

THE DEVELOPMENT OF POVERTY AND INCOME DIFFERENCES IN HUNGARY – THE POSSIBILITIES FOR THE ELIMINATION OF POVERTY

Actual salaries in Hungary were rising until 1978. Thanks to the economic reform in 1968, additional economic activities of the inhabitants in the 1980s raised not only in agriculture, but also in industry. This fact significantly contributed to the improvement of the income situation of the most disadvantaged layers of society. While the marginal layers of the society participated in small agricultural production, the richer layers of the society participated in the industrial economy. The ratio of persons living under the life minimum was increasing in the 1980s. At the end of the 1980s, the poor did not concentrate in the countryside, but in the towns. There was a shift in poverty between 1960 and 1980 – from peasants to workers without professional education. At the end of the 1980s, this had the impact mainly on children.

Since the change of the political regime, we can speak about four main groups of the poor. Among the “traditional poor”, there are people who were poor already during the time of socialism. Here belong physical workers in agriculture and workers without professional education. Low level of education and living in small places increases the risk of getting poor. The so-called “new poor” appeared after 1989. Here we can include the unemployed, people receiving widow/widower benefits or unemployment benefits, or housewives. The third group is composed by children. Already during the socialism, it was obvious that getting poor was related in the highest range to families with little children. This trend is still visible. It is also expressed in the following table, where we can see that the higher the number of children, the higher the risk of getting poorer.

PICTURE NO. 1: INCOME PER PERSON IN FAMILIES WITH CHILDREN IN THE PER CENT RATIO TO THE AVERAGE SALARY, 1972-2004

	1972	1977	1987	1995	2004
None dependant child	106,3	107	114,2	118,9	117,5

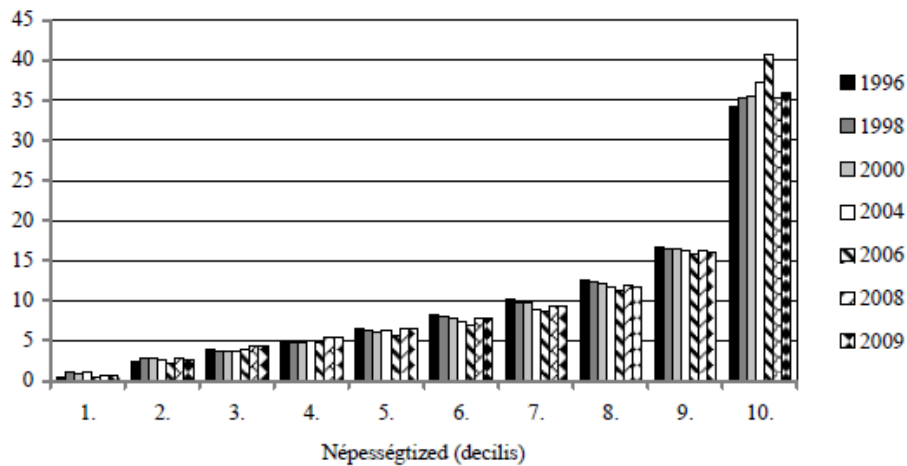
One dependant child	103	101,1	103,2	97,1	93,6
Two dependant children	92,6	93,4	87,2	84,3	80,4
Three dependant children	78,8	80,4	69,9	63,5	60,9
Four and more dependant children	46,3	57,7	50,7	45,1	46,4
Together	100	100	100	100	100

Source: Lecture by Ödön Éltető and Éva Havasi

Finally, we have to mention the members of the Roma ethnic group, among whom the risk of getting poor is higher than the average (since many Roma have only a low level of education, they have more children than average, and they live in small places – these are, anyway, the risks of getting poor, as it was mentioned above).

Generally, it can be concluded that the differences in incomes were between the years of 1990 and 1995 rising. The proportion of the richest on the incomes grew, and the proportion of the poorest declined. A significant change in 1995 was that the proportion of the highest classes on the income was rising; however, the proportion of the most poor did not decline. A new phenomenon has to be mentioned as well – there has been a significant drop in the proportion of the medium deciles on the average income, i.e. the middle classes got poorer. In 1998/99, the proportion of the highest deciles in the comparison with the overall population was 23.8%. **The lowest (the most poor) deciles received 3.6% from the total income.** The ratio of the average income and the lowest deciles of the income distribution were within the overall population 6.7. In 1998/99, the income of the poor was 27.6% lagging behind the line of poverty, which was set as the half of the average income (this is a so-called ratio of the poverty margin). At the beginning of the 21st century, especially between the years 2004 and 2007, the income differences raised. It is shown in the following table, according to which it is clear that in 2006, the ratio of the highest deciles of the property distribution was 40.6% from the total declared income. Between the years 2007 and 2009, the income differences decreased, to a certain extent.

