

Inequalities in 4 CEE countries

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GINI conference, Amsterdam, 4-5. June 2013

Countries

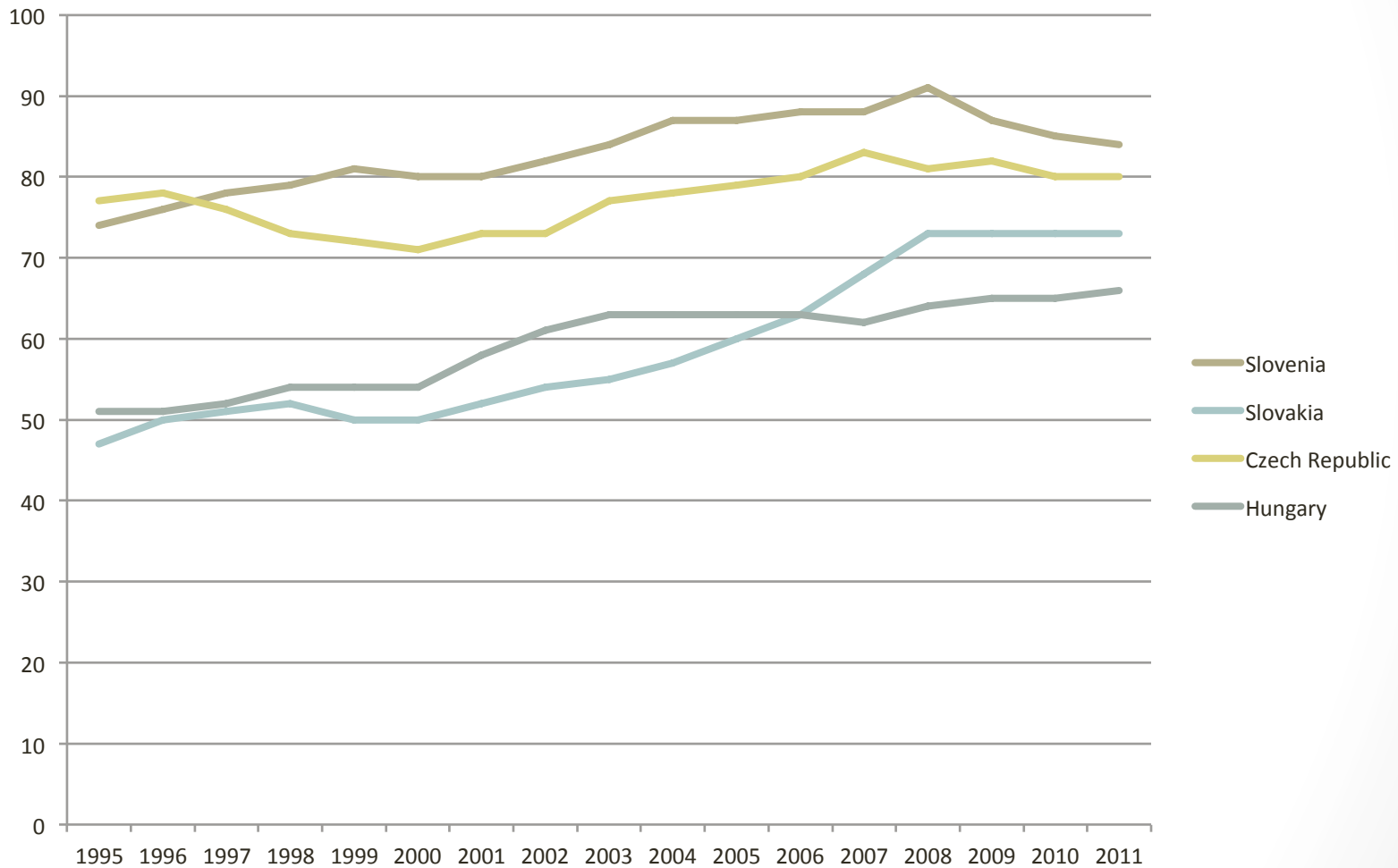
Looking at inequality trends and social and political impacts of inequality in:

- Hungary
- Czech republic
- Slovakia
- Slovenia

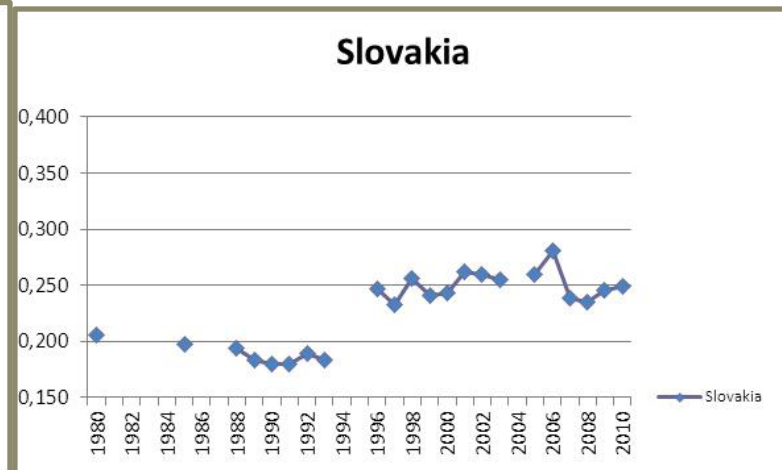
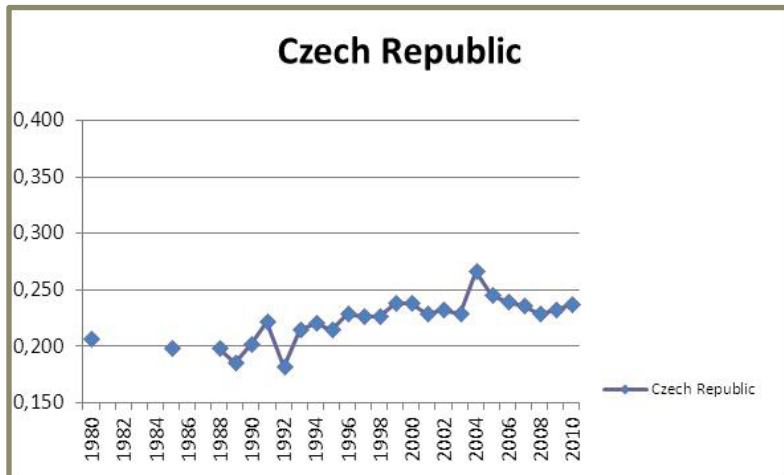
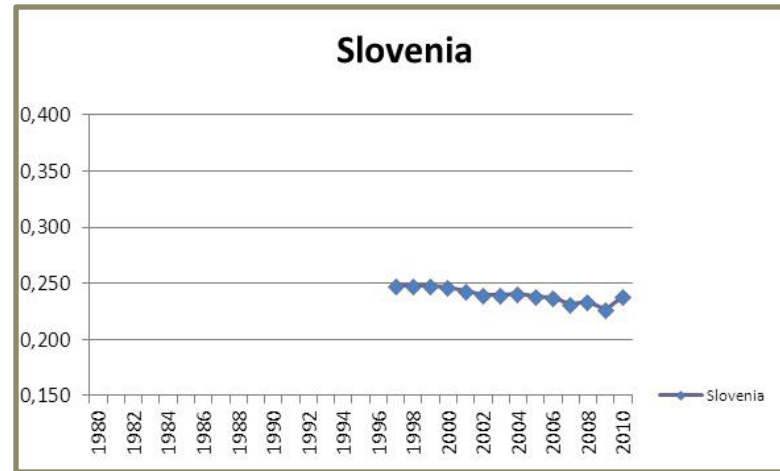
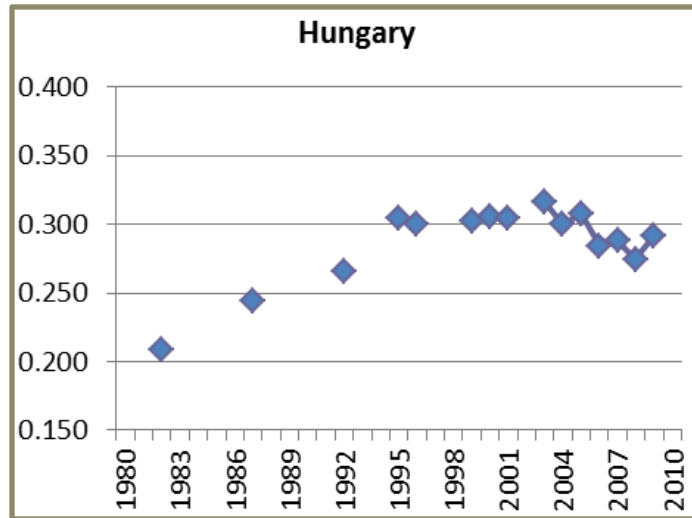
- Common characteristics:
 - all postsocialist countries ---- starting from similar (political) circumstances and going through similar political and economic processes (privatization, market economy, political changes)
 - All facing ageing of population, fall of fertility rates, declining household size
- Was the starting point similar? Was the path similar? Was the outcome similar?

- Presentation draws upon 3 chapters prepared for OUP (Hungary, Slovenia, Czech Republic and Slovakia).

GDP per capita in PPS (Eurostat; 100= EU27)



Inequality



From Toth (chapter 2 in the forthcoming volume)

Inequality trends

- Commonalities
 - Rising of inequality after the fall of the communist regime
 - Relatively stable GINI in the last decade
 - 3 countries (Czech Republic, Slovakia and Slovenia) have relatively low GINI index (around 0.25)
- Differences
 - Hungary stands out with much higher GINI; transition and liberalisation of economy started earlier

Inequality drivers

- Changing **labour market**
 - High unemployment after transition and recent recession
 - Restructuring of the labour market: increasing self-employment (especially in Slovakia) and fixed term contracts (especially Slovenia)
 - Minimum wage (diminishing in Slovakia and Czech rep., grown in Hungary and Slovenia)
- Increasing importance of **education** (increasing education in population, increasing relevance of education in labour market)
- **Taxation (income):**

