

Prijaté/ Received: 08.10.2025

Recenzované/ Reviewed: 30.10.2025

DOI: <https://doi.org/10.24040/aap.2025.22.2.16-29>



Táto publikácia je šírená pod licenciou Creative Commons Attribution-NoDerivatives 4.0, International Licence CC BY-ND (uvadenie autora - bez odvodeného obsahu).

INCOME CONVERGENCE OR THE ILLUSION OF GROWTH? ASSESSING THE STRUCTURAL QUALITY AND INTRA- REGIONAL DISPARITIES IN SLOVAKIA

KONVERGENCIA PRÍJMOV ALEBO ILÚZIA RASTU? ANALÝZA ŠTRUKTURÁLNEJ KVALITY A VNÚTROREGIONÁLNEJ NEROVNOSTI NA SLOVENSKU

EMÍLIA DUĽOVÁ SPIŠÁKOVÁ

doc. Ing. Emília Duľová Spišáková, PhD., Technical university of Košice, Faculty of Economics, Department of Finance, Nĕmcovej 32, 040 01 Košice, Slovakia, emilia.dulova.spisakova@tuke.sk, ORCID: 0000-0003-3609-4275

Abstract: *The paper analyzes regional disparities in wage levels among the population of Slovakia, focusing on differences between regions. The aim of the paper is to analyze changes in the level and structure of household income in the regions of the Slovak Republic in the period 2014 - 2024, with particular emphasis on comparing income from work and social transfers. The analysis is based on data from the Statistical Office of the Slovak Republic and Eurostat, employing comparative and descriptive methods. The results indicate that despite overall growth in gross income, significant regional disparities persist. The Bratislava region maintains a dominant position, while the eastern regions, particularly Prešov and Košice, continue to lag behind. The increasing share of social income (to 36,7% in Prešov region) in less developed regions signals a growing and critical dependence of households on state transfers, eroding the primary labor income. The findings confirm that regional differences remain a major barrier to sustainable development and call for targeted policies aimed at promoting income convergence and reducing inequality.*

Keywords: disparities, regions, income structure, income inequality

JEL Classification: E24, O15

Introduction

The Slovak Republic, like many post-transition economies, faces the challenge of persistent and, in some respects, deepening regional income inequalities. Although studies confirm that overall income inequality in Slovakia is among the lower ones within the EU, internal polarization between regions remains a significant barrier to sustainable and inclusive economic growth (Jarmuzek & Banerjee, 2009). This polarization is evident in contrast between the economically dominant Bratislava region and the lagging regions, primarily in the east of the country.

While the existing literature confirms the existence of regional disparities based on macroeconomic indicators, such as GDP per capita, it is less focused on a detailed analysis of income structure and its impact on socio-demographic groups. Specifically, the growing role of social transfers in household incomes (especially in poorer regions) indicates a potential shift in the economic structure, where income growth is driven by state support rather than by

labor market strengthening and wage growth. Understanding this dynamic is crucial for the revision of regional and social policy (Ministry of Labor, Social Affairs and Family of the Slovak Republic, 2023).

The aim of the paper is therefore to analyze changes in the level and structure of household incomes in the Slovak Republic during the period 2014 - 2024. The paper focuses on regional variations with specific emphasis on comparing labor income and social transfers. Concurrently, this paper expands the analytical framework by using indicators such as the Gini coefficient and the income distribution inequality ratio S80/S20 to quantify the degree of intra-regional income inequality.

Based on these analyses, the paper seeks to answer the research question (RQ) of whether the current growth of total income in less developed regions leads to real convergence or only to a deepening dependence on social transfers.

1 THEORETICAL FRAMEWORK

The Slovak Republic has long been perceived in the context of the European Union as a suitable subject for studying income inequalities. The dynamic development of the country has led to changes in the social situation but simultaneously highlighted the already existing significant inequalities in income and wealth at the regional level, primarily between the "rich West and the poor East."