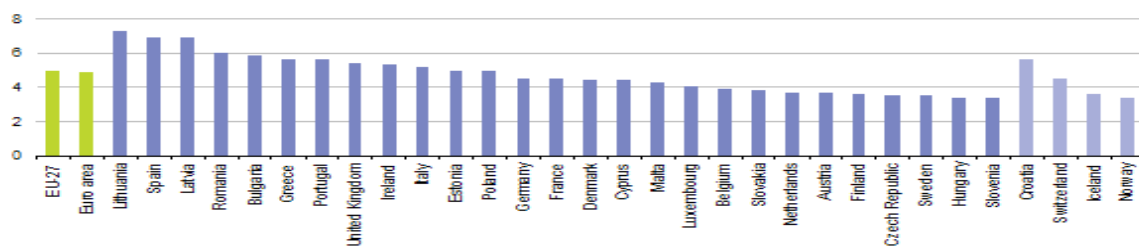
PICTURE NO. 2: DISTRIBUTION OF THE CLAIMED MERGED INCOMES ACCORDING TO THE DECILES OF THE POPULATION BETWEEN 1996 AND 2009



Source: Kovács, 2011.

The following table contains the comparison of the degree of differences in the ratio of the lowest and the highest quintile on the overall income within the European Union. Based on that, it can be concluded that the income differences in the European comparison in relation to Hungary are not big.

PICTURE NO. 3: DIFFERENCES IN INCOMES IN 2010 IN THE EUROPEAN COUNTRIES (THE RATIO BETWEEN THE LOWEST AND THE HIGHEST QUINTILE OF THE INCOME DISTRIBUTION)



Source: Eurostat (online data code: ilo_di11)

Source: Eurostat online data

Based on the following table, it can be concluded that according to the EU standards, almost one third of the Hungarian population faces the risk of getting poor.

PICTURE No. 4: RISK OF POVERTY OR OF SOCIAL EXCLUSION IN THE EUROPEAN COUNTRIES, 2006 - 2011

	Percentage of the total population (%)						Number of persons (1 000)					
	2006	2007	2008	2009	2010	2011	2006	2007	2008	2009	2010	2011
EU-27	25.2	24.4	23.5	23.1	23.4		122 688	119 281	115 186	113 767	115 732	
Euro area	21.7	21.7	21.4	21.2	21.6		67 088	68 043	67 589	68 379	69 966	
Belgium	21.5	21.6	20.8	20.2	20.8		2 247	2 261	2 194	2 145	2 235	
Bulgaria	61.3	60.7	38.2	46.2	41.6	49.7	4 734	4 663	2 917	3 511	3 145	3 694
Czech Republic	18.0	15.3	15.3	14.0	14.4	15.3	1 832	1 613	1 566	1 448	1 495	1 598
Denmark	16.7	16.8	16.3	17.6	18.3		856	905	887	962	1 007	
Germany	20.2	20.6	20.1	20.0	19.7	19.9	16 444	16 760	16 345	16 217	15 962	16 074
Estonia	22.0	22.0	21.8	23.4	21.7	23.1	293	293	291	312	289	307
Ireland	23.3	23.1	23.7	25.7	29.9		991	1 005	1 050	1 150	1 335	
Greece	29.3	28.3	28.1	27.6	27.7		3 154	3 064	3 046	3 007	3 031	
Spain	23.3	23.1	22.9	23.4	25.5	27.0	10 155	10 257	10 340	10 652	11 675	12 371
France (1)	18.8	19.0	18.6	18.5	19.2		11 184	11 382	11 195	11 200	11 693	
Italy	25.9	26.0	25.3	24.7	24.5		15 256	15 412	15 099	14 835	14 757	
Cyprus (1)	25.4	25.2	22.4	22.9	23.6		193	195	176	182	188	
Latvia (1)	41.4	36.0	33.8	37.4	38.1	40.1	930	803	757	834	846	884
Lithuania	35.9	28.7	27.6	29.5	33.4	33.4	1 217	967	928	985	1 109	1 080
Luxembourg	16.5	15.9	15.5	17.8	17.1		74	73	72	85	83	
Hungary	31.4	29.4	28.2	29.6	29.9	31.0	3 121	2 916	2 794	2 924	2 948	3 051
Malta	19.1	19.4	19.6	20.2	20.3		76	78	80	82	83	
Netherlands	16.0	15.7	14.9	15.1	15.1	15.7	2 603	2 558	2 432	2 483	2 483	2 598
Austria	17.8	16.7	18.6	17.0	18.6	18.9	1 454	1 376	1 532	1 408	1 373	1 407
Poland	39.5	34.4	30.5	27.8	27.8	27.2	14 938	12 958	11 491	10 454	10 409	10 196
Portugal	25.0	25.0	26.0	24.9	25.3		2 640	2 653	2 757	2 648	2 693	
Romania	45.9	44.2	43.1	41.4	40.3		9 904	9 418	9 112	8 890	8 630	
Slovenia	17.1	17.1	18.5	17.1	18.3	19.3	343	335	361	339	366	366
Slovakia	26.7	21.3	20.6	19.6	20.6		1 439	1 150	1 111	1 061	1 118	
Finland	17.1	17.4	17.4	16.9	16.9	17.9	886	907	910	886	890	949
Sweden	16.3	13.9	14.9	15.9	15.0	16.1	1 489	1 264	1 367	1 459	1 418	1 538
United Kingdom	23.7	22.6	23.2	22.0	23.1		14 193	13 527	14 069	13 389	14 209	
Iceland	12.5	13.0	11.8	11.6	13.7	13.7	36	38	36	36	42	41
Norway	16.9	16.5	15.0	15.2	14.9	14.6	780	764	701	724	716	709
Switzerland			18.6	17.2	17.2				1 372	1 288	1 291	
Croatia					31.3						1 321	
Turkey	72.4						48 934					

