

SOCIAL PROTECTION IN SLOVAK REPUBLIC IN THE FIRST DECADE OF THE 21ST CENTURY

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Abstract: The article is a critical analysis of neoliberal approach to system of social protection in Slovakia, especially after the year of 2004, when a major reform of the Social Security Law and social policy took place. The focus is on specific sub-systems of the social protection – i.e. the system of social insurance, the system of state support and the system of social assistance – in the light of the constitutional and fundamental principles of law (liberty, equality, justice and solidarity), the actual content of the abovementioned systems of social protection and values and principles of the European social model of welfare state – and leads to author’s overview of major flaws and spaces for improvement.

Keywords: social protection, social insurance, Social Security Law, neoliberal reform, fundamental principles of law, European social model, solidarity, social justice

1 INTRODUCTION

Humanity has already witnessed the first decade of the third millennium – being confronted by process of globalization – that except of its economic dimension influences all spheres of human existence and contributes to deepening of socio-economic inequalities across the world.

Also we – the inhabitants of Central and Eastern Europe – evaluate the previous 26 years of the post-socialist era after the fall of the Iron Curtain. The beginning of transition period of social transition was characteristic by continuing belief and expectation that the foundations of basic social security such as paid employment and the right to work, accessible housing, gratuitous health-care and education, subsidised public transportation and culture etc. would always be a natural, inherent and automatic feature of societal organisation, and no struggle in this respect would be needed or required. Voices that warned against limitless strengthening of the role of the market and reduction of the role of the state to its minimum – shifting the power-dynamic very quickly and leading to collapse of most of the locally-built industries and enterprises – i.e. extensive de-industrialisation, transformation of the national property into private one through process of privatisation, followed by deregulation, liberalisation, reduction of direct taxation for the benefit of increasing the indirect one, elimination of trade unionisation and trade unions’ impact on employment and wages – were considered to be the enemy of free-market and new political freedom as such. In those hectic times, few had realised that „capitalism as heartless asocial system“ would prevail.¹ In other words, the neoliberal policies of the so-called Washington consensus, despite the fact that they had previously

¹ HAUSER, M. Kapitalismus jako zombie neboli Proč žijeme ve světě přízraku (Capitalism as a zombie or Why we live in the world of phantoms), pp 210–212.

proved socially damaging in other parts of the world, were presented as the best and only alternative and condition *sine qua non* political freedoms or democracy could be realised. Such neoliberal form of the capitalist system was then euphemically defined as „socially and ecologically oriented market economy“ and in 1993 found its official expression in the Article 55 (1) of the Constitution of Slovak Republic.

2 SOCIAL REFORMS IN SLOVAKIA AFTER 1993 TILL PRESENT

The impact of political and economic transformation was also reflected in the area of social policy, formed at its core by the system of social security that is from 1991 also subject to a specific branch of law. This – known as the Social Security Law, then evolved in three consecutive stages of development.

In the decade between 1993 and 2003 the critical approach towards the previous forty years of the state paternalism characteristic for universal or „collectivist“ model of social policy prevailed, claiming that such system promoted passive individual attitude and suppressed individual responsibility for one’s own future. The proposals of the time therefore stressed a need for introduction of social insurance schemes and co-participation of the employees on their financing, as well as re-introduction of the private pension schemes. The social reform scenario stemmed from strengthening of the role of the market according to theories of the minimum state of Milton Friedman, Friedrich von Hayek, Robert Nozick and other neoliberals whose works became an ideological basis for all socio-economic reforms.

The new concepts in social security such as parental allowance for parents (of the newly born child), pension for widowers or the subsistence minimum were introduced, along new adjustment mechanisms such as valorisation of pensions and establishment of new institutions – especially the Office or Bureau for Employment (serving especially the unemployed) and the Slovak Administration or Office for Social Security. The system of social security of the time consisted of the system of pension insurance, system of sickness insurance, system of state social benefits and system of social care – from 1 August 1998 transformed into the system of social assistance.