Despite decades of economic integration and the support of the EU cohesion policy, regional disparities persist. Mariusz Jarmuzek and Biswajit Banerjee (2009) from the International Monetary Fund found that regional disparities in GDP per capita levels, labor productivity, and labor force utilization have even widened since 2000, which coincides with the start of Slovakia's EU accession negotiations. Although Michálek (2024) states that changes in the social situation are occurring in some areas, other authors confirm the persistence of negative trends in the growth of regional disparities.

Bobáková (2020) notes that income inequality in Slovakia is among the lowest in Europe, while also pointing out that there are regions within Slovakia itself with high levels of inequality. According to Pauhofová and Želinský (2015), income polarization in Slovakia is deepening, while the economic performance of many districts is simultaneously declining. The analysis of σ -convergence conducted by Chocholatá and Furková (2016) also revealed the persistence of disparities in the net disposable income of households in the monitored period 2000 - 2013.

In examining income inequalities at the level of self-governing regions during 2014 - 2018, Bobáková (2020) used indicators such as net monetary income, household expenditures, the S80/S20 indicator, the Gini coefficient, and the at-risk-of-poverty rate. Pisár and Varga (2018) also confirmed the prevalence of disparities between regions at all levels, from macroeconomic to non-economic, using selected mathematical and statistical methods at the NUTS 3 level. Sipko and Sipkova (2013) analyzed various measures of inequality using a quantile model framework to assess employee wages.

The literature identifies a complex set of determinants that generate and maintain income disparities in Slovakia, which can be divided into economic, socio-demographic, institutional and political factors, investment, and infrastructure.

Economic factors

The uneven regional structure of the economy and low labor productivity outside the capital city are the main causes of persistent wage disparities in Slovakia (OECD, 2023). Jarmuzek and Banerjee (2009) point out that although the main driver of GDP growth is an

increase in total factor productivity, sustaining growth requires increasing the rate of labor force utilization. Hamilton et al. (2023) emphasize that the reduction of regional disparities is key to Slovakia's long-term economic growth, and that insufficient investment in less developed regions hinders the creation of quality jobs.

Furthermore, inflation has a significant impact on income inequality, especially in the eastern regions, where low average wages and high inflation highlight inequalities (Dilber & Hatipoglu, 2022; Basso, Dimakou & Pidkuyko, 2002; IMF, 2024). These studies indicate that inflation disproportionately affects poorer households, thereby deepening income disparities.

Socio-demographic factors

The level of education, marital status, and the number of dependent children are significant determinants of income inequality (Eurofound, 2022). The OECD (2024) stresses that differences in educational and employment levels between regions are a major cause of inequality, with eastern regions having a lower proportion of university-educated individuals. Insufficient education increases social risks (Kollár, Matúšová, 2022), with single-parent households being among the most vulnerable groups, showing the slowest income growth (Statistical Office of the SR, 2024; OECD, 2024). The level of educational attainment is directly related to the innovative performance and competitiveness of regions.

Institutional and political instruments

The growth of social transfers in households reflects an increased dependence on state support, which may weaken labor market motivation (Ministry of Labor, Social Affairs and Family of the SR, 2023). The OECD (2025) emphasizes that the high tax and social contribution burden in Slovakia negatively affects net wages, especially in low-income regions. According to the European Commission (2024), the effectiveness of regional policy is limited, and the underestimated potential of EU funds is hindering the development of peripheral areas. Pisár and Varga (2018) recommend that the persistent income disparities should lead to a reassessment and strengthening of the Slovak Republic's regional policy. According to Leška (2025), targeted regional policies and better alignment of national and EU initiatives are essential for long-term sustainable development.

Investment and infrastructure

Habánik, Hostak and Kutik (2013) identify the inflow of foreign direct investment, demographics, and the flow of financial resources into research and development activities as determinants of regional disparities. Reducing economic disparities is crucial for Slovakia's long-term economic growth, with insufficient investment in less developed areas hindering the creation of quality jobs. Key political priorities for reducing disparities include improving transport infrastructure.

