

**DEVELOPMENT OF INDICATORS OF POVERTY AND SOCIAL EXCLUSION
IN THE YEARS 2009–2012 IN SLOVAKIA**

Ивета Седлакова, Андреа Седлакова. Развитие индикаторов бедности и социального исключения в годах 2009–2012 в Словакии. *В статье отмечается, что распределение доходов на душу населения в Европейском Союзе очень неравномерное, отличается не только среди членов Союза, но и в отдельных географических регионах самих стран непосредственно. Вместе с изменением размеров доходов, линия бедности перемещается и поэтому появляется угроза социального исключения для многих семей. В настоящей статье исследовано развитие индикаторов бедности в Словакии, начиная с 2009, когда евро было принято в качестве единого платежного средства, но в то же время экономика попала под влияние экономического кризиса, продолжавшегося и в 2012 году. Основой для сравнения данных были материалы EU SILC, рассмотренные и опубликованные Статистическим Отделом Словацкой Республики.*

Ключевые слова: бедность, черта бедности, экономический кризис, риск нищеты, социальные службы.

Introduction. Poverty is a human rights violation. On invitation from well-known initiator of activities for poverty eradication, Joseph Wresinski, on 17 October 1987 100,000 people from all social backgrounds and from different countries of the world gathered at Trocadero square in Paris to put pressure on the society in respect of human rights. This day was declared as the International Day for the Poverty Eradication by the United Nations in 1992.

The concept of poverty can be viewed as an absolute poverty or relative poverty. The first approach considers a minimum standard of living for instance in terms of the known hierarchy of needs according to Maslow, i.e. the state of lack of resources, which threatens the existence and human survival. This is different in every single country on the basis of different price levels, while the World Bank in 2005 set a new line of deep poverty to US\$ 1.25 per day per capita based on the evaluation of the cost of living in the world's poorest countries.

Extreme poverty in addition to low income also means diseases that weaken people and reduce their opportunity to earn a living, unavailability of education, chronic hunger and malnutrition, lack of water or polluted environment. The poverty presents violation of human rights.

Secondly, relative poverty is considered from the perspective of people living in a certain society, therefore, not from the view of biological needs, but the rate of a living standard and deviation from this standard. The European Union in its statistical surveys EU SILC defined the risk of poverty as the share of persons with an equivalised disposable income below 60% of the national median equivalised income. Equivalent income is defined as the ratio of total disposable household income and the equivalent number of its members, which takes into account the size and composition of the household and is attributed to each household member.

Data obtained from the EU SILC are the basis for the analysis of living standards and taking actions to improve the quality of life of citizens of the Slovak Republic, which is in accordance with the Europe 2020 strategy approved by the European Council on 17 June 2010. One of its goals is to escape 20 million people from the risk of poverty or social inclusion in 2020. To measure this objective at national and European level there was set aggregate indicator of poverty. According to Eurostat poverty indicator shows the aggregate number of people who are at risk of poverty and / or materially deprived and / or living in households with low work intensity.

Even Statistical Office of the Slovak Republic was actively involved in the activities of the European statistical system before Slovakia's accession to the EU, as evidenced by participation in the preparation of the EU SILC since 2002^[2]. In Slovakia, the year after accession to the EU, the first active sample survey on income and living conditions was launched. It is performed by the Statistical Office of the Slovak Republic and it concerns a harmonized survey of Member States of the EU in which every Member State shall ensure regular, high-quality and timely data on income, poverty and social exclusion.

Methodology review issues. Cross-section development of some selected indicators of poverty in the past four years presents the level and structure of poverty in the Slovak Republic. Submitted tables were after social transfers, because without them, the poverty rate would be significantly higher. The aim of this paper is to highlight the development of selected indicators of poverty and social exclusion across the eight regions of Slovakia, to demonstrate the indications of poverty in different types of households and the proportion of deprived persons by gender and age, respectively by economic activity status.