Generally speaking, Slovakia was trying to follow the model of the original member states of the European Union (EU 15) based on three branches of social security: social insurance, state support or assistance and social assistance, through which the social protection of the entire population in various life situations (i.e. “from the cradle to the grave“) was supposed to be in place. Between 1993 and 1998 the Strategy for Transformation of the Social Sphere in the Slovak Republic was adopted, with the aim of establishing public institutions that would be responsible for management of social insurance – consisting of sickness and pension insurance schemes, health insurance and insurance in case of unemployment. The core of the system was still formed by the public social insurance system based on principle of inter-generational and social solidarity, which „especially after the WWII. released the vast part of population of material insecurity and guaranteed social harmony“. ² From 1 May 2000 the insurance in case of unemployment, and from 1 April 2002 the insurance in case of accident at work were introduced and became part of the system of social

² ŠVIHLÍKOVÁ, I. Globalizace a krize: souvislosti a scénáře (Globalization and crisis: interconnections and scenarios), pp. 184–185.

insurance. The system of social insurance, as of 1 July 1996, was complemented by the system of complementary pension insurance based on principle of participation and individual responsibility of citizens or employees and employers, especially in more demanding sectors of employment, to cover particular social risks. But from the very beginning, the principle of equality of subjects before the law was violated, as it was only the employees of the industrial, productive sphere, but not the employees of non-productive public sectors of economy (such as education or administration), nor the individual entrepreneurs and their employees who could participate in the scheme. In addition, the introduction of specific and independent social insurance system for the armed forces and its exclusion from the general system managed and represented by the Slovak Office of Social Insurance has become, and still is, the reason of substantial weakening of the social security system as such, and of societal and inter-generational solidarity.

In the system of state social benefits (i.e. state social support or state social assistance) from 1 September 1994, the individualised, income-dependent provision of benefits became the rule, claiming more relevance and legitimacy especially in relation to the benefits-dependent part of population. This concerned for instance the child allowances, that were shifted from the system of salary-dependent insurance into the relatively uniform system of state social benefits, which meant that the amount of monthly child allowance became linked to the subsistence (or living) minimum and became paid at flat or fixed rate to entitled parents for all children regardless children's age. In other words, the idea of social justice was promoted through combination of „equality as sameness“ (i.e. payment of flat rate of the child allowance regardless the age of the child) and the principle „to everyone according to his or her needs“, in a sense that parents of lower income groups had the certainty of the entitlement, while many employees of public sector as well as private entrepreneurs with salary or income at the level of median national income lost their entitlement to child allowances. Together with stagnation of salaries, especially the minimum salary – that was only 2 450 Sk (i.e. less than 75 €) and did not change from 1 October 1993 till 31 March 1996, such policy contributed to fall of the middle class to the living standards of economically inactive members of the society (e.g. unemployed).

In addition to the above, the subsistence or living minimum ceased to be calculated as amount necessary to cover the nutrition and other basic needs of an individual person rated according to the age, plus the allowance to cover basic needs related to the household, but was replaced by a uniform fixed amount for each adult person at the rate of 3 000 Sk per month.³ This measure also caused a substantial discrepancy at the labour market, as the minimum salary of that time was set at the same level of 3 000 Sk per month, which caused that economically inactive part of the population was receiving the full amount in the form of untaxed social benefit, while those working for the minimum salary were receiving lower amount of approximately 2 450 Sk as a result of deduced social insurance and taxation. This further undermined the social position of many working people and contributed to rising levels of poverty.

The major changes in the system of social and health insurance as well as the residual system of social assistance, were realised under the auspices of the World Bank and the IMF, and after 1 January 2004 led to adoption of the „reform laws“ – consisting of Law no. 461/2003 O.J. on social insurance, Law no. 580/2004 O.J. on health insurance and the Law no. 95/2002 O.J. on the system of insurance. These generally reduced the personal coverage and standard of protection through exclu-

³ MACKOVÁ, Z. Dvadsať rokov transformácie sociálneho zabezpečenia (Twenty Years of Transformation of the Social Security System). In *Právny obzor* č. 1/2011, pp. 34–35.

