Strengthening public finances as a pillar of prosperity in the Slovak Republic

Category: Slovakia,Uncategorized
written by oecdecoscope | July 21, 2026



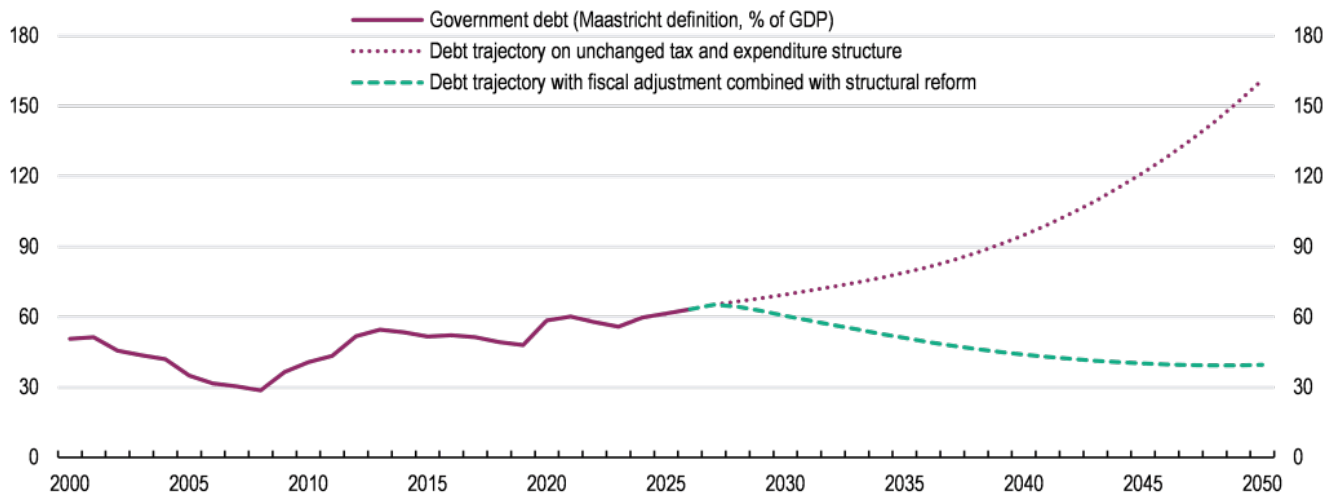
The Slovak Republic's public debt is on track to rise from 61% of GDP in 2025 to over 100% of GDP by 2040 without further action. Consolidation should rely mainly on expenditure control and a strengthened fiscal framework. Crucially, fiscal adjustment should be combined with structural reforms that raise employment: doing so halves the fiscal consolidation required to reduce debt while boosting growth.

by Boris Cournède, OECD Economics Department

Fiscal adjustment is required to put public debt on a stable trajectory in the Slovak Republic, as noted in the **2026 OECD Economic Survey of the Slovak Republic** (OECD, 2026a). From a recorded 4.5% of GDP in 2025 and an anticipated 4.3% in 2026, the general government deficit needs to narrow substantially to curb public debt. Rapid ageing implies increases in public expenditure on pensions, health and long-term care. Defence commitments are adding to spending needs. On unchanged tax and spending structures and without new structural reforms, public debt is set to rise from 61% of GDP at the end of 2025 to above 100% of GDP in 2040 (Figure 1).

Figure 1. Combining fiscal consolidation with structural reforms can stabilise public debt

General government debt, ratio to GDP, %



Notes: In the scenario with an unchanged tax and expenditure structure, the primary balance evolves because of changes in (1) spending on public pensions, and health and long-term care, taken from the EU Ageing Report 2024, and (2) the employment-to-population ratio. GDP follows the central scenario of the OECD Economic Outlook long-term baseline. The scenario combining fiscal adjustment with structural reform includes a 2.4 percentage points of GDP improvement in the primary balance and the illustrative reform estimates presented in Box 1.1 of the Survey. Interest rates are derived endogenously in each scenario.

Source: 2026 OECD Economic Survey of the Slovak Republic.

The greater part of fiscal adjustment in 2024-2026 has relied on collecting more revenue. Between 2024 and 2026, the ratio of government revenue to GDP rose by 1.6 percentage points while spending excluding interest rose by 0.4 percentage points according to OECD Economic Outlook estimates (OECD, 2026b). The small increase in the ratio of government spending to GDP does not however imply an absence of spending-side restraint. It means that the trend increase in spending has been larger than the impact of measures to curb expenditure.

With taxes and social security contributions that are already

above the OECD average as a ratio to GDP, the Slovak Republic needs to rely more on expenditure control. A starting point is to end natural gas subsidies: in addition to budgetary gains of at least 0.3% of GDP, their removal would sharpen incentives to save energy and reduce carbon dioxide emissions. Savings could also come from strengthening the evaluation of reimbursed drugs and promoting the use of generic and biosimilar drugs. Furthermore, means-testing the thirteenth pension would also help reduce spending. The OECD Economic Survey of the Slovak Republic 2026 lays out additional avenues for expenditure control.

Looking beyond medium-term adjustment, strengthening the fiscal framework is a way of entrenching sound fiscal policy for the long term. The Slovak Republic has a record of establishing ambitious budgetary institutions with its constitutional debt brake introduced in 2011 and its Council for Budget Responsibility (CBR) established in 2012. The CBR is widely regarded as independent, non-partisan and with strong analytical skills. The fiscal framework can be enhanced by:

- Designing multi-year fiscal consolidation plans based on a well delineated baseline with adjustment measures to be deployed if outturns deviate from the baseline. This would improve on current consolidation packages, which are vulnerable to implementation and economic risk.
- Reforming the debt brake by giving it a longer horizon and reducing exemption periods and clauses. In its current design, the debt brake is calling for unrealistic trajectories when the deficit is large: it would have implied aiming at a balanced budget in 2026 from a 4.5% deficit in 2025. Simultaneously giving it a long horizon while reducing exemptions would make it more credible.

Sound public finances rest on more than pure fiscal adjustment: they also gain a lot from structural reforms that address the effects of demographic change. The population aged 15-64 is set to shrink by 30% over 2025-2065, implying a sharp rise in the ratio of older to working-age people (Figure 2).

Long-term debt simulations underline the worth of debt stabilisation strategies that combine fiscal consolidation with reforms that boost employment. If fiscal adjustment were to be implemented alone, the primary balance would need to improve by as much as 5.1 percentage points of GDP from its projected 2027 level to bring the debt-GDP ratio to 40% by 2040. The required adjustment to reduce debt to 40% of GDP by 2040 can narrow to 2.4 percentage points of GDP with progress in the employment of women, older workers and Roma people:

- The employment gap between men and women is non-negligible at 8 percentage points, even if below the OECD average. Parental leave for mothers is among the longest in the OECD, and the supply of early childcare is relatively limited. In this environment, most mothers take care of their young children at home. The length of parental leave entitlement should be reduced, and on-going efforts to expand childcare should intensify.
- Many OECD countries have achieved much greater employment of women and men above 55 than is currently the case in Slovakia. A 2024 reform tightened conditions and increased penalties for early retirement but early retirement pathways should be curtailed.
- Employment in the Roma community is well below the rest of society. An important factor is high dropout rates throughout the education system. Efforts should be continued to expand early childhood education for students from socially disadvantaged backgrounds and to expand the network of second-chance education.