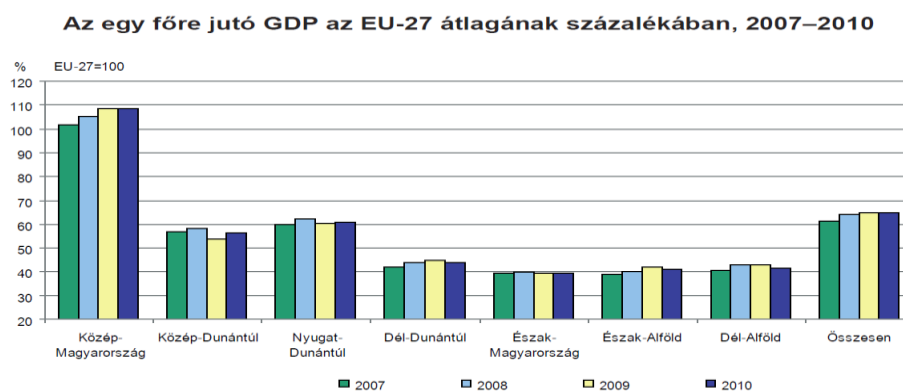
(1) Break in series, 2008.

Source: Eurostat (online data code: ilc_peps01)

Source: Eurostat online data

The next table contains the extent of the territorial differences in Hungary, and the relation of particular regions of Hungary to the gross domestic product per person, in comparison to the EU average between the years 2007 – 2010.

PICTURE NO. 5: GDP PER PERSON IN PER CENTS OF THE EU AVERAGE, 2007 – 2010



Source: <http://www.ksh.hu/docs/hun/xftp/idoszaki/gdpter/gdpter10.pdf>

As we could see, poverty was most related with the group of families with small children, especially those families where there are two or more children and the risk of poverty increases in such cases, where only one of the parents alone takes care of children. There have

been many national programs for decreasing children poverty. One of them was the national strategy entitled “So the children would do better!” (Decision NR 47/2007 (V.31 for 2007-2032). This way, a programme of the Hungarian Academy of Sciences started (under the leadership of Zsuzsa Ferge) against children poverty, which lasted until 2011. The aim of the programme, as well as the aim of the strategy it was based on, was to decrease children poverty, to increase the equality of chances, to extinguish the exclusion and segregation of children and extreme forms of poverty, to decrease the occurrence of deviations destroying life chances, and to transform the functioning and the approach of those institutions and services which contribute to the recurring emerging of poverty and exclusion. Currently, there is a new program called *Let each child be fed!* run under the supervision of the main advisory of the Prime Minister, Zsuzsa Hegedüs. The aim of this activity is to provide, through the joint social cooperation, proper food for hungry and malnourished children within the school canteens system in the most endangered areas. In this programme, children weekly get packages with proteins and vitamins. The long-term goal is to provide the families with children, which are 100% dependent on the food support, the opportunity enabling them for their own production of vegetables and proteins needed throughout the whole year. Local self-governments, local experts and volunteers co-work and provide these families with seeds for growing vegetables and small animals providing proteins.

András Gábos¹ in one of his studies researched on the governmental interventions in the field of decreasing children poverty on the level of the European Union. He made the conclusion that the European Union regards the fight against children poverty a serious matter. However, it is hard to assess the effectiveness and the success of particular interventions. Generally, it can be concluded that well-being politics and within them, the programmes aiming for children, are effective, however, they are mostly effective when combined with the motivation of parents towards the active participation in the labour market. From the article it is visible, that it is also important to improve health conditions of women in the maternal age, improve the quality of child care and medical interventions in early age, and develop afternoon and mentoring programmes at schools.

2.4. The development of poverty in Slovakia

¹ Gábos, 2009.