1 Rate and the risk of poverty

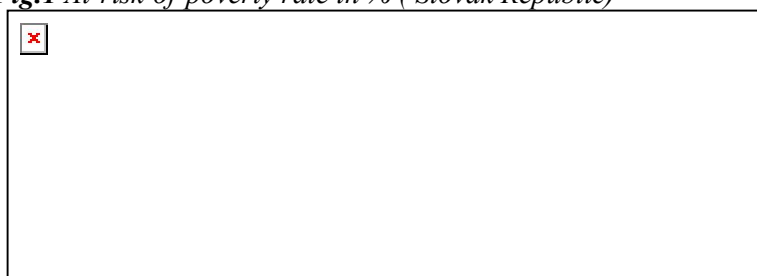
There are many views, definition and measurements of poverty. What poverty creates and maintains is the subject of study of many social science disciplines. Poverty issue has been discussed after November 1989 in Slovakia, because poverty was in contrast with the communist ideology based on the principle of equality and poverty research before this period was banned.^[3] Poverty is primarily social inequality. By Mihálik^[4] in transforming societies view of the ever increasing inequality induces dissatisfaction of relatively significant part of the population not only with those who have lost jobs due to transformation, but also with the unemployed, people in poverty, people with low incomes, as well as quite a large part of the middle class whose expectations have not been met. The expectations of majority failed in that there would be fully applied the merit principle and the market economy status will greatly enhance the consistency (i.e. links among education, employment and income). The middle class is also between the rich and the poor segments of the population. According to Berger^[5] it is necessary to abandon the general inequality, which is not exactly specified and is hence immeasurable, and rather be interested in a particular inequality. It is all about income inequality, wealth inequality, inequality in skills and inequality in the labour market.

In statistical surveys there are three views on the concept of poverty. The first is a relative concept and, therefore, the relative poverty rate, based on a comparison of income to a certain mean value - the national poverty line. Then it is indirect concept where poverty measurement is carried out through disposable household income, without taking into account the household expenses and finally, the third objective concept, where the poverty line is not subjectively based on the experience and responses of individual household members, but is determined by the independent and objective selection criteria.

Equivalent income is defined as the ratio of total disposable household income and the equivalent number of members, which takes into account the size and composition of the household and is attributed to each household member.

According to EU SILC data measured in Slovakia since 2005 the value of the poverty risk rate after an initial decline and the lowest value in 2007 has been increased as shown in Figure 1.

Fig.1 At-risk-of-poverty rate in % (Slovak Republic)



2 Regional inequality

In Slovakia the regional disparity representing the risk of poverty by regions is concentrated in two poles for long period, the lowest risk of poverty has permanently maintained Bratislava region and the highest risk of poverty, during the reported period, Presov Region. The overall poverty rate after social transfers classified by regions (Table 1) shows almost twice lower risk of poverty in the Bratislava region than is the national average.

Tab.1 At-risk-of-poverty rate after social transfers total and in breakdown by regions

At-risk-of-poverty rate (in %)	EU SILC 2009	EU SILC 2010	EU SILC 2011	EU SILC 2012
Total	11.0	12.0	13.0	13.2
Bratislavský region	6.5	5.1	7.2	6.3
Trnavský region	8.0	6.7	9.5	10.6
Trenčiansky region	8.6	10.1	9.2	8.3
Nitriansky region	12.9	13.2	14.8	15.9
Žilinský region	9.0	9.6	11.0	12.7
Banskobystrický region	13.6	16.9	15.3	15.6

Prešovský region	16.3	18.7	20.2	19.9
Košický region	10.9	12.7	13.5	13.5

Below the national average risk of poverty were also regions like Trnava, Trenčín and Žilina. Kosice region nearly copied nationwide poverty risk rate. More people were at risk of poverty in Nitra and Banská Bystrica regions.

3 Factor of age groups and gender

Age and gender influence the poverty risk rate in Slovakia according to the survey results. In all age groups (Table 2) during the reported period more women than men were at risk of poverty. The overall rate of poverty risk difference in favour of men ranged from 0.1 (pp) to 0.8 (pp) percentage points. Most glaring gender disparity is reflected in the age group 65 years and older, when women were threatened by poverty risk three-fold compared to men in 2009, but only 1.5-fold in 2012.

The most vulnerable group by the poverty risk rate in terms of age are children from 0-17 years. When compared with the age group of 50-64 years, the children were at risk of poverty more than double over the compared period. In other age groups with growing age, a decrease in risk of poverty was discovered. After taking retirement in the age group of 65 and older is the risk of poverty a half lower than the overall rate of poverty. Interestingly, the lowest level of the threat of poverty in terms of gender is just for men in the age group 65 and multiannual, where the values are about two to three times lower than the national poverty rate in each of the evaluated period.

