

THE DEVELOPMENT OF SOCIAL STRATIFICATION IN SLOVAKIA*

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At the beginning of our explanation of social stratification in Slovakia, it is necessary to provide the reasons for our decision to outline this development over a long timeline of one hundred years. Social stratification or the division of society into social classes and layers develops as a result of the impact of many long-term processes in economic and demographic development, in politics and law; sudden political changes, economic crises and booms, or migratory movements also visibly influence social stratification. Although this description of social stratification is generally valid, its impact is twice as significant in the case of a small country dependent on international cooperation. The long period of time we have chosen for this study allows us to distinguish between long-term trends and short-term variations within the social structure.

A second reason for the perspective of one hundred years is our aim to illustrate not only social stratification itself, but also basic intergenerational social mobility. The dynamics of society's division into classes and layers are increasing, thus creating a society that is more and more "at risk" or "fluid". Largely due to the fact that Slovakia has never been a target destination of large waves of international migration in the last one hundred years, and because emigration from Slovakia regularly exceeded that of immigration, the changes in social stratification have been almost exclusively related to the country's indigenous citizens. From this viewpoint, Slovak society is distinctly different from Western European societies. Exploring social stratification in a relatively isolated society and from a long-term perspective, we can look at the positions of our parents and grandparents on the social ladder several decades ago. Such a viewpoint scrutinizes the speed and depth, but also the extent of social change, its impact on the

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changes in people's lives, presenting a clearer picture of the human factor in social change.

The authors of this study present three phases of social stratification in Slovak society – the first one originates in the results of the census undertaken in the Austro-Hungarian Monarchy in 1910; the second one in the findings of sociological research about social stratification in Czechoslovak society that Pavel Machonin and his team conducted in 1967; and the third one in the results of an international research project about social stratification in Eastern European countries after 1989, which Donald Treiman and Ivan Szelényi conducted in 1993. The results of contemporary research, conducted as part of the International Social Survey Programme (ISSP), complement the results of the three analysis of the past.

In the first part of our study, we describe the stratification of Slovak society at the beginning of the 20th century, then the period of so-called real socialism and, lastly, the period after the fall of the communist regime and the years of the formation of Slovakia's sovereignty. In the second part, we point to the main directions of change in social inequality that emerged in the years after the formation of the Slovak Republic, followed by a description of social stratification until 2012.

The Long-term Development of Social Inequality and Social Stratification in Slovakia

Social Inequality and Social Stratification in Slovakia at the Beginning of the 20th Century

According to the census of 1910, of the 2,927,000 persons living in Slovakia, 1,231,000 worked or had their own sources of income. The number of inhabitants at a pre-productive age was 4.5 times higher than the number of inhabitants at a post-productive age, and the first was increasing quickly. Only 4% of Slovak inhabitants older than 6 years had a higher education than elementary education, and 27.7% of the persons in this category could not read or write. The census also paid close attention to economic activity and occupation; it thus offers a good overview of the socio-economic structure of society at the time. The division of inhabitants into ten occupational classes, derived from economic sectors, provides basic information.

TABLE 1
The economically active population in Slovakia according to sectors in 1910¹

| Occupational affiliation | Number of people | Percent |
|---|------------------|---------|
| 1. Agriculture and forestry | 749,300 | 60.8 |
| 2. Mining and iron-milling | 11,700 | 1.0 |
| 3. Industry and trades | 217,200 | 17.6 |
| 4. Business and credit | 34,300 | 2.8 |
| 5. Transport | 28,300 | 2.3 |
| 6. Civil and clerical public service and free-lance professions | 35,000 | 2.9 |
| 7. Military | 22,800 | 1.8 |
| 8. Labourer without special skills | 35,700 | 2.9 |
| 9. Domestic servants | 57,000 | 4.6 |
| 10. Other (e.g. pensioners, annuitant, house-owners) | 40,300 | 3.3 |
| Overall | 1,231,600 | 100.0 |

At the beginning of the 20th century, Slovakia was an agrarian country, with 60% of the population working in agriculture and forestry. Industrialization and modernization had only just begun. The difference in the numbers of landowners and persons working in agriculture was an essential factor of social inequality, but the significant difference between the rural population and industrial labour force was growing quickly.

The differences in land ownership were significant. The size of property ranged from farms that exceeded 100,000 hectares to farms of a size less than half a hectare. There were 400 large farmsteads in Slovakia. The majority of farmers had land up to 5 morgen² (36%) and from 5 to 10 morgen (29.9%). The large farms were in a commanding position, while the plots of the small farmers did not even amount to 42% of the land. The inequality in land ownership was post-feudal.

While paid employment was a typical occupation for the inhabitants of towns, the rural population was usually paid in-kind, with accommodation, food and natural products. Less than one-third of the economically active population received wages for their work. Up to

¹ Source: *Statistická příručka Republiky Československé*. Praha: Státní úřad statistický, 1925.

² 1 cadastral morgen = 0.57 ha.

two-thirds of the economically active financial income was only a supplement to the reward for their labour. By selling their own products or articles they generated additional income. Up to 30% of people working in agriculture were “helping family members”. Only 27% of agricultural workers lived in their own houses; accommodation for these workers and their families was part of the reward for their work.

