

Subjective Perceptions of Poverty: A Case Study of the Czech and Slovak Republics a Quarter Century after the Split

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The Czech and Slovak Republics split a quarter century ago. Their economic performance converged and diverged alternately, at the pace of political and economic changes. While both the populations perceived their income and living conditions similarly around the time of the split, the disparity in subjective perception of poverty later mirrored the development of a macroeconomic gap. We aim to quantify the Slovak-Czech subjective poverty gap in the 1990s and the start of the twenty-first century in several steps, where various individual and household characteristics and the regional economic situation are taken into account. We use two main data sources: The Social Consequences of Transition household survey conducted in 1995 and the EU Statistics on Income and Living Conditions (2005-2016) household survey, which captures the last decade. Both surveys provide two variables that can be utilized comparably over time: the scale-evaluated ability to make ends meet and minimum income questions. Both approaches suggest that, controlling for individual and household characteristics, the levels of subjective poverty perceptions among the Czechs and Slovaks converge until 2010, and start to diverge after 2012. This is in accordance with the development of the gap in economic performance of the two countries. Once regional macroeconomic variables are taken into account, Slovak-Czech disparity in subjective poverty mostly decreases throughout the period since 2007.