

POVERTY AND CONCEPTS FOR ITS RESOLVING IN THE SLOVAK REPUBLIC

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Abstract

Poverty represents an important social phenomenon occurring in both developed and developing countries. The multidimensional character of poverty is accompanied by a wide range of its causes, manifestations, and consequences that significantly affect not only individuals but also the whole society. Its very existence and permanent presence within the society lead us to considering whether the society's structurally set concept is suitable or whether there are specific determinants within the society, relating to the presence of poverty. The aim of the study is to analyze the tools intended to resolve poverty in the Slovak Republic in conjunction with an analysis of the indicators determined for poverty measurement and studying.

Keywords: Poverty. Slovak republic. Concepts. Social services.

1 Introduction

Poverty can be classified as a significant and multidimensional social phenomenon that is present in society in the long run. Rheinheimer (2003) states that, when examining historical circumstances, poverty and its consequences were present within each type of society, with the persistent occurrence of certain individuals or groups of persons, who were unable to secure their vital needs to the extent that they would primarily need for their life. From this point of view, these individuals and groups of people faced real risk of poverty, along with social exclusion, which, according to Mareš (2006), is presented by restricted and limited access as well as use of the opportunities that the society offers to its members, including the rights and obligations that are associated with the status of a man as a social creature.

Poloňová, Mátel and Romanová (2011) point out that due to the multidimensionality, on the one hand, poverty can be characterized as the absence of adequate provision of material resources, primarily intended to meet the needs, while, on the other hand, it can be argued that poverty is not just an economic phenomenon, but primarily a social problem that occurs within the global, political and sociological dimension. In this context, it is also possible to point out the connection of poverty with other deprivations or its subsequent interconnection with other social phenomena.

Ondrejko (2009) continues that in the case of poverty, it is about extreme inequality or insufficient satisfaction of the needs that are necessary for a dignified life. In this context, it can also be said that the dimensions of poverty have crossed the borders of national states, and at present we can therefore argue about poverty as one of the most recent challenges within the global world. The very presence of poverty is thus not determined by the advancement of society, since it occurs in both developing and developed countries, including the Slovak Republic, where there are also certain social groups of the population, who are at significantly greater risk of the occurrence and persistence of poverty compared to the rest of the population (Schavel et al., 2008).

Despite the constant presence of poverty in our country, Beňová (2008) points out that during the communist regime (1948-1989) the official state doctrine did not allow the presence and the existence of not only poverty but also other socio-pathological phenomena within society. Despite this opinion, however, these phenomena were still present in society, but in its latent or hidden form. Significant and visible onset of poverty in our country was thus associated particularly with the process of transformation of society after 1989, when the latent form of poverty (along with other socio-pathological phenomena developing from poverty) was transformed into an apparent and visible form (Michálek, 2000).

Gabura (2005) agrees with this statement, arguing that in the subconscious of the Slovak public, poverty has come to public attention as a result of disproportionate socio-economic development, in conjunction with income inequality within society. These transformation changes have resulted in the formation of social groups, which found themselves permanently at risk of poverty, and which were unable to solve their adverse situation through their own resources and abilities.

An important step in the process of transforming the social, political and economic model, which could help creating socially acceptable conditions, was, according to Radičová (1998), the formation of a rescue social network the purpose of which was to provide temporary assistance to social groups that were unsuccessful in adapting to socio-cultural changes and also not adequately prepared for them. The importance of the rescue social network was also accompanied by the idea of preventing a mass explosion in society, but emphasizing the original

intention according to which the rescue social network was only meant to represent a temporary nature of assistance.

2 Poverty indicators

In the process of examining poverty, it is important, according to Gebery, Lesay and Škobl (2007), to not only focus on analyzing the occurrence of poverty at one point in time, but also on analyzing the time period of remaining in poverty. In this context, we thus recognize four dimensions of dynamically understood poverty, which consist of *the duration of poverty, the length of the period monitored, the extent of alternating periods of poverty and instability, in synergy with the stability of poverty at a certain time*. These dimensions are involved in creating the so-called "*poverty profile*", while distinguishing the following poverty profiles:

- a) persons living permanently in poverty;
- b) persons experiencing recurring poverty;
- c) persons temporarily in poverty;
- d) persons living permanently above the poverty line.