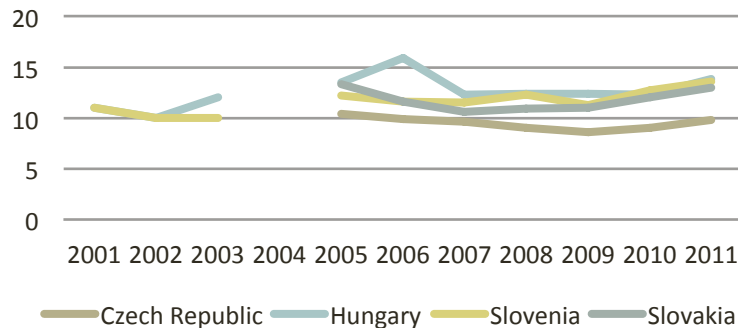
	Slovenia	Slovakia	Czech r.	Hungary
Flat rate		X (2004)	X (2006)	
Progres.	X			X

- **Welfare** (unemployment benefits, social assistance benefits) – decreasing inequalities; however recent cuts in the welfare system might have negative impact
- Pension system

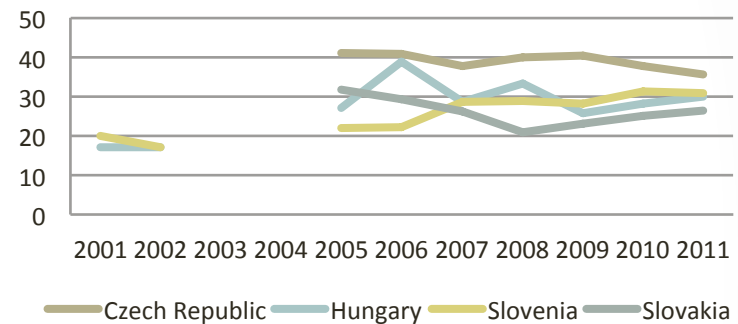
Social impacts

Relatively low at-risk-of poverty rate (Eurostat); different vulnerable groups; in all Roma population

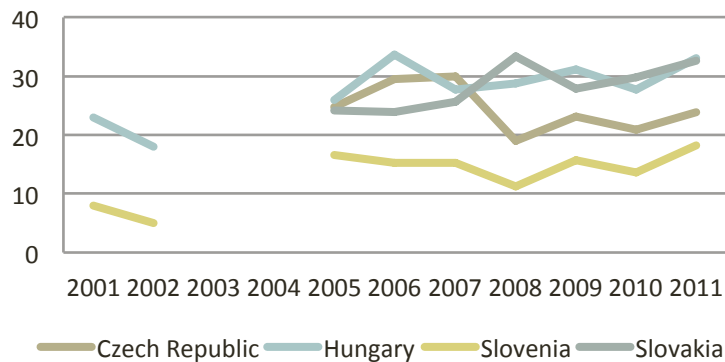
poverty rate (total)



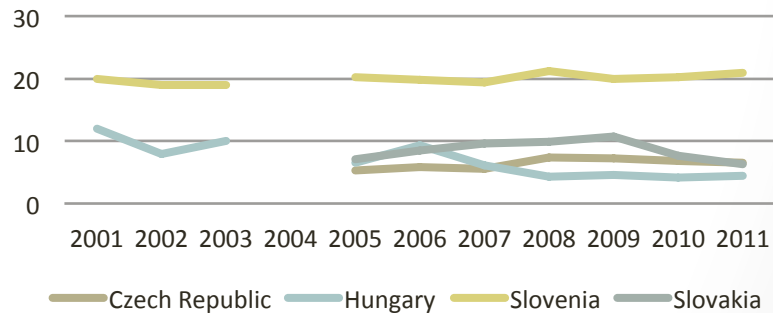
poverty rate of single parents



Poverty rate for families with children



poverty of elderly



- Low generalised trust (increasing in all, however in all except Czech republic under 30%); strong family networks

Political impacts

- Strong ideological polarisation of left and right
- Declining support for extremists parties (Slovakia, Czech republic, Slovenia), increasing in Hungary
- Low trust in politics, increasing gap between political parties and citizens
- Relatively low trust in government (approx. one third of respondents, varies according to data source)
- Low civic participation

Attitudes toward inequality

% agree inequalities are too large (ISSP)

	HU	SK	SLO	CZ
1992	45,2	no data	48,0	no data
1999	67,1	74,0	50,0	60,3
2009	77,6	61,0	58,0	52,7

% agree government should redistribute wealth/income (ESS)

	HU	SK	SLO	CZ
2002	81,5	no data	83	49,8
2004	86,4	73,6	83,7	59,7
2006	83,7	72,4	78,9	no data
2008	82,4	66,3	85,8	52,8

Conclusion

- Several similarities can be found, however also differences (in inequality drivers, social impacts and people's perceptions)
- One aspect not mentioned is the role of the EU (the process of accession and also later coordination of policies, reaction to recent economic crisis within EU framework)
- Additional aspect only briefly touched upon in some countries: problems of corruption, hidden economy (influence on wealth and income distribution, labour market and other opportunities as well as perception of inequalities)