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***ONE PLACE – MANY WORLDS:  
GEOGRAPHICAL VARIABILITY OF LIVING  
STRATEGIES WITHIN SLOVAK SOCIETY***

***Dr. Alena Rochovská & Dr. Marcel Hornák  
Comenius University, Bratislava***

# NEOLIBERALISMS AND HOUSEHOLD STRATEGIES

- „Thinking about neo-liberalism through the lens of domestication suggest that we need to look at everyday construction of neoliberalism..... how the everyday lives of people construct neo-liberal forms and to attempt to make them (and not always successfully) increasingly tolerable“

(Smith and Rochovská, 2008)

- neo-liberal policies that have been implemented in Slovakia during the period of transformation **have created significant social inequalities** and have had a major impact on households



# PRINCIPAL NEOLIBERAL REFORMS INTRODUCED IN SLOVAKIA AFTER 1998

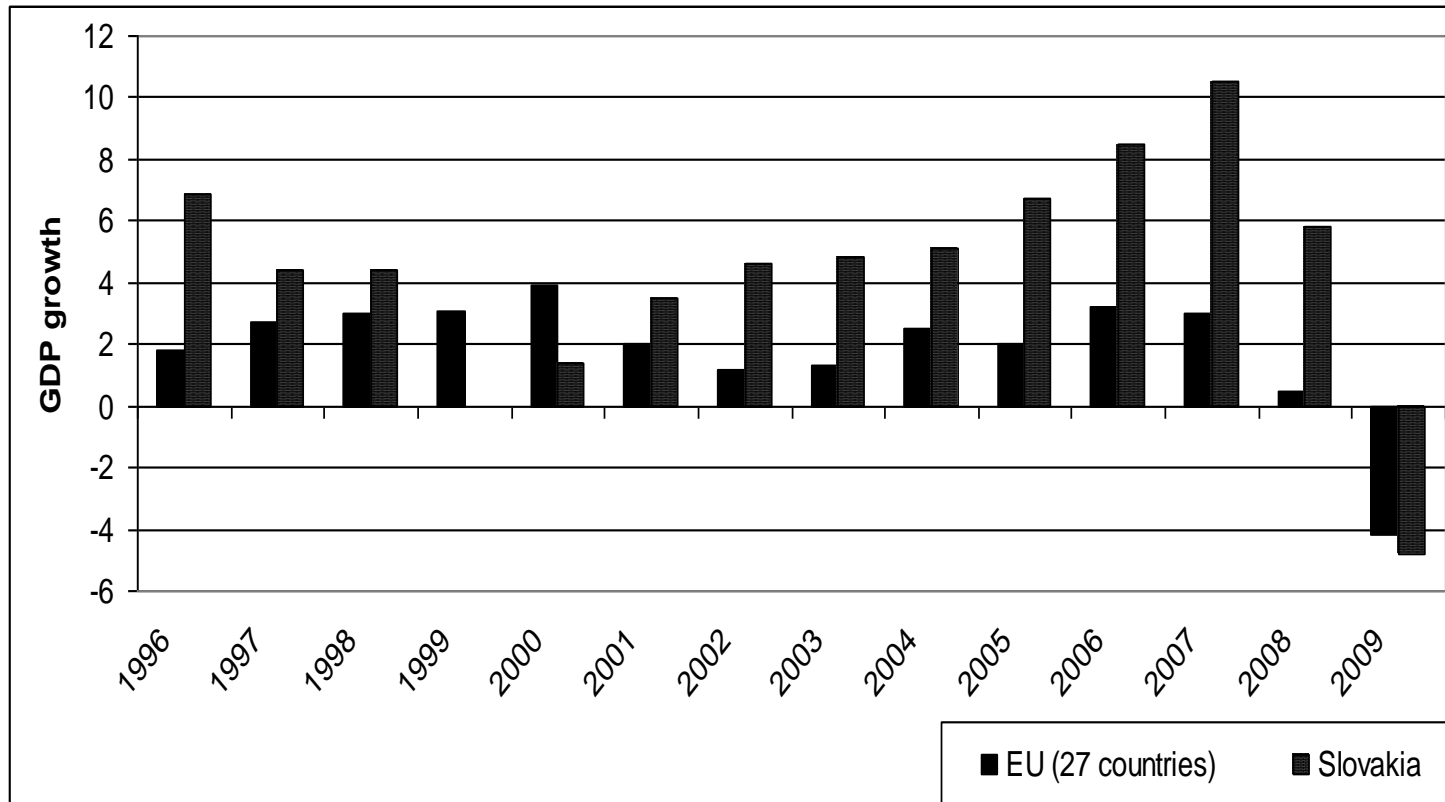
- restructuring and privatisation of state held banks and companies;
- tax reform in 2003: set to a flat rate of 19%;
- employment policy: drastic cuts in 2004 to social benefits to force people to work;
- pension reform: personal accounts in state pillar, extra private pillar, raising retirement age;
- healthcare system: multiple insurance system;
- regionalisation: beginning of a fiscal decentralisation;
- fiscal tightening to meet stability pact criteria