sion of payment of obligatory social insurance for employees working on part-time and over-time contracts – of up to 10 work-hours a week or 350 work-hours annually, students of secondary and tertiary education as well as persons in liberal creative professions – such as artists, writers or journalists. Till 2012, this affected more than 800 000 employees (of the entire Slovak economically active population of 2 200 000), on behalf of whom – despite being in paid employment in non-standard / non-full-time form – no social insurance was paid. Health insurance was paid only by employees, not employers, and only at the minimum rate corresponding to level of health insurance contributions paid from the minimum wage (i.e. out of 339, 89 € at the time, representing 47,58 € for health insurance per month). This certainly contributed to less costs and rising profits for the employers, but higher social risks for the employees, who were as a result of this legislation not entitled to any benefits from the system of social insurance – such as benefits in unemployment in case of termination of employment, sickness benefits in case of inability to work, maternity or parental benefits, disability pension, pension in the old age etc. Moreover, the number of such part-time or over-time labour contracts was not, and is still not limited, meaning that some employees have two, three, four or even higher number of such contracts instead of more socially secure work-arrangement. The overall number of working hours is then also unlimited, which clearly violates the international – ILO standard of the eight-hour working-day, codified already in 1919, recognising that it is only when after eight-hour work employees also have eight hours of physical rest and recovery, and eight hours to spend with their family or otherwise than work, they can keep physical and mental integrity for long-term work and healthy life-style. But with multiple contracts and unlimited hours no principle of work-life balance, the right to adequate time for leisure and recovery and even health and safety at work (leading to accidents as a result of over-work in multiple employments etc.) are respected. At the same time, with the multiple part-time contracts, no minimum monthly salary was guaranteed, except of minimum hourly-rate, but not on monthly-income basis. Partial correction was legislated from 1 January 2013, since when the obligation to pay social and health insurance by the employers was re-introduced. The obligation, however, is often avoided through declaration of „irregular income“ or irregular pay, that allows for substantial reduction of contributions to public social security and health-care system. To diminish their social costs and responsibilities, the employers also prefer to employ students on „ad hoc“ or other flexible contracts that do not require any contributions to social system (with salary of up to 155 € per month or on any other „irregular basis“, in case of university students, for instance, based on Art. 4 (5) of the Law no. 461/2003 on social insurance). Such organisation must pose a question about possible deformation of the labour market – more specifically – whether employing full-time students, in situation of high unemployment-rates for age group of 45+ is fair, reasonable and socially sustainable, especially *vis-à-vis* consequent impact on pension-levels of the long-term unemployed people some five to ten years prior to their retirement.

A broader and more fundamental question concerning social and legislative reforms can be posed in relation to underpinning values and basic principles of the European social model – especially social justice and solidarity, and adequacy or adequate standard of social protection, reflected in the actual entitlements and benefit-levels. More specifically, the amount of sickness benefits – despite requirement to represent at least 60% of the average or at least of the minimum salary – legislated internationally by the European Social Charter and the ILO Conventions 130/1969 and 128/1967 that were ratified by the Slovak Republic, are only at the level of 55% of the above, and due to relaxed, pro-market national legislation – the Law no. 461/2003 on social insurance. Similarly, the international standard for level of pension in the old age or pension for orphans has been determined at

the level of at least 45% of the average or the minimum salary, while in 2004 in Slovakia the pension for orphans was only at the level of 30% of the above. Due to positive economic development and growth, in 2005 the so-called „second (capitalisation) pillar“ in the area of pensions was introduced. At the same time, the principle of solidarity and universality (general coverage) weakened and so did the level of social protection of the overall population.⁴ With the introduction of the flat-tax system after 2004, the upper income-limit for progressive taxation was substantially lowered, while indirect taxes rose – releasing the high-income classes and burdening the low-income ones.⁵ Till 2008 the official rhetoric praised the Slovak economic growth („Slovakia as the tiger of Europe“), but after the global economic collapse it became obvious that the actual situation is more characteristic by stagnation of salaries, rise of costs of living and rising indebtedness – both on personal or individual and state or public level, and rise of unemployment often followed by poverty and social exclusion.⁶

In partial response to this situation and due to the EU Lisbon Strategy, after 2008 a few new types of state social benefits were introduced – especially the allowance for parents providing daily care for a child. Measures that were adopted were to mitigate the negative impact of the global financial crisis, achieve better balance between family and professional life and gender equality, improve access to labour market and employment of parents of minor children. As of 2013, also employees working on part-time contracts became subject to obligatory payment of social insurance. This obligation does not, however, include working pensioners nor working students, with salary of up to 200 Euros per month. Also the universal, public pension system witnessed strengthening of principle of solidarity, when the upper-income-limit for progressive or proportionate payment of contributions to system of social and health insurance has been risen to income level of five-fold sum of the national average or median salary.