2 METHODOLOGY

2.1 Research methodology

The aim of the paper is therefore to analyze changes in the level and structure of household incomes in the Slovak Republic during the period 2014 - 2024. A combined approach of analytical methods was chosen to achieve this goal.

The basic analytical methods include descriptive and comparative analysis used to compare the development of net income, its structure (labor income vs. social transfers), and dynamics among individual regions (NUTS 3).

The analysis of structural changes focuses on measuring changes in the share of individual income components in total income (in percentage points) with the aim of identifying the increasing or decreasing dependence of various regions and socio-demographic groups on social transfers.

Standard statistical indicators of income distribution will be applied to quantify the degree of intra-regional income inequality, namely the Gini coefficient and the income distribution inequality ratio S80/S20. The Gini coefficient will be used to measure the extent of overall income inequality within the population of individual regions. Values ranging from 0% (perfect equality, where all individuals have the same income) to 100% (perfect inequality, where all income belongs to one individual) were used to compare the income distribution in the wealthiest and lagging regions.

$$G = \frac{\sum_{i=1}^n \sum_{j=1}^n |y_i - y_j|}{2n^2 \bar{y}} \quad (1)$$

Where:

- y_i and y_j are the values of income or wealth for individuals i and j ,
- n is the number of individuals in the population,
- \bar{y} is the mean income or wealth of the population.

The income quintile share ratio, S80/S20, is calculated as the ratio of the income of the top quintile (the 20% of the population with the highest incomes) to the bottom quintile (the 20% of the population with the lowest incomes). This indicator was used to assess how many times the income of the wealthiest fifth is higher than the income of the poorest fifth within the regions, thereby providing a detailed view of intra-regional polarization.

2.2 Data sources

The analysis is based on publicly available secondary data sources, which ensure regional and socio-demographic comparability across the monitored time series. The primary source for data on household incomes, their structure by region, as well as quantitative indicators of income inequality (Gini coefficient and income distribution inequality ratio S80/S20) is the Statistical Office of the Slovak Republic (ŠÚ SR). The data is processed in annual breakdowns for the years 2014 - 2024. Data from Eurostat is utilized to identify the position of the Slovak Republic and its change within the European Union in 2014 and 2024 from the perspective of average gross monthly income.

To substantiate causal links, data and findings from relevant studies were utilized, as well as information on legislative changes (e.g., reports from the Ministry of Labor, Social Affairs and Family of the SR), with the aim of factually underpinning the analytical conclusions.

All data analyzed are available in a regional breakdown by regions (NUTS 3), which enabled the fulfillment of the set aim of this paper.

3 SLOVAKIA'S POSITION WITHIN THE EUROPEAN UNION

3.1 Slovakia's position within the EU in terms of average net monthly income

Slovakia has long ranked among the countries with the lowest wage levels in the European Union. This persistent disparity has a direct negative impact on economic performance, consumer behavior, and the overall standard of living of the population. It is reflected in the level of consumption, savings, and the general quality of life of households. A more detailed view of this situation is provided by the analysis of the average net monthly income in EU countries for the years 2014 and 2024, illustrated in Figure 1.

The data clearly reveal significant differences among the member states, as well as an overall upward trend. The average net monthly income within the EU27 increased from 1 747,62 € in 2014 to 2 408,85 € in 2024, representing a growth of 37,84%. At the top of the ranking in 2024 were countries such as the Netherlands (3 412,37 €), Luxembourg (3 135,79 €), and Austria (3 113,24 €), which set the benchmark for wage levels within the Union.