# SLOVAKIA = „TATRA TIGER“

- international acceptance of the Slovak Rep. (OECD, EU, NATO, ...)
- „investors' paradise“

**Real GDP growth in Slovakia and the EU (per cent)**



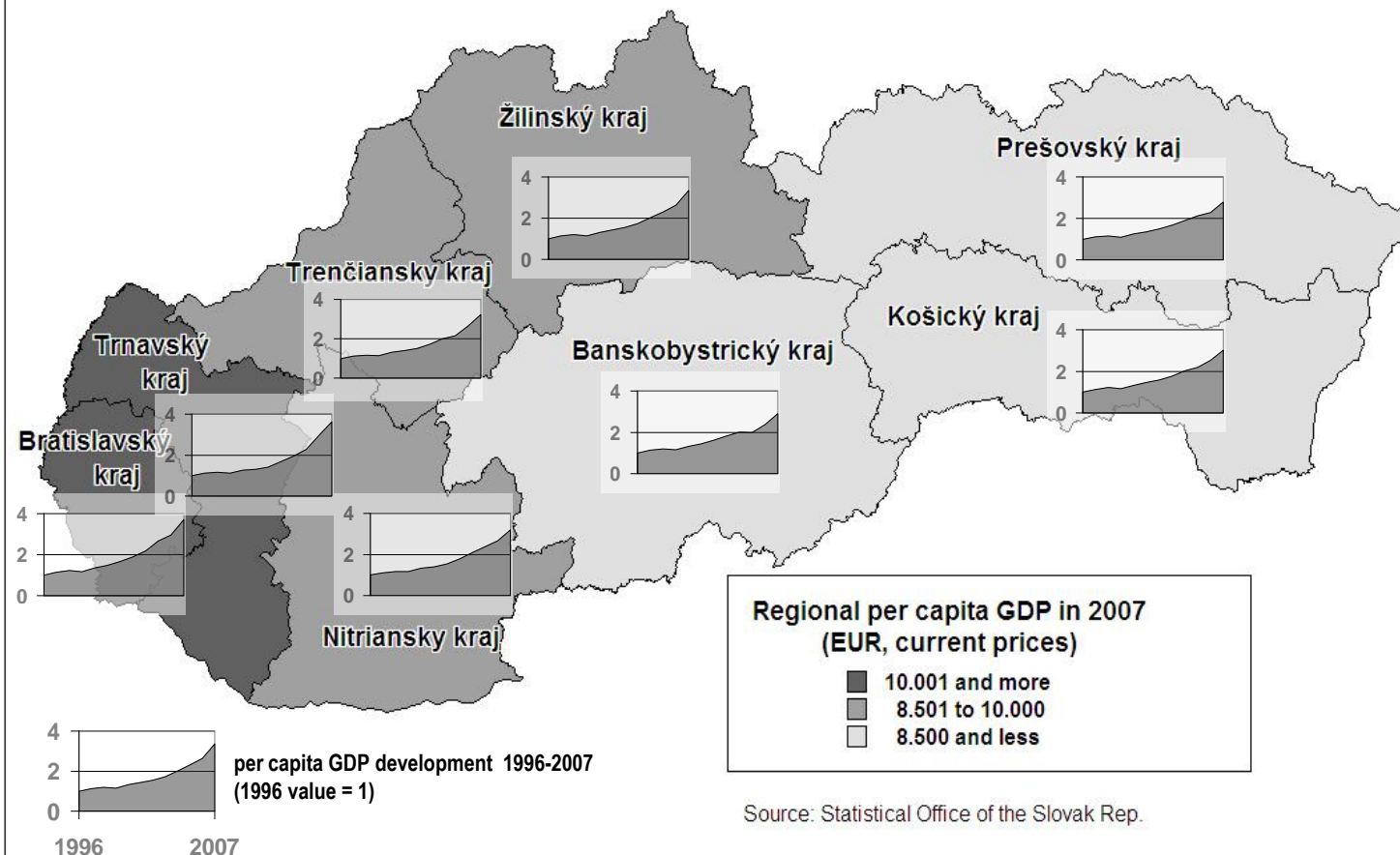
Source: Eurostat



# BEHIND THE SUCCESS...

- central and eastern regions still remain weak, with high unemployment rates (reaching over 30 per cent)

## Regional per capita GDP (EUR, current prices) at NUTS III level



# RADICAL CHANGES IN THE SOCIAL SYSTEM

- one of the highest unemployment rates in th EU
