

JOBS: Over 107,000 Slovaks lost their jobs over past year

October of last year saw a slight decline in the jobless rate and it remained at the same level in November, but increased once again in December.

A total of 391,500 Slovaks were out of work in January 2010.

"The crisis is therefore continuing to take its toll on Slovaks by depriving them of jobs," said Sadovská, adding that since the full-blown eruption of the crisis in autumn of 2008, the number of unemployed people has increased by more than 160,000.

Sadovská stressed that the January increase in unemployment has so far confirmed that jobless Slovaks cannot yet rely on improving results of other economic indicators. The reason is that a revival in the labour market follows the revival of the economy with a certain delay, Sadovská said, adding that certain stabilisation in the labour market can be expected only in mid 2010.

"Until then the unemployment rate will continue to swell and obviously will be attacking the level of 13 percent to 13.5 percent," said Sadovská. "In the second half of 2010, the unemployment rate may begin to decline, but at a slow pace initially."

She suggests that it may be a couple of years be-

fore Slovakia will be able to return to pre-crisis levels.

"And this is quite logical, since firms will start hiring people only after they have full certainty regarding orders and thus more acute need for new labour," Sadovská told The Slovak Spectator. "Until then they will try to use the reduced pool of labour capital."

Martin Krekáč, president of the Business Alliance of Slovakia (PAS) said that in the current complicated situation it is very difficult to broadly predict future developments but he agrees that improvement cannot be expected in the labour market in the upcoming months.

"This statement stands even if we say that Slovakia will experience a moderate economic revival this year," Krekáč, who also serves as chairman of the Jenewein Group, told The Slovak Spectator's Career Guide 2010. "The financial and economic downturn reached Slovakia several months after it devastated the world's largest economies and as its arrival was delayed, its departure will also be delayed."

Krekáč does not think that firms will quickly react to the long-awaited revival of the economy by creating new jobs.

"I assume caution, a slower takeoff, innovative

approaches and more intense use of existing resources, including human resources [will be the reactions]," Krekáč said.

"Slovakia is a small, open economy and it certainly cannot get out from the economic crisis on its own without the help of other countries of the EU and around the world," said Michal Páleník of the Employment Institute, an employment think-tank.

However, most observers agree that the Slovak government could have done more to effectively ease the impacts of the crisis.

"Fortunately, the government has not taken measures such as massive subsidising of artificial preservation of jobs; however larger investments into education have not been made either," said Páleník.

In relation to the recent unemployment figures, Páleník said that the first quarter of a year is traditionally influenced by seasonal unemployment increases and that the crisis only deepened this trend.

"In the area of active labour market policies, investments into education are lacking while some of the tools are also wrongly tuned," Páleník told The Slovak Spectator.

According to Eurostat, the average amount spent on training one unemployed person in 2007

amounted to €920, putting Slovakia at the bottom of the list of 27 EU countries. Norway, at the top of the chart, spent €10,404 on average in retraining each unemployed person.

According to the Centre of Labour, Social Affairs and Family, the average time that job applicants have been registered as seeking work has reached 12.2 months, which compared to the end of December is an extension of an additional third of a month and nearly two months more than compared with January 2009. For those suffering from long-term unemployment, assisting the unemployed is unavoidable, according to Páleník.

"It cannot be expected that a person who has not worked for five years is able to immediately take up a job and fulfil his or her duties," said Páleník. "Subsidized jobs are unavoidable in this process as they not only ensure work for a person but also teach how to work again in a way that this person will be able to again obtain employment in the regular labour market."

Páleník said that such preparation can happen through both education and work. Agencies of supported employment offer these services and social companies can also offer them, he added.

"Unfortunately, social companies are not operating in line with legislation," Páleník added.