With regard to instruments for measuring poverty, we also recognize income and consumption instruments. While direct consumption of goods and services gets into attention in the case of consumption, disposable income represents the key factor in connection with the consumption instrument, as it makes it possible to measure poverty directly at the time of the process of transformation from the level of income to the level of consumption. However, it is important to remember that other indicators, such as deprivation indicators (Krebs, 2010), can also be applied to ensure more comprehensive understanding of poverty.

The indicators for measuring poverty and social exclusion are divided in accordance with the Report on the Social Situation of the Population in three different levels:

1. primary indicators, including indicators such as at-risk-of-poverty rate, long-term unemployment, under-qualification of the population, level of material deprivation, etc. ;
2. secondary indicators, including indicators such as at-risk-of-poverty rate, expressed by the type of household, by the work intensity of households, by the type of ownership, by the economic activity, etc. ;
3. context indicators, including inequalities in the income distribution, expected average life expectancy, at-risk-of-poverty rate in time, etc. (Masárová, Sika, Španková, 2015).

Table 1 At-risk-of-poverty rate in Slovakia (in %)

	Year 2010	Year 2011	Year 2012	Year 2013	Year 2014	Year 2015
Individual	19,1	18,7	19,3	15,5	15,7	15,0
Individual with dependent children	25,0	26,4	27,5	30,1	30,6	29,9
Two adults	6,3	5,3	6,9	6,3	7,5	6,9
Two adults with one dependent child	12,0	13,2	12,4	10,0	13,2	9,2
Two adults with two dependent children	11,0	13,1	14,3	13,2	11,4	14,7
Two adults with three dependent children	29,8	32,6	35,1	29,9	28,4	32,9
Households without dependent children	8,1	7,9	9,0	7,5	8,6	7,9
Households with dependent children	15,0	16,8	16,5	16,3	16,0	15,7
Total	12,0	13,0	13,2	12,8	12,6	12,3

Source: Štatistický úrad SR, own processing

In Slovakia, it is possible to encounter the indirect definition of poverty in the form of material need representing "*a situation where the income of household members is below the subsistence minimum and the household members are unable or cannot secure income or increase their income by working, exercising*

ownership rights or other property rights"(Act of the Slovak National Council No. 417/2013 on Assistance in Material Need and Amendment to Some Laws, Section 2).

3 Poverty and its solution concepts in Slovakia

In terms of possible solutions to poverty in Slovakia, we bring to the attention a set of social and political measures that represent a significant dimension in the implementation of the state social policy. Among the key concepts that are related to poverty and influence each other, we include, in this context, the system of assistance in material need, the spectrum of social services and the labor market policy instruments within the employment policy.

As already mentioned, the system of assistance in material need is closely linked with the institute of subsistence minimum, the values of which can then be used to identify the threshold of poverty below which the inability occurs to meet the vital needs for a dignified life.

The current amounts of subsistence minimum, effective from July 1, 2017, are as follows:

- EUR 199.48 in the case of one adult individual (EUR 198.09 until June 30, 2017);
- EUR 139.16 in the case of another jointly considered adult individual (EUR 138.19 until June 30, 2017);
- EUR 91.06 in the case of a dependent or independent minor child (EUR 90.42 until June 30 2017) (Act of the Slovak National Council No. 601/2003 Coll., on subsistence minimum and on amendments to certain laws).

According to some authors, the current model of the institute of subsistence minimum, however, is not appropriately set in Slovakia. Džambazovič, Gerbery and Bodnárová (2010) state that the current form of the system is not capable of creating the necessary conditions for living a dignified life, even at a modest level. These authors draw attention to the necessity of reviewing the establishment and examination of the institute of subsistence minimum on the basis of a normative method that investigates the composition and price representation of the minimum *consumer basket of goods and services, the basket of essential housing needs* (guaranteeing a modest but dignified life), including *the application of the border income method*, which represents the income below which the normal household expenditure can no longer be covered. Based on these circumstances, the determination of the subsistence minimum should be subject to three interrelated aspects (analysis of household income, obtaining household expenditure information from low income households and determination of the consumption basket of goods for the purposes of calculating the cost of living index).