Taking these measures, the principles of universality and inter-generational and pan-societal solidarity have been strengthened, however, leading only to „limited social protection and social justice“.⁷ As part of this process, the second, private or „capitalisation“ pillar of the pension system was open from 15 March to 15 June 2015 for the contributors to decide – i.e. for those who may wish to leave the system – to opt out, or – for the interested – to enter. It was a result of the calculation and payment of the first pensions from this system that were nominally very low – with the average total amount of savings being at the level of 3 800 Euros per contributor, and corresponding monthly pension being calculated at 43 Euros⁸ which clearly confirmed high-risk and socially disadvantageous nature of the second-pillar or capitalisation pension system. This is due to export of the capital overseas, high operating costs, „gamble“ or win-or-lose dimension of pension systems linked to commercial banking, investment and global financial services, and weakening impact of

⁴ MACKOVÁ, Z. Dvadsať rokov transformácie sociálneho zabezpečenia (Twenty Years of Transformation of the Social Security System). In *Právny obzor* č. 1/2011, pp. 26–26.

⁵ ŠVIHLÍKOVÁ, I. Globalizace a krize: souvislosti a scénáře (Globalization and crisis: interconnections and scenarios), p. 185.

⁶ MACKOVÁ, Z. Dynamika versus rigidita práva sociálneho zabezpečenia v Slovenskej republike na prahu XXI. storočia (Dynamism versus Rigidity of the Social Security Law in Slovak Republic at the beginning of the XXI. Century). In: *Ako právo reaguje na novoty*, p. 198.

⁷ MACKOVÁ, Z. Dynamika versus rigidita práva sociálneho zabezpečenia v Slovenskej republike na prahu XXI. storočia (Dynamism versus Rigidity of the Social Security Law in Slovak Republic at the beginning of the XXI. Century). In: *Ako právo reaguje na novoty*, p. 200.

⁸ PRAVDA.SK. Private pension system in Slovakia, 2014 (Na penzii z 2. piliera ľudia prerobia mesačne 3 eurá; On pensions from the second pillar people lose 3 Euros a month). 29-01-2014. In <http://spravy.pravda.sk/ekonomika/clanok/306688-na-penzii-z-2-piliera>.

the private pension systems on the universal, public system due to diminished contributions to the latter, by part of the resources being channelled to the former.

The corporate profitability of the private pension systems has led to persisting interest of several foreign and international financial groups that would like to act as „pension management companies“, boards or groups in Slovakia and other countries of Central and Eastern Europe. But due to their highly individual, income-dependent nature, some states such as Hungary have decided to abandon or not to introduce the private-pension system (Czech Republic), or – as in the case of Poland – to substantially marginalise it through reduced, symbolic contributions and obligatory opt-out for contributors older than 50 years of age.⁹ Critical voices come also from experts in the area of social security, pointing at studies and analyses proving that even in case of Germany – not every employee would have sufficient income to contribute to private, capitalisation fund. In other words, private pension insurance through the so-called capital or capitalisation funds can only be complementary, as it cannot guarantee sufficient and sustainable level of social protection. Just like the public pension system, the private-fund system is subject to demographic fluctuations, but in addition to that – it is also subject to investment and financial shocks and failures, providing very low level of pensions and social protection in cases of early or unexpected termination of employment for health or disability reasons, unemployment and other hardship events. To compensate for these voids, state guarantees are required – to step in in cases of capital losses or insufficient sources. This is in fact a frequent reason why many countries have been reluctant to follow this path, trying to keep universal, public pension systems based on inter-generational solidarity.

