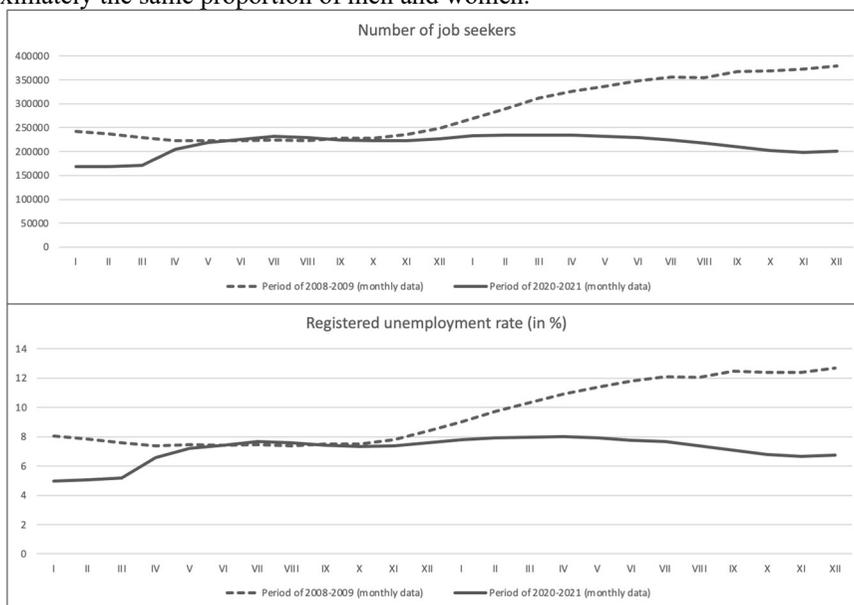


Figure 3: Development of monthly indicators on unemployment

Source: processed based on data from Central Office of Labour, Social Affairs and Family of the Slovak Republic (2022)

Comparing the development of the economically active population during the crisis in 2008-2009 and 2020-2021, we found that according to the database of the Central Office of Labour, Social Affairs and Family of the Slovak Republic (in contrast to the data of the Statistical Office of the Slovak Republic), the number of economically active population increased in the first quarter of 2009. During the 2020 and 2021 crises, the number decreased.

A jobseeker, in other words an unemployed person, is a citizen who wants to work, is looking for a job and is included in the register of jobseekers (Illés 2005). Comparing the development of the monthly number of job seekers in the crisis period 2008-2009 and 2020-2021, we can state that in both cases there was a gradual increase in the number of job seekers only from January of the year following the onset of the crisis. The development of the registered unemployment rate is completely identical with the development of the monthly number of job seekers (Figure 3), as we also assumed. These indicators are related, as the registered unemployment rate is calculated from the number of available jobseekers who can start employment immediately after the submission of a suitable job vacancy (registered unemployment rate = available number of jobseekers/economically active population).

Based on the findings, we will compare the development of the economically active population with the registered unemployment rate on a regional basis in the Slovak Republic in the current pandemic crisis. For this purpose, (in Figure 4) we presented the regional division of the Slovak Republic at the NUTS 3 level, which represents the second level of self-government within the three-level self-government division of Slovakia.

**Major Cities:** Bratislava (415 589), Košice (240 000), Prešov (91 489), Banská Bystrica (80 466), Žilina (84 675), Nitra (82 661)

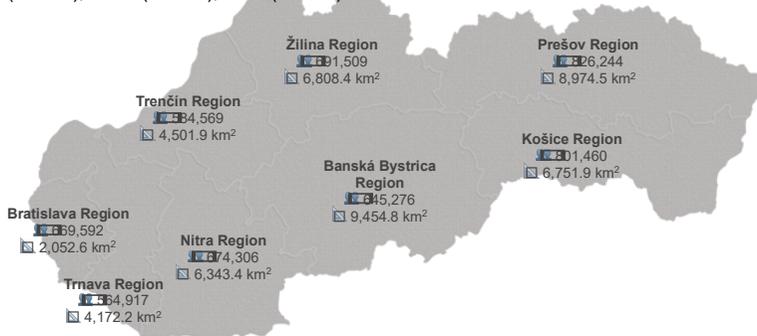


Figure 4: Self-government regions of Slovakia  
Source: self-processing based on publicly available data

