

Foreword

Slovakia enters the new Millennium with optimism. A recent evaluation report released by the Economic Commission concluded that Slovakia is in "excellent negotiating position" to accede to the European Union. Furthermore, in July 2000, the country was invited to join the Organization for Economic Cooperation and Development becoming the 30th member. This is an important step in the development of Slovakia because it marks its determination to move towards a society based on democratic rules and social progress.

The transformation which followed the velvet divorce of Czechoslovakia has produced mixed economic and social results. Some economic indicators have been relatively favourable while a social disaster has been avoided. For five years National Human Development Reports (NHDRs) have been prepared by national teams of experts and supported by UNDP. These reports examine the economic, social and political transformation from a human development perspective that puts people at the centre of the development debate.

Every year the NHDRs ably analyse the most important achievements and setbacks in human development. Despite notable progress in the political and the human rights spheres, the country continues to face many other development challenges. For many people, the transformation has not resulted in increased well-being. On the contrary, many social and human indicators have deteriorated even during periods of economic growth. Attempts to stabilize and restructure the economy have not necessarily translated into social improvements. This has been a systematic finding of all the NHDRs which have shown repeatedly that economic growth does not automatically translate into human development. For this to happen, a positive link between growth and human lives must be created through national policies.

The NHDR 2000 again points to many disturbing trends: Almost 11 percent of the population lives below the minimum subsistence level, registered unemployment rate continues to increase, reaching 20 percent in 1999. The youth unemployment rate rose from 24.8 percent in 1995 to 32.1 percent in 1999. This is increasing poverty, social exclusion and marginalization of many social groups in Slovakia, especially the Roma population where 100 percent unemployment rates have been reported in some communities. This exacerbates their already bad economic and social conditions. Almost 80 percent of the Roma population have only primary education and their health status is well below that of the general population.

The report also highlights the gender disparities in Slovakia. Considering their high level of education and knowledge, women continue to be under-represented in decision making positions, concentrated in low paid jobs, and earn only 75 percent as much as men.

If these human development issues are not addressed the country's competitiveness and development would be retarded. Development should focus on increasing people's capabilities, choices and opportunities. The analysis of this year's report clearly shows that Slovakia needs above all a social agreement among relevant development and political stakeholders concerning the necessary reforms. It has become clear that the transformation is not simply a process of privatization and market liberalization. The "social sustainability" of this transformation should be at the centre of policy attention. Furthermore, as the struggle for greater democracy continues, the quality of governance needs to be continuously improved.

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