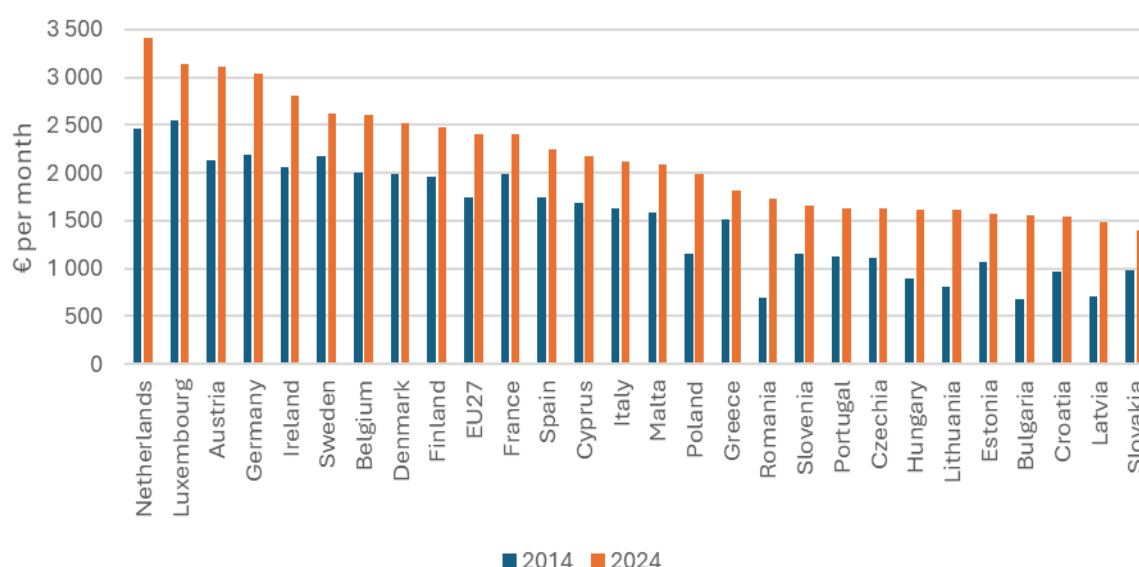


Figure 1: Average net monthly income in the EU in 2014 and 2024

Source: self elaboration according to the data from Eurostat, 2025

At the opposite end of the ranking lies Slovakia, which, with an average net monthly income of 1 398,69 € in 2024, ranked last among the observed EU member states. Although the Slovak average wage increased from 975,70 € in 2014, it still lags significantly behind the EU27 average and in 2024 does not even reach two-thirds of that value.

In terms of wage growth dynamics (the percentage change between 2014 and 2024), the situation is highly differentiated. Slovakia recorded growth of 43,35%, slightly above the EU27 average (37,84%). However, several Central and Eastern European countries achieved much faster progress - particularly Romania (148,25%), Latvia (108,54%), Lithuania (99,31%), Hungary (80,83%), and Poland (73,67%). Compared with these transition economies, as well as with the Czech Republic (46,83%), Slovakia's wage growth appears relatively moderate. This development suggests that the process of catching up with EU wage levels is progressing more slowly and less effectively in Slovakia, keeping the country among the member states with the lowest wage levels within the Union.

3.2 Slovakia's position within the EU in terms of income inequality

Based on data from Eurostat comparing income inequality in the European Union in 2014 and 2024, it is possible to identify an overall trend of inequality reduction at the level of the Union. This development is confirmed by both key indicators: the income quintile share ratio (S80/S20) and the Gini coefficient.

The average income quintile ratio for the EU27 dropped from 5,22 in 2014 to 4,66 in 2024. This means that the income difference between the richest and the poorest has narrowed. Concurrently, the Gini coefficient also decreased, falling from 30,8% to 29,4%, which similarly confirms the moderation of overall inequality in income distribution. Despite this favorable pan-European trend, significant differences and diverse trends exist among the EU member states.