Fiscal sustainability is about prosperity rather than austerity. While some budgetary adjustments are necessary, the foundation of sound public finances lies in combining a flexible but ambitious fiscal framework with long-term growth-oriented policies.

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Addressing housing market challenges in the Slovak Republic

Category: Housing,Slovakia,Uncategorized
written by oecdecoscope | July 21, 2026



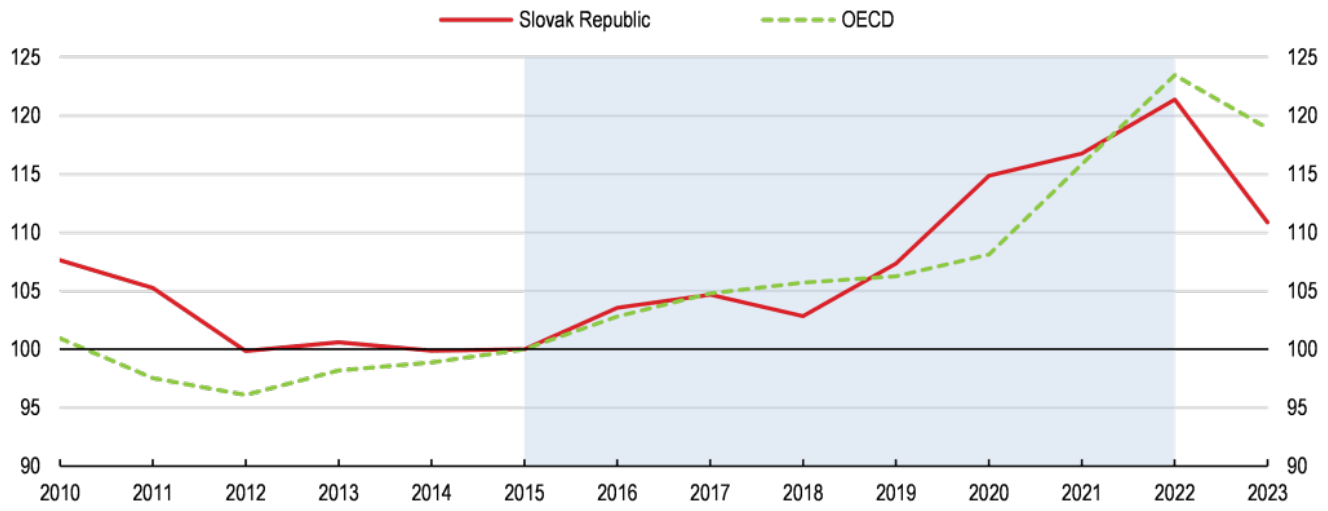
By Federica De Pace

As in many OECD countries, housing affordability deteriorated in Slovakia before the energy crisis. Between 2015 and 2022, house prices rose at a much faster pace than households' income (Figure 1). Since 2022, the cost-of-living crisis has

been squeezing real incomes, dampening housing demand and resulting in declining house prices. However, with interest rates and mortgage costs surging, housing affordability remains a challenge today. Moreover, Slovak households have been particularly exposed to the surge in energy prices, as nearly 10% of their budget accounts for electricity and gas expenditures – the highest share among OECD countries. The poor thermal performance of the housing stock, mostly comprising buildings that were constructed during the communist era, contributes to explaining such high costs for electricity and heat. Last, many low-income households, especially in the Roma community, live in low-quality and overcrowded housing, and homelessness has reached an alarming dimension over the past years.

Figure 1. House prices have increased faster than incomes until 2022

Price to income ratio, index 2015 = 100



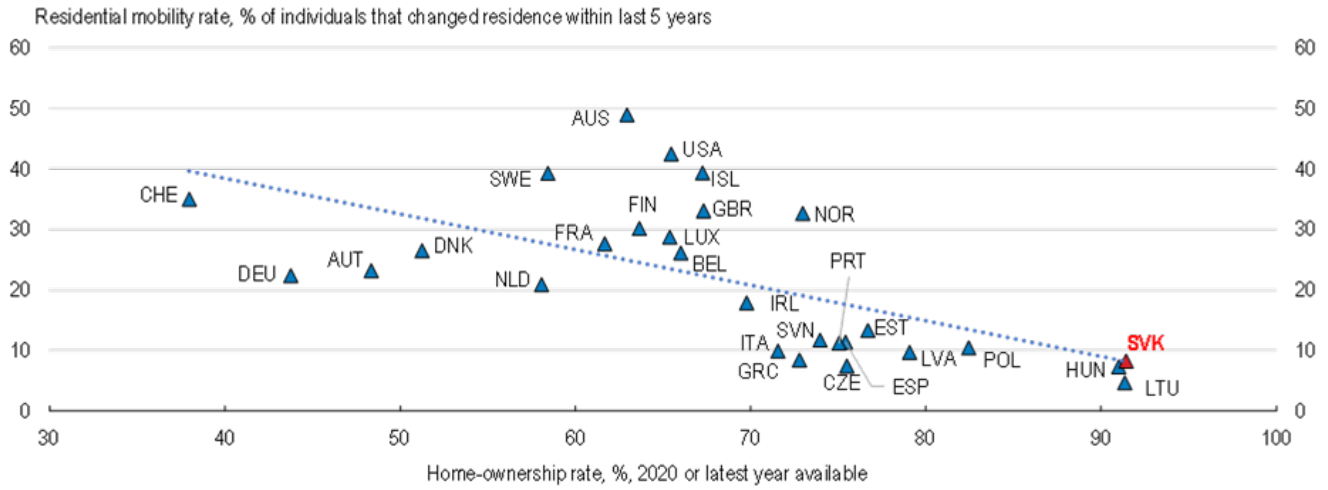
Source: OECD Analytical House Prices database.

To address these housing market challenges, Slovakia needs to find ways to boost efficiency, promote affordability and inclusiveness, and accelerate environmental sustainability of housing. To do so, the 2024 OECD Economic Survey of the Slovak Republic suggests reforms in five broad areas:

1.***Streamlining housing construction.*** Administrative inefficiencies in the building permits procedures contribute to slow the responsiveness of housing supply to demand pressures. The process for obtaining building permits is very slow: in 2019 it took on average 300 days versus 152 days in the average OECD country (World Bank, 2019). Expediting the adoption of digitalisation in building permits would accelerate procedures and enhance housing supply responsiveness, alleviating pressures on housing prices. Furthermore, land use policy is highly decentralised. This leads to inefficiencies in the management of resources, challenges in hiring qualified staff for construction-related tasks and an increased risk of policy capture by local stakeholders, resulting in blockages of construction projects at local level. Giving more responsibilities to higher levels of government in land use policy and construction-related activities would help to facilitate construction projects.