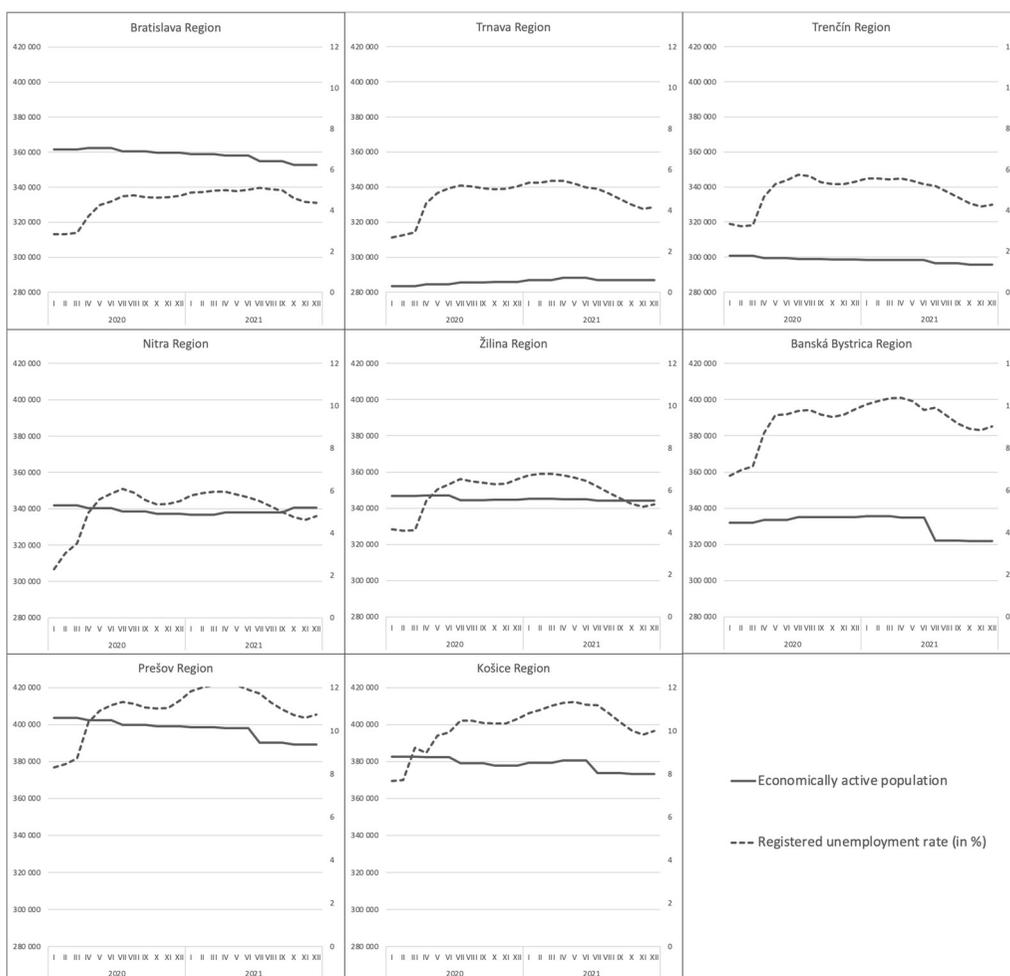


Figure 5: Development of economically active population and registered unemployment rate: monthly data by region, 2020-2021

Source: processed based on data from Central Office of Labour, Social Affairs and Family of the Slovak Republic (2022)