The industrial labour force formed the second largest category of occupations. With respect to the number of workers, industry at that time was divided into two almost equal parts: businesses with more than 20 employees, and businesses with fewer than 20 employees. There were 642 large businesses with more than 20 workers in Slovakia, with a total workforce of 86,000 persons, or an average of 134 workers per business. Only a few large businesses employed more than 500 people. Almost 60,000 persons were entrepreneurs and self-employed, half of them had no employees, while a quarter employed only one worker.

The data gathered in the 1910 census enable us to reconstruct the distribution of the Slovak population on the ladder of social stratification, from the highest to the lowest class. A graphic illustration of individual classes on the social status ladder shows a steep pyramidal stratification of Slovak society at the beginning of the 20th century.

CHART 1

Estimated stratification of the economically active population into six classes of social status in 1910

Note: one column (I) represents one per cent; i – fewer than 1%

| | |
|--------------------|--|
| Upper (0.1%) | I |
| Lower upper (0.5%) | I |
| Upper middle (4%) | IIII |
| Lower middle (11%) | IIIIIIII I |
| Upper lower (50%) | IIIIIIII IIIIIII IIIIIII IIIIIII IIIIIII |
| Lower lower (34%) | IIIIIIII IIIIIII IIIIIII III |

The following population categories are divided into individual classes:

- Upper-upper class: lawmakers, church dignitaries, district governors and mayors (burgomasters) in large towns, land-owners with large properties, wealthy entrepreneurs and traders;

- Lower-upper class: judges and public prosecutors, district and town officials in a leading position, small business owners, land owners with large properties and administrators;
- Upper-middle class: high-school teachers, doctors, chemists, engineers, lawyers, civil servants, artists, small-business owners and traders;
- Lower-middle class: primary-school teachers, priests, low-grade officials, artisans and traders, managers and foremen in production, low-grade army and police officers, etc.;
- Upper-lower class: small farmers, single traders and small-business owners, salaried workers, private soldiers and policemen;
- Lower-lower class: maids and male servant, servants, agricultural workers, apprentices, the poor people, day labourers, etc.

This estimated stratification of the economically active population in 1910 allows us to draw several conclusions. By contrast with Bohemia, Moravia and Silesia, the significant number of estates was an important factor of social stratification in Austria-Hungary at the beginning of the 20th century. A very small number of persons could be classified as members of the two upper social classes – which practically equalled the absence of a social elite in Slovakia. From a sociological point of view, this fact is more important than the traditional argument of a lack of educated people and intelligentsia. The very thin upper social classes did not create sufficient demand; this did not support the production of more expensive and technologically more developed products, nor better-developed services and cultural production. Branches that could offer employment to persons with higher education, qualifications, and income were practically non-existent. Local sources of capital were minimal. 50% of all persons who worked in the public services and freelance professions were employed in the civil service, judiciary, lawyers' offices and the churches. The political, economic, and social profile of Slovakia within the Kingdom of Hungary corresponded to the image of a periphery that was centrally governed by administrators. Such was the situation, when industrialization and social modernization started in Slovakia at the beginning of the 20th century.

Approximately 85% of the Slovak population belonged to the two lowest classes of the six-stage social status scale, and approximately 95% belonged to the three lowest classes. The Czechoslovak census of

1921 demonstrates that this basic feature of social stratification persisted even after the creation and inclusion of Slovakia in the Czechoslovak Republic. However, as the large estates from the times of Hungarian rule were divided into smaller plots in the land reform of the 1920s, the political and legal democratization created essential social change.

The Czechoslovak Republic was composed of Bohemia, Moravia and Silesia, Slovakia, and Carpathian Ruthenia. The three Czech lands, Slovakia and Carpathian Ruthenia differed with regard to the stages of their socio-economic development. The Czech lands were at the stage of completing industrialization, Slovakia at the beginning of industrialization, and Carpathian Ruthenia remained a traditional agrarian society. Uniting these different socio-economic structures into one state with a common market and currency had many negative consequences. The political and legal system, unitary state administration, armed forces and a state system of enlightenment and education integrated the different parts politically, but not economically.

In the liberal economic environment of the Czechoslovak Republic, the different stages of economic development of the various regions resulted in a great advantage for the better developed Czech economy. In the first decade after the foundation of the state, extensive economic expansion and a second massive wave of urbanization took place. By 1930, 48.5% of the population lived in the towns of Bohemia, 46.3% in Moravia and Silesia, 26.1% in Slovakia, and 23.7% in Carpathian Ruthenia. The different levels of education and the different cultures of the individual parts of Czechoslovakia were similar to the economic ones.

The “take-off” of Slovak modernization slowed down and was almost interrupted in the first Czechoslovak Republic. In 1937, 104,500 persons worked in Slovak industry, which was only 15% more than in the last year before World War I. On the other hand, the easy entry of Slovak citizens into the Czech job market was a significant positive result of the common Czechoslovak economy. Work-related migration to the Czech part of the country was a reality. The amending of social inequality in Slovakia proceeded only very slowly in the First Republic. Any changes that took place were more a consequence of the policy of enlightenment and education than of economic policy. The boom in armament production prior to WWII influenced the economic development of Slovakia for a long time.