2. ***Expanding the private formal rental market.*** As a consequence of the privatisation of state-owned housing during the transition to a market economy in the early 1990s, most households own their home, and the formal private rental market is thin. Developing the private rental market can spur residential (Figure 2) and labour mobility. This can help to reduce skill shortages and improve matching between employers and employees, with positive effects on productivity. It requires *inter alia* striking a better balance between the interests of landlords and tenants, for example by making provisions for a rental contract that ensures enough flexibility and security for both parties.

Figure 2. Homeownership is negatively correlated with residential mobility



Source: OECD Affordable Housing database; and OECD (2021), Brick by Brick: Building Better Housing Policies, OECD Publishing, Paris, https://doi.org/10.1787/b453b043-en

3. ***Reforming housing taxation***. Revenues from recurrent taxes on immovable property are low in international comparison. A comprehensive reform package shifting the burden from labour to property taxation has the potential to reduce distortions to economic growth. Moreover, basing property taxes on regularly updated property values would help stabilise fluctuations in housing prices and improve equity. Gradually phasing-in the taxes and introducing tax deferrals, for example by paying the tax only when a house is sold or bequeathed, can increase acceptance and protect vulnerable homeowners.

4. ***Increasing housing inclusiveness***. Many low-income households live in poor housing conditions and are overburdened by housing costs. These issues are particularly pronounced among the Roma, where the overcrowding rate reaches 80% and almost a third of the community lives in dwellings without access to tap water (European Agency for Fundamental Rights, 2022). Accelerating the formalisation of property rights in Roma settlements would help to provide access to basic infrastructure, such as tap water and sanitary facilities, improving life conditions and promoting social integration. Higher investment in social housing, especially

in areas connected to job centres and transports, and expanding targeted housing allowances would help to raise affordability and reduce social exclusion.

5. ***Strengthening incentives to accelerate housing renovation***. Higher carbon prices in the building sector, as planned at the European level from 2027, would provide strong incentives for renovating housing and shifting to lower-emission heating systems. In addition, implementing stricter regulation, including by extending coverage of high-quality energy performance certificates and relaxing voting rules for renovation works in multi-apartment buildings, together with targeted financial assistance to low-income households living in the most energy inefficient dwellings would help to further incentivise housing renovations, reduce energy poverty and advance environmental objectives.

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Towards a sustainable recovery in the Slovak Republic

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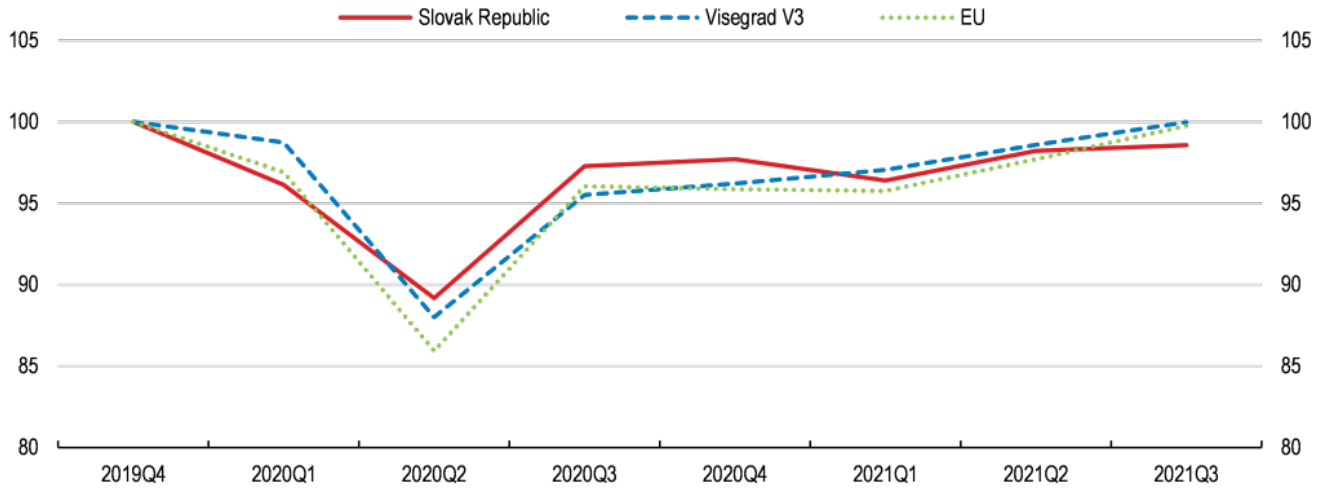
By Hyunjeong Hwang and Oliver Roehn, OECD Economics Department

The COVID-19 crisis has disrupted the remarkable progress in lifting living standards of Slovakia, which had consistently ranked among the fastest-growing OECD economies since 2000. Timely policy support, including job retention schemes, limited the impact of the crisis. However, GDP still remained around 1.5% below its pre-crisis level in the fall of 2021 (Figure 1), as global supply chain disruptions together with subsequent waves of the pandemic have slowed the recovery.

With about half of the population still unvaccinated, moving beyond the crisis will first and foremost require continued efforts to accelerate vaccinations, including by enhancing trust in vaccinations and tackling misinformation. At the same time, targeted and flexible policy support to the most vulnerable households and firms should be maintained until the recovery is self-sustained. The government’s recovery and resilience plan and substantial inflows of EU funds will strengthen the recovery, provided that investments and accompanying reforms are implemented effectively and in a timely manner.

Figure 1. Activity has rebounded but the pace of the recovery has slowed

Real GDP, index 2019Q4=100



Note: Visegrad V3 includes Czech Republic, Hungary and Poland.
Source: OECD Economic Outlook: Statistics and Projections database.

Beyond the immediate priority to minimise the human and economic costs of the pandemic, the OECD Economic Survey of the Slovak Republic 2022 highlights two key economic policy challenges in the medium term: (i) addressing the challenges of rapid population ageing, and (ii) boosting productivity and sustainable economic growth.

I. Addressing the challenges of population ageing

Slovakia's population is ageing rapidly. The share of the working-age population is expected to shrink by about a fifth between 2021 and 2050, which will weigh on future economic growth. Expenditures for pensions, health and long-term care are estimated to rise more than 10 percentage points of GDP by 2070, one of the largest increases among EU countries (Figure 2). This puts fiscal sustainability at risk, exacerbating the fiscal challenges from the COVID-19 crisis.