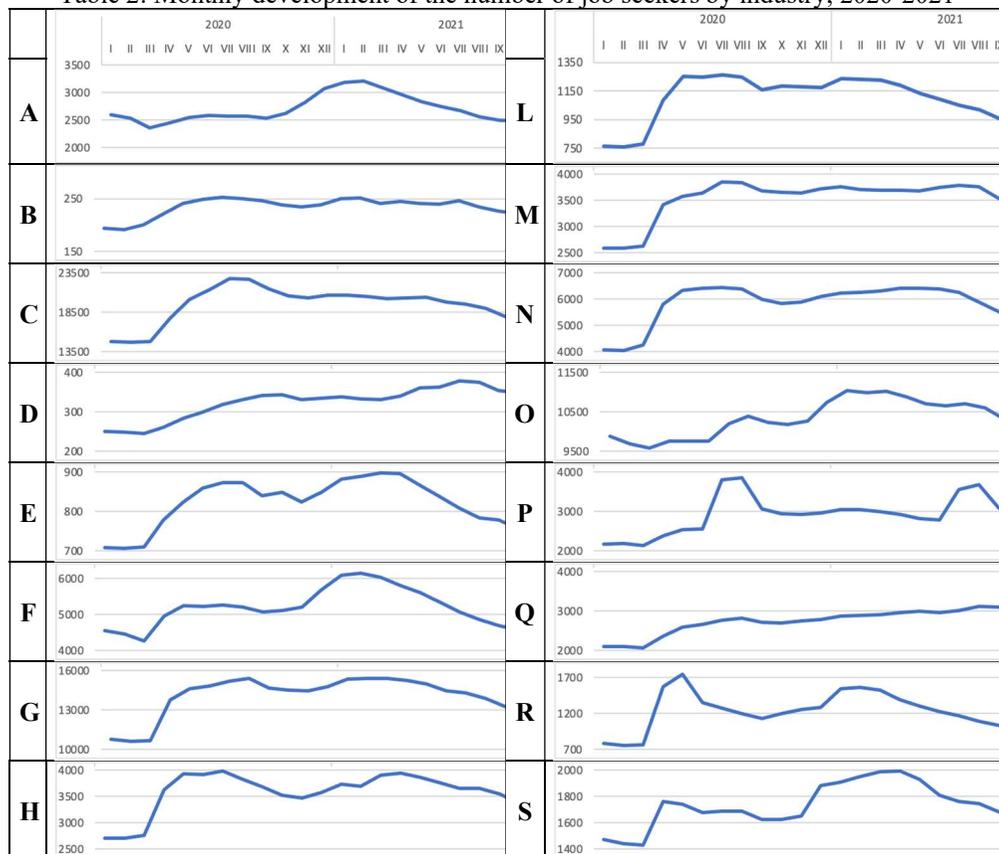
In Figure 5, we follow the graphical monthly development of the economically active population and the registered unemployment rate in individual regions of Slovakia in the years of the economic crisis caused by the coronavirus pandemic, in 2020 and 2021. The highest figure for the economically active population is in the Prešov Region: before the outbreak of the pandemic in March 2020 amounted to 403,714 people and by the end of 2021 had fallen to 389,162, it means a decrease by 14,552. The largest decrease was observed in July 2021, by 7,780 economically active people. In this region, the registered unemployment rate is also the highest in the whole of Slovakia. At the beginning of 2020, the registered unemployment rate was 8.29% and began to deepen steadily during the crisis. In the first half of 2021, unemployment rates were the worst. After June 2021, when the registered unemployment rate reached around 12%, the value began to decline slightly and in December 2021 it reached 10.75%.

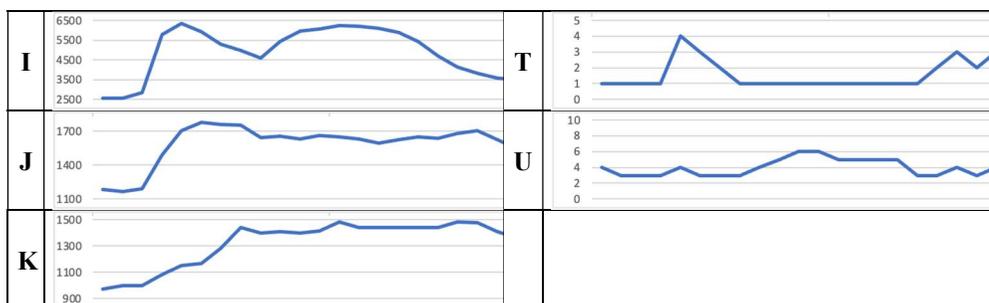
In second place in terms of economically active population is the Košice Region with 382,575 people, where the registered unemployment rate before the pandemic was 7.67% and reached the highest value in July 2021, higher than 11%, then gradually decreased and in December 2021 reached 9.98%.

The lowest registered unemployment rate before the pandemic within the regions was 2.29% in the Nitra Region and 2.68% in the Trnava Region. This rate increased to 4.28% in the Nitra Region and to 4.16% in the Trnava Region by the end of 2021. Of course, in both regions the highest values were in the first half of 2021, as in almost all regions of Slovakia.

Table 2 presents the development of the number of job seekers in Slovakia by industry (SK NACE) in 2020 and 2021.