At-risk-of-poverty rate (in %)	EU SILC 2009	EU SILC 2010	EU SILC 2011	EU SILC 2012
Total population	11.0	12.0	13.0	13.2
male	10.1	11.7	12.8	13.2
female	11.8	12.2	13.1	13.3
Age group 0 – 17 years old				
total	16.8	18.8	21.2	21.9
Age group 18 – 24 years old				
total	13.3	14.7	14.8	14.4
male	12.8	14.7	14.3	13.0
female	13.8	14.7	15.4	16.0
Age group 25 - 49 years old				
total	9.6	11.4	12.6	12.4
male	9.5	11.3	12.7	12.4
female	9.8	11.5	12.4	12.4
Age group 50 - 64 years old				
total	7.3	8.7	10.6	10.9
male	7.2	9.0	10.4	10.7
female	7.3	8.4	10.7	11.0
Age group 65 years old and over				
total	10.8	7.7	6.3	7.8
male	4.5	3.9	3.4	5.9
female	14.8	10.1	8.2	9.0

Tab. 2: At-risk-of poverty rate after social transfers by selected age groups and by gender

4 Factor of household type and its effect on the poverty risk rate

The type of household, in which people are judged, significantly affects the rate of poverty. Households are divided into the ones without dependent children and with the dependent child, where the first group's risk of falling into poverty is more than 1.4 times lower compared with the overall risk rate. Nevertheless, in this group the most vulnerable are a single-person households consisting of one person aged 65 years and over, where the change can be observed in the given period. As in 2009, these households were twice as more at risk of poverty (26.2%) relative to the overall rate of poverty, at the end of the reported period in 2012, it was only about 1.5 (pp) percentage points higher than the overall poverty rate. In this type of one-person households there was a change according to sex, while at the beginning of observation (in 2009) were threatened by risk rate women aged 65 and over (24.5%), after four years (in 2012) the situation changed and at risk in this type of household have been just men (23.5%).

At-risk-of-poverty rate	EU SILC	EU SILC	EU SILC	EU SILC
	2009	2010	2011	2012

Total	11.0	12.0	13.0	13.2
Household without dependent children	7.7	8.1	7.9	9.0
One adult household aged < 65 years old	20.0	23.4	25.1	24.1
One adult household aged 65 +	26.2	15.2	12.4	14.7
Single male	19.6	22.2	23.7	23.5
Single female	24.5	17.9	16.8	17.5
2 adults household, both aged < 65 years old	4.2	7.8	7.4	9.1
2 adults household, at least one aged 65 +	3.5	4.6	3.2	4.6
Other households without dependent children	3.9	4.8	-	-
Households with dependent children	13.4	15.0	16.8	16.5
Single parent household with at least 1 child	23.0	25.0	26.4	27.5
2 adults household with 1 dependent child	10.5	12.0	13.2	12.4
2 adults household with 2 dependent children	9.9	11.0	13.1	14.3
2 adults household with 3+ dependent children	27.9	29.8	32.6	35.1
Other households with dependent children	12.2	14.0	-	-

Tab .3 At-risk-of poverty rate after social transfers by household type (in %)

The type of households without dependent children is least at risk of poverty - household type two adults and at least one older than 65 years. In households with dependent children are most at risk of poverty exposed households of two adults and three or more dependent children, also incomplete household with one adult member and at least one dependent child. The increasing trend is marked in both groups throughout the period considered. A higher number of children in the household and the absence of another adult member leads to the risk of falling into poverty. Conversely households of two adults and one child are least at risk of poverty.

5 The impact of economic activity on poverty

Status of economic activity was identified by respondents themselves in the survey EU SILC and is therefore based on the principle of self-definition. It is defined as the status presented by the individual in over half of the total number of months. If the respondent occurred in several activities in the same month, the determination of economic status was based on the criterion "spent most of the time".