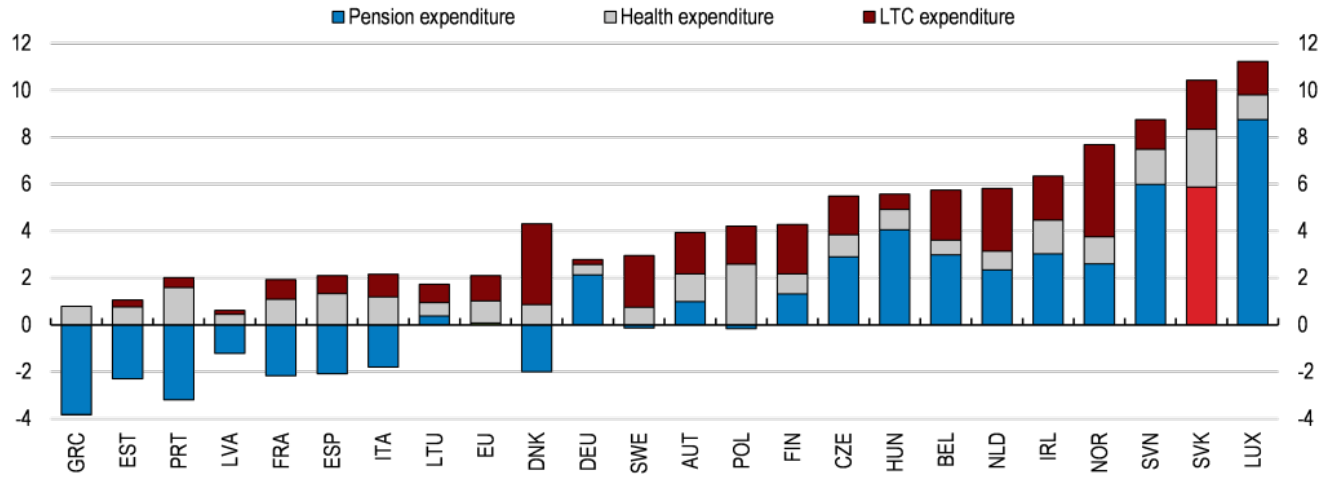
Addressing the challenges of ageing will require longer working lives and higher efficiency of public spending, through a combination of pension, health, long-term care, and labour market reforms. Slovaks retire earlier than people in other OECD countries, reflecting a low statutory retirement age, many pathways to early retirement, and poor health outcomes. Extending working lives by re-linking the retirement

age to life expectancy and tightening pathways into early retirement would significantly improve the sustainability of the public pension system and ensure adequate pension income in the future. Improving health outcomes is also essential to prolong working lives. Health and long-term care reforms should include improving preventative care, enhancing efficiency in hospitals, increasing the number of general practitioners and expanding home and community based long-term care. At the same time, labour market reforms should aim to help more mothers, low-skilled persons, Roma and older workers integrate into the labour market to mitigate the impact of a shrinking work force.

Such a reform package should be part of a medium-term consolidation strategy. Strengthening the medium-term fiscal framework, including by implementing multi-annual spending ceilings and by better integrating spending reviews into the budget process, can help improve spending efficiency.

Figure 2. Ageing-related public expenditures are expected to increase rapidly

Change in expenditure between 2019 and 2070, % points of GDP



Source: European Commission (2021), "The 2021 Ageing Report: Economic and Budgetary Projections for the EU Member States (2019-2070)", Directorate-General for Economic and Financial Affairs, Institutional Paper 079, Luxembourg.

II. Boosting productivity and sustainable growth

Productivity growth and economic convergence to high-income OECD countries has slowed since the global financial crisis. Sustaining productivity gains, historically largely based on integration into global value chains by foreign-owned firms, is essential to increase living standards in an ageing society. This will require strengthening Slovakia’s own capacity to innovate, adopt new technologies and make the most of the digital transformation.

Education reform needs to be at the forefront of these efforts to improve the opportunities of all children and ensure adequate skills of adults in a digitalised economy. This will require enhanced access to affordable early childhood education, better training and pay for teachers, improved opportunities of children from disadvantaged families, strengthening the responsiveness of the educational system to labour market needs and investing in adult learning. In addition, helping firms adopt new technologies, raising R&D spending and enhancing the business environment would help strengthen Slovakia’s capacity to innovate and benefit from the digital transformation. It is also vital to attract highly skilled workers from abroad, including Slovaks who have emigrated for their studies.

Finally, reaching carbon neutrality by 2050 will require additional policy action. A higher and more consistent pricing of carbon across sectors would help ensure the associated costs are minimised, together with further efforts to improve energy efficiency and boost renewable energy. Planned investments in housing renovations including the replacement of inefficient and high-emission boilers and heaters will improve energy efficiency and reduce air pollution, which remains a serious health concern. More rigorous climate policies will have distributional impacts, requiring compensations for the most vulnerable households.

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The Slovak labour market during the pandemic – who is at risk and how to protect all workers?

Category: Slovakia,Uncategorized
written by oecdecoscope | July 21, 2026
by Gabriel Machlica, OECD Economics Department

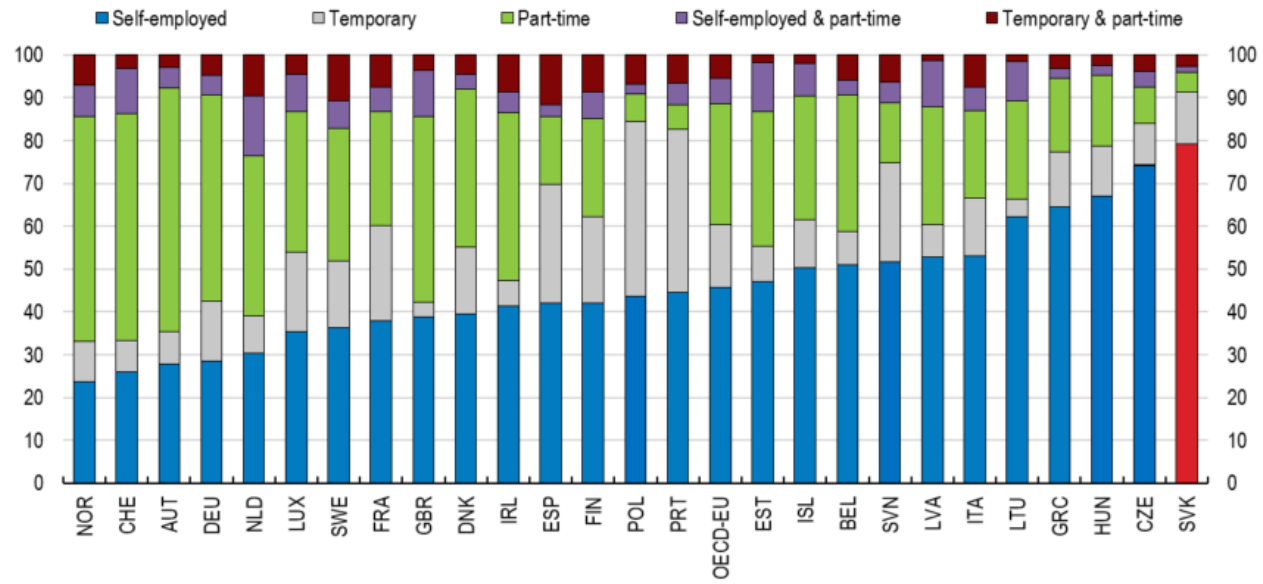
The COVID-19 pandemic triggered the most severe economic recession since World War II, causing enormous damage to people's health, jobs and well-being. The Slovak economy is expected to decline by more than 11% in 2020 if a second wave of infections requiring renewed lockdowns hits before the end of this year (OECD, 2020a). The pandemic could lead to lasting demand changes and structural shifts in the economy. Real per capita income will fall to the level of 2015, implying a loss of five years of income growth. The unemployment rate will reach almost 10% this year. Around 100 thousand people could lose their jobs, with vulnerable workers at risk to bear the brunt of the crisis. In Slovakia, these high-risk groups include (i) the non-standard workers, particularly the self-employed and the temporary workers, (ii) the marginalised Roma community and (iii) young people. Well-targeted labour market activation policies should be coupled with a strong social safety net, to mitigate the inevitable adjustment costs of moving towards new jobs.

