

The evaluation study concerning the measure “Possible solutions to unemployment in the fields of agriculture and construction industry”

Hodnotiaca štúdia k opatreniu „Možnosti riešenia nezamestnanosti pracovníkov z poľnohospodárstva a stavebníctva“

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Abstract: Despite the significant decrease of unemployment in Slovak Republic during the year 2003, the problem of high unemployment is still very relevant. In the previous period, various measures of active labour policy have been applied, and their efficiency was approved or disproved only by their realisation. In order to achieve the highest possible efficiency of the spent financial means, it is desirable that every prepared measure is assessed from different aspects by specialists, independent experts as well as by subjects that are to participate in the particular measure. This contribution represents ex ante evaluation analysis. Its objective is to assess the newly proposed measure in the field of active labour policy. The proposal of the measure was elaborated by Dr. Stanislav Buchta, CSc. and was published in the scientific contribution “Possible solutions of unemployment of workers in agriculture and construction industry” in *Agricultural Economics* 7/2003. The evaluation ex ante analysis was realised as a part of the bilateral project MATRA “System of regular monitoring, analysis and evaluation of employment policy”, which was carried out in 2001–2003 in partnership with the National Labour Office and the Socio-economic Research Institute at the Erasmus University in Rotterdam. The analysis has focused on several groups of assessment perspectives such as problems of analysis, the participation of employers and employees in the proposed system of “maintaining wage”, implementation aspects, comparison of proposed measure with the measures already realised, submission of alternative solution and evaluation of strengths and weaknesses of the measure.

Key words: labour policy, seasonal unemployment, seasonality of labour, substance minimum, minimum wage, unemployment benefit, character of work

Abstrakt: Napriek výraznému poklesu nezamestnanosti v SR v priebehu roka 2003, problém vysokej nezamestnanosti je stále spoločensky vysoko aktuálny. V uplynulom období boli uplatnené rôzne nástroje aktívnej politiky trhu práce, pričom až ich zavedenie do praxe potvrdilo, alebo vyvrátilo ich opodstatnenosť. V záujme dosiahnutia čo najvyššej efektívnosti vynakladaných finančných prostriedkov je žiadúce, aby každé pripravované opatrenie bolo posúdené z rôznych aspektov za účasti odborníkov, nezávislých expertov a rovnako tých subjektov, na ktorých sa bude to-ktoré opatrenie vzťahovať. Príspevok predstavuje hodnotiacu ex-ante analýzu, ktorej cieľom bolo posúdenie novonavrhovaného opatrenia z oblasti aktívnej politiky trhu práce. Návrh opatrenia, vypracovaný Dr. Stanislavom Buchtom, CSc., bol publikovaný vo vedeckej stati „Možnosti riešenia nezamestnanosti pracovníkov v poľnohospodárstve a stavebníctve“ v *Agricultural Economics* 7/2003. Hodnotiaca ex-ante analýza bola realizovaná ako súčasť bilaterálneho projektu MATRA „Systém pravidelného monitorovania, analýz a hodnotenia politiky zamestnanosti“, uskutočneného v rokoch 2001–2003 v spolupráci Národného úradu práce SR a Sociálno-ekonomického výskumného ústavu pri Erasmus University v Rotterdame. Analýza bola zameraná na viacero okruhov hodnotiacich hľadísk ako problémy analýzy, rozsah zapojenia zamestnávateľov a zamestnancov do navrhovaného systému „udržiavacej mzdy“, aspekty implementácie, porovnanie navrhovaného opatrenia s doteraz realizovanými opatreniami, predloženie alternatívneho riešenia a posúdenia slabých a silných stránok opatrenia.

Kľúčové slová: politika trhu práce, sezónna nezamestnanosť, sezónnosť práce, životné minimum, minimálna mzda, podpora v nezamestnanosti, charakter práce

CHARACTERISTICS OF THE CURRENT STATE IN THE FIELD OF AGRICULTURE

The current situation in the field of agriculture can be described as critical. Slovak farmers and food producers

have been experiencing a dramatic period. Only 33% of domestic products are traded in the Slovak market. In early 2003, the pork and poultry sectors of the market were shaken and dairy products followed suit, prices of food wheat have fallen.