Social Inequality and Social Stratification in Slovakia in the 1960s

In Slovakia, social inequality and social stratification changed significantly after the political change of February 1948. Among the economic consequences of this change, which crucially affected also social stratification, the centrally-controlled processes of industrialization and the collectivization of agriculture are particularly important factors; urbanization, growth of Slovak technical infrastructure, expansion of the network of high schools and universities, etc. were consequences of the economic and political changes. Thanks to these processes, Slovakia gradually turned into a modern industrial society. Economic, social and cultural underdevelopment was reduced, and Slovakia started to catch up with the more developed Czech society.

In 1967, Pavel Machonin conducted the first representative study of social stratification in Czechoslovakia. In his study, he used an original method of measuring social status based on five factors: the complexity of work, education, monthly income, lifestyle, and share in management. This method provided an assessment of social inequality between economically active people on a scale of individual factors and, at the same time, an average index created from values scored on all five scales – known as the “*synthetic status*”. Thanks to this study, we have at our disposal a high-quality analysis of social inequality in the mid-1960s.

CHART 2

Stratification of the economically active population in Slovakia and the Czech part according to the synthetic social status in 1967³

| | Slovakia | | Czech Part | |
|-------------|----------|--------------------------------|------------|--------------------------|
| Stratum I | 1.6% | II | 2.6% | III |
| Stratum II | 4.5% | IIII | 9.6% | IIIIIIII |
| Stratum III | 10.0% | IIIIIIII | 17.4% | IIIIIIII IIIII |
| Stratum IV | 18.9% | IIIIIIII IIIIIII | 29.7% | IIIIIIII IIIIIII IIIIIII |
| Stratum V | 34.9% | IIIIIIII IIIIIII IIIIIII IIIII | 28.3% | IIIIIIII IIIIIII IIIIIII |
| Stratum VI | 30.1% | IIIIIIII IIIIIII IIIIIII | 12.4% | IIIIIIII II |

³ Source: ROŠKO, Róbert – PODOLÁKOVÁ, Katarína – JANČOVIČOVÁ, Jolana. Sociálna štruktúra slovenskej a českej spoločnosti. In MACHONIN, Pavel a kol. *Československá spoločnosť. Sociologická analýza sociálnej stratifikácie*. Bratislava: Epocha, 1969, p. 492.

The essential conclusion of Machonin's study indicated that Czech and Slovak societies had parameters of vertical social differentiation similar to those of other modern societies, and they were distinctly socially stratified. Machonin characterized the individual social strata in Czechoslovakia as follows, with the figures in brackets representing the economically active population:

- Stratum I (2.3%) consisted entirely of non-manual, high-grade workers who were mostly members of the Communist Party and active in culture, healthcare, state administration, and to a small part, also in industry;
- Stratum II (8.0%) was almost fully composed of non-manual workers who were mostly professionally educated and particularly active in culture and healthcare, state administration, and, to a small part, also in industry;
- Stratum III (15.0%) comprised mostly non-manual workers, but included also manual workers, with specialists – i.e. technicians – as the largest part;
- Stratum IV (26.2%) consisted of skilled workers and partly of officials working mainly in industry; a smaller part worked in agriculture, public services and culture;
- Stratum V (30.4%) was composed of workers and farmers, with a majority of unskilled industrial, agricultural, and service workers;
- Stratum VI (18.1%) comprised unskilled agricultural workers and farmers.⁴

The comparison of stratification in the Slovak and Czech societies demonstrated several important facts: in the Czech part, the number of manual workers was lower than in Slovakia, where the number of those doing complicated non-manual work was lower than in the Czech part. In most characteristics of the population's social structure,⁵ the differences between Slovakia and the Czech part were so significant that one had to speak of two distinct socio-cultural areas. "If we cannot

⁴ MACHONIN, Pavel a kol. *Československá společnost. Sociologická analýza sociální stratifikace*. Bratislava: EPOCHA, 1969, pp. 123-126.

⁵ ROŠKO, Róbert – PODOLÁKOVÁ, Katarína – JANČOVIČOVÁ, Jolana. Sociálna štruktúra slovenskej a českej spoločnosti, *ibid.*, pp. 485-541.

define Czechoslovakia as a developed industrial society, the Czech part is significantly closer to such a society than Slovakia, which is apparently still in the phase of extensive industrialization with a population structure corresponding to this fact".⁶

Significant differences in the education level of Czechs and Slovaks were also still present, especially with regard to high-school education, which, with the different professional structures in both parts of the country, resulted in differing standards of living. People's homes were also significantly different: Czech households were much better equipped with durable goods than those of the Slovaks; yet, on the other hand, Slovakia had more property owners. A significant group of economically independent farmers operated on a private basis in Slovakia, running their farms in areas where the state did not pursue collectivization.

Machonin's results questioned the communist myths of an egalitarian society and the leading role of the working class. The study revealed that a small powerful elite held the highest rank on the social ladder; a position in this elite depended on Communist Party membership.

The political dimension was characterized by the unity of political and economic power in the state, the destruction of civil society and the atomization of individuals.⁷ Individuals who benefited from Communist Party membership formed the essential factor of social inequality. The foundation of a "new ruling class" was thus laid.