As it was stated by S. Laca, particular regions of Slovakia became marginalized and characteristic by poverty, due to underdeveloped industrialization already in the 19th century and the first half of the 20th century. Underdevelopment and consequent impoverishment of the regions of Slovakia has been since past manifested by high level of unemployment, increasing poverty, as well as by social-pathological phenomena. Since 1989, the issue of poverty has been slowly penetrating to the social consciousness.

During the period of socialism, the significant differences among the economic levels of the regions of Slovakia were removed, though without the emphasis put on the economic effectiveness. The impropriety of the principle of the equal redistribution among the sectors and particular regions, as well as “hiding” of regional differences has been significantly manifested since then. For a long time, Slovakia belonged to those European countries, which had the lowest income differences, however, during the 1990s, a gradual rise in the income differences occurred. Currently, the social-economic situation is not better, even more, it can be describes as getting worse. The economic and financial crisis cause the rise in the unemployment rate, and this has a significant impact on the poverty of particular people.²

According to D. Šlosár, *“the transformation of the Slovak society had as its consequence also the emergence of such phenomenon as poverty. One of the significant features is the social differentiation of the society. On the one hand, there is emerging economic elite, and on the other hand, there is a growing number of individuals or groups who are dependent on the transfers of social help. The perception of poverty can have different aspects. People can be poor in material sense, but they can be happy and rich internally. And on the other hand, people who do not lack anything in material sense can still feel internal emptiness. There are always such individuals living among us, who cannot find their place in the changing social situation. In Slovakia, poverty is still perceived as the problem of a relative shortage. It is not related to the poverty of spiritual life, which has much more serious consequences for the society. Since the influencing of the poverty is often connected with the politics, there are tendencies to trivialize it“.*³

According to the latest results of the EU SILC 2011, 13% of the inhabitants of Slovakia (700 thousand people) were in the risk of poverty, which increased in 1% in comparison with the previous year.

² <http://www.prohuman.sk/socialna-praca/sucasne-aspekty-chudoby-v-slovenskej-spolocnosti> (31. 1. 2012)

³ Šlosár, 2010, p. 40

According to the EU SILC 2011, the border line of the risk of poverty (defined as 60% of the median of the equivalent disposable income) was in the case of a one-member household set as 315 euro per month. However, it is necessary to add that the poverty borderline is by conversion different in each country. In 2011, the poverty border line in Norway was 14 718 euro per person per year (1226.5 euro per month), and for example in Romania, it was 2 159 euro per person per year (179.92 euro per month). The border line of what can be regarded as the line of poverty increased in Slovakia in 3%, i.e. 10 euro in comparison to the year of 2010.

From the perspective of the age, the group most endangered by the risk of poverty are children (0 – 17 years). The extent of the risk of poverty is in the range between 16.7 % and 21.2 %. The second biggest group is created by the age group of 18 – 24 years olds, which is 4.8%.

According to the economic activity, in case of the employed people, 6.3% were endangered by the risk of poverty. A gradual increase of the risk of poverty among the working people manifested in 2011 that way, that the extent of the risk of poverty was the same among the pensioners and among the working people (6.3 %). The highest group was represented by the unemployed (42.6 %).

Endangered by poverty were mainly the households with adults and 3 and more dependant children. Almost one third of them (32.6%) were endangered by the risk of poverty. The next risk group were the households of one parent and at least one dependant child, i.e. incomplete households (26.4%).

The extent of the risk of poverty is lowered by the system of social protection and its expenses – social transfers. If we exclude all of the social transfers, i.e. pension, sickness, widow/widower, invalidity and unemployment allowances, as well as different kinds of allowances for families with children, the extent of the risk of poverty before all the social transfers, according to the data by the EU SILC 2011 is on the level of 38.3%. If counting pension and widow/widower allowances, in the given year, 19.5% of the population was endangered by the risk of poverty.

The EU SILC provides the information on the development of a median salary in the Slovak Republic. The median reached the value 6 306 euro per year, which is 525.5 euro per month. The highest median values of the equivalent income were reached, throughout the

whole researched period, by the inhabitants of the Bratislava region. On the other hand, the lowest values of the equivalent income were reached by the inhabitants of the Prešov region.

