

Roma and social benefits

Do Roma Citizens represent a problem for Slovak Public finance?

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Abstract

This publication presents an updated version of the study published in 2014. We deal in the publication with drawdown of benefits relating to material need and family support (hereinafter referred to "benefits, allowances and bonuses") in three groups:

- i. multiple children families
- ii. districts with a high number of children in multiple children families (group of "15 districts")
- iii. districts with the highest number of Roma (group of "20 districts")

Unlike the first version of the study published in 2014 we did not estimate expenditure on disability pension due to lack of data of the Social insurance agency at the time of analytical work on the updated version. However, as revealed in the first version, disability pensions are drawn by aliquot to the population in examined districts, moreover, in doses lower than the national average. Therefore, its absence does not affect conclusions of the publication.

There are about 403,000 Roma in Slovakia (7.4 percent of the population), according to the Atlas of Roma communities. We analysed data obtained mainly from the Central Office of Labour, Social Affairs and Family and reached following conclusions:

1. Roma issue is primarily social, not fiscal (budgetary) problem. Fiscal cost of benefits paid to districts with two thirds of Roma population occupies only 1 percent of the public expenditure (€322.5 million). It is about a third of the amount which leaks out thanks to inefficient VAT collection.
2. In comparison with 2012, the amount of paid benefits decreased by €39 million, i.e. by about 10 percent.
3. Recipients of benefits in material need and bonuses draw about €201 million per year which represents 0.6 percent of all public expenditure.
4. Families with more than 4 children receive nearly €13.4 million per year in the form of benefits in material need and bonuses. It is about half of the amount which the Government has set aside for construction of the national football stadium.
5. Families with more than 4 children receive €15 million per year via child allowances. Similarly to benefit in material need, it is a drop in the sea of public finances while the Government lacked about 154 times the amount of allowances to reach balanced budget only in 2015.
6. Families of the 15 districts with a high number of multiple children families receive, according to our survey, €92 million per year via parental allowance. The y/y increase in spending of Social insurance agency on old-age pensions is estimated at almost twice as much.

7. Based on our assumptions we estimated that child allowance is paid for more than 160,000 Roma children in a total amount of about €45 million per year. We also estimated that recipients of parental allowance include 24,000 Roma and total resources paid in this form in 2015 reached amount of €58,5 million. To compare, annual Christmas bonus for pensioners increases public expenditure of €65 million.

Conclusion

Despite the stereotypes we have turned back the myth that Roma are problem of public finances in Slovakia. Total annual cost of "Roma" districts amount to less than a half of monthly expenditures of Social insurance agency on old-age pensioners, while resources paid to multiple children families are even more marginal – reaching only a fraction of that amount. Therefore, Roma issue is not fiscal but social problem, and in this field is needed to look for solutions.

1. Introduction

Coexistence of Roma and majority is problematic in several parts of Slovakia, while existing problems are unable to solve in the long-term¹. It is resulting in dissatisfaction of majority population living in areas with Roma minority which feels to be abused by problematic coexistence. The tendency of dissatisfaction was also expressed in parliamentary elections at the end of 2016. In addition to real spawning areas that deserve attention and efforts to find solution exist in the debate about Roma often spurious economic claims and myths, constantly repeated by politics and wide public. Roma are often labeled as recipients of social benefits who abuse state scheme and comprise significant burden on public finances. Subsequently, many people see the solution of deficit of public budgets in limiting benefits provided to Roma. The purpose of this analysis is the most accurate estimation of drawing social benefits in areas with high representation of Roma population based on relevant data of state institutions.

1.1 Roma and social allowances

Whereas competent offices in Slovakia do not register origin of recipients of benefits and allowances, we chose helpful tools in analysis with a view to identifying recipients in Roma community. The traditional assumption is that Roma families are large. Therefore, in the analysis, we evaluate share of public resources provided to multiple children families (families with more than 4 children), and evaluate share of such districts in the overall disbursed benefits.

[Atlas of Roma communities](#)² probably provides the most accurate information about Roma communities in Slovakia. We compare districts with multiple children families with districts in which are located two thirds of Roma according to the atlas.

In districts we monitor the rate of drawing selected social benefits, bonuses and allowances, with focus on benefits provided to individuals and families with low income. These social transfers include:

1. Benefit in material need and related allowances
2. Child allowance
3. Parental allowance and childbirth allowance

¹ The problem of coexistence relates mainly to sites with high share of extremely poor and segregated Roma.

² The Ministry of Interior. (2014). Atlas of Roma communities. [Online]: http://www.minv.sk/?atlas_2013

1.2 Basic characteristics

Basic characteristics and figures related to Roma living in Slovakia were presented in Atlas of Roma Communities [in 2013](#)³. According to the Atlas, about 402,840 Roma lived in Slovakia in 2013, who comprised 7.45 percent of Slovak population, which is about 80,000 more than the amount revealed from data collection in 2004. However, methodology of the Atlas changed between 2004 and 2013. Thus, the comparison should be regarded as illustrative. In 2004, several villages with Roma community was not counted. Real increase in amount of Roma is lower, as was compared from data collected at the time.

The findings suggest that 46.5 percent of Slovak Roma (187,000) live⁴ diffused in majority and 17 percent (69,000) in segregated areas (separate settlements). The rest live in urban concentrations in municipalities (or suburban areas of municipalities).

Roma community live in 1,070 municipalities of the total number of 2,890 municipalities in Slovakia. More than 70 percent of these municipalities is located in regions of Banská Bystrica (25 percent), Košice (24 percent) and Prešov (23 percent). Atlas identified **804 Roma concentrations in 584 municipalities** (i.e. municipalities where Roma are not completely diffused in majority). Of these, there are 246 concentrations inside municipality and 327 concentrations on the periphery of municipality. **231 segregated Roma concentrations were registered in 195 municipalities** (this relates to settlements with an average distance from municipalities of 900 metres).

2 Benefit in material need

Benefit in material need is a basic allowance of the state social aid. An essential condition for registration of the benefit is a status of material need⁵, which occurs if applicant's income does not reach the level of subsistence minimum (since 1 July of 2013, the threshold is €198.09 per month. Therefore, provision of benefit is addressed to people whose income does not reach the minimum, and who are not able to earn money on their own (work, sale of assets).

Benefit is calculated per household together with other considered persons. Natural persons, altogether considered for the purpose of material need, include:

³ Data from the Atlas of Roma Communities 2013 were provided by organisation UNDP Slovakia.

⁴ Though these data are from 2013, we suppose only small changes in them due to relatively low mobility of Roma, and the problem is more seizeable when we work with assumption that the number and distribution of Roma community was the same in 2013, in time when the survey was processed, and in 2015.

⁵These conditions are specified in Act. No. 417/2013 Coll. on Aid in Material Need. This law, effective from January 2014 added also obligation to cover benefit by work if municipality offers such activity..

- husband and wife,
- parents and dependent children living with them in a household,
- parents and their children less than 25 years old who do not have income or have income of no more than the minimum wage, living with their parents in a household, except children who have pretention to unemployment benefit at the time of registration in evidence of unemployed, and children who have been receiving invalidity pension.

The amount of basic benefit in material need (DHN) depends on family size (or structure of altogether considered persons).

Table 1: The amount of benefit in material need in 2015

Concerned persons	Amount of basic DHN ⁶
Individual	€61.60
Individual with 1 to 4 children	€117.20
Individual with more than 4 children	€171.20
Couple	€107.10
Couple with 1 to 4 children	€160.40
Couple with more than 4 children	€216.10

Source: <http://www.employment.gov.sk/>

Recipient of basic benefit can apply for allowances to benefit in material need in the case, if his demand complies with the law:

Activation allowance – belongs to citizens in material need and any natural persons jointly considered with them, if they have been actively practising for the job. The amount of allowance is **€63,07 per month**.

Housing allowance is used to cover cost associated with housing of people in material need. To get this allowance it is necessary to submit documentation about ownership of property or valid rental contract with renter. **Therefore, people who live in shacks that had been built without any permission or on foreign land are excluded from drawing the allowance.** Monthly amount of allowance is **€55,80** for an individual and **€89,20** for more jointly considered persons.

