Pinpointing Poverty in the Slovak Republic

Rates of poverty and social exclusion vary widely across European Union (EU) member states, and there is also a high degree of variability in living standards within member states. In its 2014–20 multiannual financial framework, the EU budgeted €1 trillion to support growth and jobs and to reduce the number of people living at risk of poverty or social exclusion by 20 million by the year 2020. To help reach this goal, the government of the Slovak Republic has set a national goal of reducing the number of the poor and socially excluded by 170,000 people.

Success depends on developing the appropriate policies and programs and targeting them effectively. However, the EC has previously had to rely on sub-national data at a relatively high level of aggregation for program planning and the allocation of EU funds. The EC and the World Bank, in cooperation with individual EU member states, have developed a set of high-resolution poverty maps. The greater geographical disaggregation of the new poverty maps reveals which parts of these larger regions have particularly high rates of poverty and require greater attention in poverty reduction programs.

The poverty maps confirm existing knowledge about poverty in the Slovak Republic, but also reveal new insights. Previous surveys

Map 1  At-Risk-of-Poverty Rates, the Slovak Republic


Note: The risk of poverty rates are defined using the EU standard of 60 percent of median national equivalized income after social transfers. The NUTS (Nomenclature des Unités Territoriales Statistiques) classification is a hierarchical system of dividing up the economic territory of the European Union for the development of regional statistics, regional socioeconomic analysis, and the framing of EU regional policies. To date the NUTS 2 classification has been used for determining eligibility for aid from European Structural Funds. Below the NUTS 3 classification areas are defined according to Local Administrative Units (LAU). Most EU member states have LAU 1 and LAU 2 divisions, but some only have LAU 2.
have shown the eastern oblasts to have the highest rates of poverty (map 1, panel a), and this may also be seen in the district-level poverty map (map 1, panel b). Yet, the district-level map also reveals considerably more heterogeneity in poverty incidence across space vis-à-vis the oblast-level map. In the east, the highest poverty incidence appears to be concentrated primarily along the border with the center (Rožňava, Poprád, Kežmarok) and along the Ukrainian border (Sobrance and Snina), while poverty incidence is relatively low in Košice. At the same time, districts such as Revúca, Rimavská Sobota, and Poltár in the center also have high poverty incidence, even though poverty incidence is moderate in the center overall. In 23 out of 27 districts, the district-level poverty estimate is statistically different from the estimate for the oblast in which the district is located. Knowing which districts have higher poverty rates can help more efficiently target resources for development and poverty reduction.

Targeting poor areas alone can have limitations. Policy makers have an interest both in areas where poverty is high and in areas that have the most poor people. These two need not be the same: areas that are poor may also be sparsely populated, whereas large cities tend to have low poverty rates, but large numbers of poor people because of the large populations. Even though, in the Slovak Republic, the poverty headcount is generally correlated with the absolute size of the poor population, this is not universally the case (map 2). Districts such as Žilina, Nitra, Trnava, and Trenčín have low poverty rates, but rank relatively high among districts in the absolute size of the poor population. Meanwhile, districts such as Poltár, Sobrance, Stropkov, and Krupina have higher poverty headcounts, but represent only a small share of the total population living below the risk of poverty threshold.

Poverty maps do not provide all the answers. They must be combined with other information, including local expertise, to inform decision making. After identifying the areas or populations in greatest need, one must understand why these places are poor. The reasons are likely to vary from place to place and may include inadequate infrastructure, lack of economic activity, an insufficiently skilled workforce, or other reasons. Poverty maps provide more finely grained information on sub-national variations in poverty than was previously available and can potentially improve resource allocation. The maps also force more thinking on how best to allocate resources aimed at improving standards of living, balancing the targeting of poor areas and poor people. While the appropriate combination of approaches will vary by country, the maps provide important information to help improve policies and programs to combat poverty and social exclusion.

Notes
2. These maps combine aggregate data from the 2011 population census and the 2011 EU-SILC survey.