

Anna BurdováPrešovská Univerzita V Prešove
ORCID: 0000-0002-8792-8615**ANALYSIS OF SOCIO-ECONOMIC IMPACTS
OF UNEMPLOYMENT ON THE POPULATION OF SLOVAKIA**

Unemployment is an all-society political phenomenon, which has been part of our democratical society based on market economy, for more than twenty years. It means for the society serious economic, cultural and societal problems. It belongs to the modern society and its current societal occurrences. It is connected with the functioning of the employment market, although it is not only its problem. It is originating as a result of complex processes and occurrences in the economic, social and political field. There does not exist an obvious solution, but there are different approaches to the comprehension of the character of unemployment. It is influencing the economic efficiency of all the European countries. It is ballasting the social systems and slowing down the growth and development of every society. Decreasing of the extent of unemployment belongs to the most important priorities of all the governments in every member state of the European Union.

Unemployment is the cause of the negative changes in the social life and in the concept of the life of the unemployed. The loss of employment means for one negatives in form of decreasing of living standards, breaking of social safety and exclusion of social relationships. Unemployment is a serious problem, whereby an individual needs help and backup, because this problem is concerning not only the unemployed alone, but his family, his surroundings and the whole society as well. Because of this the state is endeavoring on creating possibilities, which are supposed to help the unemployed to find a position on the employment market. The state is reducing or avoiding the negative impact of unemployment on the life of a person by means of instruments and arrangement of the politics of employment. The loss of employment and unemployment belong in the life of a human to serious social phenomena, which is weighing in the fundamentals of the existence. The forced fallout from work has got provable negative impacts of economic, social, psychological and medical nature. It is a life event, which forces

a person to change his run-in schedule and it means a challenge to be overcome. Accompanying feature, when going through this social event is the occurrence of dangerous factors, such as negative emotions, loneliness, powerlessness, despair, addiction and violence¹.

Unemployment has become a phenomenon, which had markedly influenced the development of Slovakia after year 1989 when the period of changes appeared in every field of the country's life. In the previous social system was the employment market was deformed by the functioning of the centrally planned economy, the notion of unemployment did not exist and a person without occupation was considered a parasite of the society. Every citizen had the right to work but also an obligation to work. After introducing of the first precautions towards the market economy, began the unemployment to fully appear and contemporarily no one can say that the problem of unemployment is not related to it.

Research works and scientific papers have proved that the massive growth of unemployment is causing not only serious economic problems of the state and the individuals, but these people can also have disturbed physical health and with the increasing unemployment is increasing the danger of some unwanted social-pathologic occurrences as well, for example using of alcohol and drugs, criminality, divorce rate or domestic violence. The number of the people who are in material destitution, are entirely dependent on the help of the state and are not able to solve their personal concerns without a help of another person, are currently increasing. The most vulnerable group of people who had lost their employment are, considered the health-disadvantaged, graduates, older people who are over fifty years old, people with low qualification or without qualification (mostly the gipsy community). The highest amount of people who are drawing every month unemployment benefit are in Košice (35868) and Prešov (40696) region, the next is the region of Banská Bystrica (27959) and the less collectors are in the region of Bratislava (11905).

Table 1. Unemployment benefits paid, number of cases and average amount of benefit in 2016, 2017, 2018

Number of recipients of unemployment benefit paid			Number of unemployment benefits paid			Average unemployment benefit		
2016	2017	2018	2016	2017	2018	2016	2017	2018
123 951	118 786	124 222	470 236	431 847	451 523	367,9	391,7	409,7

¹ B. Balogová a kol., *Výbrané kapitoly zo sociálnej patológie*, Prešov 2003.

Unemployment represents for every person a different life experience, and the absence of a job brings for every unemployed different personal consequences, which can be divided into economic (financial, decrease of living standards), psychological (decrease of self-confidence and self-esteem), sanitary (somatic and psychological problems) and social (the loss of the social status, problems in the family). Unemployment is an attendant phenomenon of every market economy. The search for the causes of unemployment and the possibility of its solution is the central point of concern of economic policies of most of the governments of the world's states. In Slovakia is every ministry putting the search for the solutions of unemployment for one of their main aims too. Unemployment is a global problem of the mankind but on the other hand it is an internal problem of every country. The institute of employment is funding the participation of every person in the growth of economics, the way it is defined in the strategy Europe 2020. In Slovakia's conditions this goal could be achieved through inclusive employment. A serious problem is representing not only the number of unemployed people, but the structure of the unemployed as well. The structured of unemployed people in Slovakia is not adequate to the requirements of the employers who are offering available workplaces (the level of education, structure of qualification and discrimination in the attitude to employment market). The high number of unemployed is often generating positive pressure towards another decreasing of the salary of the currently employed people and is enforcing the willingness to work for unworthy rewards. Besides the number of the unemployed another very serious problem is the compound of the unemployed people from the aspect of the length of their unemployment. From the whole amount of the unemployed the biggest group is the group of unemployed in long term (they are losing their work habits). In the process of the transformation of the Slovak economy after year 1989 there was recorded a rapid growth in 1991, when the average rate of unemployment has reached 6,62 %. Compared to year 1991, when the rate of unemployment was achieving only 0,56 %, the rate of unemployment has risen twelve times².