The economic dimension was characterized by differences in lifestyle and households equipped with durable goods and with a high rate of equality of salary; in 1965, over 70% of employed males had an income of between CSK 1,400 and 2,400. The salaries of male and female citizens were different; the average woman's salary in 1966 was 66% of the average man's pay. The wages of members of cooperatives, public sector employees and workers in various fields also differed. By rewarding individuals, the communist regime also returned to payment with material goods via the allocation of various commodities and benefits, where corporative procedure was frequent: some professions, sectors, and organizations received specific benefits, for ex-

⁶ MACHONIN, Pavel a kol. *Československá společnost*, *ibid.*, p. 89.

⁷ BROKL, Lubomír. Moc a sociální rozvrstvení. In MACHONIN, Pavel a kol. *Československá společnost*. Bratislava: Epoque, 1969, p. 237.

ample, allocation of flats, vacations, etc. Therefore, the different living standards originated not only in different income, but also in the direct allocation of material goods.

Political power had the effect of creating social inequality and an inconsistent status in the stratification of society, causing inconsistency between income and lifestyle on the one hand, and the complexity of work and education on the other. Some social groups, for example miners, had a much higher income and led much more expensive lives than one would expect with regard to their work and education. On the other hand, entire groups in the technical and engineering professions had lower incomes and lived more modestly compared with their work, education and professional skills. After 1980, the problem of status inconsistency became politically unsustainable and was one of the main causes of the collapse of the communist regime.

The situation of social inequality in 1967 was completely different from the one in 1910. At the beginning of the century, approximately a third of the economically active population worked for a regular salary. Most people made their living from selling agricultural and craft products. Sometimes, their income consisted of material goods, monetary rewards, and the money generated from selling their own products. In 1967, the state or cooperative farms employed the entire population, with the exception of 3.7% of independent farmers. If one wanted to make a career, he/she had to do what the state wanted. If citizens were obedient, they could get other benefits on top of their pay – for example, a better job, a larger flat, cheap vacation or the opportunity to earn money abroad. The large estates were generally replaced by the political differences based on the affiliation of groups in the party hierarchy.

The number of persons working in agriculture decreased from 60% to about 20% during this period. Slovakia also entered a phase of industrialization, forming its own elite and a sizeable middle class. In 1910, 85% of the economically active formed the two lowest social classes, and this number decreased to 60% in 1967 – at least one fifth of the population had advanced from lower to middle class in comparison with their parents. The children of members of the middle class also achieved advancement in the increasing social mobility, albeit at a much lower rate. Social stratification, measured by synthetic status, preserved its pyramidal shape, but higher ranks on the social ladder were also filled. In 1967, the shape of social stratification in Slovakia

still had a pyramidal shape similar to the one at the beginning of the 20th century, but the steepness of its structure significantly decreased due to the filling of the higher ranks.

Social Inequality and Social Stratification in Slovakia in 1993

After 1989 and the political and economic changes that followed, a new system of social stratification began to take shape, which was distinctly different from the former structure, reminiscent of the systems of stratification in Western European states. The results of the international study “*Social Stratification in Eastern Europe after 1989*”⁸, conducted in 1993, made it possible to reconstruct the form of Slovak social stratification through synthetic social status that had been previously used in the research on Czechoslovak social stratification in 1967⁹, and to compare the shape of social stratification of the Slovak population in 1910, 1967, and 1993.¹⁰ This comparison allows us to assess the size and character of the changes that took place in social inequality and social stratification.

⁸ *Social Stratification in Eastern Europe after 1989* – data was collected in May 1993; the authors of the study were Ivan Szelényi and Donald J. Treiman, University of California, Los Angeles; data was collected by the Division of Methodology and Research of Slovak Radio, using a two-stage stratified random sampling; the sample size was 4,953 respondents. This study also allows us to work with data about the situation of respondents and their households in 1988.

⁹ The synthetic social status was calculated in 1993, also using the five status-forming characteristics: education, complexity of work, position in management, income, and cultural activities. The rate of synthetic status consistency increased in comparison to 1967, with a particular increase in the relation of the position in management (and also in private enterprise) with income level, the relation of education and complexity of work, as well as the rate of relation between education, complexity of work and lifestyle, or cultural activity. See: MACHONIN, Pavel – TUČEK, Milan a kol. *Česká společnost v transformaci. K proměně sociální struktury*. Praha: SLON, 1996.

¹⁰ We offer an in-depth analysis of the development of social inequality and stratification after 1989 in the next part of our study; therefore, we only give a brief summary of the findings of the given research, which allow us to analyse the long-term development of social inequality and stratification. We would also like to point out that the data about social stratification in Slovakia in 1910 does not make it possible for us to work with the synthetic social status method.