According to the statement of the Slovak Agricultural and Food Chamber, 5% to 7% of domestic agriculture enterprises will soon declare bankruptcy or cease to exist. The bankruptcy of more enterprises can be expected in 2003 also due to unfavourable weather conditions in the winter months. 8.891 billion SKK has been earmarked for the promotion of agriculture in Slovakia in 2003. Thus, the real annual increase amounts to 1.09%; nevertheless, the farmers have questioned even this figure as it also includes funds not used for the promotion of entrepreneurs, but for the implementation of state administrative tasks.

It is necessary to adopt a long-term strategy in this field, including the budgetary implications. The strategy would have to deal with factors such as the setting up of food security, the importance of agriculture as a rural socio-ecological system and primarily with the role of agriculture as a field able to meet both, production and economic functions. The form, content, and mode of funding agriculture from the budget, by banks and by means of (EU) subsidies is equally important.

At present, Slovak agriculture has been facing the loss of capacity to fund its needs from the income generated by sales of goods manufactured in the field of plant and animal production. Its own reproduction capacity has been lost, which has resulted in devastation of the existing enterprises and equipment alike. Changes which took place in the field of agriculture and which are still taking place concern the number of agricultural enterprises according to their ownership structure and structural type of these enterprises. What cannot be neglected is the change in consumer behaviour – change concerning consumption levels as well as attitudes towards imports of agricultural and food products.

The above mentioned processes have been reflected in the decreasing number of employees in agriculture (Table 1).

During the course of the preceding years, seasonal employment, which is typical for agriculture, has been tackled by a combination of earned income and unemployment compensation. In periods of high demand for labour employees can make employment contract for a definite period of time and after the expiry of this period the employee ends up on the unemployment register. Some four or five months later, the employee returns to work having contracted a new employment contract for a fixed term once again and this is subsequently repeated in cycles. With respect to the need for efficiency, this system has become common, as it contributes to solving economic problems, particularly of small enterprises and private (self-employed) farmers.

Significant economic differences among individual agricultural entities have to be taken into consideration in agriculture. In mountain and sub-mountain areas, and the foothills the volume of plant production is minimum in terms of the need to employ seasonal workers. Business survives by maintaining a minimum number of employees. In future, it will be necessary to take into the account the necessary maintenance of the landscape and ecological character of regions and to stress this issue to the employees making use of both, the structural and the regional funds of the European Union.

CHARACTERISTICS OF THE CURRENT STATE IN THE CONSTRUCTION INDUSTRY

The share of the construction industry in its contribution to the gross domestic product dropped from 9.2% in 1990 to 4.6% in 2001 in market prices (to 3.5% in fixed prices) and it had the share of 6.1% in the total employment rate. The construction industry, being one of the most important branches of the national economy, plays a significant role in the creation of the living and working environment and it is considered to significantly increase job opportunities. For this reason, it constitutes a sensitive indicator of the economic situation of the State.

In 1993, construction activity amounted to 47.1% of the level of 1989. After a period of revival comprising the years between 1996 and 1998, its share dropped repeatedly to 36.4% and to 36.1% in 2001.

As a result of demonopolisation and privatisation, the number of enterprises operating in the construction industry has increased several times. The lack of resources used for the reconstruction of the economy, the limited input of foreign capital (particularly on a regional average), and the decreased domestic demand limited by reduction of the real income, accompanied by increasing prices of construction work and construction materials, has failed to create favourable conditions for the increase of production in the field of construction. The current state of the field is complicated, which can be illustrated not only by the decreasing volume of construction production, but also by the decreasing number of employees in this field (Table 2).