Table 2: Monthly development of the number of job seekers by industry, 2020-2021





Legend:

- |   |  |
|---|--|
| <i>A – Agriculture, Forestry and Fishing</i>                                    | <i>L – Real Estate Activities</i>  |
| <i>B – Mining and Quarrying</i>   | <i>M – Professional, Scientific and Technical Activities</i>   |
| <i>C – Manufacturing (Industrial Production)</i>                                | <i>N – Administrative and Support Service Activities</i>   |
| <i>D – Electricity, Gas, Steam and Air Conditioning Supply</i>                  | <i>O – Public Administration and Defence; Compulsory Social Security</i>   |
| <i>E – Water Supply; Sewerage, Waste Management and Remediation Activities</i>  | <i>P – Education</i>   |
| <i>F – Construction</i>   | <i>Q – Health and Social Work Activities</i>   |
| <i>G – Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles</i> | <i>R – Arts, Entertainment and Recreation</i>  |
| <i>H – Transportation and Storage</i>   | <i>S – Other Activities</i>  |
| <i>I – Accommodation and Food Service Activities</i>                            | <i>T – Activities of Households as Employers; Undifferentiated Goods and Services Producing Activities of Households for Own Use</i> |
| <i>J – Information and Communication</i>  | <i>U – Activities of Extraterritorial Organisations and Bodies</i>   |
| <i>K – Financial and Insurance Activities</i>                                   |  |

Source: processed based on data from Central Office of Labour, Social Affairs and Family of the Slovak Republic (2022)

The COVID-19 pandemic fundamentally affected the normal functioning of various societal areas in 2020 and 2021. Measures taken against the spread of the pandemic affected all the sectors in Slovakia. In each sector the number of registered unemployment increased, namely by 34.72% in 2020 and by 14.01% in 2021 (168,757 persons in January 2021 and 200,225 persons in December 2021). The unemployment rate grew relatively dramatically, especially in the second quarter of 2020. The sharpest increase by industry occurred in 2020 in *I – Accommodation and Food Service Activities* (an increase by 69.81%), in *R – Arts, entertainment and recreation* (an increase by 63.79%) and in *L – Real Estate Activities* (an increase by 53.66%). On the other hand, the slightest increase was recorded in *E – Water Supply; Sewerage, Waste Management and Remediation Activities* (an increase by 19.61%), in *A – Agriculture, Forestry and Fishing* (an increase by 18.42%) and in *O – Public Administration and Defence; Compulsory Social Security* (an increase by 8.69%).

In the second quarter of 2020, when the measures were the strictest due to the spread of the coronavirus, employers introduced a home office scheme if employees could do the work from home, and a several-week curfew was also introduced. In August-October 2020, the decline in unemployment stopped and then in November-December, the number of unemployed began to increase again.

The beginning of 2021 was affected by the second wave of the pandemic and the application of strict lockdown, which to varying extents was applied until Easter. After the second wave of the pandemic, there was a rapid recovery, which was mainly due to the revocation of

pandemic measures in May. The end of the year was affected by the third wave of the pandemic, but it was no longer as dramatic as in the first half of the year. Therefore, the situation was gradually improving. The largest decrease in job seekers was in the following sectors: *I – Accommodation and Food Service Activities* (a decrease by 38.87%), *R – Arts, Entertainment and Recreation* (decrease in job seekers by 35.90%) and *L – Real Estate Activities* (decrease in job seekers by 25.16%). Restrictive measures had a larger impact on business in some sectoral areas than in others.

### Measures taken to support employment in Slovakia

In order to mitigate the effects of the pandemic on the employment of the population of the Slovak Republic, the national projects “First Aid”, “First Aid +” and “First Aid ++” were also implemented. Their aim is to support and maintain the level of employment at the time of a declared state of emergency, and to reduce the consequences of that situation. Despite these measures, employers responded to the closure or reduction of production by reducing their number of employees.

To mitigate the adverse effects on employment, financial support for job retention has been introduced, as well as rent reimbursement, especially for closed businesses of employers and for self-employed persons. The sectoral schemes focused mainly on maintaining employment in tourism, culture and kindergartens. In particular, a reimbursement of sickness benefits from the first day to workers when ordering quarantine or isolation has been introduced in the amount of 55% of previous income. A working parent with a child under the age of 11 was able to draw a nursing allowance during the entire period of closed schools and kindergartens. In 2021, the income compensation rate for both benefits increased to 75% of the previous income. Parents who ended their parental leave could continue to receive a nursing or parental allowance. Employers had deferral of maturity of social security contributions and income tax advances when incomes fell by more than 40%.

From April 2020, clients of banks and leasing companies could also request a deferral of loan repayments until the end of 2021.

In connection with the state of emergency, the Government of the Slovak Republic also adopted other types of state aid with effect from 31 March 2020, such as:

- Compensation for the decrease in business income of self-employed persons – a self-employed person whose activity or operation has been interrupted or reduced, whose sales have decreased by at least by 20%, or between 21%-30%, or between 31-40%, or by more than 40% (compensations in varying amounts depending on the decline in income).
- Home office – a special section of the Labour Code of the Slovak Republic introduced the possibility for an employer to order employees to work from home, but only if the agreed type of work allows it, or if work at the workplace is not possible or is risky due to potential spread of the disease.