PICTURE NO. 6: THE EXTENT OF THE RISK OF POVERTY EU SILC 2007 - 2011

Miera rizika chudoby EU SILC 2007 - 2011					
Ukazovateľ	2007	2008	2009	2010	2011
Podľa pohlavia					
spolu	10,5	10,9	11,0	12,0	13,0
muži	9,8	10,1	10,1	11,7	12,8
ženy	11,2	11,5	11,8	12,2	13,1
Podľa vekových skupín					
0 – 17 roční	17,2	16,7	16,8	18,8	21,2
18 – 24 roční	11,6	11,9	13,3	14,7	14,8
25 – 49 roční	9,8	9,9	9,6	11,4	12,6
50 – 64 roční	7,0	7,5	7,3	8,7	10,6
65 + roční	8,3	9,9	10,8	7,7	6,3
Podľa ekonomickej aktivity					
pracujúci	4,9	5,8	5,2	5,7	6,3
nezamestnaný	45,1	43,2	48,6	41,1	42,6
dôchodca	7,9	9,7	8,9	6,7	6,3
iná neaktívna osoba	15,3	15,7	15,9	16,5	18,5
Podľa typu domácnosti					
domácnosť bez závislých detí	6,5	7,5	7,7	8,1	7,9
domácnosť so závislými deťmi	13,5	13,2	13,4	15,0	16,8
jeden rodič, najmenej 1 dieťa	25,9	20,9	23,0	25,0	26,4
2 dospelí s 1 závislým dieťaťom	5,9	9,6	10,5	12,0	13,2
2 dospelí s 2 závislými deťmi	12,3	10,0	9,9	11,0	13,1
2 dospelí s 3 alebo viac závislými deťmi	25,7	33,3	27,9	29,8	32,6

Source: The Statistical Office of the Slovak Republic

PICTURE NO: 7: MEDIAN AND INDEX OF THE SLOVAK REPUBLIC EQUIVALENT DISPONSIBLE INCOME OF PERSONS ACCORDING TO PARTICULAR REGIONS

Medián a index SR ekvivalentného disponibilného príjmu osôb podľa krajov

Eur/rok

Kraj	2007		2008		2009		2010		2011	
	medián	Index SR	medián	Index SR	medián	Index SR	medián	Index SR	Medián	Index SR
SR spolu	4 907	100	5 372	100	5 671	100	6 117	100	6 306	100
Bratislavský	5 967	122	6 690	125	7 310	129	8 002	131	7 842	124
Trnavský	5 262	107	5 893	110	5 963	105	6 514	106	6 496	103
Trenčiansky	4 912	100	5 209	97	5 641	99	6 110	100	6 448	102
Nitriansky	4 621	94	5 053	94	5 494	97	5 915	97	6 038	96
Žilinský	5 162	105	5 524	103	5 811	102	6 266	102	6 665	106
Banskobystrický	4 693	96	4 979	93	5 335	94	5 567	91	5 978	95
Prešovský	4 400	90	4 883	91	5 213	92	5 591	91	5 846	93
Košický	4 834	99	5 339	99	5 710	101	5 926	97	6 007	95

Source: The Statistical Office of the Slovak Republic

Poverty is regarded as such state, when the lack of material sources limits the possibilities of the consumption, and the lack of finances does not allow for fulfilling of the basic life needs on the appropriate level. Most often we talk about the absolute poverty (when the basic needs necessary for the securing of the basic existence are not provided, such as food, clothes, living); the relative poverty (when an individual, a family or a social group satisfy their needs on a significantly lower level than is the average level in the given society, or in the state – and for Slovakia, it is exactly this kind of poverty which is significant); and there is also subjective poverty (if persons in such situation perceive themselves as poor, and therefore, they are not able to satisfy their needs according to their own imagination); and objective poverty (if, according to the state, the basic life needs are not satisfied on the adequate level).

More and more often we recently encounter with the term “social exclusion”, which is a broader term than poverty, and it expresses the risk of the marginalization of individuals or groups in several life areas, while it always incorporates also the poverty. On the other hand, poverty does not have to necessarily always include the exclusion.

The state does have certain tools for the solution of poverty. The right of the citizens for having secured the basic life conditions is a part of the Constitution of the Slovak Republic (article 39).

In Slovakia, the poverty is often thought of in the context of the so-called material deprivation, what is such a state, in which the income of the citizen and other physical persons considered with them does not achieve the life minimum and the citizen and the other physical persons considered with them cannot secure such an income through their own means. The life minimum amount as valid on 1st January 2013 in Slovakia is 194.58 euro (this applies to the adult physical person, for the next jointly considered adult physical person, the sum is lower; the state also provides lower amount of allowances for a child under 18 years or a dependant child). The state also provides the people in material deprivation several allowances, such as material deprivation benefits (60.50 euro for an individual; 115.10 euro for an individual with 1 – 4 children; 168.20 euro for an individual with more than 4 children, and 105.20 euro for a couple without children; 157.60 euro for a couple with 1 – 4 children; and 212.30 euro for a couple with more than 4 children), as well as there are various allowances in material deprivation (for example medical care allowances of 2 euro, activation allowance of 63.07 euro, protection allowance, living allowance for an individual of 55.80 euro and for a family of 89.20 euro, allowance for pregnant women, allowances for parents of child under the age of 1 year, allowance for fulfilling mandatory school attendance for each child, etc.).⁴

An interesting measure is the above-mentioned activation allowance, which is for the citizens, who:

- Build up their qualifications while they concurrently work and study;
- Participate on the education and preparation for the job market conducted within the projects approved by the Central Office of Labour, Social Affairs and Family;
- Participate in the minor municipal services or voluntary work conducted on the basis of the agreement with the Central Office of Labour, Social Affairs and Family or with the municipality;
- For the citizens who are in the material deprivation and who receive parental allowance, while they study at secondary school or at university.