A typical feature of the Slovak construction industry is its homogeneous structure. No big producers dominate this field. Small enterprises under fifty employees and self-employed entrepreneurs have been making up to 50% of the construction production in the long run. The development of the share of entrepreneurs according to

Table 1. Development of the number of employees in agriculture and forestry*

Indicator	1995	2000	2001	2002
Number of agricultural employees (in thousand)	197.2	139.8	130.6	131.4

Source: Statistical Office of the Slovak Republic

* in the general meaning, i.e. including forestry

the number of employees in the implementation of construction production in the Slovak Republic is shown in Table 3.

Both agriculture and the construction industry constitute fields in which a high number of illicit works is estimated. According to the Infostat Statistics, some 120 000 Slovak citizens work illegally. Not all are in the category of being registered as unemployed. Business and services also amounts to a high number of hidden employees. According to the statements of 79 districts labour offices, 70% are convinced of the existence of the illicit labour market in the region and 30% believe that it exists. Legislation is of the key importance to the solution of this problem. The factors indicating hidden work can be ordered in the following way: the contribution burden – 57.1%, the negative motivation of wages only insignificantly higher than the unemployment benefit – 55.8%, the tax burden – 54.8%, insufficient mechanism of sanctions – 50.7%. The follow up factors are: the high level of unemployment, the unfavourable economic climate, low regional standards, ineffective control mechanisms, insufficient knowledge of legal regulations, and tolerant social norms.

One possible solution to the illicit labour market is the use of the alternatives offered in the study, which would lead to a “legalisation of work” and to the involvement of both, employees and employers, in the tax and insurance payments.

The proposed measure concerning “maintenance wage” has been elaborated in accordance with the employment policy, which is an integral part of the economic and social policies of the Slovak Republic aimed at securing the right of citizens to find adequate employment opportunities. It represents a direct instrument of the active labour market strategy materialised by labour offices. It is aimed at a specific target group and attempts to eliminate collective handicaps, which are not caused by the job seekers themselves, but rather by objective

circumstances. The objective of the measure is to maintain the existing jobs and to achieve an increase of demand in the labour market. It can be characterised as a measure aimed at helping entrepreneurs to solve the problems with labour costs.

The measure is fully in accordance with the National Employment Plan, which prefers “the creation of new jobs, maintaining employment, adaptability and flexibility of the labour force instead of relying on the social safety net”. The proposed measure also considers the use of subsidies, and at the same time, puts emphasis on motivating both, the employers and employees.

The evaluation of the extent of seasonal unemployment in the two fields examined (agriculture and construction), faces a serious problem – the lack of a clear definition of “seasonal unemployment”. Neither the Labour Code nor any other legal norms define seasonal unemployment. At present, seasonal unemployment is monitored without a clear definition of this term and its corresponding legal enactment. According to the statements of employees of district labour offices, the particular quantification of seasonal unemployment depends on its recognition by the individual labour offices. For the same reason, the Statistical Office cannot monitor seasonal unemployment, either.

As a result of this situation, there is a lack of an accessible database, which would enable a continuous analysis of seasonal employment and its categorisation in terms of individual fields and territorial units. For the purposes of the study, we used data of the National Labour Office – Section of Analyses and Strategies, which provided data generated specifically for this purpose.

In our view, in order to achieve maximum effect, it is of a paramount importance to implement each measure in the area of employment with specific attention paid to those whom these measures are to be applied to. The future users will have to be approached differently, in case of agricultural entities, especially taking into account:

Table 2. The development of employment in the construction industry (in thousands of people)

Year	1997	1998	1999	2000	2001
Construction industry	149.5	151.2	136.8	125.8	122.9

Source: Statistical Office of the Slovak Republic

Table 3. The structure of business entities based on the number of employees (in %)

	1997	1998	1999	2000	2001
Tradesmen	19.0	22.4	27.9	26.7	27.5
Small enterprises (0–49 employees)	24.0	25.1	25.6	28.2	26.8
Medium-sized enterprises (50–249 employees)	22.2	21.5	23.5	21.5	23.1
Large enterprises (over 249 employees)	33.8	30.0	22.2	22.6	21.6
Non-construction organisation	1.0	1.0	1.1	1.0	1.0

Source: Yearbook of the Slovak Construction Industry, 2002, MVRR Slovak Republic

– the geographic conditions,
– the climatic conditions,
in which these entities function and which define not only the character of the agricultural activity, but also the duration of the seasonal works in individual districts (they will be different in Southern regions and in Northern regions).