Slovakia introduced a *Kurzarbeit* within the “First Aid” measure. *Kurzarbeit* is a system in which working hours and wages paid to employees are reduced, with the state covering part of the wages of the employees concerned under precisely defined conditions. The aim of the system is mainly to maintain wages. In some countries, such as Austria, Belgium, Germany, Italy, France, Denmark and Switzerland (see Table 3), *Kurzarbeit* has a long tradition. In the V4 countries, but also in the Netherlands, for example, *Kurzarbeit* schemes were introduced in the context of the economic and financial crisis in 2008/2009.

Table 3: Application of Kurzarbeit in the EU

	Before the economic crisis 2008-2009	During the economic crisis 2008-2009	After the economic crisis 2008-2009	During the pandemic 2020-2021
Belgium	✓	✓	✓	✓
Bulgaria	X	✓	X	✓
Czech Republic	X	✓	✓	✓
Denmark	✓	✓	✓	✓
Finland	✓	✓	✓	✓
France	✓	✓	✓	✓
Netherlands	X	✓	✓	✓
Hungary	X	✓	X	✓
Germany	✓	✓	✓	✓
Norway	✓	✓	✓	✓
Poland	X	✓	?	✓
Austria	✓	✓	✓	✓
Slovakia	X	✓	✓	✓
Spain	✓	✓	✓	✓
Sweden	X	X	✓	✓
Italy	✓	✓	✓	✓

Source: based on information from Brey &Hertweck (2016); ETUC (2020)

With the advent of the COVID-19 pandemic, many countries have adapted their Kurzarbeit schemes to the new challenges and circumstances, while others (in particular some Central and Eastern European countries, the United Kingdom, Ireland) have introduced completely new schemes. The schemes in individual countries differ from each other in parameters such as the amount of wage compensation, the length of provision or the method of their financing.

On March 1, 2022, the law on support during reduced work (Kurzarbeit II) entered into force in Slovakia (Act no. 2015/2021 Coll.), the essence of which is the provision of state support if the employer cannot assign work to his employees through no fault of his own. Although the law was adopted as a result of the COVID-19 pandemic, it will be generally applicable to various situations which do not allow the employer to assign work to employees in the agreed manner due to an external factor (see Table 4). The reduction in assigned work must be at least 10% of the established weekly working time (and it can be caused only by an external factor that cannot be influenced or prevented).

Table 4: Support during reduced work in Slovakia

	Before the pandemic	During the pandemic	From March 1, 2022
Kurzarbeit	✓	✓	✓
When it activates	An employer who has retained job positions even in the event of persistent serious operational reasons as defined in a written agreement with the employees' representatives, at least three months before the application for the allowance is submitted. Under an agreement with the Labour Office, it will limit its operational activities for a transitional period by not allocating to employees at least 60% and at most 40% of	Eligible applicants are: A) employers who had to close their branches or limit their activities by a decision of the Public Health Office of the Slovak Republic, B) employers who retain job positions even if their activities are interrupted or reduced during a declared state of emergency.	Eligible applicant is an employer who: - is in the situation of reduced work due to the external factor, - has no social security debts, - did not violate the prohibition of illegal employment in the period of 2 years before the application.

	the established weekly working time.		
Amount	The monthly amount of the contribution is 50% of the wage compensation provided to the employee, at most 60% of the average wage of the employees in the Slovak economy for the previous calendar year.	A) 80% of the average wage (maximum € 1,100 per employee per month) B) 80% of the average wage (maximum € 880 per employee per month) or a flat-rate allowance to cover a part of the wage costs per employee, depending on the decrease in income.	60% of the average wage (monthly at a maximum of 60% of the double of average wage of employees in the Slovak economy published by the Statistical Office of the Slovak Republic for two years before the support is provided).
Duration	12 months (of which, in total, a maximum of 120 days in which the employee received the wage compensation. If the allowance agreement was signed for a period shorter than 12 months, the total number of days for which the allowance is granted is reduced proportionately).		At the time of reduced work, in total a maximum of six months in two years. The government may approve a longer period for providing support in the case of an external factor – which is a state of emergency or exceptional circumstance.
Financing	Public resources	Public resources	Public resources

Source: Ministry of Labour, Social Affairs and Family of the Slovak Republic (2022); Act no. 215/2021 Coll. (2022)

In connection with the Kurzarbeit, it should also be mentioned that the Labour Code of the Slovak Republic (Act no. 311/2001 Coll.) stipulates that at the time of reduced work, the employer is obliged to provide the employee with wage compensation in the amount of at least 80% of average wage for the duration of this obstacle at work. It follows that the aid granted under the Kurzarbeit does not cover the employer's total costs for the wages of its employees. Since February 2022, the Ministry of Labour has also launched an information website on how to use this support to help employers and employees find their way around this issue.