CHART 3
Stratification of the economically active Slovak population in 1910, 1967, and 1993

| 1910 | 1967 | 1993 |
|--|------------------------------------|------------------------------|
| I | II | II |
| I | IIII | IIIIIIII II |
| IIII | IIIIIIII | IIIIIIII IIIII |
| IIIIIIII I | IIIIIIII IIIIIII | IIIIIIII IIIIIIIII IIIIIII |
| IIIIIIII IIIIIIIII IIIIIIIII IIIIIIII IIIIIIIII | IIIIIIII IIIIIIIII IIIIIIIII IIIII | IIIIIIII IIIIIIIII IIIIIIIII |
| IIIIIIII IIIIIIIII IIIIIIIII IIIII | IIIIIIII IIIIIIIII IIIIIIIII | IIIIIIII IIIII |

In the long run, a reduction of the steep social stratification continued systematically after 1989, and the distance between social classes continued to grow. This situation was caused mainly by the growth of the upper and middle classes. Distinct social advance was recorded in a significant part of the population in the period after 1990.

A comparison of the stratification of the economically active population in Slovakia, the Czech Republic and Hungary in 1993, measured by synthetic social status¹¹, also confirms these findings. In 1993, the social stratification of Slovak society was in more ways similar to the social stratification of Czech society than the Hungarian.

CHART 4
Stratification of the economically active population in Slovakia, the Czech Republic and Hungary, according to synthetic social status in 1993¹²

| Slovakia | Czech Republic | Hungary |
|------------------------------|------------------------------------|---------------------------------|
| II | IIII | IIII |
| IIIIIIII II | IIIIIIII | IIIIIIII |
| IIIIIIII IIIII | IIIIIIII IIIIIII | IIIIIIII II |
| IIIIIIII IIIIIIIII IIIIIIIII | IIIIIIII IIIIIIIII IIIIIIIII IIIII | IIIIIIII IIIIIIIII IIIII |
| IIIIIIII IIIIIIIII IIIIIIIII | IIIIIIII IIIIIIIII II | IIIIIIII IIIIIIIII IIIIIIIII II |
| IIIIIIII IIIII | IIIIIIII IIIII | IIIIIIII IIIIIII |

¹¹ TUČEK, Milan. Srovnání sociální struktury České republiky s jinými zeměmi. In MACHONIN, Pavel – TUČEK, Milan a kol. *Česká společnost v transformaci. K proměně sociální struktury*. Praha: SLON, 1996, pp. 317 - 319.

¹² MACHONIN, Pavel – TUČEK, Milan a kol. *Česká společnost v transformaci. K proměně sociální struktury*. Praha: SLON, 1996, p. 318.

While the stratification of Hungarian society still displayed a rather steep pyramidal shape, the stratifications of Czech and Slovak societies were similar to the shape of an apple in Western European countries, where the middle classes are strongly represented. The stratification of Slovak society over the course of three generations thus changed to the Western developmental trajectory.

The shape of Slovak social stratification in 1993 changed significantly compared with 1967, particularly with respect to the number of the economically active population in the two middle classes: 44% of the Slovak population (29% in 1967, and only 15% in 1910), 38% of the Hungarian and 52% of the Czech population belonged to the two middle classes. In 1993, the number of persons in the two lower classes in Slovakia was already much lower than in Hungary: 42% of the Slovak, 38% of the Czech, and nearly 50% of the Hungarian economically active population were situated in the two lower classes.

The development of Slovak social stratification and a comparison of 1910, 1967 and 1993 demonstrate a history of economic success. To express it with a metaphor: from the viewpoint of social stratification, Slovakia moved from Transleithania to Cisleithania. In terms of the system of social stratification, Slovakia switched from the periphery of the old Hungary to the developed countries of old Austria. This social change happened over the course of three to four generations in the 20th century.

The Development of Social Stratification in Slovakia after 1989

After 1989, a new system of social inequality and stratification began to develop, which was fundamentally different from the one of socialist Czechoslovakia. During the process of social transformation, the foundations of a new stratification were laid, whose basic elements, characteristics and relations resembled the Western European systems of social stratification. Similar to previous eras, the emerging stratification also resulted from economic, human, cultural and social capital that had been accumulated in the past, including the four decades of socialist rule.

Most authors analyse the development of social inequality in post-communist countries on the basis of statistical data, using the analysis of this data often as a framework for interpreting their research results.

Developmental trends, illustrated with statistically obtained data, are frequently interpreted as demographic, economic, socio-cultural and other factors influential for the development of social inequality, stratification and social mobility.

Before analysing the findings of sociological research, we analyse the statistical data; this allows us to illustrate the development of Slovak society after 1989 in areas considered critical for the development of social inequality: macroeconomic development, development of the economic composition of the population, development in employment and unemployment, income inequality and the development of the educational composition of the population. Our aim is to present an essential view of the development of the factors determining the development of social inequality in the last decades.

Economic Development

Political scientists and economists divide the course of political and economic transformation in Slovakia after 1989 into various phases. Political and economic transformation is closely related, with the formation of the independent Slovak Republic in 1993 and EU membership in 2004 as critical milestones. The change after the parliamentary elections of 1998 and the implementation of various economic, social and other policies were important factors for the economic transformation and can be considered crucial determinants of social inequality.