The second criteria linked to the “principle of specificity” are the character of the performed activity. This requires elaboration of a precise classification of the type of work included e.g. in the catalogue of seasonal activities, which will rule out any ambiguous interpretation of seasonal unemployment, with possible misuse of measures linked to this category.

In assessing the size of the problem of seasonal unemployment, two indicators have been used: the share of unemployed seasonal workers in both fields compared to the total number of unemployed in the Slovakia and the share of seasonal unemployment compared to the total number of unemployed in the mentioned fields.

Taking into the account the data on seasonal unemployment in agriculture mentioned in scientific chapter¹ (16 000), we must conclude that the share of the unemployed seasonal workers in this field represented 3.15% of all Slovaks unemployed in the year 2001; the share of unemployed seasonal workers in the construction amounted to the 2.76% share in the overall number.

In terms of unemployment in agriculture and forestry, seasonally unemployed represent 52% of all unemployed in this field, while the seasonally unemployed in the construction industry represent only 28% of all unemployed in this sector.

The main reasons for increased unemployment in the winter months differ in the construction industry from those in agriculture. These reasons also differ in the individual branches of agriculture, depending on the type of individual agricultural entities.

The research carried out for this study has demonstrated, that while in agricultural joint-stock companies and limited liability companies the prevalent attitude to unemployment is based on the criterion of economic effectiveness (the recurrent cycle is: employment – unemployment benefits – employment), in agricultural co-operatives the situation is different – in fact the problem is that of over-employment. The reason lies in the fact that while in the past membership in a co-operative was based on an employment contract, today the co-operative members are owners of property shares in the co-operative. Therefore, co-operative management is not willing to reclassify the members as seasonal workers. This represents a type of “social over-employment” based on social solidarity, reluctance to accept strict measures against a person with whom the management has close social ties.

The agricultural co-operatives solve the employment of seasonal workers during the off-season by moving such employees into side-production or into maintenance

works, with the wages adjusted to approximately 60–70% of the original income. While the average monthly income in the contacted co-operatives ranged between 7 900 SKK and 10 900 SKK during the main season, during the off-season it ranged between 6 000 SKK and 8 000 SKK. The agricultural co-operatives thus maintain year-round employment, and tackle the emergency (harvest) work by hiring interim workers on the basis of work performance contracts.

However, the continued practice of such system in the agricultural co-operatives will not be feasible for a long period of time, among other things because of the growing pressure for increased effectiveness connected with the entry of the Slovak Republic into the European Union. It is only a question of time when the co-operatives will start replacing the unlimited duration contracts with limited duration contracts and it will produce a substantially higher seasonal unemployment.

Because of the high percentage of employment in agricultural co-operatives, representing approximately 70% of the overall employment in agriculture, this problem is rather significant and sooner or later it will lead to the increase of seasonal unemployment.

According to the leading managers of construction companies, the decisive factor in the construction industry in terms of unemployment is the decreasing demand for construction, especially due to the shortage of capital and of investors (mainly state and public orders).

The seasonality of the construction field is not regarded as a significant problem. Management of construction companies is able, if there is a sufficient demand, to secure work for all employees even in periods with unfavourable climatic conditions, such as e.g. the so-called “wet processes”. As the general volume of work in such periods decreased, the smaller number of work hours and the lowering of the performance tariff are reflected in the lower average wages of the employees working in seasonal type of work, instead of termination of employment. During the season the average wage reaches (approximately 13 000 SKK, out of season it amounts to approximately 9 000 SKK). One of factors on the part of construction businesses is the fact that their management wishes to stabilise a team of skilled employees and to overlap the slow construction season (i.e. January and February) by tapping their own resources.