## Conclusions

The crises we faced in 2008-2009, as well as in 2020-2021, negatively affected the performance of the Slovak economy. The economic downturn and employment slump during the pandemic ranked Slovakia among the most affected EU countries. After March 2020, the Slovak government approved several measures aimed at mitigating the economic impact of the pandemic. New types of social benefits in the form of a pandemic sickness allowance and nursing allowance were approved first. Later, the government also approved direct aid measures to maintain jobs for employees, employers, and the self-employed persons. The primary objective of the aid was to provide a financial contribution to employers who have retained jobs, even if they have been forced to suspend or reduce their operating activities. The Kurzarbeit and home-office were used during the outbreak of the pandemic and the subsequent isolation of staff in all surrounding countries.

Also thanks to the resources of the European Union, the Slovak economy has been gaining momentum since 2022 and the uncertainty in the economy will decrease. Following the aid scheme, the European Commission approved an aid for Slovakia, which is intended to preserve jobs and to support the self-employed persons during the pandemic. For example, the so-called SURE instrument was created, which supported more than 31 million workers and 2.5 million companies across the EU. The Union has also launched the Recovery Instrument, which aims to help our economies and citizens emerge stronger and more resilient from the crisis. A total of 806.9 billion euros are available to the Member States under this European Union Recovery

Instrument (NextGenerationEU). Approximately 90% of these funds will be allocated through the Mechanism to Support the Recovery and Resilience, which aims to support reforms and investments through grants and loans provided between 2021 and 2026. Not all countries have been hit equally by the pandemic. This is also reflected in the distribution key of the grant allocation mechanism, which considers the economic situation of each country, in particular in terms of GDP per capita, the unemployment rate and the extent of the recession (European Commission, 2022; European Commission, 2021; European Parliament, 2021).

In 2021, employers published a record number of job offers. As follows from the analysis of the job portal "profesia.sk", the year 2021 brought 100,000 more job offers than the year before. The companies published a total of 292,838 job advertisements. This is the highest number in the 24-year history of the job portal in Slovakia. Most job offers were in trade, production, IT, transport with logistics and administration. During 2021, an average of 15 people responded to one offer, in 2020 it was as many as 26 candidates, so 2021 brought lower competition among job seekers (Profesia, 2022).

To improve the labour market, the Ministry of Labour, Social Affairs and Family of the Slovak Republic launched a new job portal on 1<sup>st</sup> of February 2022 ([www.sluzbyzamestnanosti.gov.sk](http://www.sluzbyzamestnanosti.gov.sk)), through which employers can register vacancies available. It will just replace the previous job portal "Internet labour market guide" (<https://www.istp.sk/volne-pracovne-miesta>). At the time of writing this paper the new portal includes 82,483 vacancies from 6,610 employers. It is possible to search for offers on the website by employers as well as job seekers with a defined profession and place of work.

The migration of Ukrainian citizens to the countries of the European Union due to their escape from the war is a very current topic today. It is understandable to assume that they will soon need a job. The Ministry of Labour, Social Affairs and Family of the Slovak Republic (2022) allowed the employment of people in Slovakia who fled to our territory due to the war. They do not even need a work permit; it is enough if they request and will be assigned a temporary refuge and will have access to the same jobs as Slovak citizens. In Slovakia, a large number of vacancies have been registered for a long time, which are also available to Ukrainian applicants. This can help the labour market in Slovakia if they fill positions that companies are unable to fill for a long time (for example in the IT sector, social services) or that are weakened due to a pandemic and various anti-pandemic measures (hospitality, gastronomy, tourism).

## Acknowledgements

This paper is an outcome of the research project VEGA no. 1/0340/21 (The impact of the pandemic and the subsequent economic crisis on the development of digitalization of companies and society in Slovakia), which is being implemented by the Technical University in Košice, Slovakia.