Who is at risk?

Non-standard workers are vulnerable to the loss of income as a result of the widespread shutdown. Since March, approximately 26% to 40% of Slovak workers have been directly affected by containment measures (NBS, 2020; OECD, 2020c). The most affected sectors were tourism and those services involving contact between consumers and service providers. In this respect, non-standard workers are particularly vulnerable, as they have less protection, they are less likely to receive any form of income support during out-of-work periods than standard employees, and when they do receive benefits they are often significantly less generous than for standard employees (OECD, 2019a).

In Slovakia, non-standard workers accounted for one third of workers directly affected by containment measures, most of them self-employed (Figure 1). Over the last decade, the favourable tax treatment of self-employed workers led to an increase in the number of regular employment contracts disguised as self-employment contracts (Remeta et al, 2015). The share of own account self-employed workers who earn most of their income from just one client is the highest in the OECD (OECD, 2019a). The other group at high risk are temporary workers, particularly the workers with contracts of agreement for work performed outside an employment relationship, so-called ‘work agreements’. They have been significantly affected by the initial impact of the crisis (IFP, 2020). These groups are particularly vulnerable as their dismissal is less costly for employers and leaves them with less protection compared to standard workers.

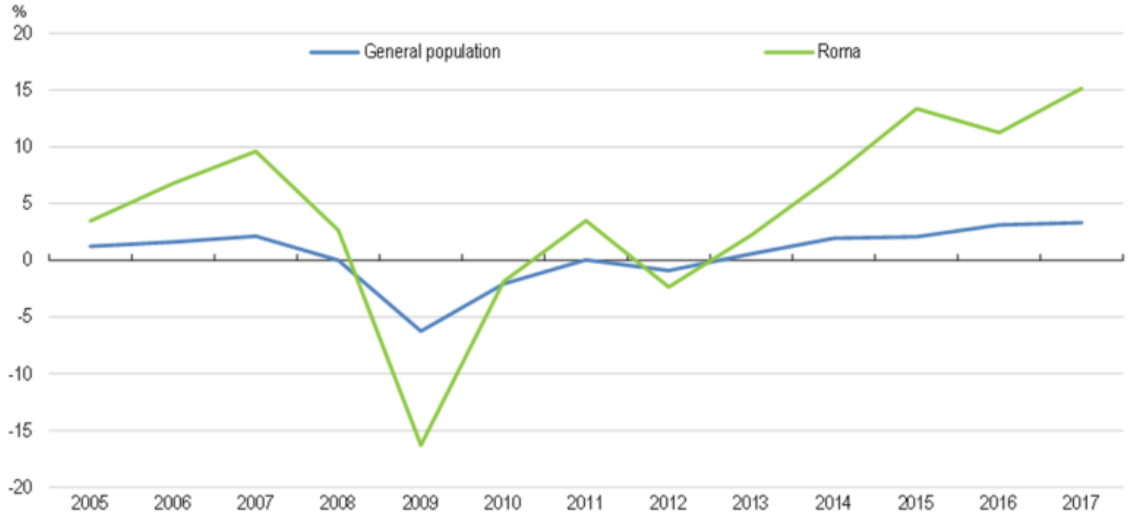
Figure 1. Composition of non-standard workers in activities most affected by containment measures across European OECD countries, percent of non-standard employment in affected sectors, 2018



Source: OECD (2020), "Issue Note 4: Distributional risks associated with non-standard work: Stylised facts and policy considerations", in *Issues notes on macroeconomic and structural policy issues related to the COVID-19 outbreak*, OECD Publishing, Paris, https://doi.org/10.1787/7f54e942-en.

The Roma community is highly vulnerable to economic shocks. Roma account for almost one-tenth of the population in the Slovak Republic. Their labour market outcomes are much weaker compared to the general population, but have been considerably improving in the last couple of years (Machlica et al. 2019). However, they remain at particular risk during a downturn as they are mostly low-skilled and work in seasonal, temporary jobs which are much more affected by the economic cycle. Indeed, their employment reacts much more strongly to the economic cycle (Figure 2). In addition, many Roma work in the informal economy, which increases their income insecurity, as they are not entitled to unemployment benefits when they are out of work (Gatti et. al, 2016). All these factors place Roma at a higher risk of falling into poverty when faced with a health or employment shock. This is a significant concern as the vast majority of Roma have been at risk of poverty even before the crisis and almost one-third was living in households where at least one person went to bed hungry in the past month (Machlica et al. 2019).

Figure 2. Employment of Roma is volatile
Employment growth (%)



Source: Bednarik, M., S. Hidas and G. Machlica (2019), "Enhancing the social integration of Roma in Slovak Republic", OECD Economics Department Working Papers