- 2004: the social system less generous

## Social expenditure as a percentage of GDP

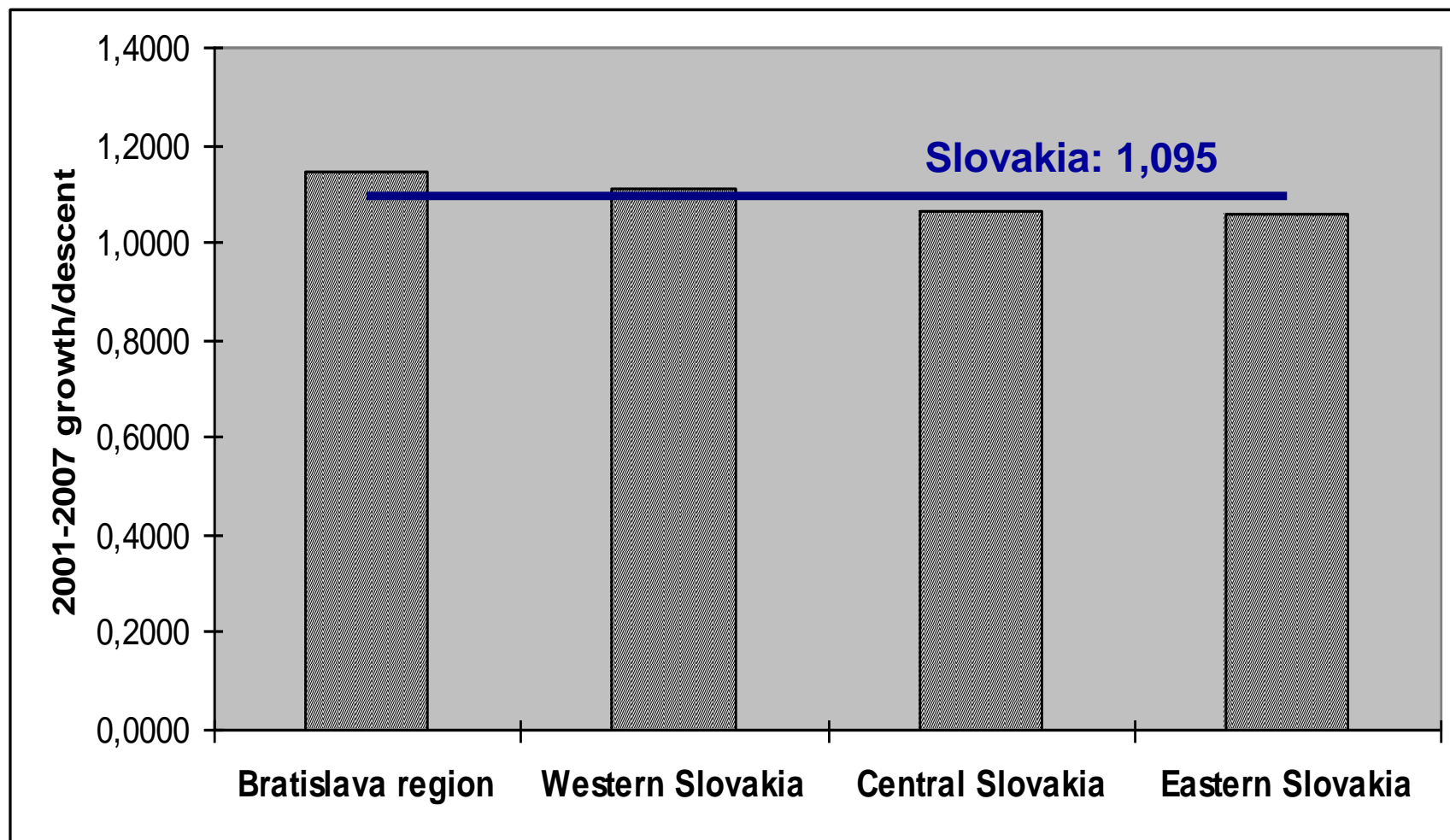
Country	2000		2005		2006		2007	
	Total	unemployment program	Total	unemployment program	Total	unemployment program	Total	unemployment program
Slovakia	17,92	0,65	16,32	0,28	15,99	0,35	15,69	0,37
Czechia	19,80	0,61	19,53	0,62	19,05	0,54	18,79	0,59
Hungary	20,44	0,69	22,81	0,56	23,06	0,59	23,09	0,67
Poland	20,75	0,87	21,28	0,54	21,01	0,47	20,00	0,31
OECD	18,89	x	19,79	x	19,53	x	19,26	x

