

## Terms of Reference: Groups at Risk of Poverty and Social Exclusion

The spending review will assess public expenditures with an impact on social inclusion of groups at risk of poverty and social exclusion. It will focus on the effectiveness and efficiency of current protection and inclusion policies, evaluate the current system of data collection, highlight examples of good practices and explore the possibilities of their mainstreaming.

### Performance objectives

In 2016, 18.1% of Slovaks were at risk of poverty or social exclusion, 8.2% of the population suffered severe material deprivation. While aggregate national values are comparable with the EU average, the situation of selected groups is considerably unfavorable.

In case of marginalized Roma communities, segregation, unemployment, low level of educational attainment and health, poor housing conditions and poverty are cause and consequence of social exclusion and discrimination and leads to intergenerational prevalence. Compared to the EU countries, the labor market participation of people living with disabilities is below average, and as much as third of single parent households with dependent children face the risk of poverty. The Slovak education system is lagging behind in its ability to correct the adverse impact of socio-economic disadvantage, to engage the most vulnerable in pre-school education and to develop a quality and inclusive education system.

The need for a cross-cutting, cross-sectoral spending review was already revealed in the previous spending reviews on education, labor market policies and social policy. This terms of reference builds upon these commitments, as well as on related strategic documents; in particular on the National Framework Strategy on Support of Social Inclusion and Fight against Poverty and others focusing on related target groups and sectoral policies<sup>1</sup>.

Table 1 – Performance indicators of social inclusion

		2009	2010	2011	2012	2013	2014	2015	2016	2020 Goal
People at risk of poverty or social exclusion (%)	SR	19,6	20,6	20,6	20,5	19,8	18,4	18,4	18,1	17,2
	EU	23,3	-	24,3	24,7	24,6	24,4	23,8	-	
Children at risk of poverty or social exclusion (% , parents with less than primary, primary and lower secondary education)	SR	97,9	97,1	87,5	94,0	89,8	89,9	93,2	90,8	
	EU	-	63,4	62,9	65,1	65,6	66,5	68,2	-	
Severe material deprivation of people with long-standing activity limitation due to health problems (%)	SR	13,8	14,1	14,0	13,7	12,6	11,6	12,5	-	
	EU	-	11,2	12,1	12,8	12,6	12,1	11,3	-	
PISA - performance by students' socio-economic status (average score of students in the bottom quarter of ESCS <sup>2</sup> )	SR	430 (2006)	-	-	-	-	-	414	-	
	OECD	453 (2006)	-	-	-	-	-	452	-	
Share of 15-year-old pupils who are at level 1 or below of the PISA combined reading literacy scale (%)	SR	22,2			28,2			32,1		
	EU	19,5			17,8			19,7		
PISA – percentage of variation in performance explained by pupils' socio-economic status (%)	SR	14,6	-	-	24,6	-	-	16,2	-	
	OECD	14,0	-	-	14,8	-	-	12,6	-	
Pre-school enrolment rate of children living in Marginalised Roma	MRC	-	-	25	-	-	-	-	-	100
	Nearby MRC	-	-	56	-	-	-	-	-	-

<sup>1</sup> Strategy of the Slovak Republic for Integration of Roma up to 2020, National Programme for the Development of living conditions of persons with disabilities 2014 – 2020, National Action Plan for Children 2013-2017, National Strategy for Protection of Children against Violence, National Program for Development of Education and Training (Učiaci sa Slovensko), Migration and Integration policy of the Slovak Republic, etc.