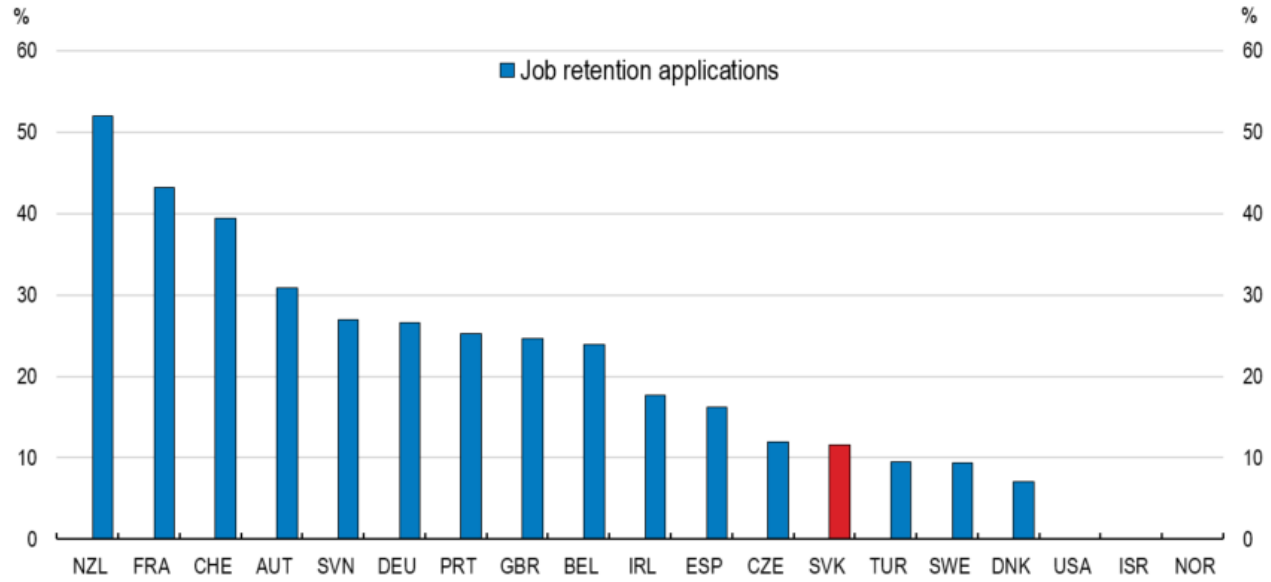
The crisis can significantly worsen the labour market prospects of youth as the initial labour market experience can have a profound influence on later working life. This year's graduates will leave schools and universities with poorer chances of finding employment or work experience. This is a particular concern because of scarring effects that may lead to long-lasting negative labour market outcomes (Bell and Blanchflower, 2011; Helbling and Sacchi, 2014). Young people indeed appear most severely affected by the crisis as they generally work in less secure jobs, and are overrepresented among workers in hard-hit industries such as accommodation and food services (OECD, 2020b).

Protecting all workers

The Slovak government has rightly put in place a number of measures in response to the COVID-19 crisis, including incentives to preserve existing jobs, but the take up was much lower than in other OECD countries (Figure 3). These job retention schemes can help limit increases in unemployment and promote a quicker labour market recovery by reducing costs of matching employers to employees. However, this support should not be indefinite as it hampers the necessary reallocation of workers to new jobs (OECD, 2020a). Consumers may emerge from

lockdown with new spending habits requiring new jobs, and the long-term preservation of existing jobs may not be efficient. The longer the recovery from the crisis takes, the more should the policy focus shift from “protecting jobs” towards “protecting workers”, providing them with expanded unemployment insurance and an effective activation framework to improve their employability. Strong activation policies can help mitigate some of the inevitable adjustment costs of moving towards new jobs.

Figure 3. Applications for participation in job retention schemes
Early March to end-May (or latest available date), % of labour force



Source: OECD (2020a), OECD Economic Outlook, Volume 2020 Issue 1, OECD Publishing, Paris

Vulnerable groups require special attention. First, the government should ensure adequate social safety nets to avoid the risk of some groups falling through the cracks of existing social protection system as outlined in a recent OECD report (OECD, 2020d) In the medium term, there is a need to enforce a clear distinction between self-employed and employee status. Many OECD countries are tackling false self-employment by reducing incentives for firms and workers to misclassify employment relationships, putting in place tests and criteria for assessing employment relationships and increasing the capacity of labour inspectorates to monitor and detect breaches (OECD, 2019a).

A strong social safety net should be coupled with an extensive

activation framework, which in the case of the Roma community should reflect their specific constraints such as poor health, housing and transport issues, indebtedness or limited availability of childcare. Tailored measures should offer a mix of training, counselling and mentoring programmes. Collaborating and outsourcing some of these services to non-governmental providers with a good track record of high-quality support for the Roma can help ease capacity constraints of the Public Employment Services. The OECD report on the social integration of the Roma in Slovakia suggests that more coordinated interventions in different policy areas are needed to avoid further exclusion of the Roma, as interventions in one area will not work without others (Machlica et al. 2019). For the young unemployed, training complemented by subsidies to private employers offering on-the-job training can improve skills and employability (OECD, 2019b). For example, Australia and Denmark as part of its economic response to COVID-19 have introduced wage subsidies to help companies maintain or expand their apprenticeship and in-firm training programmes (OECD, 2020b).

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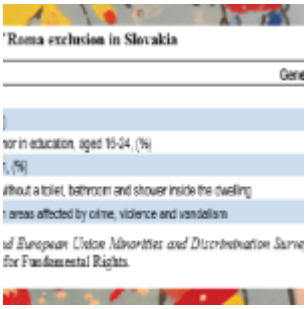
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The social exclusion of Roma in the Slovak Republic calls for immediate policy action

Category: Inequality,Slovakia,Uncategorized
written by oecdecoscope | July 21, 2026



by Gabriel Machlica, Slovak Republic Desk, OECD Economics Department



The Slovak Republic has one of the continent’s largest Roma populations. Estimates differ, but it is assumed that they account for about 8% of the population The Roma communities vary based upon geographic location and the level of integration. Nevertheless, the average level of ethnic segregation is exceptionally high and Roma face social exclusion in almost every aspect of everyday life (Table

1.1.).

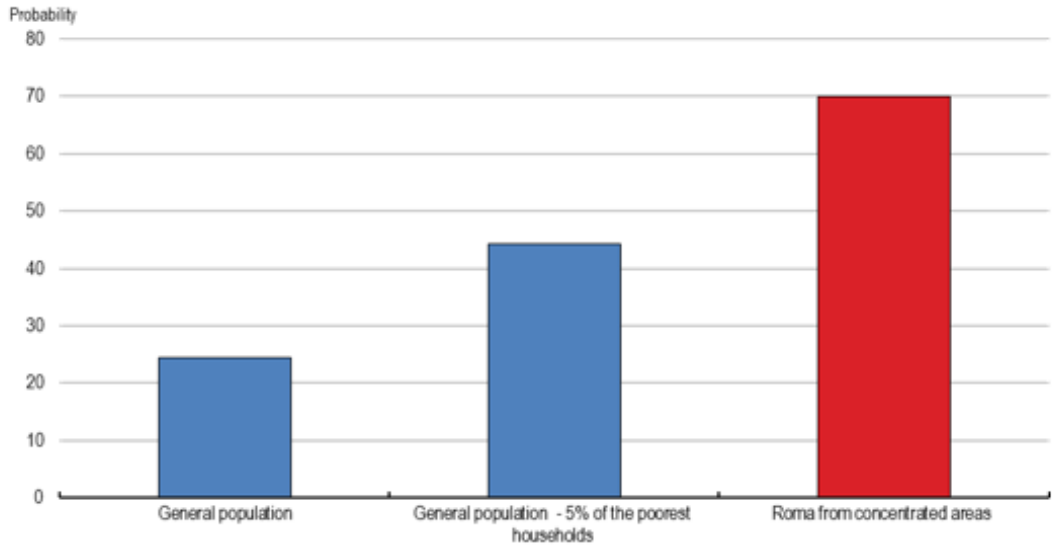
Table 1. Selected indicators of Roma exclusion in Slovakia

	General population	Roma
At-risk-of-poverty rate (%)	13	87
Employment rate, 20-64, (%)	68	25
NEET rate - neither in work nor in education, aged 16-24, (%)	14	65
Drop-out rate from education, (%)	7	58
Share of households living without a toilet, bathroom and shower inside the dwelling	0.6	43
Share of households living in areas affected by crime, violence and vandalism	8.7	30

Source: EU (2016), *Second European Union Minorities and Discrimination Survey, Roma – Selected findings*, European Union, Agency for Fundamental Rights.