Table 2. The development of the rate of unemployment in Slovakia in years 1990–1999 in %

Year	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Rate of unemployment in %	0,56	6,62	11,39	12,68	14,38	13,76	12,63	12,94	13,67	18,2

² B. Buchtová et al., *Nezaměstnanost*, 2. přepracované a aktualizované vydání, Praha 2013.

An important milestone was the entrance of Slovakia into the European Union (EU). Although the unemployment in Slovakia was growing much slower than was the average in EU, still it belonged to the countries with the highest rate of unemployment. The rate of unemployment was in Slovakia in 2012 moving around 14 %. The rate of the unemployed on long term basis in Slovakia has scaled up in 2012 from 50 % to 67 % from the group of all of the unemployed people. In year 2012, every third young person (34%) in Slovakia did not work from the group of the young people under 25 (National Bank of Slovakia, 2013)³.

Table 3. The development of the rate of unemployment in Slovakia in years 2005–2018 in %

Year	2005	2006	2007	2008	2009	2010	2011
Rate of unemployment	11,4	9,4	8	8,4	12,7	12,5	13,6
Year	2012	2013	2014	2015	2016	2017	2018
Rate of unemployment	14,4	13,5	12,8	11,5	9,5	5,94	5,04

If we want to find an effective solution for the unemployed on long term basis first we have to consider the barrier between the number of the unemployed on long term basis and the number of the available workplaces. One of the characteristic occurrences of unemployment in Slovakia is mostly the regional differences. The most affected region with a notable extent of unemployment, which are going through re-structuring of industry, destitute agricultural regions, and regions with inappropriate traffic accessibility and places distant from big cities. From this point of view the most endangered are the region of Košice and Prešov.

The primary tools of politics of a state, when solving a serious situation on employment market, are the arrangements of active policy of employment market. An important role are having the tools, which are designed to boost the creating of new workplaces aimed for disadvantaged groups of applicants for employment. The most commonly used tools of active policy of employment market (APEM) in districts with the highest number of unemployed of according to the act of legislative Zákon č. 5/2004 Z. z. o službách zamestnanosti a o zmene a doplnení niektorých zákonov are the following in table:

³ Európa 2020. Stratégia na zabezpečenie inteligentného, udržateľného a inkluzívneho rastu, Brusel 2010, http://employment.gov.sk/kom_2010_2020.pdf (1.02.2019).

Table 4. Contributions from the Labor Office

Tool of APEM	Created workplaces in	Drawing of funds
	2016 / 2017	
§ 49 Allowance for self-employed gainful activities	1951 / 2667	8 220 483 / 9 543 242
§ 50 Allowance for contribution of employment of a disadvantaged applicant for employment	1739 / 2699	7 054 949 / 5 807 186
§ 51 Allowance for performing of graduate practice	5683 / 5439	3 446 954 / 2 914 052
§ 60 Contribution to cover the running costs of a sheltered workshop or sheltered workplace and the transport costs of employees	9723 / 9763	26 633 613 / 28 467 161

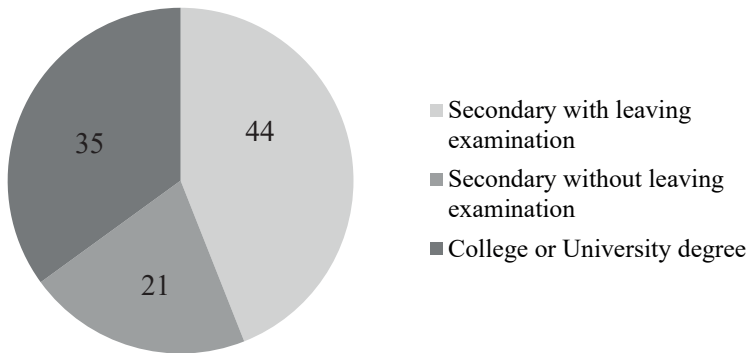


Chart 1. Achieved level of education of graduates in graduate practice

The loss of job belongs to the psycho-social events in the life of a person, which has got a significant impact on the health. The affected person responds usually first of all with emotions. The result is the worsening of the social terms. Excluding a person from his working process brings besides the social problems health implications as well. The loss of emotional, social and financial back-up or the fear of its loss, are the sources of stress with a serious impact on the physical and mental well-being of a human. The high amount of forced leaving of the employment in the list of the life events is approving the assumption, that the loss of employment is for a lot of people a traumatizing event which results in sickness absence. High rate of unemployment, unsatisfactory health condition of

the population, unfavorable social factors, insufficient legislative are allocating the unfavorable indexes of development of temporary incapacity to work (IW). Alarming index is the fact, that from year to year is increasing the amount of children with overweight, allergies, and psychical diseases, which are responsible for invalidism in youth. The social insurance company had paid in the first half-year in 2019 almost 1 107 175 sickness benefits in the total amount of 381 million Euros. On the amount of paid sickness benefits (SB) and on the amount of sums we can follow the development of sickness absence and the contribution of the state for charges in the field of health insurance in years 2017–2018⁴.