x – data unavailable

Source: OECD Statistics

# LAGGING CREATION OF NEW JOBS IN REGIONS (WEST „BEATS“ EAST)

The 2001 – 2007 growth of labour opportunities at NUTS II level



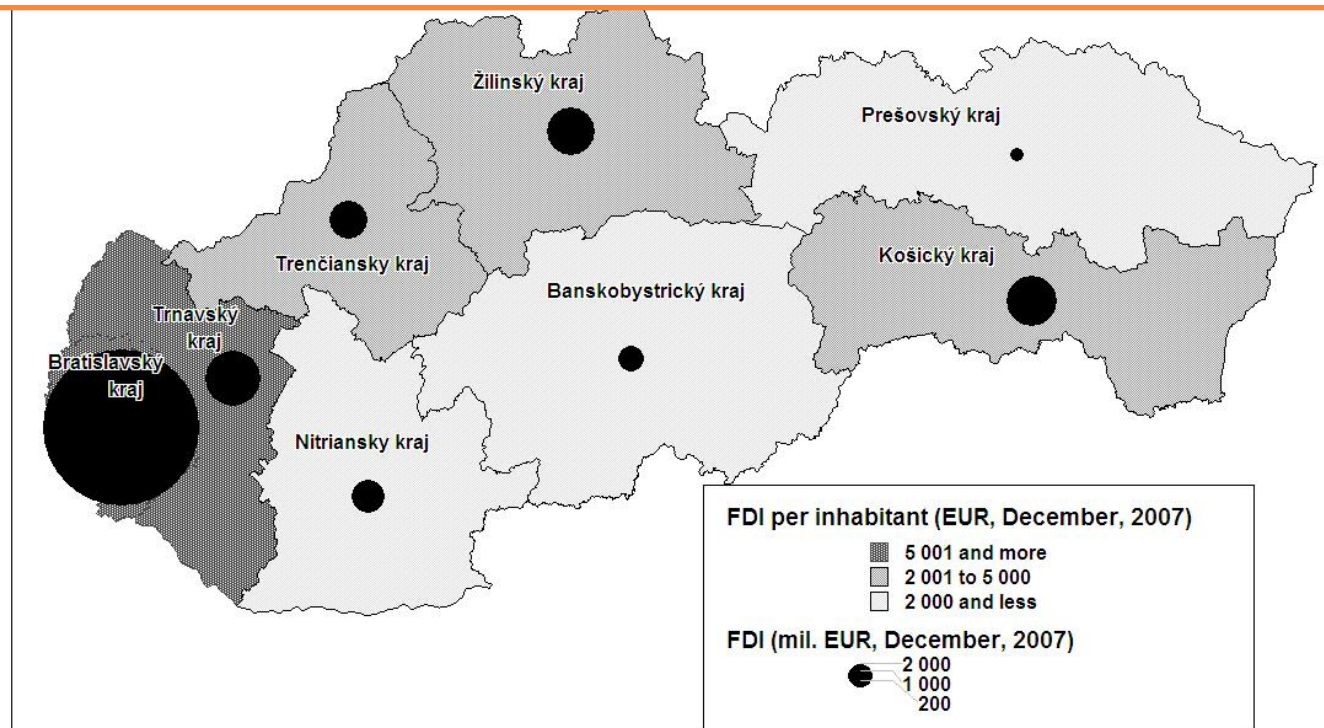
Source: Statistical Office of the Slovak Rep.