The Roma can be trapped in a cycle of poverty for generations. If a child starts her or his life with limited access to education and lives in poor housing conditions, there is a high probability she will end up in poverty too. Indeed, results for Roma show exceptionally weak upward social mobility between generations. The probability that Roma born in concentrated residential area become unemployed or earn less than minimum wage in irregular work is almost 70%.

Figure 1. Intergenerational mobility of Roma living in concentrated residential areas is low
Probability of being unemployed or earning less than a minimum wage according to parents' economic and ethnic status



Source: OECD calculation based on J. Rizman (2018), "Jablko padá ďaleko od stromu", Institute for Financial Policy, Ministry of Finance of the Slovak Republic, Policy Brief, No. 09.

Investment in Roma integration cannot only help improve the well-being of disadvantaged groups, but also yield positive fiscal returns from improved employment prospects. The Economic Survey of the Slovak Republic shows that increasing the Roma employment rate and their productivity to the level of the general population by the end of 2060 would increase GDP by more than 12% with the economy growing faster on average by 0.3 p.p. per year.

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OECD (2019), OECD Economic Surveys: Slovak Republic 2019, OECD Publishing, Paris,https://doi.org/10.1787/eco_surveys-svk-2019-en

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Slovakia…it’s time to invest in the future

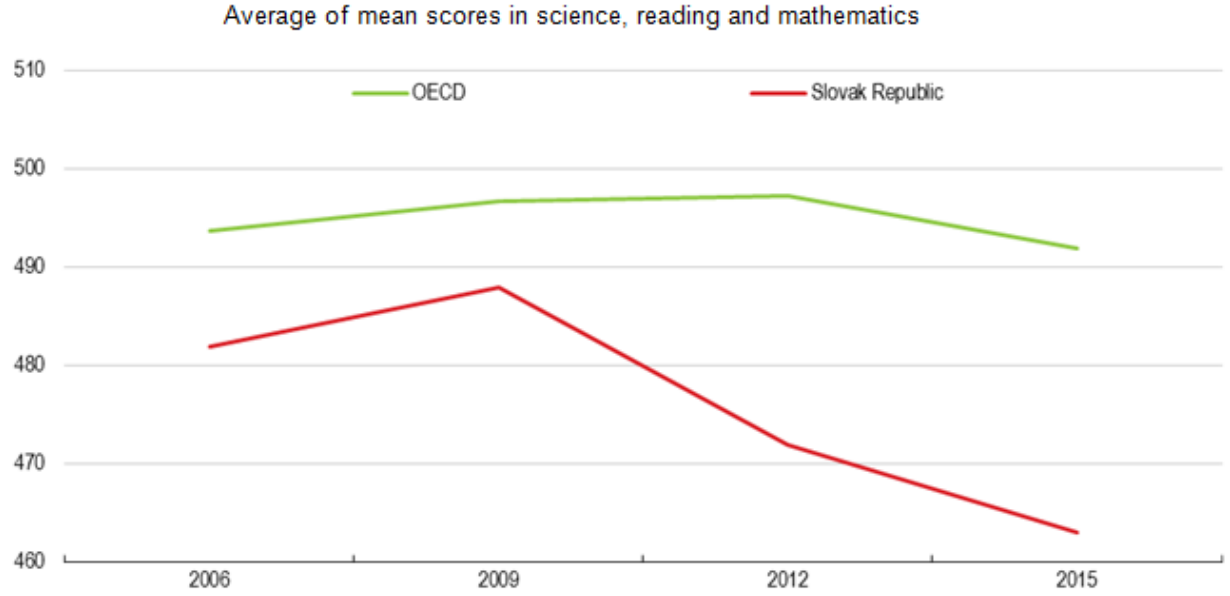
Category: education,Slovakia,Uncategorized
written by oecdecoscope | July 21, 2026
by Gabriel Machlica, Slovak Republic Desk, OECD Economics Department

The Slovak Republic continues to exhibit robust economic performance. International competitiveness is strong, fiscal and financial policies are prudent, poverty and income inequality are low, and the country’s environmental footprint has improved markedly. Employment is rising, prices have been stable, and the external account is near balance. However, there are persistent, substantial public-sector deficiencies, which weigh on the wellbeing of the population and can

undermine the sustainability of the economic expansion. These are mostly visible in terms of education and health-care outcomes.

The Slovak education system is not properly preparing students for the labour market. PISA outcomes for 15 year-old Slovaks are weak in international comparison and have deteriorated over time (Figure 1). At the same time, secondary schools fail to overcome the differences in learning outcomes stemming from students' socio-economic backgrounds. Almost one-third of 15 year-old Slovak students did not obtain even a basic level of proficiency in assessed subjects. This is worrying, as weaker students have limited access to employment and better paying jobs. Slovak tertiary education is among the weakest in the OECD. University research quality as measured by international rankings is low even in a regional comparison. As a result, an increasing number of students choose to study abroad to get a better education.

Figure 1. Students' education outcomes are weak and deteriorating



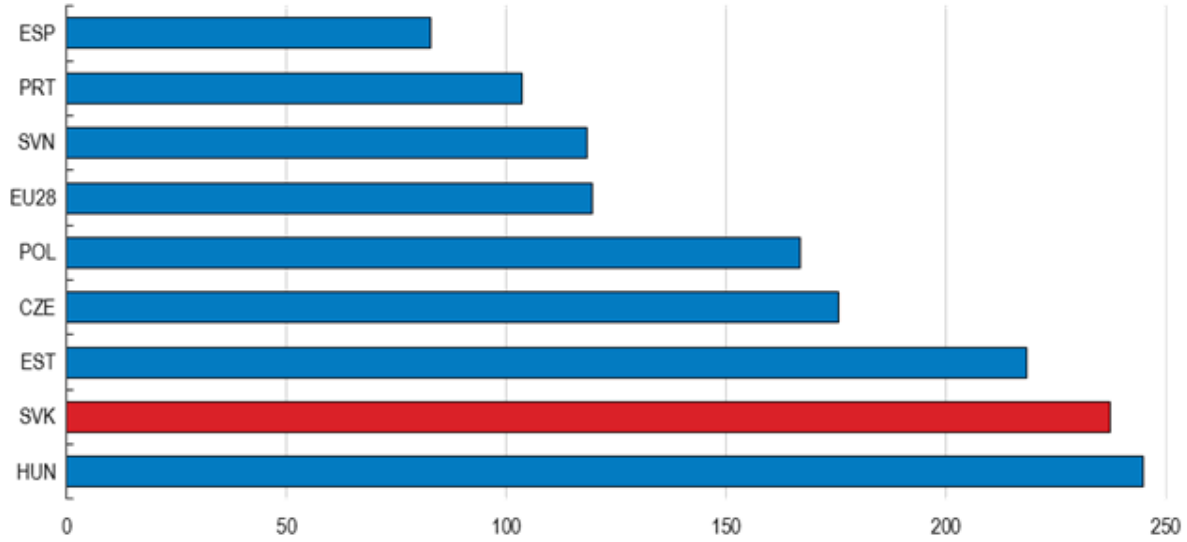
Source: OECD (2016), *PISA 2015 Results (Volume I): Excellence and Equity in Education*.