The relation of political and economic transformation is illustrated by the phases of economic development¹³, economic transformation and growth:

- The phase of jump-starting the market economy from 1990 to 1992 in Czechoslovakia, which resulted in a quick and sharp economic slump and led to mass unemployment in Slovakia that resulted in the break-up of Czechoslovakia;
- The phase of the so-called Slovak way of transformation from 1993 to 1998, searching for economic development corresponding to Slovak-specific features. In this phase, the influence of the political elite on the economy increased, while the pace of economic reform and

¹³ MORVAY, Karol. Stratégia a priebeh ekonomickej transformácie na Slovensku. In *Ekonomický časopis*, 53, 2005, no. 1, pp. 5-32.

- international cooperation slowed down, calling into question Slovakia's international position;
- The phase of reinforcement of democratic principles and the market economy from 1998 to 2004, with the strategy of stabilization of the economy achieved, foreign investments increased. The integration of the Slovak Republic to European and world economic organizations (EU, OECD) was prepared, and international cooperation, so important for a small open economy, was in development;
 - The phase of increased benefit from EU membership, from 2004 to 2008, which is the most successful phase of economic transformation to date; it caused a peak in economic growth;
 - The phase of the world financial and economic crisis after 2008, which resulted in an interruption of the hitherto positive development of the Slovak economy.

Socio-economic Composition of the Population

The socio-economic and professional composition of the economically active Slovak population was formed on the basis of the long-term political and economic development of Czechoslovakia prior to 1989 and on the basis of the changes brought about by the post-totalitarian transformation. The Slovak Republic is in a group of countries with a high and still growing number of economically active inhabitants. However, the high unemployment rate among the economically active is related to the rise in number of self-employed persons such as entrepreneurs, sole traders and persons working abroad.

Beside the macroeconomic facts of the economic transformation and growth, the development of the economically active, employed and unemployed persons has also led to an increasing rate of female economic activity, a decreasing rate of economic activity among young people, leaving the job market for the education system, and an increasing rate of economic activity among the elderly as a reaction to low pension payments.

The Slovak Republic is in a group of countries with a high number of persons employed in industry and services and a low number working in agriculture. Similar to countries that have moved towards a post-industrial society, the number of employees in the service industry has increased in recent decades. Men usually work in industry and

construction; women are primarily employed in the service industry. Men are in the majority, occupying managerial positions in all sectors of the national economy and active as entrepreneurs.

TABLE 2
The development of employee proportion in sectors of the national economy
(in %)¹⁴

| National economy sector | 1994 | 2000 | 2008 | 2012 |
|---------------------------|------|------|------|------|
| Industry and construction | 39.7 | 34.8 | 34.4 | 30.1 |
| Agriculture | 10.2 | 5.7 | 3.6 | 4.3 |
| Services | 50.1 | 54.9 | 62.0 | 65.5 |

Tracking the development of the number of persons working in job categories according to the International Standard Classification of Occupations (ISCO), we can find that the number of operational employees in the services, business, machine and equipment operators, the technical, medical, and pedagogical sectors has grown most significantly in the last few decades. The number of artisans, qualified producers and repairmen, non-skilled employees in an assisting position, clerical staff (clerks) and qualified agricultural workers has decreased. This development corresponds to the changes in structure and position of individual sectors of the national economy.

A further significant change occurred in the education and qualification of the economically active Slovak population. Owing to changes in the educational system, necessary because of the need for an informed society, but also to spontaneous restructuring of high schools and universities and the higher aspirations of the young, the number of vocational training schools has decreased. The number of high schools with leaving exams has grown. A sharp increase in the number of university students has been recorded. These changes have resulted in very low number of young people training as manual workers or professional tradespeople, and a high number of university graduates.

On the whole, we can state the following: from 1994 to 2012, the employment rate increased. The male employment rate was 15% higher than the female one; in 2012, the male employment rate was 72.8%, the female 57.3%. When compared with the average employment of EU

¹⁴ Štatistická ročenka SR, Slovstat, Eurostat.

member states, Slovakia maintained its above-average employment in industry; the number of persons working in the service industry rose, while that of the agricultural workers sank.

Unemployment, which emerged soon after the beginning of the economic transformation, has become the most negative aspect of job market development in Slovakia. Unlike Poland and Hungary, Czechoslovakia was characterized by a shock economic transformation after 1990, accomplished via voucher privatization. The state gave up its influence on the future of privatized business. The quick economic transformation prompted very negative consequences for agricultural production. The entire system of cooperative farms practically disappeared, unemployment in the rural population rose, food production fell to a significant low, and Slovakia became dependent on food imports. More than 300,000 persons were registered unemployed in 1991, due to the economic transformation after four decades of full and legally granted employment in socialist Czechoslovakia. Since then, the Slovak Republic has been among the European countries with the highest rate of unemployment in a long-term view; the lowest values were recorded in 1996 and 1997, and the highest from 1999 to 2004. The unemployment rate did not significantly decrease until 2005 to 2008; then it rose again, amounting to 14% in 2012. The situation of short-term unemployment was better. The long-term unemployed represent the largest number of all unemployed: 53.9% in 2000, and 63.8% in 2012. The Slovak unemployment rate is characterized by individual aspects, such as age, level of education and qualification, job category, and also by system characteristics, such as the national economic sector and place of residence.