## State aid for investments in Slovakia 2002-2009

Category	2002	2003	2004	2005	2006	2007	2008	2009
state aid (mil. EUR)	143,36	163,34	265,02	306,29	307,32	300,93	406,08	440,27
of which: for SMEs (mil. EUR)	0,97	0,00	0,00	6,45	41,65	21,94	24,19	7,58

Source: Ministry of Finance of the Slovak Rep.

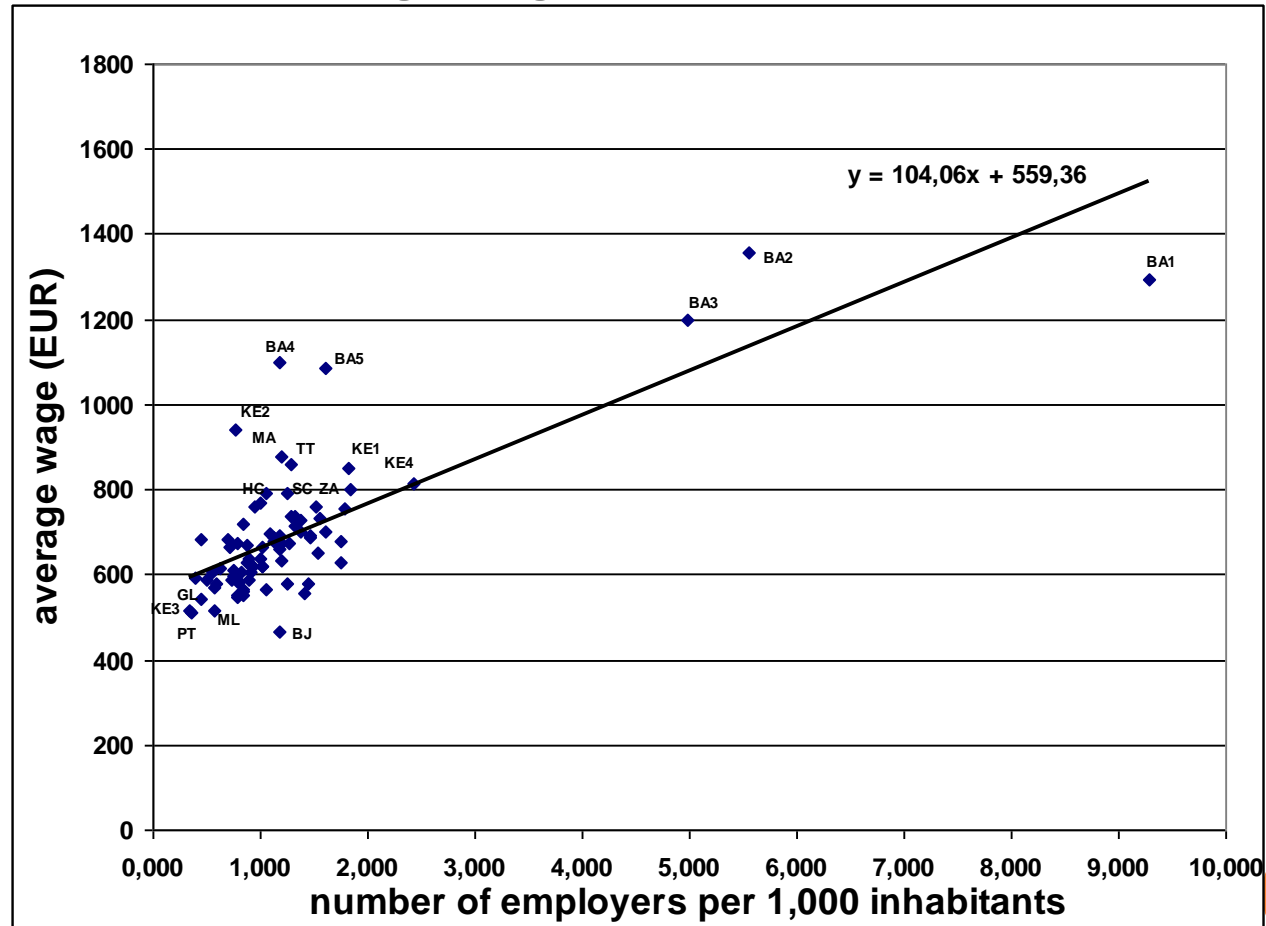
## Foreign direct investments (FDI) in Slovakia at the NUTS III territorial level (as to December, 2007)