In the end, no fully neoliberal, pro-private-fund reform of the national pension system has been realised in any of the original member states of the EU (EU 15). Quoting Ivo Tomeš – the Czech expert on social security „the verification of the recommendations of the presumably independent institutions has been facilitated by the global financial crisis, that in its consequences led to „society of greed“ and to collapse of social relations inspired by European humanist ideals. The values of „society of greed“ replaced the values and ideals of the welfare states that originated after WWII.“ He also pointed out that the neoliberal discourse and recommendations of the World Bank in the area of social security were – among other – successfully introduced during the military dictatorship in Chile and other Latin American countries as well as the post-1990 Central and Eastern Europe, leading to catastrophic social consequences and rising social tensions. At the same time, these policies promoted by the international financial institutions stand in the opposition to values and principles entailed in the UN documents and the „European social vision“ based on principle of solidarity as precondition to enhanced social justice and cohesion.¹⁰

3 THE EUROPEAN SOCIAL MODEL

The European social model established after the WWII., also known as social-democratic or universalist welfare model, confirmed the necessity as well as many benefits of reducing social inequalities through fair and adequate social redistribution that has been a matter of political choice and commitment rather than purely economic or market calculation. The model has become a platform for

⁹ ŠTANGOVÁ, V. Vývojové tendence sociálneho zabezpečení v ČR na počátku 21. století (Development Trends in Social Security of the Czech Republic at the beginning of the 21st century). In: Sociálne zabezpečenie – na rázcestí? pp. 47–48.

¹⁰ TOMEŠ In MACKOVÁ, Z. In: Sociálne zabezpečenie – na rázcestí? pp. 96–118.

equitable and sustainable socio-economic development. It is true that the social policies are influenced by the economic policy, but the equal importance of the reverse dynamics – i.e. the positive economic impact of considerate and generous social policy, have been already proved. The quality of life in a particular society is predetermined by level of social cohesion, inclusion, opportunities for personal contribution and development, by predominant or preferred values, condition of mutual trust and overall social atmosphere. Such interconnection and inter-dependence of all human rights has found its expression and guarantee in the constitutions of most European states – codifying not only fundamental rights and freedoms, but also economic, social and cultural rights of their citizens. It is also the case of Slovak Republic which in Articles 35 to 42 of its Constitution lists a broad set of rights that „are an expression of values determining the progressive advancement of the society and the state, responding to lessons learnt in the past, and providing guarantees and protection of values that are to be preserved and enhanced also in the future“.¹¹

The European social model stems from and follows the ethical principle of the so-called Golden rule, that on societal level represents basic social consensus over core values and ethical positions related to freedom, equality, justice and solidarity. These are also an inherent and integral part of every major religious and moral system from Judaism and Christianity, through Islam, to teachings of Buddha and Confucius, and include respect for physical integrity of every person, freedom of conscience, special attention and care provided for the marginalised and weakest members of the society, dialogue, tolerance, the importance of the ethical dimension of public representation including politics, personal responsibility and refusal of instrumentalisation or subjecting of human being to external forces, including limitless power of the market and corporate competition.¹²

Europe is not only a continent but also a civilisation based on Judaic-Christian and humanist legacy that is also reflected in the legal system and of which a systemic assistance to disadvantaged members of the society – the disabled, widows, orphans, foreigners and elderly, forms one of the core pillars – finding its materialisation in public health-care and pension systems and systems of social assistance guaranteeing, among other, the subsistence minimum for all members of the society, at the recommended level of 50% of the average salary in a particular country. Human dignity is ethical, philosophical, religious and legal category – present in all human rights documents and codified and elaborated also in the EU Charter of Fundamental Rights. It represents respect for each human being as a unique entity and an end in her or himself. A human can never be an instrument to economic, political or other ends, and so everything on our planet – economy, trade, resources, policies, social systems and overall organisation of life, shall serve people. The famous definition of human-dignity approach can be found in Immanuel Kant’s „Foundations of Metaphysics of Morals“, in which Kant stressed that to „have dignity“ means to have an absolute value that is not comparable to the value of anything else, and so the value of human being cannot be calculated in price – like a material or economic asset. Dignity of a human stems from his reason, his free, moral and responsible being – it is a constant value to be attributed to each human being. For this reason, human being must be treated always as an end in him or herself, never as means to an end. According to Kant, this is the ultimate law of morality. At the same time it carries a duty of beneficence toward other persons – i.e. promotion of their welfare, respecting their rights, avoiding harming others and generally endeavor, so far as we can, to further their ends, too. Human dignity

¹¹ BĀRĀNY, E. et al. *Zmena práva (Transformation of Law)*, pp. 112–113.