Inequality in Income and Consumption

The income inequality of various professional categories and branches, with the exception of mining and heavy industry, was minimal at the end of the 1980s and the beginning of the 1990s. Wage equalization, realized mainly via income redistribution within a uniformly designed reward system in the centrally planned economy, was replaced by wage liberalization as early as the first period of transforma-

tion, which led to the gradual development of wage differentiation. The wage differences between various employee categories in various sectors of the national economy continued to increase. Despite this fact, Slovakia still belonged to the group of countries with the lowest rates of income inequality in the EU.¹⁵

Income differentiation was dependent on the sector of national economy and personal qualification and education, with the incomes of qualified and non-qualified employees as the most significant. The market evaluated job performance, focusing especially on performance or non-performance in managerial activity. The comparison of the average monthly income in nine main employee categories illustrates the high above-average rewards paid to executives in middle and top management. Factors like the nature of the industry, the proportion of large foreign and successful companies within the industry, etc., affected the average salary, too. The level of education had a crucial impact on the salary – the majority of university graduates worked in job categories with the highest average wages. The minimum qualification of secondary education was required for administrative and technical positions in employer organizations with the highest average wages. A university degree was usually required for a position in top management, and secondary education with leaving diploma was a prerequisite for a middle-level managerial position.

Social Stratification According to Status and Job Prestige

The changes in Slovak society after 1989 were critical for the development of social inequality. We have already described or indicated several of them. We complete this picture with a sociological analysis of social inequality, focusing on social stratification and mobility.

We use data from several sociological studies that used the same method in exploring social stratification to describe the present state of social inequality. The International Social Survey Programme (ISSP)

¹⁵ The Gini coefficient, which represents the degree of inequality between income categories (ranging from 0 to 100) also supports this fact. In 2012, the Gini coefficient in the Slovak Republic was 25.3 (the EU's 27 average was 30.4), and an income ratio of upper quintile and lower quintile – that is the top 20% to the bottom 20% of income (S80/S20), was 3.7 (the EU' 27 average was 4.9).

enables us to look at previous research on social stratification and develop a long-term view. The data on occupation, position in the management hierarchy and income can explain the tendencies of social stratification of the economically active Slovak population from 1988¹⁶ to 2012.

Professional scales, class categories, and individual status indexes are most often used to understand the position of an individual in the system of social stratification. This position is connected with the social position of the profession, that is, occupation, management position and position within the job market. This fact, however, presents several serious limitations and problems that should also be taken into account in the case of our analysis. It is impossible to determine the social position of persons outside the job market, such as pensioners, students, women on maternity leave, the unemployed, etc., which significantly reduces the reliability of this approach.

John H. Goldthorpe and colleagues created the classification system of social classes that has become the most widely used method in research on social stratification and mobility. This is known as the class classification, or the EGP scheme.¹⁷ The EGP scheme distinguishes three basic classes (service, intermediate, and working) that are divided into five, six, or seven subclasses with a maximum of eleven subclasses. In exploring social stratification, the EGP scheme identifies essential social inequality determined by occupation and job market relationships. Three details are required to create the EGP classification according to the methodology created by Harry Ganzeboom and Donald Treiman¹⁸: the respondent's occupation (according to ISCO 88), their position in management (defined by the number of subordinates), and the division of respondents into business owners (with employees or without), wage workers, and the self-employed. These variables indicate

¹⁶ *The Social Stratification in Eastern Europe after 1989* study makes it possible to reconstruct the situation in 1988.

¹⁷ ERIKSON, Ronald – GOLDTHORPE, John – PORTOCARERO, Lucienne. Intergenerational Class Mobility in Three Western European Societies: England, France and Sweden. In *British Journal of Sociology*, 33, 1979, pp. 415 - 441.

¹⁸ GANZEBOOM, Harry – TREIMAN, Donald. Three Internationally Standardised Measures for Comparative Research on Occupational Status. In HOFFMEYER-ZLOTNIK John – WOLF, Chris (eds.). *Advances in Cross-National Comparison. A European Working Book for Demographic and Socio-Economic Variables*. New York: Kluwer, 2003, pp. 59-193.

the market and work situation of an individual. We use three classes (service, intermediate, and working) in our analysis, while dividing each class into two subclasses – upper and lower. The categories I and II represent the service class, the categories III and IV the intermediate class and the categories V and VI the working class. We complete the EGP classification with the percentage of unemployed not included in the analysis.

We thus explore the development of social stratification of the economically active Slovak population in recent decades in the following six EGP categories:

- I. Large proprietors, high-grade professionals, officials, upper administrators and top managers.
- II. Low-grade professionals, administrators and officials, managers in small industrial establishments, high-grade technicians.
- III. Routine non-manual employees, low-grade technicians, and managers in a low position.
- IV. Independent small proprietors and farmers with and without employees.
- V. Skilled manual workers.
- VI. Semi-skilled and unskilled workers in industry and agriculture. The unemployed.

In the stratification system of Slovak society, the class of unskilled workers has had the highest percentage for a long time. Skilled workers formed the second most numerous social stratum between 1988 and 1993. These two classes were most affected by unemployment after 1990. A look at the changes in the structure of EGP classes prior to 1990 shows a pyramidal character with a minimum proportion of economically independent persons. A radical change happened after 1990: people started to move into the intermediate class in masses, where the proportion of the self-employed and small entrepreneurs with and without employees¹⁹, increased. The essential result is surprising: in socialist society, social stratification had a pyramidal shape and it was more polarized than in post-1990 society. After 1990, the process of replacing the pyramidal shape with gradual increase of persons of the intermediate class continued, and the unemployed became the victims of this positive development of social stratification.