Material need is also closely related to the term "adverse social situation", which an individual, a family, or a whole group of people is unable to solve using their own resources and abilities. In this context, the field of competence is opened by the State, within the framework of the social assistance subsystem (as one of the components of the social security system). Within the system of assistance in material need, we recognize the basic benefit in material need designed to secure the vital living needs, and the amount of which depends on the number of persons assessed in a joint household, along with other benefits allowances, increasing the basic benefit in material need, which are as follows:

- Activation allowance;
- Protective allowance;
- Housing allowance;
- Dependent child allowance.

The entitlement to the basic benefit in material need, including additional benefits and allowances, as well as their application, is more closely defined by Act No. 417/2013 Coll. on assistance in material need and on amending and supplementing certain laws. This law also defines legal relationships in the provision of a lump sum benefit of material need, a special allowance, as well as subsidies to support the training on eating habits and to support the education to meet the educational responsibilities of a child who is at risk of social exclusion. The system of material need assistance¹ can be classified as one of the solutions in the context of crisis intervention, responding to the adverse social situation, whether of individuals or families, in the form of temporary assistance. In this context, however, according to Schavel et al. (2008), the own activity of these persons is presupposed at the same time, in order to address their adverse situation as well as to take personal responsibility for solving this situation.

Another possible concept can be mentioned in the context of labor market policy as part of employment policy, aimed at promoting the minimization of unemployment (as a primary factor of poverty) and growth of employment.

¹ It is important to also mention the provision of food aid to persons in a state of material need, or adverse social situation.

Implementation of the labor market policy (divided into active and passive policies) is the responsibility of the Ministry of Labor, Social Affairs and Family of the Slovak Republic.

The Ministry also identifies and defines the labor market policy priorities that are determined by the objectives of the state economic and social policy, including their specification on the basis of the government program statement, including documents adopted by the National Council of the Slovak Republic (Hetteš, 2013). The passive labor market policy consist of unemployment support, as well as assistance in material need. In Slovakia, the measures of active labor market policy are implemented primarily through the interpretation of Act of the National Council of the Slovak Republic No. 5/2004 Coll. on employment services and on amendments to certain laws, as amended. In this context, the instruments of active labor market measures include:

1. contributions to the citizen;
2. contributions to the employer;
3. promoting the employment of persons with disabilities;
4. activation;
5. education and training for the labor market;
6. REPAS + for jobseekers;
7. KOMPAS + for jobseekers (the Headquarters of Labor, Social Affairs and Family, 2018).

The last concept is accompanied by the existence and importance of social services. The systematic nature of the range of social services provided is associated with an interest to tackle, mitigate, or prevent the occurrence of adverse social situation of individuals, families or communities living in society. Social services in this regard are one of the instruments of state social policy through which the state also seeks to support the process of social inclusion of disadvantaged people (Matoušek, 2007).

The legal definition and scope of social services is determined by Act of the Slovak National Council No. 448/2008 Coll. on social services, which defines the main groups of existing social services:

- a) Crisis intervention social services;
- b) Social services to support families;
- c) Social services to address the adverse social situation due to severe disability, ill health or due to reaching the retirement age;
- d) Social services using telecommunications technology;
- e) Support services (Act No. 448/2008 Coll., on social services and on amendment to Act No. 455/1991 Coll., on trades licensing, as amended).

Kamanová (2016) believes that social services are also an important part of the social assistance subsystem. In this context, social services can be provided through public and private providers in different forms and in different periods of time as well as through their individual types based on individual target groups of clients.

4 Conclusion

Poverty represents an ever-persistent phenomenon in Slovakia, the consequences of which are perceptible within society. In this context, we have attempted to introduce not only a theoretical definition of poverty but also other indicators closely related to poverty, including concepts aimed at alleviating the consequences of poverty or preventing its occurrence.

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