¹² CSONTOS, M. *Slobodný človek v spravodlivej spoločnosti. Pohľad na človeka v myslení Johna Rawlsa (Free Man in a Just Society: A View of a Man in Teachings of John Rawls)*, p. 269.

is then a cornerstone of the natural law and fundamental rights.¹³ It also becomes realised through realisation of rights – including social and economic rights, such as the right to work, the right to fair and adequate working conditions, the right to rest and leisure after work, the right to paid holidays, the right to adequate social security and standard of living etc. Respecting human dignity means respecting inherent worth of all human beings, of their rights and needs.

In the realm of law, the framework expression of natural law – as rules and morality valid across time and space and applicable to everyone can be found in the constitutions. It is no different in context of Slovak Republic that in the Article 12 (1) of the Constitution guarantees equal rights and human dignity to all, followed by the entire – second chapter dedicated to full catalogue of rights – fundamental rights (section 2), political rights (section 3), rights of national and ethnic minorities (section 4), economic, social and cultural rights (section 5), the right to protection of the environment and cultural heritage (section 6) and the right to judicial and other legal protection (section 7). They are non-derogable, non-transferable and universal. This is, in fact a transposition of internationally recognised standards that in their integrity first appeared in the Universal Declaration of Human Rights, the International Pacts – of both on Civil and Political and the Economic, Social and Cultural Rights, number of Conventions of the International Labour Organisation (ILO) that Slovakia has signed and ratified, as well as European Social Charter and relevant provisions of the EU Charter of Fundamental Rights. Further elaboration and detailed legal guarantees then appear in the Slovak Labour Code and specific legislation – such as the Law no. 663/2007 of the Official Journal of Laws on the Minimum Salary. The neoliberal discussion on limitless extension of the working time, proposals for symbolic monthly salary as low as 50 euros or even discussion on abandoning the minimum salary as such, are totally inadequate and absurd, unworthy of Europe in the 21st century as well as one of the founding countries of the ILO (as former Czechoslovakia).

In the end, a person becomes valid member of society when s/he enjoys not only civil and political status of an equal citizen, but also the social one. „The rights and duties stemming from all three areas – of civil, political and socio-economic social sphere, are necessary for a person to enjoy a decent and equitable position in a society.“¹⁴ The very role of the welfare state, social system and public services is to guarantee and promote social justice and at least minimum human dignity for all members of society. To a great extent it is then the right to work, access to employment and fair working conditions on which the quality of life depends. Even in the words of Pope Francis „work means dignity, work is a synonym for bringing bread home. Men and women sustain this world by their work. It is difficult to enjoy dignity without work“.¹⁵ It is more than just a philosophical or moral contemplation, it is in fact the reality of life. Paid employment forms the very core of social organisation and social identity of individuals. It provides for means of living as well as social involvement and status.¹⁶ „Employment is an entry ticket to the society and loss of it is a way to social exclusion and poverty“.¹⁷ The present daily reality in Slovakia, all over the European Union and in other parts of the world clearly confirm the above.

¹³ BARANCOVÁ, H. et al. Základné práva a slobody v pracovnom práve (Fundamental Rights and Freedoms in Labour Law), p. 35.

¹⁴ ČAMBÁLIKOVÁ, M. Sociálny štát: občianstvo, práva, začlenenie (Welfare State: Citizenship, Rights, Inclusion), p. 49.

¹⁵ TORNIELLI, A. Perly a perličky pápeža Františka (Quotations of the Pope Francis), p. 179.

¹⁶ MAREŠ, P. Nezamestnanost jako sociální problém (Unemployment as Social Problem).

¹⁷ JURÍČKOVÁ, V. – KOŠTA, J. Politika zamestnanosti a sociálna politika. Dlhodobá nezamestnanosť a jej sociálne dôsledky v Slovenskej republike (The Policy of Employment and Social Policy. Long-term Unemployment and Its Social Consequences in the Slovak Republic). In Sociológia no. 1–2/1995, p. 45