¹⁹ The EGP classification classifies entrepreneurs with 6 or more employees as members of the highest service class.

CHART 5
EGP categories and the number of unemployed from 1988 to 2008

| | | 1988 | | 1993 |
|--------------------------|-----|------|-----|------|
| High professionals | 11% | I | 10% | |
| Lower professionals | 14% | III | 17% | |
| Routine non-manual | 20% | | 20% | |
| Small proprietors | 1% | I | 4% | III |
| Skilled manual workers | 23% | III | 21% | I |
| Unskilled manual workers | 31% | I | 28% | |
| Unemployed | | I | | III |
| | | 2001 | | 2012 |
| High professionals | 11% | I | 8% | |
| Lower professionals | 13% | III | 16% | |
| Routine non-manual | 25% | | 20% | |
| Small proprietors | 7% | | 11% | I |
| Skilled manual workers | 25% | | 18% | |
| Unskilled manual workers | 29% | | 27% | |
| Unemployed | | | | III |

Source: SSVVE 1993, ISSP Sociálne nerovnosti 2001, ISSP na Slovensku 2006-2008, ISSP Slovensko 2012.²⁰

A permanently high number of unskilled workers in the social structure proves the poor ability of the Slovak economy to create jobs with a high standard of professional training. The economic transformation

²⁰ SSVVE 1993, ISSP Sociálne nerovnosti 2001– data collected in September 2001, the author of the study was the Institute of Sociology of the SAS, data collected by ÚVVM at SO SR, quota selection, sample size was 1082 respondents.

ISSP na Slovensku 2006-2008 – data collected in October 2008, the author of the study was the Institute of Sociology of the SAS and the Department of Sociology of FA CU in Bratislava, data collected by FOCUS, s.r.o., multi-level stratified selection, sample size was 1138 respondents.

ISSP Slovensko 2012 – data collected in October 2008, the author of the study was the Institute for Sociology of the SAS, the Department of Sociology of FF UK in Bratislava, FSES CU in Bratislava and MBU Banská Bystrica, data collected by TNS Slovakia, multi-level random selection, and sample size was 1128 respondents.

also caused a sharp decrease in the employment rate in agriculture: in 2012, only 4.3% of working people were employed in agriculture.

Dividing the EGP categories in gender categories demonstrates that the gender aspect in the occupational structure is still important – the analysed data confirms that many job categories are not gender-neutral. Low-grade professionals, administrators and, in particular, routine non-manual labour employees are a pre-dominantly female category. At the same time, we observe a distinct variability in the number of female employees in non-manual labour; thus, in this female job segment a low rate of stability prevails. Proprietors, high-grade professionals and skilled workers form a traditionally male category. A long-term proportion of people doing unskilled work can be observed among women as well as men.

For a long time, the number of men in the category of the economically independent has been twice as high as the number of economically independent women. There is a visible difference among members of the service class: the number of women is lower among large entrepreneurs, top managers and high-ranking administrators; on the other hand, their employment rate is higher in education, healthcare and financial services. The number of women and men in unskilled jobs is stable under long-term observation.

Income differences form the basic approach to assess the size and development of intervals between social stratification categories. The basic tendency of development here is the same for men and women, indicating a gradual increase in income differentiation among the economically independent (entrepreneurs) and other EGP categories. We have also found a similar change in the given income of women: the economically independent differed significantly from other categories with regard to their level of income and presentation as early as the second half of the 1990s. From 1993 to 2012, the development of income among women almost corresponded to the development of income of men; however, the income difference between men and women still persists. This difference is highest in the upper subclass of the service class, in the class of the economically independent and also in the classes of skilled and unskilled workers.

The results of the analysis allow us to formulate several general conclusions about the status and latest developmental trends in the emerging new system of social stratification in Slovak society.

Although social stratification is a long-term process that affects the

social development of many generations, we can say that significant changes occurred in the vertical social structure of Slovak society after 1989. In the period that followed, the most significant increase was recorded in the category of the economically independent, while the highest decrease occurred in the number of skilled workers. The number of agricultural workers showed a tendency to decrease.

The rate of social differentiation among the economically independent and active and other EGP categories, represented by the levels of income difference and job prestige, increased. Research results also point to non-income aspects of differentiation, especially to the continuing differentiation in the complexity of job performance. But, it is important to add that this differentiation developed only gradually.

The difference between the gender persists with regard to social position; gender has a bigger influence on the income level than the EGP categories. Significant gender difference persists also in professional categories; for example, the number of women in routine non-manual jobs makes this category a distinctly female category with lower employment stability.

Under long-term observation, the steepness of the social stratification structure continued to flatten out, together with an increasing trend of differentiation of the social classes after 1990. This was caused mainly by the growth of the intermediate class. At the same time, the lowest class of the unskilled workers remained stable, and a significant number of the population, especially the young, achieved distinct social advancement.