<sup>2</sup> ESCS – PISA index of economic, social and cultural status <https://stats.oecd.org/glossary/detail.asp?ID=5401>

		2009	2010	2011	2012	2013	2014	2015	2016	2020 Goal
communities(MRC) and nearby MRC (% , 3-6 years)										
Gross enrolment rate in upper-secondary education (% , 16-19 years)	MRC	-	-	35	-	-	-	-	-	-
	Nearby MRC	-	-	74	-	-	-	-	-	-
Early leavers from education and training (% of the population aged 18-24 with at most lower secondary education and not in further education or training)	SR	4.9	4.7	5.1	5.3	6.4	6.7	6.9	7.4	6
	EU	14.2	13.9	13.4	12.7	11.9	11.2	11.0	10.7	10
Long-term unemployment rate (% of the active population above 15 years)	SR	6,6	9,3	9,3	9,4	10	9,3	7,6	5,8	-
	EU	3	3,8	4,1	4,6	5,1	5,0	4,5	4,0	-
Young people neither in employment nor in education or training (NEET, % 15-24 years)	SR	18,8	20,9	20,9	21,2	21,5	21,4	19,9	18,2	
	EU	15,9	16,4	16,6	17,1	17,2	16,6	16,1	15,6	
Unemployment rate of the population with less than primary, primary and lower secondary education (% , 15-64 years)	SR	41,7	44,3	42,6	44,7	42,6	41,4	37,7	31,7	
	EU	14,8	16,0	16,7	18,6	19,7	19,0	17,8	16,6	
Unemployment rate of people living with disability – LFS (%)	SR	-	-	-	-	14,0	17,2	16,6	-	-

Source: Ministry of Finance

## Fiscal objectives

The objective of the spending review is to identify and assess public expenditures and policy instruments with an impact on the inclusion of groups at risk of poverty and social exclusion in the field of education, social and labor market policies, health, housing, regional development, financial inclusion and antidiscrimination. The spending review will present recommendations on changes in policies and highlight financial measures needed to implement them with the aim of improving the social inclusion of the groups concerned. The revision will also outline the social costs of discrimination.

## Areas of the spending review

The spending review will examine the expenditures and service programs addressing needs of particularly vulnerable groups; especially marginalized Roma communities, vulnerable children, single parent households with dependent children, people living with disabilities, people with difficult access to housing and homeless people.

Considering the multidimensional nature of social exclusion and poverty, the spending review will examine the effectiveness and efficiency of public expenditures, identify examples of good practices as well as the institutional and financial preconditions of their systematic mainstreaming into public policies. Since data at national level often do not sufficiently reflect socially excluded groups, the review will also draw on available anonymized administrative data. It will also assess the framework of data collection and define suitable indicators for monitoring social inclusion policy outcomes, building also on surveys of the European Union Agency for Fundamental Rights (FRA) and the United Nations Development Programme (UNDP) as well as the Atlas of Roma Communities<sup>3</sup>.

## Responsibilities

<sup>3</sup> Most importantly FRA (2016): European Union Minorities and Discrimination Survey: Roma - Selected findings <http://fra.europa.eu/en/publication/2016/eumidis-ii-roma-selected-findings>, FRA/UNDP (2012): The situation of Roma in 11 EU Member States - Survey results at a glance, <http://fra.europa.eu/en/publication/2012/situation-roma-11-eu-member-states-survey-results-glance>, UNDP/WB/FRA: Regional Roma survey (2011), <http://www.eurasia.undp.org/content/rbec/en/home/ourwork/sustainable-development/development-planning-and-inclusive-sustainable-growth/roma-in-central-and-southeast-europe/roma-data.html>, Atlas of Roma Communities (2013): [https://www.minv.sk/?atlas\\_2013](https://www.minv.sk/?atlas_2013)

The Ministry of Finance will be responsible for the interim and final reports in cooperation with the Office of the Plenipotentiary of the Government of the Slovak Republic for Roma communities and other relevant ministries, especially the Ministry of Education, Science, Research and Sport, Ministry of Labour, Social Affairs and Family and the Ministry of Interior. The revision will be supported by the Ministry of Health, Ministry of Justice, Ministry of Transport and Construction and the Ministry of Agriculture and Rural Development. For the purposes of analyzing the above-mentioned areas, they are committing to cooperate in providing complete and detailed data and information. The interim report will be prepared and published by the end of October 2018, the final report will be drafted and published by March 2019.