At-risk-of-poverty rate	EU SILC 2009	EU SILC 2010	EU SILC 2011	EU SILC 2012
In work				
total	5.2	5.7	6.3	6.2
male	5.5	5.9	6.7	6.6
female	4.9	5.4	5.9	5.6
Not at work				
total	15.2	16.0	16.9	17.3
male	14.3	16.6	17.5	17.7
female	15.8	15.5	16.4	17.1
of which				
unemployed				
total	48.6	41.1	42.6	44.6
male	55.7	42.3	42.3	45.9
female	42.2	39.7	42.9	43.2
retired				
total	8.9	6.7	6.3	7.7
male	4.3	3.9	3.6	5.8
female	11.4	8.2	7.7	8.8
other inactive persons				
total	15.9	16.5	18.5	17.9
male	14.5	15.1	17.0	15.0
female	16.9	17.6	19.7	20.3

Tab.4 :At-risk-of poverty rate after social transfers by most frequent activity status and by gender (for persons aged 18 years old and over)

It has been confirmed that the most vulnerable group by the poverty rate are the unemployed. Almost every second unemployed person was at risk of poverty. In the category of the unemployed men the percentage of vulnerable men decreased from 55.7% in 2009 to 45.9% in 2012. The unemployment rate of women under threat increased slightly in this period. According to activity status the persons not working were nearly in threefold greater risk of poverty than working people. The non-working retirees are the least vulnerable group in which at the beginning of the reported period (2009) the poverty rate was

8.9% and by the end of the reported period 7.7%.



Fig.2 At-risk-of poverty rate after social transfers by most frequent activity status and by gender (for persons aged 18 years old and over)

The Fig.2 and the EU SILC table in the period 2009-2012 confirmed that active participation in the labour market and social protection in the form of old-age benefits are important factors that play a crucial role in the fight against poverty, as they help certain groups of population avoid falling under the poverty line. Gender disparity is most reflected in the status of economic activity marked as inactive people, where throughout the period women were more vulnerable to poverty than men. The smallest gender disparity is reflected in the case of employees, where the working men were threatened by the poverty rate in the range 0.6 to 1.0 percentage points higher than working women.

Conclusion. Although according to the results from Slovakia in international comparison of EU countries for 2012, the Slovak Republic belongs among countries with lower aggregate indicators of poverty and social exclusion, together with France, Belgium, Germany, Denmark and Slovenia, this comparison is misleading because it leads to distortion. It can only be used^[6] to compare countries in about the same stage of dynamic development. If Germany and France compared their indicators, this comparison would have some explanatory value as they are the countries which very slow socio-economic changes. But if we compare the societies that are on a completely different level of development and one of them changes dynamically, there is a distortion. According to this indicator is then poverty in Bulgaria lower than in the UK, because Bulgaria has fewer people below the 60% of their median, while the United Kingdom has one of the highest rate in Europe.

In terms of regions of Slovakia it is necessary to draw attention to the long-term persistence and even deepening regional spatial poverty in some regions of Slovakia as Prešov and Banská Bystrica . It is associated with low and poor economic environment, the closure of many companies from the original structure of the economic potential of the region and with a small amount of prosperous businesses. This is connected with high unemployment rates. Some districts of Prešov and Banská Bystrica regions are characterized by increasing birthrate, which rejuvenate them, but at the same time with low levels of education prevents them from success on the labour market in other regions of Slovakia or abroad and also pushes them into groups of socially dependent population. The least number of population at risk of poverty is found in the Bratislava region and to the level below the national average. It is due, inter alia, high economic activity of the population.

From the perspective of Slovakia in the period from 2009 to 2012, a poverty rate has had a rising trend. The hypothesis about the feminisation of poverty in Slovakia was confirmed as women were at risk of poverty at a higher rate than the average of Slovakia, and in terms of age, the most significant it was in the group of women in the age of 65 plus. From the perspective of households the highest risk group are families of two adults and three, respectively. more children and single-parent families with at least one adult and one child. In terms of economic activity the unemployed are the risk group.

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Iveta Sedláková, Andrea Sedláková. Development of indicators of poverty and social exclusion in the years 2009–2012 in Slovakia. *Distribution of income per capita in the EU is very uneven, varies not only among Member States but also geographically in regions of the countries themselves. Together with the amount of income, the poverty line is shifted and thus the threat of social exclusion for many households arises. This paper has examined the development of indicators of poverty in Slovakia since 2009, when the euro was adopted and at the same time the economy was influenced by the impact of the economic crisis until the year 2012. The basis for the comparison of data was the EU SILC survey published by the Statistical Office of the Slovak Republic.*

Key words: poverty, Social exclusion, risk of poverty, economic crisis.

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