There is also the so-called institute of a special receiver of social allowances, the main idea of which is, for example, to prevent the occurrence of the debt from unpaid rent – which is a legal measurement. Municipalities can use the institute of a special receiver of social allowances in the case of persons who rent the apartments of lower standards, when these

⁴ http://www.upsvar-rv.sk/index.php?option=com_content&view=article&id=92&Itemid=197

allowances are used for covering the rent, or the part of the debt on the rent. However, the institute of a special receiver can be used also for receiving food in specially designated shops instead of the part of the social allowance.

Slovak Republic prepared in 2009 a strategic document, the so-called *Národný program Slovenskej republiky k Európskemu roku boja proti chudobe a sociálnemu vylúčeniu* (2010) (National programme of the Slovak Republic for the European Year for Combating Poverty and Social Exclusion (2010)), by which the Slovak Republic, as a member state of the European Union, declares its commitment to achieve “determining influence on the eliminating poverty” in connection with the decision based on which the year 2010 was named to be the European Year for Combating Poverty and Social Exclusion. The national programme was presented within the Ministry of Labour, Social Affairs and Family of the Slovak Republic, and there were many different parties participating on the elaboration of the document: central offices of the state administration, non-governmental organizations and social partners, within the consultation exercises. The aim of the document was:

- To provide the better public understanding about the issues of people living in poverty, mainly socially excluded people or groups, or people or groups who face such dangers, which would support the active approach to social, economic and cultural rights;
- To create a space for including all interested subjects which could contribute by their active participation to the better implementation of the politics of social inclusion.

In the document, there is a description of the internal state context, national program and communicational strategy, the description of the consultations with the civic society and interested parties, the description of the measurements to be implemented, approximate budget and mechanisms of monitoring and evaluation.

The next strategic document is the document entitled *Národná sociálna správa na rok 2012* (National social report for the year 2012). It provides a concise summary of the prepared measurements aiming for the whole system of social protection and social inclusion of the Open Method of coordination or directly aiming for the decrease of poverty and social exclusion fulfilling the aims on the level of the European Union, as well as on the national level. Regarding the topic of poverty, the document includes the description of a complex economic and social development, as well as the measurements aiming for decreasing poverty

and social exclusion. Furthermore, the document deals with the problems of the creation of adequate and sustainable pensions, and accessible, quality and sustainable medical and long-term care.

Professionals in Slovakia agree that the issues related to the problem of poverty are becoming more and more resonant in the Slovak society. An important issue is the definition of poverty and its assessment. The discussion on poverty is still influenced by a number of prejudices, ignorance and stereotypes. Poverty is usually seen only from the economic aspect; however, it is necessary to understand that poverty is a social and social – pathological phenomenon as well. It is necessary to speak about the phenomenon of poverty, to analyze it, to understand its different forms, causes and consequences, and, especially, to search for the solutions of this problem. In this regard, there are several significant organizations developing such activities.

For example, Slovenská sieť proti chudobe (Slovak network against poverty) publishes the so-called *Tieňová správa o chudobe a sociálnom vylúčení v Slovenskej republike* (Shadow report on poverty and social exclusion in the Slovak Republic). In the last report from 2012, the insufficiency of the public policies regarding the fight against poverty and social exclusion, especially in the field of income poverty, support of employment, access to housing and other key services, as well as the support of the participation of people who have experience with poverty in public space and in the creation of politics influencing their lives is being highlighted.⁵

Specific remains the question of poverty in socially disadvantaged, mainly Roma communities. Also here there are many prejudices and stereotypes. It is most significant in the discussions searching for the causes of poverty. There are many opinions, according to which the foundations of property are seen exclusively in negative personal traits of poor and unemployed people, which is definitely not a correct approach.⁶ Solving the problem of poverty in Roma communities is also helped by the field social work. In Slovakia, there is a national project called *Terénna sociálna práca v obciach* (Field social work in municipalities), which is conducted by the Social Development Fund.⁷