Safety allowance belongs to citizens in material need and any natural persons jointly considered with them, if they cannot ensure or raise income by working due to adverse life situation (such as disability or retiring age). **Safety allowance does not belong to citizens in material need and any natural persons jointly considered with them, if they have entitlement to**

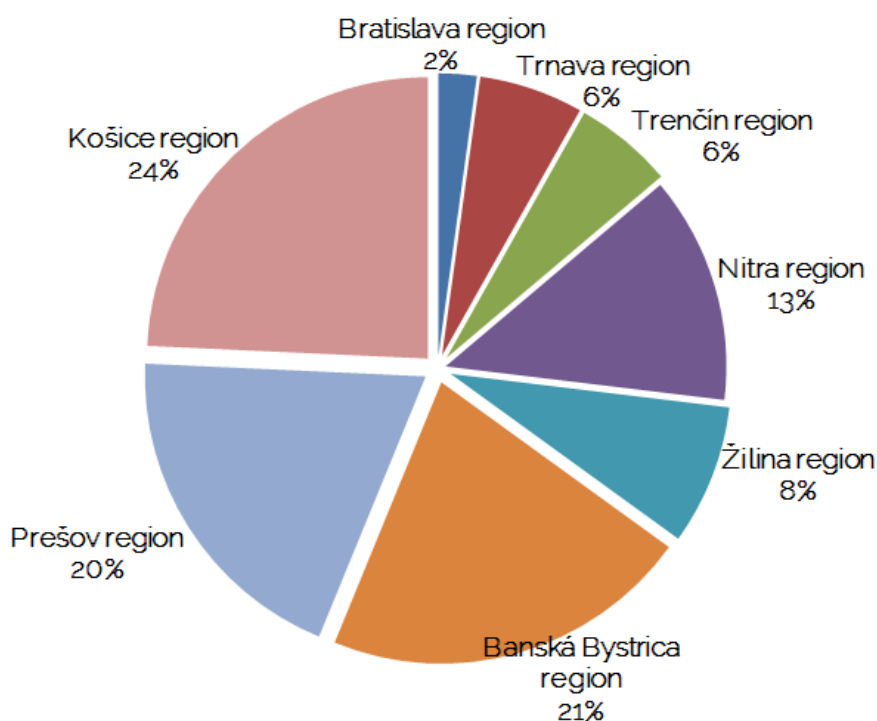
⁶ We use amounts valid in 2015 because we count fiscal impacts of 2015. Actual amounts of benefit in material need are given by the Act No. 417/2013 Coll. on Aid in Material Need which replaced Act No. 599/2003 Coll. on Material Need Assistance.

draw activation allowance. The amount of allowance is €63.07 per month (or €34.69 per month in the case of long-term adverse health condition).

2.1 Benefit in material need – beneficiaries

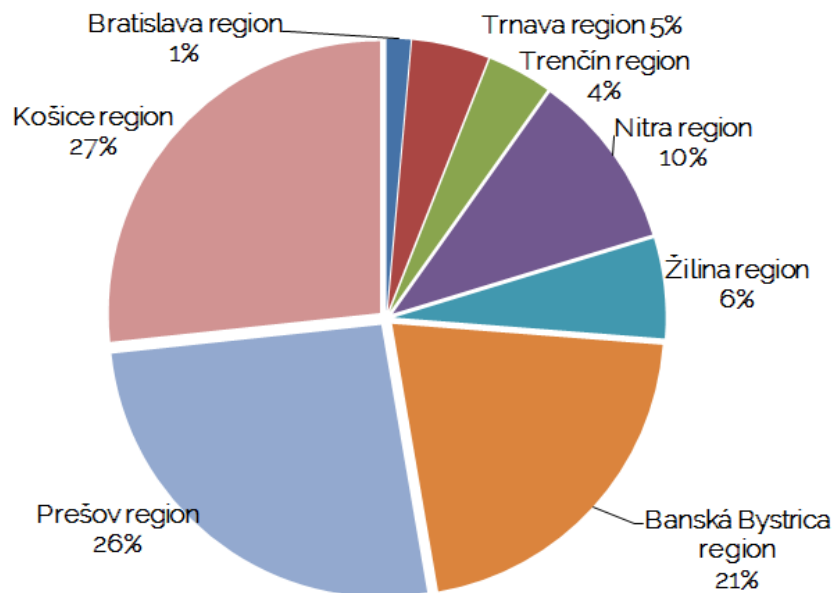
Statistics of the Central Office of Labour, Social Affairs and Family (ÚPSVaR) shows that €201.1 million was expended on benefits in material need and mentioned allowances in 2015 (a drop of more than €70 million compared to 2012). State registered 128,040 beneficiaries in average, and globally 266,129 persons **who depend on benefit in material need** including jointly considered persons (family members and households), which means about **4.9 percent of Slovak population**.

Diagram 1: Distribution of beneficiaries of benefits in material need across the regions (128,000)



Source: ÚPSVaR, 2015

Diagram 2: Distribution of beneficiaries of benefits in material need across the regions including jointly assessed persons (266,000).



Source: ÚPSVaR, 2015

Beneficiaries are spread in various regions quite unevenly. While in Bratislava region take benefits about 0.5 percent of the population, in regions of Banská Bystrica, Prešov and Košice it is almost 10 percent. In these three regions are located nearly 74 percent of all persons dependent on material need (and over 65 percent of all beneficiaries). In terms of allocation of resources assigned to benefit in material need, is the highest share in Košice region (25.8 percent), Prešov region (23 percent) and Banská Bystrica region (23.7 percent). Other regions accounted for 31 percent and with significant lags.

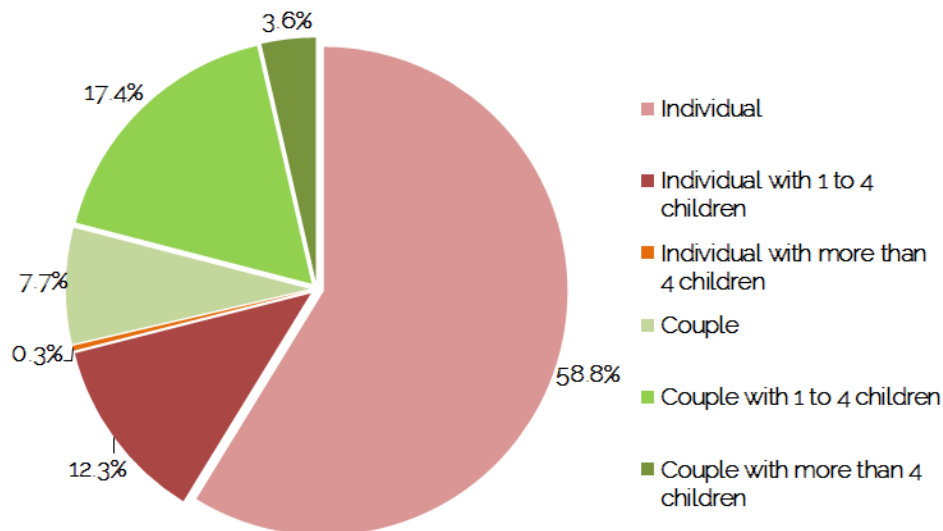
Whereas labour offices do not register ethnicity of beneficiaries, we have to generalize a bit in the analysis of the amount of resources that goes to Roma beneficiaries or to regions with high share of Roma population. From this point of view, therefore, is interesting to examine mainly districts with higher share of Roma which would be identified with help of the Atlas [Atlas of Roma communities](#). As well as we put emphasis in the analysis on a set of multiple children families in which we estimate increased share of Roma families (which is standard assumption mainly in regions with higher number of Roma). Following table shows distribution of beneficiaries of benefits in material need in 2015 based on the size of families.