PARTICIPATION IN THE PROJECT

The author of the project takes into consideration three alternative levels for the participation of seasonal workers: a) minimalist (25%), b) realistic (50%) and c) maximalistic (100%).

It is desirable to consider the range of the participation of employees and employers in the system of “maintenance wage” separately in the individual types of agricul-

¹ Buchta S.: The possibilities of solving unemployment of workers in agriculture and construction. *Agricultural Economics – Czech*, 2003 (7): 312.

tural entities. It is appropriate to expect lower participation in agricultural entities, which are either joined-stock companies or limited liability companies (25% of the seasonal workers— only selected range of employees whom the employer will want to keep). In agricultural co-operatives this form of support is more likely to be adopted.

The research carried out in agricultural co-operatives has proved that granted the level of information provided would be sufficient already in the first years of the implementation of the measure. The number of those interested in participation is likely to amount to 60%, and in the subsequent years increase up to 100%. The interest of the agricultural co-operatives must be viewed in the context of the current approach to solving the employment problems of seasonal workers as mentioned above. By firing the seasonal employees, a new possibility will be opened for the agricultural entities to obtain financial allowances from the National Labour Office for the compensation of the costs of the labour force.

One cannot exclude the fact that some agricultural co-operatives will try to solve their economic problems by ranking to the category of seasonal workers those workers whose job doesn't match it. In this context it is clear, that it is necessary to set up a consistent monitoring of the real need for seasonal jobs, to state clear criteria, which determine seasonal jobs and to institute effective preventive mechanisms from the providers side.

The dead-weight effect and the displacement effect were relevant in relation to the proposed measure. In applying the measure in agriculture it is impossible to detect exactly "the dead-weight effect", due to limited time. It was not possible to create a control group and verify assumed effects. After consultation and collecting information, we can assume that "the dead-weight effect" in agriculture will be low. But "the displacement effect" appears real and is connected with the social over employment due to executing the economic criteria of effectiveness and pressure of the competitive market on the agricultural co-operatives. The implementation of the project suggested measures that aimed at solving seasonal unemployment that presumably will result in the placement of part of the presently permanently employed workers, to the category of seasonal workers.

Financial difficulty of proposed measure (see Agricultural economics No.7/2003)².

Costs calculations were carried out at three levels, taking account maximalistic (100%), realistic (50%), and minimalist (25%) version of workers inclusion into suggested system of maintenance wage.

The maximalistic variant (100%):

1. In a model based on the minimum wage, the direct costs of the National Labour Office will amount to 902.4 mil. SKK (4 months) and 1 128 mil. SKK (5 months) in both branches.

In a model based on the subsistence minimum it will

amount to 636.7 mil. SKK (4 months) and 795.9 mil. SKK (5 months).

2. The costs of the National Labour Office and employers by the implementation of the model based on the minimum wage in both branches (30 thousand seasonal employees) will amount to 922.44 mil. SKK (4 months), or 1 153.05 mil. SKK (5 months).

In the variant based on the subsistence minimum, the total costs will not change; only the costs will be transferred between the employers and the National Labour Office.

The realistic variant:

1. In a model based on the minimum wage, the direct costs of the National Labour Office will in both branches amount to 451.20 mil. SKK (4 months) and 564.00 mil. SKK (5 months).

In a model based on the subsistence minimum it will amount to 318.35 mil. SKK (4 months) and 397.95 mil. SKK (5 months).

2. The costs of the National Labour Office and employers by implementation of the model based on the minimum wage in both branches (30 thousand seasonal employees) will amount to 461.22 mil. SKK (4 months), or 576.53 mil. SKK (5 months).

In the variant based on the subsistence minimum the total costs will not change, only the costs will be transferred between the employers and the National Labour Office.

The minimalist variant:

- a) In a model based on the minimum wage, the direct costs of the National Labour Office will in both branches amount to 225.60 mil. SKK (4 months) and 282.00 mil. SKK (5 months). In a model based on the subsistence minimum it will amount to 159.18 mil. SKK (4 months) and 198.98 mil. SKK (5 months).