Nevertheless, life fulfilled with satisfaction and human dignity does not depend only on work, but also on working conditions, adequate working time and fair remuneration that have effect on personal and family life, health and overall human well-being as well as personal, family and societal prosperity. Working time – as one of the most decisive, key aspects of balancing life and work, forms a core of the labour relations and labour legislation from the inception of modern Labour Law that started to shape at the beginning of the 20th century. Provisions of the EU Charter of Fundamental Rights guaranteeing the right to fair and adequate working conditions, considerate of health, safety and dignity of all employees, the maximum length of the working time, the right to daily and weekly rest as well as paid annual (or pro-rated) holiday, were previously formulated and codified in early international documents – such as the ILO Convention no. 1 on Hours of Work in the Industrial Enterprises from 1919, setting the 8-hour working day and the 48-hour working week. Article 2 of the same Convention clearly states that the working hours of persons employed in any public or private industrial undertaking or in any branch thereof, shall not exceed eight in the day and forty-eight in the week. It is therefore a paradox that almost a century later, having achieved multiple rise in productivity and economic output, the length of the working time does not seem to reflect this reality and is rarely adjusted – i.e. *shortened* – accordingly. Quite the opposite – the process of liberalisation often leads to the trend of prolonging the working time, especially through individual extension of the weekly working time („opt-out“), multiplication of labour contracts as a result of existential necessity to have more than one employment, flexible forms of labour and other – economically convenient, but little protective, socially considerate and progressive – measures. And even though in 2008 the European Parliament turned down legislative proposal for exemptions from working-time over 60 or even 65 hours per week, arguing that such anti-social approach would represent regress to the 19th century, Slovakia found itself on the 10th position in over-work in global/world-wide terms, with the average of 1 749 working hours per employee per year¹⁸ (see Table 1).

Table 1¹⁹

| State | The average number of working hours per year | The average / median annual salary |
|-------------|---|------------------------------------|
| Mexico | 2 317 (on average 45 hours a week) | 9 885 USD |
| Chile | 2 102 (16 % of employess working 50 hours per week) | 15 820 USD |
| South Korea | 2 092 | 35 406 USD |
| Estonia | 2 021 (with high levels of long-term unemployment) | 17 323 USD |
| Russia | 2 002 (with 28 days of paid holiday, including state holidays) | 15 286 USD |

¹⁸ ZOZNAM.SK. Slovaks are the tenth most-working nation in the world. 21-08-2013. In <http://karierainfo.zoznam.sk/c1/1000156/1356391/Slováci-sú-10-najpracovitejší-národ>.

¹⁹ Ibid.

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|-----------------|--|------------|
| Poland | 1 893 (on average 40 hours a week, with 10 % of employees working up to 50 hours per week) | 20 069 USD |
| USA | 1 798 (four out of five Americans work approximately 35 hours per week, but the employer has no obligation to provide paid holiday, sickness leave and / or maternity leave; Average working hours in mining industry and forestry are 44 hours per week) | 54 450 USD |
| Hungary | 1 797 (on average 39 to 41 hours per week) | 19 437 USD |
| Japan | 1 765 (improvement / lower rate if compared to 1990 by approximately 145 hours) | 35 143 USD |
| Slovak Republic | 1 749 (on average more than 40 hours a week, and only 4 % of employees working less than 30 hours a week) | 19 068 USD |

This is a result of multiple labour contracts, over-time work, emergency work and flexible forms of labour – especially the so-called flexi-account. It is undeniable that such approach contributes to diminishing social protection or even social dumping, worsening health condition of many employees, but also unequal division of labour, high unemployment and rising social inequalities and tensions.

4 CONCLUSION

In the past 26 years, the populations in countries of Central and Eastern Europe including Slovakia, witnessed a substantial social fragmentation of shaping of a new socio-political and economic „elite“, diminishing middle class and rising levels of poverty. This is to a great extent result of the neoliberal social reforms and relaxed and evasive taxation policy, sometimes leading to „social tsunami“ or social consequences that have to be healed by long-term comprehensive strategies like the EU Strategy 2020. Mass unemployment and material poverty stemming from impossibility to make a living, led into situation when every fourth person in the EU lives in poverty. Even in Germany, for instance, this represents 16,1% of the population or 13 millions, who live on the net income of less than 979 Euros per month in household of one single person, 2056 Euros in household of two adults with two minor children and others at income level of up to 60% of the median national salary (Poverty in Germany).