Table 2: Beneficiaries of benefits in material need in 2015 divided according to the size of families

	Individual 2015						Couple 2015					
	0 children	1 child	2 children	3 children	4 children	more than 4 children	0 children	1 child	2 children	3 children	4 children	more than 4 children
Bratislava region	2277	201	42	10	3	5	98	63	49	27	9	14
Trnava region	5302	771	226	70	20	17	455	327	265	107	49	57
Trenčín region	5674	672	195	37	10	9	241	155	140	83	26	28
Nitra region	11006	1830	635	179	48	44	1183	655	605	255	132	149
Žilina region	7632	890	281	72	22	10	402	328	349	181	66	76
Banská Bystrica region	15248	2314	1043	317	83	87	2198	1855	1950	1015	454	644
Prešov region	11054	1309	453	189	72	103	2570	1970	2395	1886	1005	1981
Košice region	17054	2334	955	318	126	133	2668	1817	2013	1274	730	1665
SLOVAKIA	75247	10321	3830	1192	383	408	9815	7169	7767	4825	2471	4613
Basic DHH	61.50 €	117.20 €	117.20 €	117.20 €	117.20 €	171.20 €	107.10 €	160.40 €	160.40 €	160.40 €	160.40 €	216.10 €

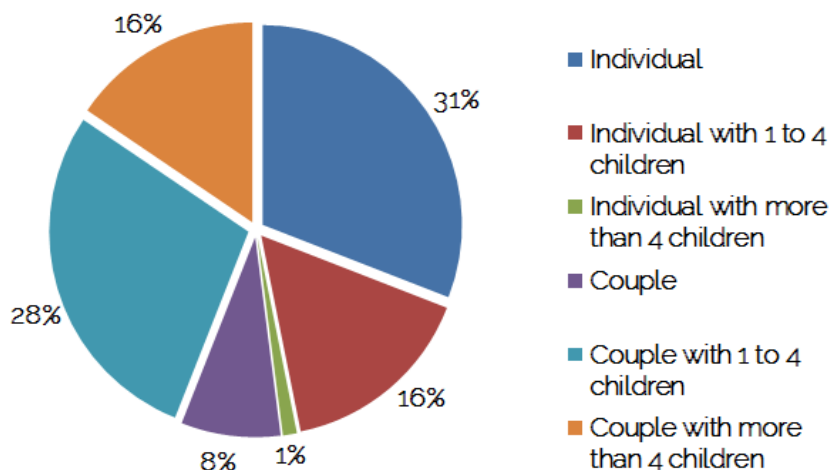
Source: ÚPSVaR, 2015

Diagram 3: Distribution of beneficiaries of benefit in material need (128,000)



Source: ÚPSVaR, 2015

Diagram 4: Distribution of beneficiaries of benefit in material need including jointly considered persons (266,000)



Source: ÚPSVaR, 2015

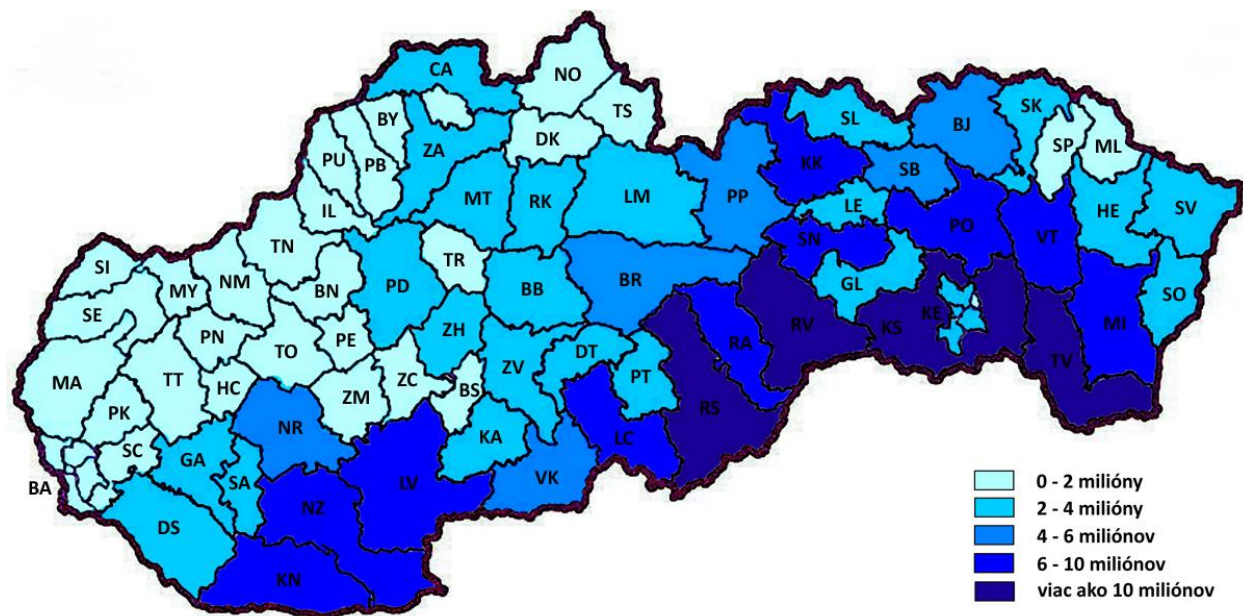
All 128,000 beneficiaries of benefits in material need consisted of 75,000 individuals and other 9,800 childless couples in 2015. **Therefore, childless individuals covered 58.8 percent of all beneficiaries of benefits in material need**, childless couples other 7.7 percent. Thus, more than two thirds was childless beneficiaries. **Individuals with more than 4 children represented only 0.3 percent of all beneficiaries (408 individuals)**, couples with more than 4 children had share of 3.6 percent (4,613 beneficiaries).

Naturally, distribution will look the other way if we include also all persons considered with beneficiaries (266,000) because of more significant weight of multiple children families. We find that the **childless households had share of 39 percent of all beneficiaries** (directly or indirectly). Individuals with 1 to 4 children covered 16 percent and couples with 1 to 4 children covered 28.1 percent (majority of the group is formed by families with 1 to 2 children).

According to the data of ÚPSVaR, multiple children families of individuals or couples with more than 4 children which drew benefits in material need (what would correspond to the commonly exerted image of multiple children Roma family) , therefore, consisted of 44,000 people, and 16.6 percent of all beneficiaries of benefits in material need. For purposes of the analysis, we will further consider family of individual or couple with more than 4 children as "multiple children family".

From a geographical point of view, benefits in material need were distributed across Slovakia in 2012 as follows.

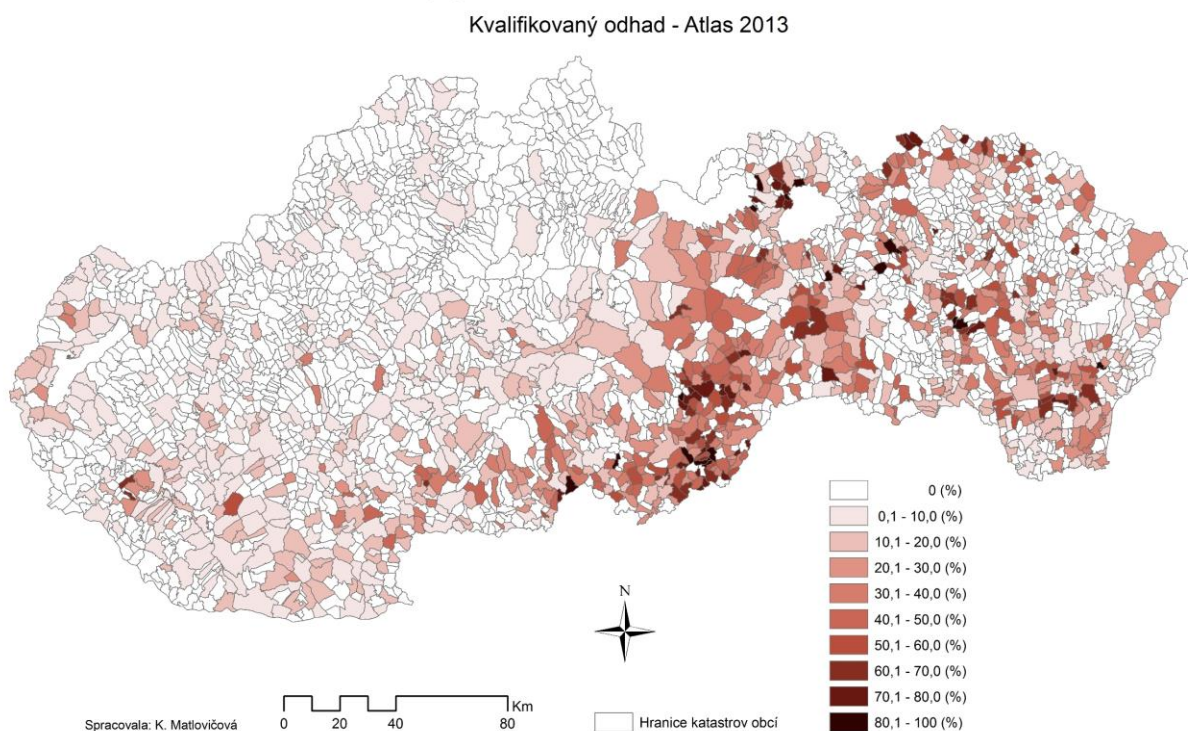
Map 1: Geographical distribution of resources paid in the form of benefit in material need (in mil. €)