Source: National Bank of Slovakia, Statistical Office of the Slovak Rep.

# LIMITED ACCESS TO JOBS AND LOW WAGES IN REGIONS

Regression analysis of relationship between concentration of employers in territorial NUTS IV units and average wages

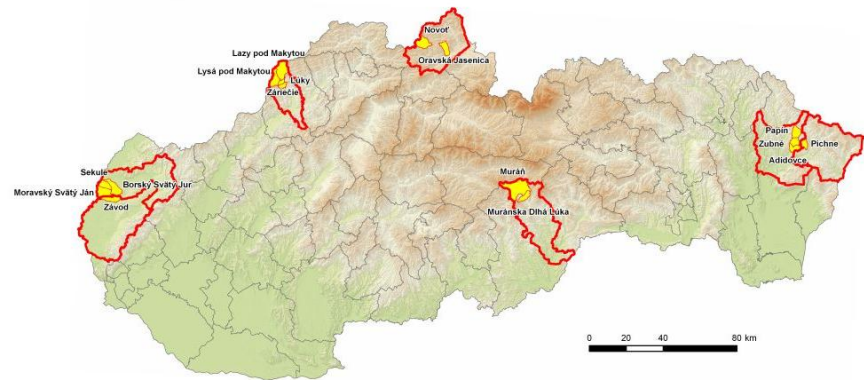


(subjects with 20 and more employees are considered only)

Source: Statistical Office of the Slovak Rep.

# ONE PLACE – MANY WORLDS: GEOGRAPHICAL VARIABILITY OF LIVELIHOOD STRATEGIES IN SLOVAK SOCIETY.

- 5 different areas within Slovakia (variability of economic development)



Focusing on household survival strategies, the paper examines the way in which the **concept of individual responsibility** introduced by neo-liberal policies plays out in the context of this region

# ONE PLACE – MANY WORLDS: GEOGRAPHICAL VARIABILITY OF LIVELIHOOD STRATEGIES IN SLOVAK SOCIETY.

- in livelihood is the reflection of neoliberal policies
- examining the ways in which households and individuals construct livelihoods and negotiate forms of poverty and social exclusion in different areas in Slovakia
- in particular, the project examines the emergence of social inequalities in the context of marketization
- the project assesses the articulation between labour market participation and other spheres of economic life, including informal labour, household social networks, state benefits and the use of material assets



# NEOLIBERALISM AND POST-SOCIALISM

○ Assets → Strategies

- Material assets
- Skills assets
- Social assets
- Citizenship assets

○ (Burawoy, Krotov and Lytkina, 2000)