⁵ <http://sapn.sk/liferay/web/slovenska-siet-proti-chudobe>

⁶ Gerbery, Lesay, Škobla, 2007

⁷ See more: www.fsr.gov.sk

Long-term activities in the field of eliminating poverty in the Roma communities in Slovakia have been provided, for example, by the organization ETP Slovensko. It is a non-profit consulting – educational organization, which is a direct successor of the international programme *Environmental Training Project for the Central and Eastern Europe*. It was initiated in 1992 by the U.S. Agency for the International Development and it lasted until 1998 in six countries of Central and Eastern Europe. Since 1995, ETP Slovensko is an independent legal subject. The organization has conducted several projects aiming for the development of the Roma communities. One of such project is *Z chatrčí do 3E domov* (From shacks to 3E houses). According to recent estimation, in Slovakia there are more than 15 000 families living in shacks built from the waste materials, usually on illegal parcels, in camps out of towns and villages. Shacks of 10 m² are in a technically bad condition, they are energetically demanding, without running water or canalization, built unprofessionally, without an official permission. There is practically no access to hygienically convenient sources of drinking water. Because of a bad financial situation and low level of education, the inhabitants of these shacks most often use dangerous, unhealthy and environment damaging materials for heating and cooking. The greatest majority of people living in such conditions are poor people in the marginalized Roma communities. Therefore, ETP Slovensko attempts to involve future inhabitants in the building of new houses and apartments (it is not only several times cheaper, but the long-term unemployed future renters and owners can gain professional and life skills, and new experiences. Later, these people can take care better care of their households, with more responsibility, and they have provably higher chances to succeed in the labour market). The project solves the problem of social inclusion in a complex way, from social, health, legal and work consultations, through educational activities, financial inclusion, up to the creation of work positions and providing the way for gaining job skills during the practical building of the houses. The project has the following main aims:

- To design and test a new model of building of the so-called transition living for the inhabitants of the marginalized Roma communities. The houses built by their future owners will have bathrooms, electricity and running water systems and canalization. The building itself will be realized as a practical part of the environmental and building trainings;
- To create partnerships, to spread the information and to lead an open dialogue with the representatives of the institutions responsible for the creation of the

conditions for better quality of the housing of the inhabitants of the marginalized Roma communities;

- To form the public opinion and to eliminate anti-Roma stereotypes.

ETP Slovakia also runs interesting projects in the field of micro-loans and saving programmes IDA.⁸

Recently, a very much discussed approach in Slovakia is the so-called *Bridges Out of Poverty*. It is an American project, with approximately 20 years of history. It was started by Dr. Ruby Payne, PhD., a sociologist, based on her own experience. The marriage in which she lived was non-functional, and she started researching why it was so. Her husband grew up in poverty, while she was from the middle class background. She found out that in particular socio-economic classes there are certain hidden rules. This was the beginning. In her book, entitled *Bridges Out of Poverty*, she provides the description of these hidden rules, as well as of many other different facts. Ruby Payne visited Slovakia in 2008. She had here several workshops and she influenced the participating organizations so much that some of them decided to apply this programme in Slovakia. One of such organizations was *Rada pre poradenstvo v sociálnej práci v Košiciach*. This institution, as currently one of three, gained rights to conduct the project *Bridges Out of Poverty* in Slovakia. In the book *Bridges Out of Poverty*, there are hidden rules of particular socio-economic social classes in different fields. It is, for example, property, money, personality, social focus, food, dress, education, destiny, language, family structure, world views, love, motivating powers, humour... These fields were researched by the above-mentioned Ruby Payne and under particular social classes, there are principles, from which the members of particular classes stem – based on the backgrounds, in which these people grew up. All classes and their hidden rules have their positive and negative sides. We cannot and we must not assess them as good or bad. The main problem is the fact that the society functions based on the principles of the middle class. Schools, institutions, laws – everything functions on the principles of the middle class. Poor people often do not understand these principles, because they did not grow up with them, and we force them to understand them, without us acknowledging their own context. We do not know why they behave as they do. We need to understand their functioning, get deeper into their internal principles, and help them understand the principles of the middle class. They need to be offered a way to get to know and understand themselves and the others. *Bridges*

⁸ More on: www.etp.sk

Out of Poverty are not only for the poor, but to anybody, regardless of the class they are currently belonging to.⁹

The development of unemployment in Slovakia

For the **socialist regime**, it was typical that there was the state regulation and planning, together with over-employment, and there was no unemployment as a problem present in this regime. These factors, as well as many others, caused the deformations of the internal structures. Since 1990s, the so-called **economic transformation** started in Slovakia, during which a change of the mechanism of the functioning of economics happened. The mechanism of the centrally-planned economics was turned into monetary market system. According to A. Kočíšová (2008, p. 72): “the changes in the social system after year 1989 have significantly influenced the individuals, particular social groups, as well as social processes and whole social context in Slovakia. The above-mentioned changes have a significant influence on the lives of people.” The actual state of unemployment was dealt with the government only late, and by not adequate means, which caused that the unemployment started to develop out of control. In **1993**, the **level of unemployment** (which expresses the inability of the economy to use all the sources of the population able to work, that it has in its disposition) was 14.4%; one year later it was 14.8%. From 1995 to 1997, the rate of unemployment was decreasing – to the level of 12.5%. It started to rise again in 1998, and in 1999 it reached 19.2%. Since that year, until **2008**, it again showed decreasing tendency. It again started to rise with the beginning of the economic crisis. Unemployment, as the consequence of the market economy in the democratic society, is visible everywhere.