Source: ÚPSVaR, 2012, graphical adaptation by INESS

In comparison with geographical concentration of Roma in the Slovak municipalities we can see correlation between higher share of the Roma population and higher amount of paid benefits:

Map 2: The percentage of Roma in the municipalities of Slovakia



Source: Atlas of Roma communities 2013

2.2 Benefit in material need – multiple children families

Each person in material need who fulfilled criteria of benefit in material need could also draw activation and safety allowances (not both at the same time), as well as housing allowance. However, housing allowance cannot be drawn by residents of segregated Roma settlement (built without building permission on foreign land) just for the absence of documentation about ownership of property or valid rental contract with renter.

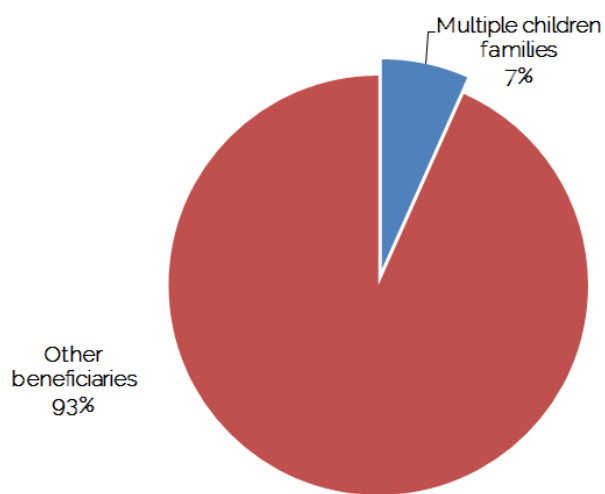
Benefit in material need can be increased also by €17.20 per month for a child who properly fulfil minimum compulsory school attendance⁷. In December 2015, the increase was provided in 51,724 cases and multiple children families in material need included 31,630 children. On the basis of distribution of child allowances in accordance to the age of children we can estimate that 44 percent of children has been fulfilling compulsory school attendance (from 7 to 16 years of age). **Almost 80 percent of allowances for fulfilling compulsory school attendance is paid in regions of Košice, Prešov and Banská Bystrica.**

⁷ Legislative knows also increase of benefit by €13.50 in the case when beneficiary of the benefit or jointly considered person is a pregnant woman or a parent of child under one year of age. However, we neglect these allowances for the purposes of the analysis.

However, we may assume that drawing allowance is more infrequent in multiple children families in isolated communities than in other multiple children families. Absence of children from isolated communities in compulsory school attendance is in fact [quite widespread phenomenon](#)⁸, while drawing of allowance is linked right to this obligation.

ÚPSVaR data shows that the cost of benefit in material need drawn by multiple children families reached €13.4 million in 2015. Even though multiple children families represented 15.5 percent of population in material need, they covered only 6.7 percent of all amount of €201.1 million intended for benefits and allowances in material need.

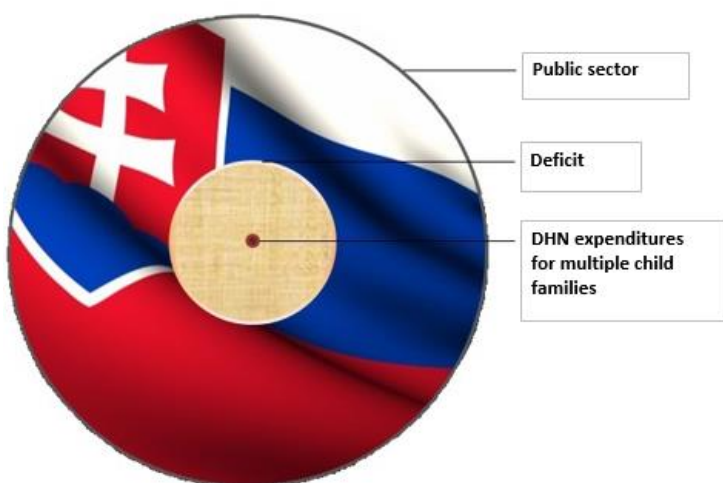
Diagram 5: Share of multiple children families on all resources assigned for benefit in material need in 2015 (€201 million)



Source: ÚPSVaR, 2015

⁸ Plus 7 dní. (2013). They don't have clothes, time and motivation. Absenteeism is flourishing in settlements. [Online]: <http://www.pluska.sk/plus-7-dni/domov/nemaju-oblecenie-cas-ani-motivaciu-zaskolactvo-osadach-prekvita.html>

Diagram 6: Comparison of public expenditures



Source: Ministerstvo financií SR, 2015

On the basis of the above, we can give an illustrative example of benefits, allowances and bonuses which can receive a family with 5 children that draw benefits in material need.

Table 3: Benefits, allowances and bonuses which can receive a family with 5 children

Benefit	Segregated family with 5 children in illegal	Integrated family with 5 children living in own flat or tenement	Family with 5 children in which father earns average salary (€860)
Basic benefit in material need	216,10 €	216,10 €	0
Activation allowance (1 person)	0	63,07	0
Housing allowance	0	89,2	0
Child allowance	117,6	117,6	117,6
Increase in allowance thanks to fulfilling the compulsory school attendance of child	0	86	0
Net income	-	-	663,5
Tax bonus	-	-	122,1
Sum	333,7 €	572,0 €	903,1 €
Subsidy for meals for schoolable children*	0	100	0

Source: ÚPSVaR, own calculations

*Whereas municipalities or schools, not directly person in material need, receive subsidies for meals, we mention these subsidies apart. Its amount reaches €20 per month (€1 per day), in 2011 was intended for 74,000 children and the annual cost amounted to **€12.3 million**.

Labour offices can provide subsidy for school things for municipalities or schools in February and September *for a total of €33.2⁹* in that calendar year. Subsidy is provided to 85,000 children, total cost is about **€2.8 million per year**. The figures correspond to valid claim for the year 2012.

Models always require a certain degree of simplification of reality. In this case, however, they serve as an illustration in which multiple children family in isolated community could have benefit in material need with all allowances lower even by 40 percent (and lower even by 50 percent when includes subsidy for school-age children). In fact, we can assume that such a family does not have documentation about ownership of property (or valid rental contract) and does not cover cost associated with housing that are required for housing allowance. As well there is higher probability that this family does not draw activation allowance or allowance for fulfilling compulsory school attendance of children if they neglect the school.

According to ÚPSVaR, child allowance was paid for 1.1 million children in 659,965 families in December 2015. **8,900 families (or 1.35 percent of all families) drew allowances for more than 4 children, in aggregate for 52,503 children** (or 4.8 percent of all children who are in receipt of family allowances). Three quarters of these families are located in regions of Prešov, Košice and Banská Bystrica.

More than 56.4 percent of multiple children families with more than 4 children is, according to the available data, in material need (5,021 families according to the findings in the paper 1).

2.3 Benefit in material need – districts with high number of multiple children families

We can analyze localisation of multiple children families either in terms of their number in district or in terms of share of children from multiple children families who live in such district. In Slovakia, **there are 15 districts with more than 1,000 children in families with more than 4 children** (data are based on records of allowances for children). Selection of districts under this criterion captures all 7 districts where more than 10 percent of children live in multiple children families, while 13 out of 15 districts are located in regions of Prešov and Košice.