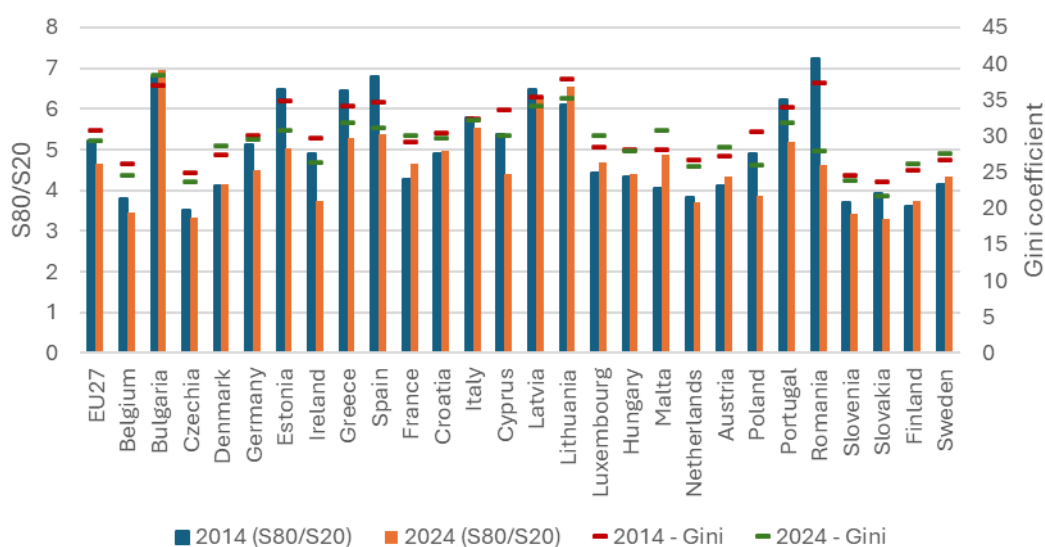


Figure 2: Income inequality in the EU in 2014 and 2024

Source: self elaboration according to the data from Eurostat, 2025

Slovakia, in comparison to other member states, has long been ranked among the countries with the lowest income inequality in the EU. This fact is confirmed even in 2024, although Slovakia is not in first place. The income quintile share ratio S80/S20 indeed increased from 3,65 in 2014 to 3,80 in 2024, indicating a slight rise in the gap between the richest and the poorest (Figure 2). However, the Gini coefficient, which measures overall inequality, decreased from 25,4 % to 24,8 %, placing Slovakia immediately after Belgium and the Czech Republic among the countries with the most equal income distribution in the EU.

The most significant reduction in inequality over the monitored decade was recorded by countries such as Spain, where the quintile ratio dropped from 6,81 to 5,39, and Estonia, which saw one of the largest decreases in the Gini coefficient. These changes suggest a notable improvement in income redistribution in these countries. Conversely, some countries experienced a slight increase in inequality. The most prominent case is Bulgaria, which persistently maintains the highest inequality in the EU and where the Gini coefficient even rose from 37,0 % to 38,4 %. France and Denmark also recorded a slight increase in inequality (in terms of the Gini coefficient).

In 2024, the Czech Republic maintained its position as the country with the most equal income distribution in the EU (Gini 23,7 %, S80/S20 3,32), underscoring its long-term strong social cohesion, followed by Belgium and then Slovakia. At the opposite pole, with the highest inequality, remains Bulgaria.

4 THE REGIONAL DIMENSION OF WAGE DISPARITIES IN SLOVAKIA

The issue of wage disparities is not only present at the supranational level. Most countries also face this challenge internally, at the regional level. The differences between regions in some countries are highly pronounced. For this reason, the following section of the paper focuses on regional disparities in household incomes in Slovakia, which are crucial for understanding the overall wage situation in the country. The analysis is based on the total disposable monthly income of households and changes in the structure of this income across regions between 2014 and 2024.