A long-term weakening of social protection, high unemployment, stagnant and low salaries and in many cases also substantial reduction or elimination of social benefits have certainly contributed to rising levels of poverty from 56 million in 2004, to 80 million till 2008 and 123 million after the first year of crisis, which actually represents 24% of the EU population (European year against

poverty and social exclusion, 2010). The majority of the affected are women, elderly, disabled and especially children – reaching 20 million of minors in Europe. Also the ILO in its 2014 and 2015 reports warns that the right to social security covers only 27% of the world population, while the entire 73% has no social protection. Given that a vast majority of the socially unprotected live in Asia, Africa and the Americas, the progressive, pro-social and humane character of the European social model of welfare state is obvious.

And precisely today, „in times of crisis that is not only financial and economic but especially the crisis of values – such as diminishing or absent social justice, equality and solidarity – as timeless and universal values necessary for a functioning society“²⁰ (Barinková 2009, 7), we should learn a lesson and transform it into historical opportunity. Opportunity to appreciate, embrace and defend the qualities and benefits of the European social model – broadly perceived – i.e. including its inherent respect for human dignity, right to adequate standard of living and social security – all based on solidarity through social redistribution, when 20% of GDP in Europe has been channelled into public services and system of social protection. It is something of a Christian or European „constant“ – almost at triple level as are approximately 8% of the GDP investments into social services and well-being elsewhere. Due to such resources the European model typically includes universally accessible education, health-care and universal, public pension systems.²¹ By extension it offers protection against social exclusion and it is a genuine platform for social prosperity and cohesion, in fact gradually inspiring some countries in Asia, such as China and Japan.²²

Human life is a unique gift and therefore no human being should be subject to trade, exchange or exploitation²³ (Pope Francis, 2015). It naturally consists of periods – like childhood and adolescence, maternity or parenthood, sickness or unemployment and old age – characteristic of various levels of dependence on others and society as such. In fact, the quality of human life depends on fair and just organisation of the society most of the time. Is it then realistic to rely and be forced to rely on one's individual capacity to provide for oneself and for our families at every moment of life, in every circumstances or social situations? What will the purchasing power of the present-day savings be in ten, twenty, thirty or even forty years, when Slovak median salary in 2014 has been 858 Euros per month, while the same in 1950 had been at the level of 854 Czechoslovak crowns – i.e. by the applied exchange rate (of approximately 27 Czech crowns per Euro and 33 Slovak crowns per Euro at the time of Slovak transition to Euro) only up to 30 Euros a month?

In times of economic globalization and European integration, the social aspects and dimension of the role of the state and society cannot be reduced. Quite the opposite – new forms, means and intensity of social protection are required – to balance both local and global inequalities. And despite the primary – human aspect of the welfare state – it should not be omitted that its establishment was not an outcome of blind altruism, but sophisticated recognition that without respected,

²⁰ BARINKOVÁ, M. Európska dimenzia podnikovej sociálnej zodpovednosti a jej vplyv na reguláciu pracovnoprávných vzťahov (The European Dimension of Corporate Social Responsibility in the Area of Labour Relations). In: Zborník príspevkov účastníkov sympózia s medzinárodnou účasťou, p. 7

²¹ ŠIMÁČKOVÁ, K. Nový welfare model? Sociální ochrana ve střední a východní Evropě 20 let po demokratizaci (New Welfare Model? Social Protection in Central and Eastern Europe 20 years after Democratisation). Časopis pro právní vědu a praxi 4/2009, pp. 328–329.

²² TOMÁŠEK, M. Výzkum evropského práva v Japonsku (Research of European Law in Japan). Právník 9/2009, pp. 1007–1008.

²³ POPE FRANCIS/PAPA FRANCESCO. Questa Economia Uccide / This Economy Kills, Edizioni Piemme Spa, Milano. (Slovak version translated from: TORNIELLI, A. a G, GALEAZZI, 2015. Pápež František. Táto ekonomika zabíja).

well-treated, healthy, educated and qualified labour force, there is no prosperous economy, and that the high standards of social rights and human dignity for all are basic precondition for sustainable development, prosperity, social harmony and life in peace.²⁴

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²⁴ MACKOVÁ, Z. Reformy v sociálnej oblasti – (ne)rešpektovanie záväzkov vyplývajúcich z medzinárodných a európskych dokumentov (Social Reforms – (Non)Respecting of International and European Obligations). In: Finančné a sociálne aspekty dlhovej krízy z pohľadu ekonómie a práva, pp. 145–179.

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