⁹ Office of Labour, Social Affairs and Family. [Online]: http://www.upsvar.sk/rk/odbor-socialnych-veci-a-rodiny/oddelenie-pomoci-v-hmotnej-nudzi.html?page_id=281056

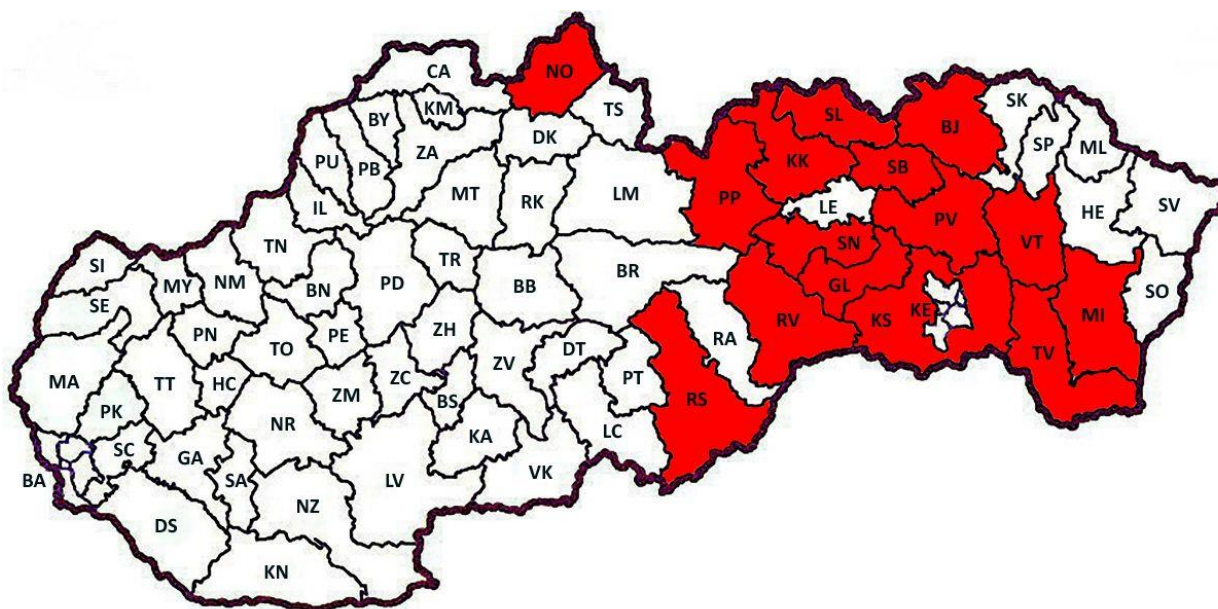
Table 4: 15 districts with the highest number of children in multiple children families

District	Region	Number of children in multiple children families in district	Number of multiple children families in district	Proportion of children in multiple children families with more than 4 children
Košice - okolie	Košice	3984	644	13.73%
Kežmarok	Prešov	3458	580	16.85%
Spišská Nová Ves	Košice	3162	515	13.88%
Prešov	Prešov	3156	531	8.22%
Sabinov	Prešov	2923	474	17.54%
Trebišov	Košice	2653	438	12.06%
Stará Ľubovňa	Prešov	1882	324	13.74%
Vranov nad Topľou	Prešov	1865	316	9.48%
Michalovce	Košice	1854	303	9.06%
Rimavská Sobota	Banská Bystrica	1618	274	9.38%
Bardejov	Prešov	1613	278	9.14%
Gelnica	Košice	1476	236	18.98%
Poprad	Prešov	1460	242	6.48%
Námestovo	Žilina	1417	260	7.63%
Rožňava	Košice	1177	201	9.32%

Source: ÚPSVaR, 2015

From a geographical point of view, selected districts are distributed across Slovakia as follows.

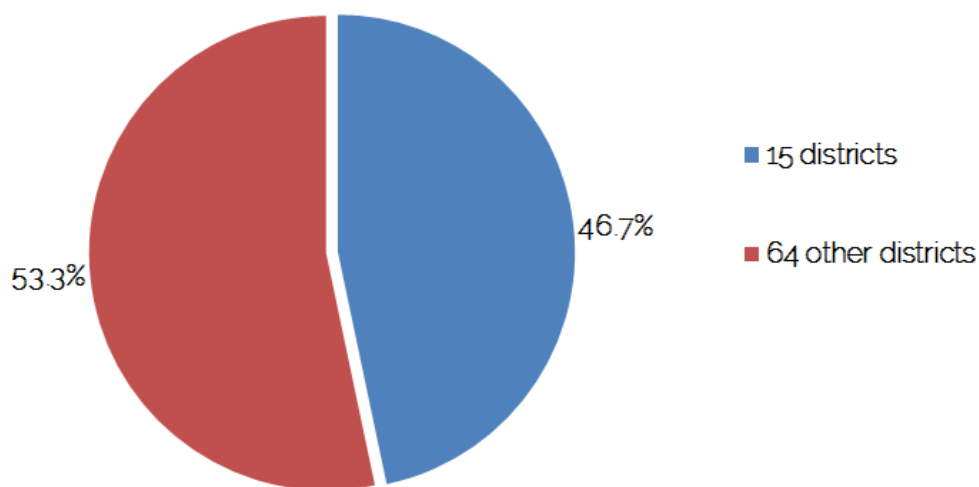
Map 3: 15 districts with the highest number of children in multiple children families



Source: ÚPSVaR 2012, graphics by INESS

ÚPSVaR data shows that while these districts cover only **23.9** percent of Slovak population, they drew € **93.9 million**, or **46.7** percent of all resources assigned for benefits in material need.

Diagram 7: Share of "15 districts" on resources assigned for benefits in material need (€201 million)



Source: ÚPSVaR, 2015

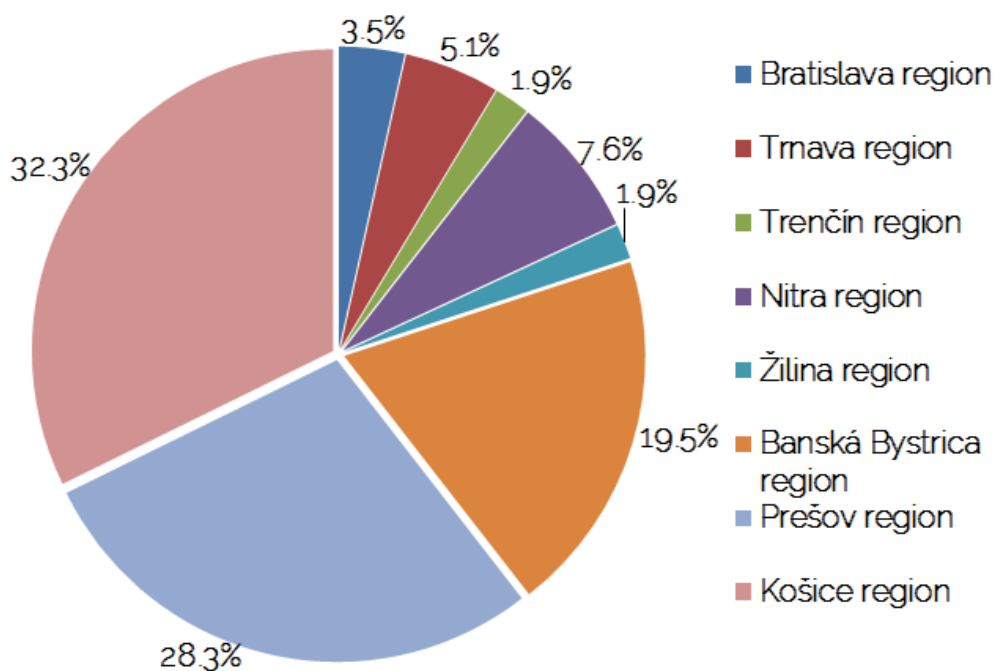
We can conclude that to districts with high share of multiple children families (with more than 4 children) goes by much more resources in the form of benefit in material need than to districts with less multiple children families. In firstly mentioned districts is 83 percent of multiple children families receiving benefits in material need. Whereas we estimate that 5,021 multiple children families receive only 7 percent of resources assigned to benefit in material need, the majority of recipients are smaller families or individuals with 2, 3 or 4 children. However, 46.8 percent of beneficiaries was located in selected 15 districts. Share of small families in these districts on the total number of families in Slovakia is only 11.7 percent.