## References

- Act of the Slovak Republic no. 2015/2021 Coll. on support at a time of reduced work.  
Act of the Slovak Republic no. 311/2001 Coll. Labour Code.  
Bečka, M. (2020): Vplyv súčasnej globálnej pandémie SARS-CoV-2 na zamestnanosť v ekonomike Slovenskej republiky. In: Economic Review, Vol. 49, 2/2020. Available at: [https://euba.sk/www\\_write/files/SK/ekonomicke-rozhlady/2020/er2\\_2020\\_becka\\_fulltext.pdf](https://euba.sk/www_write/files/SK/ekonomicke-rozhlady/2020/er2_2020_becka_fulltext.pdf)  
Becker, G.S. (1964): Human Capital: A Theoretical and Empirical Analysis, With Special Reference to Education. 3.: University of Chicago Press, 390 pp. ISBN 22-604-1204

- Brey, B. – Hertweck, M. S. (2016): The Extension of Short-time Work Schemes during the Great Recession: A Story of Success? Working Paper Series 2016-05, University of Konstanz, Department of Economics.
- Central Office of Labour, Social Affairs and Family of the Slovak Republic (2022): Nezamestnanosť – mesačné štatistiky (Unemployment – monthly statistics). Available at: [https://www.upsvr.gov.sk/statistiky/nezamestnanost-mesacne-statistiky/2021.html?page\\_id=1060197](https://www.upsvr.gov.sk/statistiky/nezamestnanost-mesacne-statistiky/2021.html?page_id=1060197)
- ETUC (2020): Short Time Work Measures across Europe. ETUC Briefing Note, 30 April 2020.
- European Commission (2021): Mechanizmus na podporu obnovy a odolnosti. Online. Available at: [https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility\\_sk](https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility_sk)
- European Commission (2022): Plán obnovy pre Európu. Online. Available at: [https://ec.europa.eu/info/strategy/recovery-plan-europe\\_sk](https://ec.europa.eu/info/strategy/recovery-plan-europe_sk)
- European Parliament (2021): Recovery plan for Europe: State of play, September 2021. Available at: [https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/696209/EPRS\\_BRI\(2021\)696209\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/696209/EPRS_BRI(2021)696209_EN.pdf)
- Gregová, E. (2017): Makroekonómia. Žilina: Edis. ISBN 978-80-554-1403-4
- Hajdú, D. (2021): A koronavírus hatása a munkanélküliségre és az álláskeresőknél szóló képzésekre BorsodAbaúj-Zemplén megyében, Észak-magyarországi Stratégiai Füzetek, 18(1): 27-37. <https://doi.org/10.32976/stratfuz.2021.17>
- Illés, Zs. – Ódor, E. (2005): Analýza základných indikátorov trhu práce v SR. Bratislava: Inštitút finančnej politiky Ministerstva financií SR. Available at: [https://www.mfsr.sk/files/archiv/priloha-stranky/20002/32/EA6\\_NEZAM.pdf](https://www.mfsr.sk/files/archiv/priloha-stranky/20002/32/EA6_NEZAM.pdf)
- Islam, M.M. – Alharthi, M. – Murad, M.W. (2021): The effects of carbon emissions, rainfall, temperature, inflation, population, and unemployment on economic growth in Saudi Arabia: An ARDL investigation. PLoS ONE 16(4): e0248743. <https://doi.org/10.1371/journal.pone.0248743>
- Jutvik, K. – Robinson, D. (2020): Permanent or temporary settlement? A study on the short-term effects of residence status on refugees' labour market participation. Comparative Migration Studies, 8(44) <https://doi.org/10.1186/s40878-020-00203-3>
- Kravchenko, S.A. – Sidorov, N. – Draskovic, V. (2021): New Challenges to Economy Security: the Convergence of Energy and Covid-19 Risks – The Demand for Cosmopolitan Politics", Montenegrin Journal of Economics, 17(2): 187-194. <https://doi.org/10.14254/1800-5845/2021.17-2.15>
- Lipták, K. – Musinszki, Z. (2022): Impact of teleworking on shopping habits during the COVID-19 pandemic in Hungary, Journal of International Studies, 15(3): 186-200. <https://doi.org/10.14254/2071-8330.2022/15-3/13>
- Lisý, J. et al. (2011): Ekonómia. Bratislava: Iura Edition. ISBN 978-80-8078-406-5
- Ministry of Foreign Affairs of the Slovak Republic (2022): Analýza vývoja dopadov hospodárskej krízy na slovenskú ekonomiku. Available at: [https://www.mzv.sk/documents/10182/12380/dopad\\_krizy\\_na\\_ZP\\_SR.pdf/3ae208b3-e32a-46f3-8914-0ec893cbdc13](https://www.mzv.sk/documents/10182/12380/dopad_krizy_na_ZP_SR.pdf/3ae208b3-e32a-46f3-8914-0ec893cbdc13)
- Ministry of Labour, Social Affairs and Family of the Slovak Republic (2022): Inštitút sociálnej politiky Kurzarbeit - Modelový príklad zavedenia kurzarbeit na Slovensku. Available at: <https://www.employment.gov.sk/isp/>
- Ministry of Labour, Social Affairs and Family of the Slovak Republic (2022): Služby zamestnanosti. Available at: [www.sluzbyzamestnanosti.gov.sk](http://www.sluzbyzamestnanosti.gov.sk)
- Okáli, I. et al. (2009): Hospodársky vývoj Slovenska v roku 2008. Bratislava: Ekonomický ústav Slovenskej akadémie vied. ISBN 978-80-7144-173-1
- Profesia (2022): Nájdite si prácu. Online. 04.01.2022. Available at: <https://www.profesia.sk/>