*„Áno, bol som aj na brigáde žena kedysi šla ešte. Ale môžete si zodrať ruky aj po lokte a nepomôžete si nikedy.“ (Muráň, manželka, býv. učiteľka na dôchodku)*

○ Strategies → social status of household



# MULTI-METHODS APPROACH



# MATERIAL ASSETS

- They play a key role
  - Land – domestic production – meat, milk, potatoes (100% self-sufficiency)
  - Forest – heating with wood – in poor households 100% otherwise high expenditure
  - Ownership of a house – important (cultural inheritance)

*„Here in the village, almost everyone produces something. But nothing is grown in big amounts. Just for our needs.“ (66 years old man, Oravská Jasenica)*



## MATERIAL ASSETS

*„oh my God! Of course I plant everything. Potatoes, tomatoes, carrot, cucumbers, everything, everything. Neighbours do help me, I give them wine, I manage to work on my own. And it is enough for me, I even give some products to my family and friends...”*

*(82 years old pensioner)*

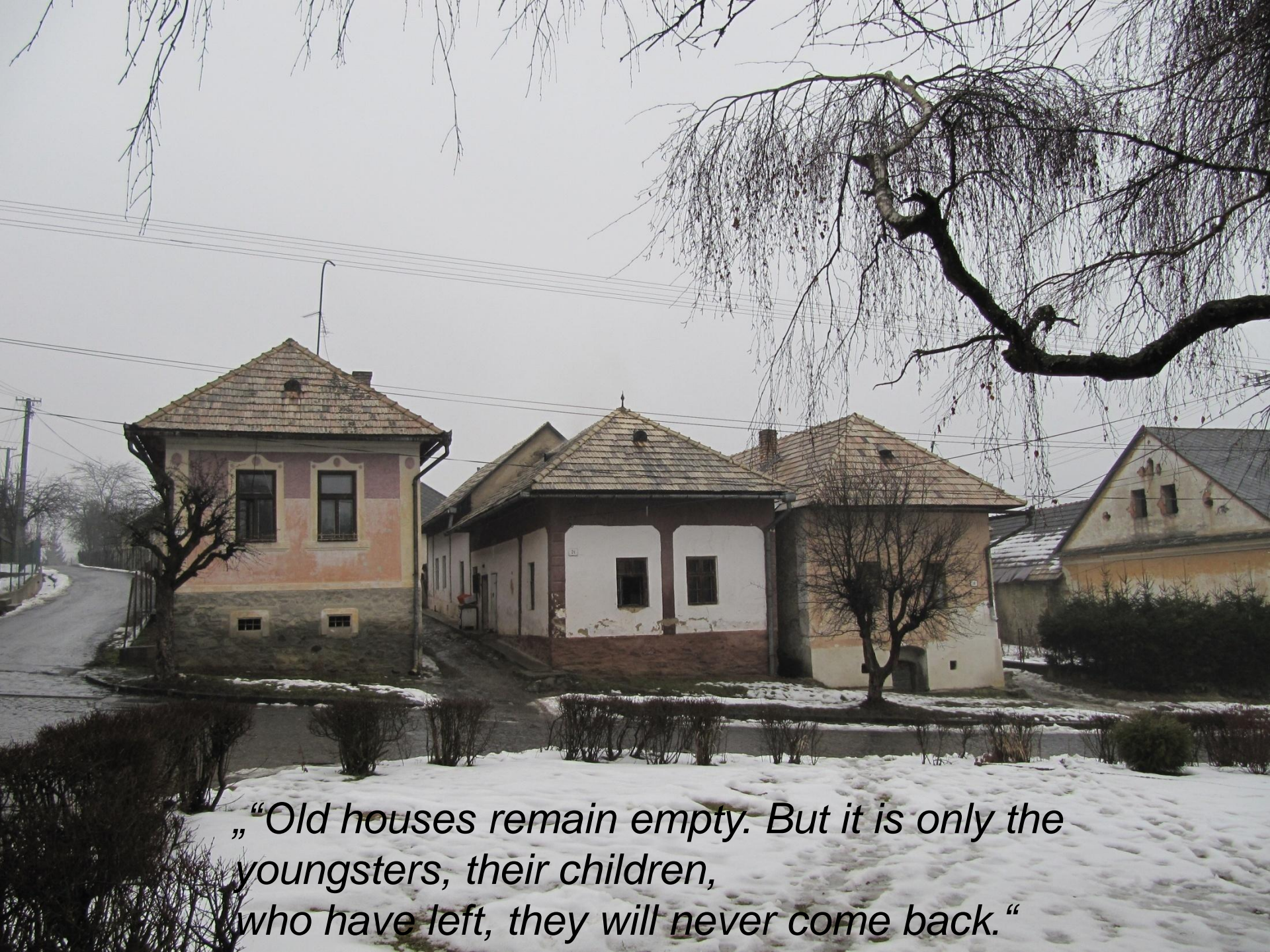
*„Homade is just homemade. One has to work a lot and when you count the expenses, yet it seems to be cheaper in supermarkets.”*