Regarding health-care outcomes, Slovakia ranks poorly in international comparisons. Life expectancy at birth is shorter than in countries with similar or lower living standards. Life expectancy at 65 and health-adjusted life expectancy are among

the lowest in the OECD. Infant mortality is high and more people in Slovakia die of diseases that could have been prevented (Figure 2). Improving the health-care system could bring large gains in well-being. For example, improving it to the EU level could save about 5000 lives per year.

Figure 2. Preventable mortality[1]

Deaths per 100 000 inhabitants, 2013



1. Defined as deaths from selected disease groups that could have been potentially avoided through good quality health care. Data based Eurostat's list.

Source: OECD (2016), *OECD Health Statistics (database)*; Eurostat (2016), *Health Statistics (database)*.

Over the last decade the Slovak economy has improved markedly in terms of macroeconomic fiscal and financial-stability outcomes. Nevertheless, it is important to undertake significant reform of the public services, especially education and health care, in order to spread the benefits of solid economic performance more equitably across Slovak society.

Further reading:

OECD (2017), *OECD Economic Surveys: Slovak Republic 2017*, OECD Publishing, Paris, http://dx.doi.org/10.1787/eco_surveys-svk-2017-en

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Inštitút vzdelávacej politiky, Ministerstvo školstva, vedy, výskumu a športu SR.

U21 (2016), *Ranking of National Higher Education Systems*, Melbourne Institute of Applied Economic and Social Research, University of Melbourne.

Where should Slovakia look for workers?

Category: Labour markets,Slovakia,Uncategorized
written by oecdecoscope | July 21, 2026
by Gabriel Machlica, Slovak Republic Desk, OECD Economics Department

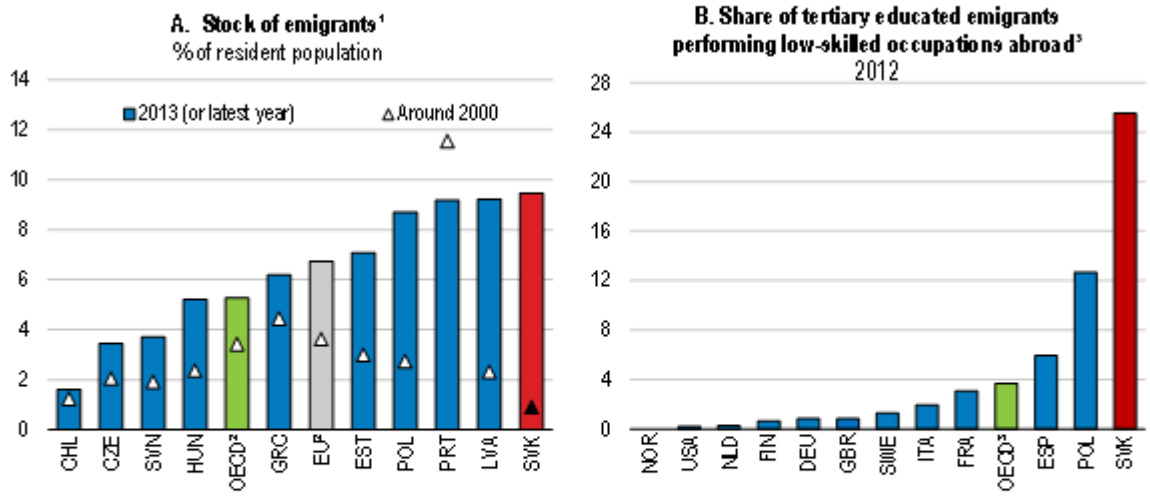
Slovakia’s economy continues to perform extremely well. More and more people are able to find jobs. Employment and hours worked are already at the highest since independence. The unemployment rate has fallen below historical norms. Nevertheless, more qualified people are needed. Difficulty in hiring qualified labour has become the main complaint of Slovak businesses. Shortages affect over half of all manufacturers and are particularly acute in the automotive sector. More than 80% of the sector’s suppliers signalled that labour availability and quality are major problems. Moreover, the demand for qualified IT workers is estimated to be four times the supply.

In this regard, the 2017 Slovak Economic Survey argued that the authorities should step up efforts to improve education, ease barriers for foreign workers and enhance labour market access for disadvantaged groups. At the same time, more focus should be placed on the large Slovak diaspora and encourage

them to return home.

Almost one-tenth of the population now lives abroad, which is well above the OECD average (Figure 1, Panel A). Most of them left the country in the last decade. Slovak emigrants are mostly young and educated. Unfortunately, many Slovak emigrants with tertiary education work in low skilled jobs abroad (Figure 1, Panel B), which represents sunk costs for the education system.

Figure 1. The stock of emigrants is internationally high



1. Emigration stocks are computed with reference to a sample of 34 OECD countries of destination for which immigrant data by country of birth (stocks) are available.
2. Unweighted average.
3. Skilled and elementary occupations are defined based on the ISCO classification.

Source: OECD (2016), *OECD International Migration Statistics (database)*; OECD (2016), *OECD Economic Outlook: Statistics and Projections (database)*; Eurostat (2016), *Population Statistics (database)*; OECD (2013), *OECD Skills Outlook 2013 Database*; and

The government should try harder to attract return migrants. Although there are already two schemes to do so, they both support only a limited number of individuals with marginal impact. The authorities should scale up these programmes and monitor their effectiveness to ensure continuing good value for money. More importantly, the government should also develop a comprehensive strategy to maintain ties with the large expatriate community. A new information system could connect with the diaspora and facilitate its engagement. It should be able to target and address emigrants soon after emigration, as the probability of return decreases after five

years of living abroad. Many OECD countries are providing online portals with details on job, training and business opportunities. These portals also help young adults studying abroad find information about work and internship offers back home, and companies could use the contact network to find employees among those studying abroad.

Encouraging emigrants to return home can help to increase the supply of skilled labour. This will address labour shortages. At the same time return migrants can bring home new skills, networks and financial capital, which can help spur innovation and growth.

Further reading:

OECD (2017), *OECD Economic Surveys: Slovak Republic 2017*, OECD Publishing, Paris. http://dx.doi.org/10.1787/eco_surveys-svk-2017-en

Pungas, E., O. Toomet, T. Tammaru and K. Anniste (2012), "Are Better Educated Migrants Returning? Evidence from Multi-Dimensional Education Data", *NORFACE Migration Discussion Paper*, No. 2012-18. www.norface-migration.org/publ_uploads/NDP_18_12.pdf