- Remenyik, B. – Horváth, D. – Vasa, L. (2020): Relationships between cycle theories, sustainable tourism, and the effects of the COVID-19 in Hungary, *ECONOMIC ANNALS-XXI*, 185(9-10): 79-90. <https://doi.org/10.21003/ea.V185-08>
- Samarah, W. (2021): Evaluating the Effect of Covid-19 on the Palestinian Economy by Estimating the Relationship Between Economic Growth and Unemployment in Palestine. *Studies in Business and Economics*, 16(2): 206-217. <https://doi.org/10.2478/sbe-2021-0034>
- Schultz, T.W. (1961): Investment in Human Capital. *American Economic Review*, Vol. 51 (1).
- Schultz, T.W. (1962): Reflections on Investment in Man. *Journal of Political Economy*. Vol. 70. No. 5. Part 2: Investment in Human Beings. pp. 1-8.
- Statistical Office of the Slovak Republic (2016): Slovenská republika a ciele udržateľného rozvoja Agendy 2030. Available at: [https://slovak.statistics.sk/wps/wcm/connect/43d59763-5c43-4a14-8abc-3a7addb0a80b/Slovenska\\_republika\\_a\\_ciele\\_udrzatelneho\\_rozvoja\\_Agendy\\_2030.pdf?MOD=AJPERES&CACHEID=43d59763-5c43-4a14-8abc-3a7addb0a80b](https://slovak.statistics.sk/wps/wcm/connect/43d59763-5c43-4a14-8abc-3a7addb0a80b/Slovenska_republika_a_ciele_udrzatelneho_rozvoja_Agendy_2030.pdf?MOD=AJPERES&CACHEID=43d59763-5c43-4a14-8abc-3a7addb0a80b)
- Statistical Office of the Slovak Republic (2022): Aktuality. Available at: [https://slovak.statistics.sk/wps/portal/ext/home!/ut/p/z1/04\\_Sj9CPykssy0xPLMnMz0vMAfIjo8ziA809LZycDB0NLPyCXA08QxwD3IO8TAwNTEz1wwkpiAJKG-AAjgZA\\_VFgJc7ujh4m5j4GBhY-7qYGno4eoUGWgcbGB07GUAV4zCjIjTDIdFRUBADse0bP/dz/d5/L2dBISEvZ0FBIS9nQSEh/](https://slovak.statistics.sk/wps/portal/ext/home!/ut/p/z1/04_Sj9CPykssy0xPLMnMz0vMAfIjo8ziA809LZycDB0NLPyCXA08QxwD3IO8TAwNTEz1wwkpiAJKG-AAjgZA_VFgJc7ujh4m5j4GBhY-7qYGno4eoUGWgcbGB07GUAV4zCjIjTDIdFRUBADse0bP/dz/d5/L2dBISEvZ0FBIS9nQSEh/)
- Sujová, A. – Šálka, J. (2016): *Základy ekonómie*. Zvolen: Technická univerzita. ISBN 978-80-2282943-4
- Tiruneh, M.W. – Štefánik, M. et al. (2014): *Trh práce na Slovensku*. Bratislava: Ekonomický ústav Slovenskej akadémie vied. ISBN 978-80-7144-233-2
- Uramová, M. – Lacová, Ž. – Hronec, M. (2010): *Makroekonómia I*. Zvolen: Bratia Sabovci, s.r.o., ISBN 978-80-557-0043-4
- Žilová, A. (2003): *Komunitná práca s komunitou s vysokou mierou nezamestnanosti*. Banská Bystrica: PF UMB. ISBN 80-8055-721-7.