- b) The costs of the National Labour Office and employers by implementation of the model based on the minimum wage in both branches (30 thousand of the seasonal workers) will amount to 230.61 mil. SKK (4 months), let us say 288.26 mil. SKK (5 months).

In the variant based on a substitute minimum, the total costs will not change, only the costs will be transferred between the employers and the National Labour Office.

Based on the financial cost of the proposed measure offered by the National Labour Office, we may state that a financially more feasible is the van, which uses the subsistence minimum. In case of the agriculture it is possible to reach a saving 41.3 mil. SKK (4 months), or 51.7 mil. SKK (5 months) in the maximalistic variant in comparison with the present solution and based on the unemployment benefits.

The variant, based on the minimum wage in comparison with the present state, seems to be excessive financial burden.

² Buchta S.: The possibilities of solving unemployment of workers in agriculture and construction. Agricultural Economics – Czech, 2003 (7): 314.

THE IMPLEMENTATION ASPECTS

The following conditions are necessary for project implementation:

- definition of the seasonal worker category
- to arrange the regions monitoring with setting the fixed time period of seasonal unemployment for each region and field (agriculture, forestry, and construction industry) individually, as the base for differential and specific provision of contribution
- preparing information systems for the purpose of statistical monitoring of the seasonal unemployment for agriculture and forestry (eventually also for other branches with seasonal unemployment) and realisation of permanent monitoring (to consider the possibility of using finances for this purpose from the European Social Fund /ESF/)
- to prepare legislative measures for implementing regulations (NLO)
- financial covering of the costs incurred, connected with the realisation of the measure in a minimal three year period (NLO)
- to prepare control mechanisms (District Labour Office), with the aim of excluding the possibility of misusing the measure
- to set administrative conditions premises for implementation (the measure should be based on an agreement between the employer future employee and state legislative body),
- lobbying the entities connected with the problem of seasonal unemployment, who are interested in solving this problem
- media promotion of measure for solving the seasonal unemployment.

Whilst implementing the measure it is possible to take into account the following obstacles:

- first of all one can consider institutional changes in statutory institutions, including the National Labour Office, with the impact on the change at present labour market system
- misunderstanding and a lack of good will from excluded groups, because the project measures will privilege only a particular groups of workers (even if the measures of the active policy in their principle will always carry symbols of some discrimination in the face of other – out of target groups).

RELATION TO OTHER MEASURES SOLVING THE SEASONAL UNEMPLOYMENT

One of the measures of the active labour market policy in the Slovak Republic is agreed socially beneficial job for the long-term unemployed. From the time of the amendment of the employment act from 2001, it should also enable individuals and corporate entities from the agriculture and forestry sectors to employ registered unemployed for socially beneficial job created for the long-term unemployed. The District Labour Office provide a salary contribution or contribution for payment of wage compensation

for an employee to an employer from the state budget. The maximum amount of wage contribution is the sum of the minimum wage plus contribution for the payment of health insurance, sickness insurance (medicare), and social security insurance (retirement insurance).

Experience from the agricultural co-operatives with using this active policy tool, was not evaluated positively, because employees, who were hired at the beginning of the season from this category, were workers generally with low or no qualifications, without work habits, but mainly with a low work ethic. Socially beneficial jobs in the agriculture sector were in the past rarely used. They were also not suitable for employers because of administration and organisational difficulties. In 2002 774 persons of the total number classified for temporary employment (17 472 persons), were assigned to agricultural works.

By contrast to socially beneficial job, in which employment is for a definite period, the solution based on the principle of so-called maintenance wage, would enable seasonal workers continual employment.

ALTERNATIVE SOLUTIONS TO THE PRESENTED PROPOSALS

These basic aspects were the basis for the development of an alternative solution:

- Acceptability of the solution for all three interested subjects (employee, employer, the National Labour Office),
- Reality of enforcing the proposed solution from the aspect of the total call on the financial resources,
- Considerations other related factors, which were left out by the author.