*(50 years old woman, Orava)*



*„For me it is not expensive, because I have my own forest, so I don't pay. Heating is cheap for me and I can save money.“*





*„Old houses remain empty. But it is only the youngsters, their children, who have left, they will never come back.“*

# SKILL ASSETS

## WORK/EMPLOYMENT

*„We hardly see my husband, he comes once in two, three weeks and then he works around the house, there is always something to do. But life is like this, I don't complain, we are used to it...My oldest son has started to work with my husband already He cannot stay without work at home, what he would do?.“*

*(40 years woman, 5 children)*

- Limited opportunities for official employment in the region
- Work migration
- Unpaid work (household, land, care...) – gender
- Part-time work, moonlighting, unofficial practices

*„Lots of young people left to Czechia, then to Germany, England, overseas. Really, those more capable are all gone.“*



# WORK/EMPLOYMENT

*„Holiday? We never go abroad. We work in the garden, or my husband is on construction. We got lots of help from family and friends, so he needs to return it.“*

*(30 years old woman, 3 children)*



# CITIZENSHIP ASSETS

- National Action Plan on Social Inclusion: *„the social strategy of the Slovak Republic focuses on strengthening the role of the individual and his/her self-support by means of a system of social protection that strengthens and motivates his/her participation in the labour market“*
- Burden on families rather than state
  - Role of an individual is replaced by the role of family or a wider social network
- Non-existence of labour market
  - policy slogan/imperative „work pays“ drives people abroad from the region and although this secures some income for a given household it does not reduce the risk of poverty and/or social exclusion



# CITIZENSHIP ASSETS

- „We comply living wage standard, so we dont get state support and we are not eligible to get scholarship for children. But can you survive with that? Man has 280, me 230 eur, just imagine. It doesnt need any more comments...”
  - (family of invalid pensioner with 2 children, Muráň)



## SOCIAL NETWORKS

„the circulation through forms of exchange and reciprocity of the products of household plots involving both land products (milk, meat, vegetables, fruits) and work (on land and houses construction) as well as care (child and elderly)

*„It was easier sometimes to build a house, because family helped a lot. In the past, men didn't use to work three weeks or even a month away from home. When we built our house, my cousins, friends of my husband and all the family helped us. But my husband had to return this work . So it means that ten years of our common life, Saturday after Saturday he was away from home, working on construction sites .“*

# ASSETS, STRATEGIES...POVERTY, SOCIAL EXCLUSION

- Expenditure minimalization strategy (heating, food, shopping) – defending strategies
- Maximalization of work (formal, informal, legal, illegal) – entrepreneurial strategies

*„There is no poverty here. I do not go to the theatre, to the cinema or to a restaurant. The most important is to have food everyday. And there is always something from the land...”*



# CONCLUSION

## ○ Limits of individual responsibilities:

- Social networks (important, but weaker)
- Burden on families, rather than on state
- Diverse economies
  - Economic practices used to manage livelihoods that involve all-manner of complex articulations of formal and informal economies, kinship and social networks, economies 'beyond' capitalism
  - Neo-liberal worlds 'made possible' through the 'economy beyond capital' - highlighting the importance of diverse economies
- **Increasing gender inequalities**
- Increasing social inequalities



**Thank you for your attention!**