In the scholarly literature, we encounter with an interpretation, according to which the unemployment – though it is regarded to a certain extent as a natural part of the life in a modern society – is also designated as a social – pathological phenomenon. It influences the life of a long-term unemployed person not only economically (the decrease of his/her life standard), but also in psychological and in social way (in the form of stress, worries, loss of social contacts, risk of divorces or developing addiction on different narcotic substances, etc.).

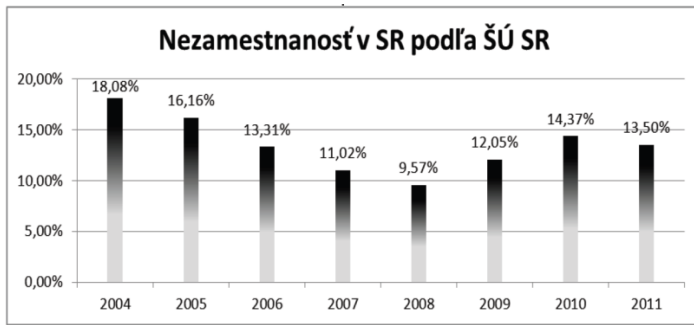
⁹ See more: <http://www.rodina.psisaris.sk/index.php/pomoc-rodine/item/mosty-z-chudoby>. Frequently used term in connection with the programme Bridges out of Poverty is “generational poverty” (it is such a state, when an individual grows up in the family, where the two generations before were already living in poverty, and the individual still lives in poverty).

Moreover, in every society there are minority groups, which require a special approach, and this applies also to the problem of unemployment. One of the priorities of social politics is to lower and solve poverty and to support the social inclusion of the groups of inhabitants most affected by poverty, while the primary tool for preventing and solving poverty is especially the access to the employment. One of the groups most endangered by the unemployment and most dependent on the help from the state is the members of the Roma minority and citizens with health handicaps (Kočišová, Toldiová, 2009, Kočišová et al 2010).

The impact of unemployment is felt not only by a respective individual, but by the whole society, and therefore, every country tries to achieve as low level of unemployment as possible. In Slovakia, the research of the level of unemployment is provided by two subjects: by the Central Office of Labour, Social Affairs and Family and the Statistical Office of the Slovak Republic, and since both organizations use different means for their calculations, both produce different results.

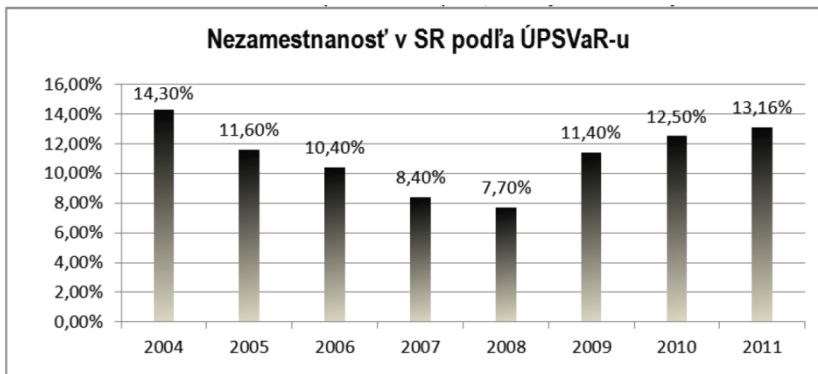
The development of unemployment in Slovakia showed a really negative trend mainly during the **economic crisis**. The first negative outcomes started to be manifested in the second half of 2008 (mainly because of the lowering of the number of employees in engineering, automobile and chemical industry); however, it was during the years of 2009 and 2010, when Slovakia faced one of the biggest crises ever. To fight the economic crisis in Slovakia, *Rada pre hospodársku krízu* (Counsel for economic crisis) was established in 2009 (composed by the representatives of the National Bank of Slovakia, the employers, the unions, the self-governments, the banks and the government). Its main goal is to develop measures and submit them to the government of the Slovak Republic for the approval. Consequently, the government approved several anti-crisis measures, however, these turned out to be not sufficient. In Slovakia, the unemployment raised between 2008 and 2010 in 4.8% (which is approximately 130 000 persons), however, the situation did not improve even in 2011, and the number of the unemployed raised (while in December 2011, the rate of unemployment was 13.59%) (Zachar, Majerčáková, 2011).

Development of unemployment in Slovakia in the years of 2004 - 2011



Source: The Statistical Office of the Slovak Republic

Development of unemployment in Slovakia in the years of 2004 - 2011



Source: The Central Office of Labour, Social Affairs and Family

Development of unemployment in Slovakia according to the regions in the years of 2008 and 2010