Table 5. Comparison of the amount of sums paid for sickness benefits in years 2017–2018

Year	Amount of paid SB	Sum of paid SB (in Eur)	Average monthly sum of SB paid at once in Euros
2016	1 777 893	310 819 367	236
2017	1 911 106	350 794 229	252
2018	2 019 863	390 343 373	328

High unemployment in region of Košice and Prešov is allocating a statistically high number of inoperable. Average length of a sickness leave in Prešov region was 49 days and in Košice it was 42 days, while the specialist community is allocating the matter of fact whether the treatment in the east Slovakia is taking more time than in the other regions. The reason behind it is, that people often try to solve their own existence with the help of sickness benefits.

Table 6. Comparison of the regions with the highest amount of people with incapacity to work

	Average % of temporary incapacity to work		Average lenht of incapacity to work	
	2017	2018	2017	2018
Slovakia	3,247	3,783	43,75 days	42,98 days
Prešov region	4,067	4,672	49,39 days	48,76 days
Košice region	3,341	3,860	42,55 days	42,43 days

Comment: Michalovce- the treatment of people lasted 58,77 days and in Poprad it lasted 62,03 days.

⁴ M. Hetteš, *Zamestnanosť a sociálna práca*, Bratislava 2013.

The most common diseases that led to the recognition of disability in the first half of 2019, with a rate of decline of over 70% in gainful employment, were cancer. Of the 2 703 newly reported disabilities, up to 1 394 were due to cancer (51.6%), with 42.5% for men and 63.1% for women – two out of three newly reported disabilities above 70 cancer.

Other diseases that led to such disability in the first half of 2019 varied according to the sex of the insured. Among men, the second most frequent group were circulatory diseases (15.2%), the third nervous system disease (10.2%) and the fourth mental and behavioral disorders (9.1%). Mental and behavioral disorders, however, were the second leading cause of disability recognition for women after tumors above 70% – this disease meant disability for 10.7% of women in the first half of this year. Nervous system diseases (6.4%) were women in the third place and circulatory diseases (4.6%) were the fourth most common group. Without gender differentiation, the most common groups of cancers were circulatory diseases (10.5%), mental and behavioral disorders (9.8%) and nervous system disorders (8.5%).

The average amount of full disability pension (over 70% of recognized invalidity) is currently € 379. The Social Insurance Agency pays 236 824 such disability pensions.

An example for comparison⁵:

The development of invalidism according to the sex and the age categories (Assessment of the 3 most serious diseases) in one year:

Disability (more than 70%) – 9 238 Together: Men + Women Age category

I. place	Tumors (Neoplasm)	2 925	31%	
	Malignance	2 235	30,43%	
	Other tumor	34	0,35%	
II. place	Diseases of circulatory system	1 534	19,02%	50-60
	High blood pressure (Hypertension)	677	7,02%	
	Ischemic heart disease (ICHS)	648	6,72%	
III. miesto	Mental disorder and behaviour disorders	1 386	16,45%	50-60
	Disorders caused by use of alcohol	38	0,47%	
	Disorders caused by use of addictive substances	2	0,01%	
	Cephalonia	55	0,67%	

⁵ D. Kelešiová, *Nezamestnanosť a jej sociálne a zdravotné dôsledky na dlhodobu nezamestnaných evidovaných na Úrade práce, sociálnych vecí a rodiny Trenčín. Absolventská práca*, Multimediálne centrum OADK, Dolný Kubín 2004.