Therefore, we can assume that Roma beneficiaries are mainly in families with 2 or 3 children and the effect of multiple children families on drawing benefits is due to their lower frequency relatively small.

2.4 Benefit in material need – districts with high number of Roma

Nearly a third of 403,000 Roma, estimated by the Atlas of Roma Communities, lives in region of Košice. Regions of Košice, Prešov and Banská Bystrica are home for more than 80 percent of Slovak Roma while in these regions live 42 percent of all population.

Diagram 8: Distribution of Roma population in Slovak regions



Source: Atlas of Roma communities 2013

Based on the data of the Atlas of Roma Communities we can similarly compare districts with notable Roma population. For the purpose of our analysis, we selected 20 districts with 67.4 percent of found Roma population (i.e. 271,000 of all 403,000 Roma)¹⁰. Additionally, in these districts live 29.2 percent of all Slovak population, and to large extent they overlap districts with high number of multiple children families – thus 14 out of 15 districts are with high number of children in multiple children families (besides Námestovo in north of Slovakia). Among the selected districts are also 8 districts in which share of Roma overlaps 20 percent of population. All 20 districts are located in regions of Košice, Banská Bystrica and Prešov.

Table 5: 20 districts with the highest number of Roma

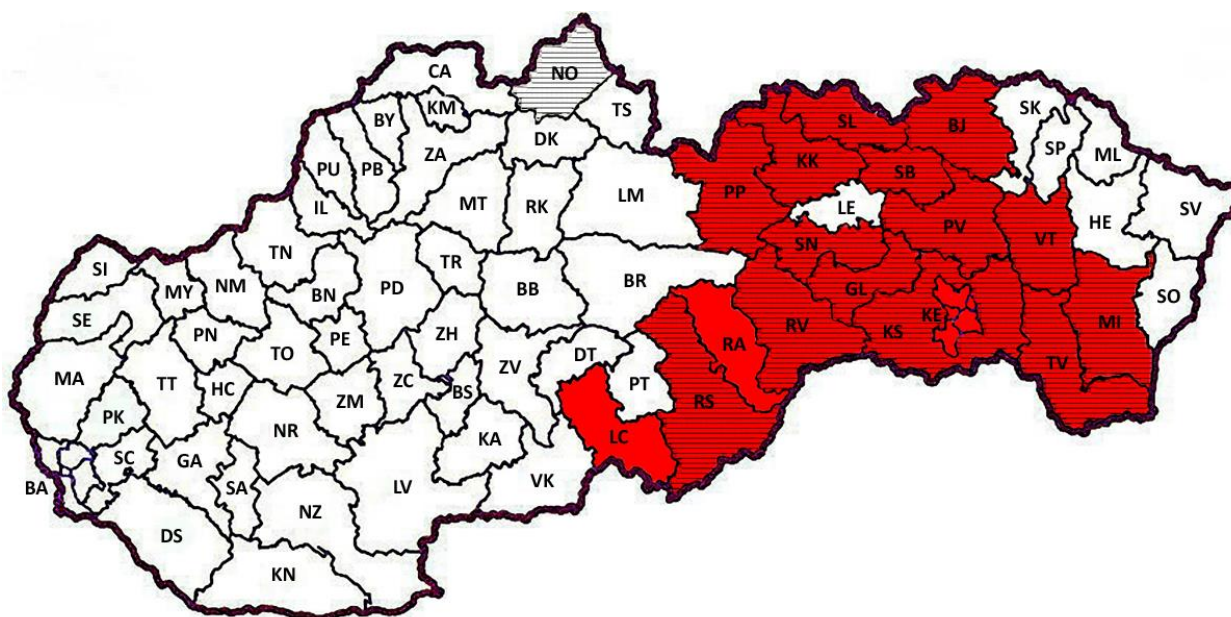
District	Region	Number of Roma in district	Share of Roma in district
Košice - okolie	Košice	26458	21.8%
Rimavská Sobota	Banská Bystrica	23999	28.3%
Spišská Nová Ves	Košice	22058	22.5%
Michalovce	Košice	19543	17.6%
Kežmarok	Prešov	18757	26.3%
Košice*	Košice	18262	7.6%
Trebišov	Košice	18192	17.1%
Vranov nad Topľou	Prešov	17308	21.6%
Prešov	Prešov	17105	10.0%
Rožňava	Košice	14344	22.7%
Lučenec	Banská Bystrica	13329	17.8%
Revúca	Banská Bystrica	12720	31.5%
Poprad	Prešov	11555	11.1%
Sabinov	Prešov	11178	19.1%
Bardejov	Prešov	10507	13.5%
Gelnica	Košice	8496	27.1%
Stará Ľubovňa	Prešov	7800	14.7%

Source: Atlas of Roma Communities, yellow colour highlighted districts in which Roma cover more than 20 percent of population. The city of Košice represents all 4 districts of Košice.

From a geographical point of view, group of 20 districts are located on map of Slovakia as follows (shade lining classify districts also to group of 15 districts).

¹⁰ We have excluded district Bratislava due to analytical reasons, as it is considered to be a district with low concentration of Roma (only 8800).. Vice versa we have added the town Košice with Roma population 18 262. Note that the town Košice covers 4 districts. The neighbourhood Lunik IX is located in district Košice II. Atlas of Roma communities provides the data for the town Košice, not for its individual districts.

Map 4: 20 districts with the highest number of Roma



Source: Atlas of Roma Communities 2013, graphical adaptation by INESS

On the basis of ÚPSVaR data we can conclude that 20 districts with the highest number of Roma, in which live about two thirds of Slovak Roma, received €106.4 million of benefits and bonuses in material need, which is more than half of resources paid in the form of benefit in material need.

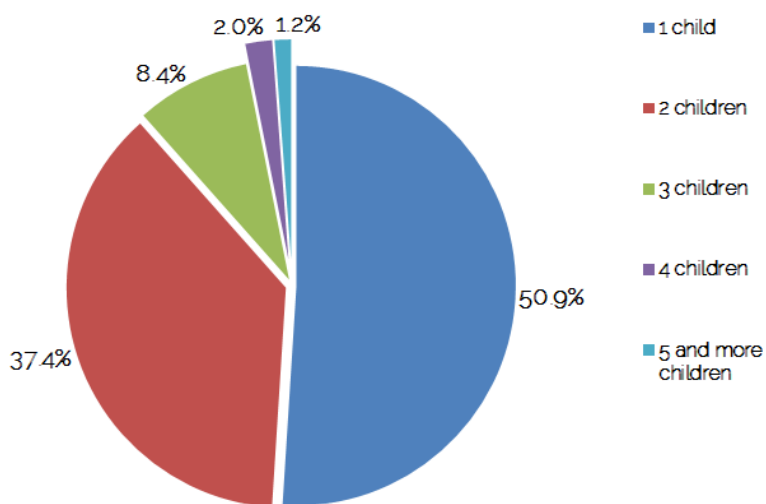
3 Child allowance

Child allowance goes to each family in Slovakia for each child at least until the end of its compulsory school attendance, i.e. the end of school year in which the child becomes 16 years old. If the child continues in the study after the compulsory school attendance, for example at the university, family can still receive the allowance of up to 25th year of child's life. In 2015, the amount of the allowance was €23.52 per month for a child. Each applicant who fulfilled the basic criteria is entitled to the allowance, therefore, the allowance shall be paid at the same rate to all parents regardless their high or low income.

According to the data of ÚPSVaR, **660,000 families with 1.1 million children** received child allowance in 2015, from which 370,000 children were in the pre-school age (up to 6 years) and 243,000 children have completed compulsory school attendance (17 years and over). Curious is that **the allowance was paid for 111,000 "children" at the age of 20 years and older** who, as we assume, are almost exclusively university students. Total resources assigned for child allowance reached **€310.4 million** in 2015.