Considering these aspects, we recommend weighing up the enforcement of the model based on 1.1 times the subsistence minimum amount stated by the law (3 930 SKK at the time of proposal) with the fact that the National Labour Office would pay to the employer a salary contribution in the amount of 1.1 times the subsistence minimum amount, this means 4 323 + 1 514 (35% insurance), together 5 837 SKK. The employer would contribute compulsorily to his wage minimally up to the minimum wage amount and at the same time he would pay back fund contributions for the employee.

From the employee point of view in the agriculture industry, his net income compared with the amount of unemployment benefits will not change. But in the construction industry his income will decrease compared with the unemployment benefits, because the relatively high salary in this industry influences the amount of unemployment benefits. The employer in this variant bears some costs, but compared with the variant based on the real minimum, this one is preferable for him.

From the National Labour Office point of view this variant is favourable. The volume of financial contributions for the seasonal workers in agriculture compared with the model based on the unemployment benefits can bring a total saving of 7.3 mil. SKK (4 months) and 9.2 mil. SKK (5 months). In the case of the construction industry there

is a saving of 80.6 mil. SKK (4 months) and 108.0 mil. SKK (5 months).

ASSESSMENT OF THE BALANCE OF THE MEASURE

The evaluating ex-ante analyses lead to the assessment of the strengths and weaknesses of the proposed measure.

Strengths:

- Decrease of registered unemployment rate, in realistic variant – involvement of 50% registered seasonal unemployed would decrease the unemployment rate by 0.55 % points.
- Change in resource spending from a passive policy to active labour market policy.
- Sharing the costs of the labour force between employer and then National Labour Office.
- Support of economic and social activities of individuals.
- Measure is directed at individuals who show interest in work (they are just temporarily excluded from the work process because of objective reasons).
- For the employee it provides possibility to continue in the activity in which he gained experience and skills.
- For the employer it creates conditions for keeping a stable work team with the possibility of developing new long term, conceptual activities with specific scope of employment for the workers from the seasonal workers category.
- Co-financing assumes employer's interest in efficient use of these workers.
- Helps to overcome transformation effects in Slovak countryside, which has high migration rigidity.
- It contributes to the minimal functional stability of area by keeping minimal local employment.
- It is an measure corresponding with the basic thesis "Strategy of employment growth support based on the reform of the social system and labour market", which says that, each meaningful work is better than inactivity, and employment growth is the effective route in the struggle against poverty (in the Slovak Republic it represents 11.6% of citizens) and it also contributes to the development of the individual's quality of life.

Weaknesses:

- Provided that the principle of specificity will not be exercised consistently, it may cause its misuse (e.g. also drawing contributions for a period of time, to which one is not entitled), or it may result in growth of the registered number of seasonal workers every year.
- Limited financial resources.
- Relatively high-expected displacement effect on agricultural co-operatives.

CONCLUSION

The information acquired in the analysis validates the necessity to share the solution of unemployment among the state, regions, local authorities and business entities. The consent of participants is welcome. The agriculture is preferred also in the European Union. It reflects the possibility of financial means withdrawal within the structural and cohesion policy of the EU. The existence of European Agricultural Guarantee and Guiding Fund can serve as the means of increasing and enhancing the competitiveness of agriculture as the key activity of rural areas. It supports the variety of activities in order to maintain population in the rural areas as well as to maintain all-year employment. It also supports the sustainable growth and the protection of country heritage. Accession of Slovak Republic into the European Union and involvement of business entities in the program Agriculture and Rural Areas Development is a way to support the agricultural basic industry and products manufacture as well as to provide sustainable growth of the rural areas. If the business entities do not actively engage (the time factor) in the mentioned programme alternatives, the proposed measure presents one possible solution of active labour market policy, with emphasis put on the fight for the employment stabilisation and against the rise of unemployment. It is also an activity for easy integration of unemployed into the labour market. Some possibilities of join the labour market are created for all including the persons endangered by social exclusion. The proposed system of the seasonal unemployment solution is also applied in the new institutional organisation of the labour market valid in Slovakia from January 1, 2004.

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