Disability (more than 40%-70%) – 16 403 Together: Men +Women Age category

I. place	Diseases of muscles, scaffold and phoroblast	5 292	30,39%	50-60
	Coxarthrosis	630	3,42%	
	Dorsalgia – ache of the back	1 452	7,89%	
II. place	Mental disorders and behaviour disorders	3 051	18,21%	50-60
	Disorders caused by use of alcohol	432	2,35%	
	Disorders caused by use of addictive substances	31	0,17%	
	Cephalonia	388	2,11%	
III. place	Diseases of circulatory system	1 192	10,82%	50-60
	High blood pressure (Hypertension)	109	0,59%	
	Ischemic heart disease (ICHS)	1 199	6,52%	

Causes adversely affecting the development of disability:

1. Population morbidity

- cardiovascular system
- cancer
- mental illness
- musculoskeletal disorders

2. Causes affecting health:

(a) significantly affecting:

- Incorrect population lifestyles
- negative impacts of the environment and the working environment

(b) partially affecting:

- unemployment
- long waiting times for professional examinations / CT, NMR, operations /

(c) other causes:

- unfavorable financial situation in the health sector
- insufficient legislation

The worsening of the physical health was documented with the attendance of pathological and physical symptoms and with the increased use of healthcare services by unemployed people. In the regions with higher unemployment rate there was recorded a higher consumption of medicines as well.

In Slovakia was in 2017 expended 80,7 mil. packages of medicines on prescription, which are covered financially according to the public health insurance. Their consumption through the years had decreased 0,5 %. Health insurances spent on them 886,5 mil EUR (increase of 3,9 % compared to year 2015) and the supplementary payment of patients was 145,8 mil. EUR. The highest con-

sumption of prescribed medicines according to the qualification of the ATC group, was recorded with the medicines aimed to cure cardiovascular diseases (27,3 mil. packages), nerve diseases (13,7 mil.), alimentary canal and metabolism (8,6 mil). The most prescribed medicine was Novalgin 500 mg tabs, from which we consumed 1,3 mi. packages. Patients paid over-the-counter medicines for non-prescription medicines worth 181,9 million EUR. Over the counter extraordinary 38,4 mil. packages. According to the ATC group, they were purchased separately for the respiratory system (9,4 million packs), the digestive tract and metabolism (8,2 million packs) and the nervous system (6,8 million packs) and the musculo-skeletal system (5,7 million packs). Most purchased with no prescription PARALLEN 500 tbl 24x500 mg (blis. Al / PVC)⁶.

The mass-character of involuntary, long term unemployment is causing not only economic losses in every society but human, social and psychological losses as well. Causal connection between unemployment, democracy and market economy is not providing any possibilities for the elimination of unemployment. The only alternative is to look for ways, how to regulate unemployment and eliminate its unwanted impacts on the economics of the country and the affected person. Full employment rate, social progress, social inclusion, social protection, solidarity and unity belong to the preferred aims of the Treaty of European Union and the Treaty of the functioning of the European Union. Strategy Europe 2020 is striving for intelligent, maintainable and inclusive growth aimed to overcome the crisis, which is troubling a lot of member countries, by means of the European Union can create an intelligent, maintainable and inclusive economy for securing the high employment rate, productivity and social unity.

In the conditions of Slovak republic, can this goal be achieved through inclusive employment, which is a specific form of a state-secured chance for the long term unemployed, to get a standard job for a given period of time and increase his living standards and his chances on the open employment market. It is necessary to develop activities, based on which the circle of hard employable on the employment market would not expand, and in order for the unemployed not to lose their contact with the employment market and would not sink under inactivity. For the solution of unemployment it is necessary to secure interconnection between the educational systems, and the employment market so that the schools would dynamically react to the developmental trends on the employment market. It is important to create a system of effective social politics, which makes the conditions for undertaking a business attractive and motivating for a person to employ himself.

⁶ I. Ondrejka, A. Mažgútová, *Psychické poruchy pohľadu kvality života*, „Lekárske listy“ 2003, č. 36.

Unavoidable is the change in the attitude of an individual so that he understood the employment as way of self – realization, social effectiveness and function of life-long education, which wants to live and produce so that he can assert himself and prove his worth.

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Summary

Article focus deals with the issue of unemployment as a social – economical problem of the society. It refers to efforts of the government to create such opportunities to help unemployed people join the labor market and to start working process. The thesis specifies different tools and activities of employment and labor market policies, which are designed to mitigate and/or prevent adverse impact of unemployment on person's life.

Keywords: unemployment, social consequences of unemployment, psychological consequences of unemployment, mental health and unemployment.

ANALIZA SPOŁECZNO-GOSPODARCZEGO WPŁYWU BEZROBOCIA NA LUDNOŚĆ SŁOWACJI

Streszczenie

W artykule skoncentrowano się na kwestii bezrobocia jako problemie społeczno-gospodarczym. Odniesiono się do wysiłków rządu na rzecz stworzenia możliwości pomocy osobom bezrobotnym w wejściu na rynek pracy i rozpoczęciu pracy. Opracowanie określa różne narzędzia i działania polityki zatrudnienia i rynku pracy, które mają na celu łagodzenie i/lub zapobieganie niekorzystnemu wpływowi bezrobocia na życie człowieka.

Słowa kluczowe: bezrobocie, społeczne konsekwencje bezrobocia, psychologiczne konsekwencje bezrobocia, zdrowie psychiczne i bezrobocie