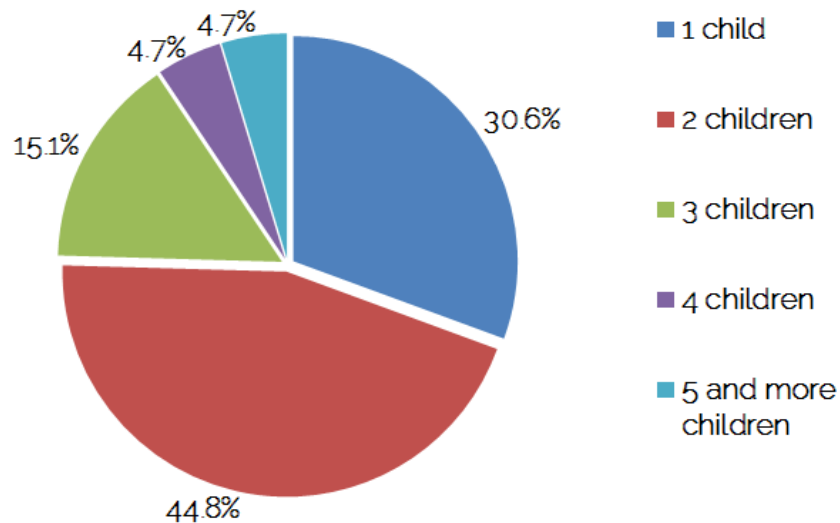
The distribution of allowance is in various districts quite balanced. The highest share is in regions of Prešov and Košice, although these regions are also the largest in population. Trnava region with the lowest share of paid child allowance is also the last in terms of population.

Diagram 9: Distribution of families according to number of children to which they receive child allowance



Source: ÚPSVaR, 2015

Diagram 10: Distribution of expenditures on child according to number of children in families which receive allowances



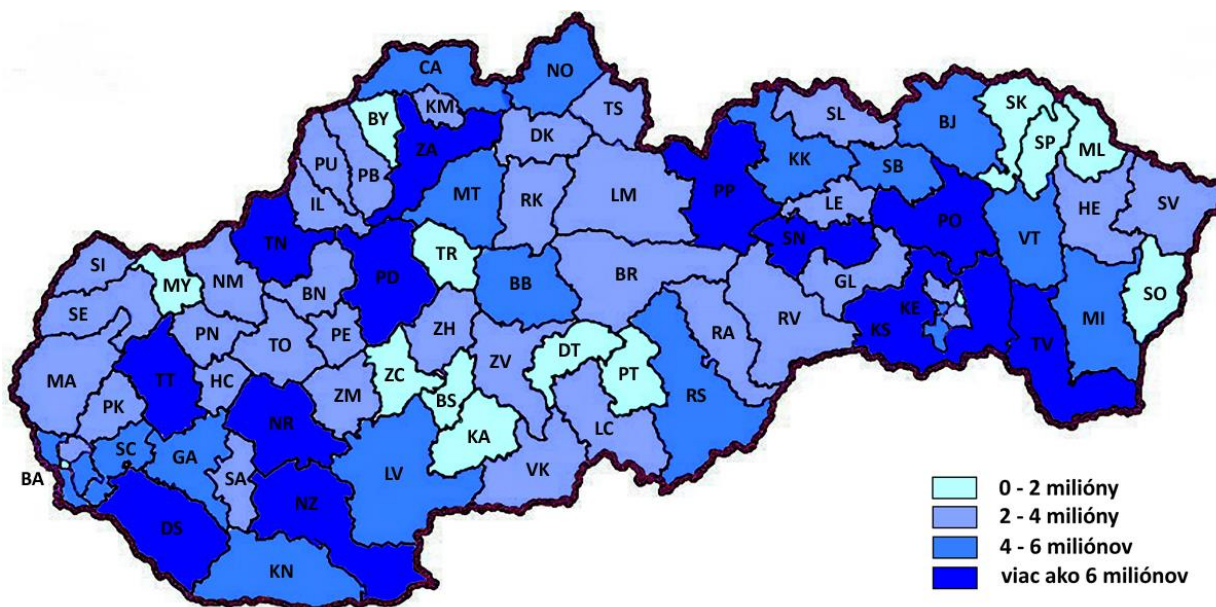
Source: ÚPSVaR, 2015

3.1 Child allowance – multiple children families

88.6 percent of families (582,000) receives allowance for 1 or 2 children, 8.4 percent of families for 3 children, 2 percent of families for 4 children and 1.3 percent of families for 5 and more children (8,900 families with 52,503 children). In terms of allocation of resources, we can conclude that 75.5 percent of resources assigned for child allowances ends in families with 1 or 2 children, 15.1 percent ends in families with 3 children, 4.7 percent ends in families with 4 children and as well 4.7 percent in families with 5 and more children. Families with 5 and more children received child allowance of up to €14.8 million in 2015. Families with 4 children received approximately the same amount, and families with 1 or 2 children received almost €234 million.

For illustration, the map of Slovakia shows regional distribution of allowances in 2012 (map for 2015 is not available)

Map 5: Geographical distribution of child allowances (in mil. €)



Source: ÚPSVaR, 2012, graphics by INESS

3.2 Child allowance – districts with high number of multiple children families

On the basis of identified districts with multiple children families in chapter 1.3 we can determine share of 15 districts with the highest number of multiple children families on all families which receive child allowances.

These districts represent 23.9 percent of Slovak population and altogether they received allowances for €299,600 children in 2015, i.e. 27.2 percent of all children whose families receive allowances (compared to 23.9 percent of population in these districts). This share is,

therefore, identical to share of resources assigned for the child allowance. We can conclude that in districts with the highest number of multiple children families were paid child allowances in the total amount of €85.4 million.

3.3 Child allowance – districts with high number of Roma

Similarly to benefit in material need, we can easily calculate resources assigned for the child allowance flowing to 20 districts with the highest number of Roma (271,000 Roma or 67.4 percent of their total number, according to the Atlas of Roma Communities). These 20 districts, in which live 29.2 percent of population in Slovakia, altogether received **30.7 percent** of all resources assigned for the child allowance (i.e. €95.2 million). **On the basis of empirical data, we can conclude that districts with high number of multiple children families or districts with high number of Roma are not significant recipients of the child allowance.** Though Roma have substantially higher number of children, only small share of Roma receives allowances for children during university studies

While, according to the Statistical Office of the Slovak Republic (ŠÚSR), 15.3 percent of Slovak population had less than 15 years in 2015, the Atlas of Roma Communities shows that this share among Roma saturated from the majority amounted to 38.5 percent.

If we assume in analysis that 40 percent of entire Roma population receives the child allowance (entitlement to the allowance lasts at least until the end of compulsory school attendance, i.e. until the age of 16), we can estimate that 161,000 young Roma receive child allowances. **This corresponds to the total amount €45.4 million paid out in the form of child allowance in 2015.**

4 Parental allowance

Parental allowance is paid for children until they are 3 years old (in the case of adverse health status of the child until the sixth year of life) at flat rate set for 2015 at €203.2 per month. Slovak legislation confers on parents of twins €254, and on parents of triplets €304.8. Triplets, however, are not taken into account in the analysis for their minimum occurrence and low fiscal impact. Entitlement to the allowance arises after the end of maternity leave (when entitlement for the maternity allowance does not arise after the birth, parental allowance shall be paid immediately). In 2015, 142,000 people on average (2.63 percent of Slovak population) were receiving the parental allowance each month. Total resources assigned for the parental allowance exceeded €361.3 million.

Most of the beneficiaries were in Prešov region (23,146 beneficiaries or 4.2 percent of population) and least of them were in Trnava region (13,806 beneficiaries or 2.5 percent of population). In terms of distribution, there are not big differences between regions and distribution roughly replicate the size of population in region.

In 15 selected districts with high number of multiple children families were on average 38,632 beneficiaries of the parental allowance who **received more than €94.2 million in parental**

allowances in 2015, thus 27.1 percent of resources compared to 23.9 percent of population in these districts.

If we assume that share of beneficiaries of the parental allowance in multiple children families is identical as in 15 selected districts (27.1 percent), we can estimate that **8,900 multiple children families received €5.9 million in parental allowances in 2015, i.e. 1.7 percent of all resources** (of which aliquot share of €3.3 million belongs to 5,021 multiple children families in material need).

In 20 districts with high number of Roma lived 44,637 beneficiaries of the parental allowance who received €108.8 million, i.e. 31.3 percent. Similarly to the child allowance it is not a significant difference compared to the population in these districts (29.2 percent).

The data of ŠÚSR shows that 3.1 percent of Slovak population has less than 3 years. For the purpose of analysis, we extend the data of the Atlas of Roma Communities, according to which 14.8 percent of Roma younger than 6 years who live in concentrations, to whole Roma population. We also suppose that exactly half of such Roma population, 7.4 percent, is younger than 3 years. Of the assumptions we can estimate that share of beneficiaries of the parental allowance in Roma community is 2.3 times higher than in majority (whereas also share of population younger than 3 years is also 2.3 times higher).

Therefore, assumptions show that 17 percent of beneficiaries of the parental allowance was Roma (or Roma women), which corresponds to approximately 24,000 Roma beneficiaries and €58.5 million of overall paid resources. However, it is necessary to stress that the parental allowance reduces the amount of paid benefit in material need. Parental allowances, therefore, do not alter the overall summary of benefits distributed to the family in material need. In current practice, the parental allowance is paid to one parent of almost every family, if mother does not receive the maternity allowance.

5 Childbirth allowance

Childbirth allowance is paid to father or mother of born child at a single flat rate €829.86 for the first three children and €151.37 for the fourth or another children. In 2015, the allowance was paid 51,921 times and total resources assigned for the allowance amounted to €41 million. **94 percent of children were born up as the third child.**

Most beneficiaries were in Prešov region, least in Trnava region. Similarly to the parental allowance, distribution of the childbirth allowance copies to a great extent the size of population in region.

The allowance was paid in 13,794 cases (26.6 percent) within 15 selected districts with high number of multiple children families, i.e. total resources assigned for the childbirth allowance amounted to €10.3 million. Share of allowances is only 2.7 percent higher than share which aliquotely correspond to the size of the population.

If we assume that share of children born in multiple children families is same as in 15 selected districts (26.6 percent), we can estimate that **8,900 multiple children families in Slovakia received less than €358,000 in child allowances in 2015, i.e. less than 1 percent of total resources assigned for the child allowance.**

In 20 districts with high number of Roma were paid **15,941 childbirth allowances (30.7 percent), i.e. €12.1 million.** Share of paid allowances is only about 1.5 percent higher in 20 districts than share which aliquotely correspond to the size of the population.

6 Conclusion

The aim of the analysis is to bring more light to the topic of Roma burden on social system in Slovakia. The topic has raised sharp controversy across the society, and also has brought unfounded myths about the burden on public finances caused by Roma drawdown of social benefits.

We examined drawdown of various allowances on poverty and family support in terms of their drawdown by multiple children families, districts with high number of children living in multiple children families (group of "15 districts") and districts with high number of Roma (group of "20 districts"). We defined multiple children family as a family with more than 4 children. There were 8,900 such families in Slovakia in 2015, of which 5,021 (56 percent) received benefits in material need.

6.1 Public expenditure on examined groups

Table 7: Drawdown of selected social allowances by examined groups

Social support (benefits, pensions)		Used by (million euro)			Share			Total usage (million euro)
		Large families	"15 districts"	"20 districts"	Large families	"15 districts"	"20 districts"	
Material need	Aid to persons in material need	13.4	93.9	106.4	7.7%	46.7%	52.9%	201.1
	Child allowance	14.8	85.4	95.2	4.7%	27.5%	30.7%	310.4
Family support	Parental allowance	5.9	94.2	108.8	1.7%	27.1%	31.3%	361.3
	Birth allowance	0.4	10.3	12.1	0.9%	26.0%	30.7%	41
Total		34.5	283.8	322.5	2.0%	16.6%	18.9%	913.8

Source: ÚPSVaR, 2015; own calculations (possible differences in sums are caused by rounding)

The total amount of examined allowances paid to multiple children families is less than 0.1 percent of total public expenditures (€34.5 million). It is about a half of the value which state pay each year in the form of Christmas benefit for pensioners.

Multiple children families form 13.2 percent of all dependents on benefit in material need, but in reality they receive only 7 percent of resources assigned for the benefit and bonuses in material need.

The total amount of all examined benefits and allowances paid to group of „15 districts“ amounted to 0,8 percent of all public expenditures (€283.8 million). It is comparable with the amount (€243 million) which the state had to get back to the EU budget in 2015 due to inefficient or non-transparent drawdown. These expenditures, however, did not end in hands of multiple children families or Roma families, but mainly families with 2 or 3 children. Moreover, it does not mean that all benefits received the Roma community.

15 districts with more than 1,000 children who live in multiple children families (with more than 4 children) amounted to 23.9 percent of population in Slovakia. There live 39 percent of beneficiaries of the benefit in material need and 49 percent of all persons reliant on the benefit in material need (including jointly assessed persons).

Total sum of all examined benefits, allowances and pensions paid to group of „20 districts“ in 2015 amounted to 0.9 percent of all public expenditures (€322.5 million). It is not even a quarter of expenditure that taxpayers spend annually on servicing the public debt. Based on our assumptions, we also estimate that child allowance has been currently paid to more than 160,000 Roma children for a total of approximately €45.4 million. Based on the Atlas of Roma Communities, we assume that 17 percent of beneficiaries of parental allowances were Roma and all resources paid in this form amounted to €59 million.

In 20 districts with the highest number of Roma (67 percent, i.e. 271,000 of 403,000 Roma estimated by the Atlas of Roma Communities) live 29 percent of Slovak population. Moreover, in these districts live 45 percent of beneficiaries of the benefit in material need and 55 percent of all persons reliant on the benefit in material need.

7 Discussion

Roma issue is, therefore, primarily social, not fiscal (budgetary) problem. Fiscal cost paid to multiple children families (or districts with high share of Roma) represents 0.1 percent of public resources (or 0.9 percent of public resources). In view of the consolidation of public finances is not so critical. Elimination of social transfers for the largest group of beneficiaries would cause social disaster while it would reduce the public deficit only by seventh. However, this not mean that there is no space for changes in policy focused on benefits to motivate people to work.

We also need to recall that Roma form smaller group of beneficiaries of old-age pensions than the majority population (only [4 percent¹¹](#) of Roma population in Slovakia is older than 60

¹¹ Statistical Office of the Slovak Republic. (2011). Slovak statistics and demography 4/2011. [Online]: <http://portal.statistics.sk/showdoc.do?docid=47949>

years of age, compared to 19.3 percent of the total population), and consume less health care¹².

On the other hand, working parents could receive tax allowance (or benefit for working people) in the form of tax bonus currently amounted to €21.41 per month and per each child. In 2015, taxpayers got back €257.5 million from the state budget thanks to the tax bonus. Therefore, tax bonus is form of selective benefit which family in material need cannot apply for.

[The study of the World Bank¹³](#) shows that 20 percent of Roma men and 9 percent of Roma women in working age really work in Slovakia. ŠÚSR recorded 66.6 percent of employed men and 53 percent of employed women throughout the population of Slovakia. Employment of Roma population is therefore approximately one quarter of compared majority population. However, statistics is deformed by segregated communities where unemployment exceeds 75 percent, according to data of UNDP.

From the social system are paid benefits, allowances and bonuses on the basis of relevant legislation which changes have to be approved by majority of national parliament. If people abuse the social system or do not have sufficient motivation to search for a job because they receive social benefits, it is a consequence of wrong system settings or inefficient control mechanisms that could always be improved. The motivation to work is largely affected by high percentage of distrains whereas wages are distrainable opposed to social benefits.

However, 20 percent of employed Roma men suggests that we cannot accredit lack of work motivation to all Roma. Therefore, to solve the problem can be helpful to reduce levies of employees with low incomes and to make the labour market more flexible and enable thus to employ more unemployed from Roma communities.

¹² PDCS. (2009). Roma population and health: The analysis of the situation in Slovakia. [Online]: <http://www.gitanos.org/upload/13/60/Eslovaquia-corrected.pdf>

¹³ In vivo. (2014). Roma: The most prevalent misinformation. [Online]: http://invivomagazin.sk/romovia-najrozsirenejsie-dezinformacie_207.htm