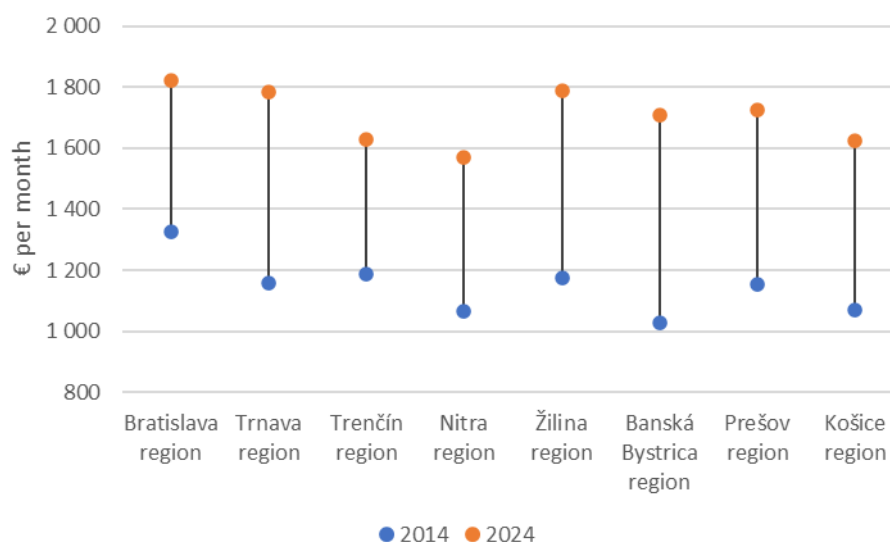


Figure 3: Total disposable household income in regions of Slovakia in 2014 and 2024

Source: self elaboration according to the data from ŠÚ SR, 2025

The analysis of regional household incomes in Slovakia for the years 2014 and 2024 reveals differences in living standards among regions, with the key role played not only by the absolute level of household income but also by its structure.

The Bratislava region has long achieved the highest income levels among the regions in Slovakia (Figure 3). In 2014, the second-highest incomes were in the Trenčín region (constituting 89,45% of the disposable income of the Bratislava region and amounting to 1 187 €). Conversely, the lowest disposable income, at 1 026 €, was reported by the Banská Bystrica region (77,32% of the disposable income of the Bratislava region). The Košice and Nitra regions also belonged to the regions with lower incomes. However, over the monitored period, the differences between the regions gradually began to narrow. In 2024, the average disposable income in the Bratislava region was 1 822 €, followed by the Žilina and Trnava regions (their incomes constituted 98% of the Bratislava region's income). Disposable income above 1 700 € was also reported by residents of the Prešov region this year. Conversely, at the bottom of the ranking are the Nitra region (1 569 €, which represents 86,11% of the Bratislava region's income) and the Košice region with a household disposable income of 1 624 €.

Although incomes rose in all regions, the Bratislava region, along with the Trenčín region, recorded the slowest growth rate (37,30% - 37,32%). The highest increase occurred in the Banská Bystrica region (66,57%), followed by the Trnava (54,14%), Žilina (52,21%), and Košice regions (51,77%). This faster growth in the less developed regions may indicate a slight convergence process.

4.1 Analysis of regional income distribution inequality

The analysis of household income distribution in Slovakia during the period 2014 - 2024, utilizing the Gini coefficient and the income distribution inequality ratio S80/S20, reveals important regional nuances. Although Slovakia generally exhibits a relatively low level of income inequality within the EU, internal regional differences in income distribution persist, developing in unexpected directions.

The Gini coefficient, which measures the general degree of inequality in income distribution, reached its maximum at the level of the Slovak Republic in 2016 (24,3%) and subsequently went through a phase of decline, falling to 20,9% in 2018 and 2020. This trend suggests that the overall income inequality in the country did not significantly increase during the monitored period, there was slight stabilization or even reduction. In 2024, the coefficient was at the level of 21,7%.

In terms of regional breakdown, the data point to interesting dynamics within the regions. The Bratislava region, which has long dominated in absolute income levels, also exhibited the highest degree of intra-regional inequality in the initial years (a maximum of 27,1% in 2016). Crucially finding is that a significant decline in inequality occurred within this region in the following years, with it becoming one of the regions with the most even distribution of income in 2024 (18,8%). This decrease suggests that income growth has been more equally distributed among the residents of the region recently. The Trenčín region has consistently achieved the best long-term results in this indicator.

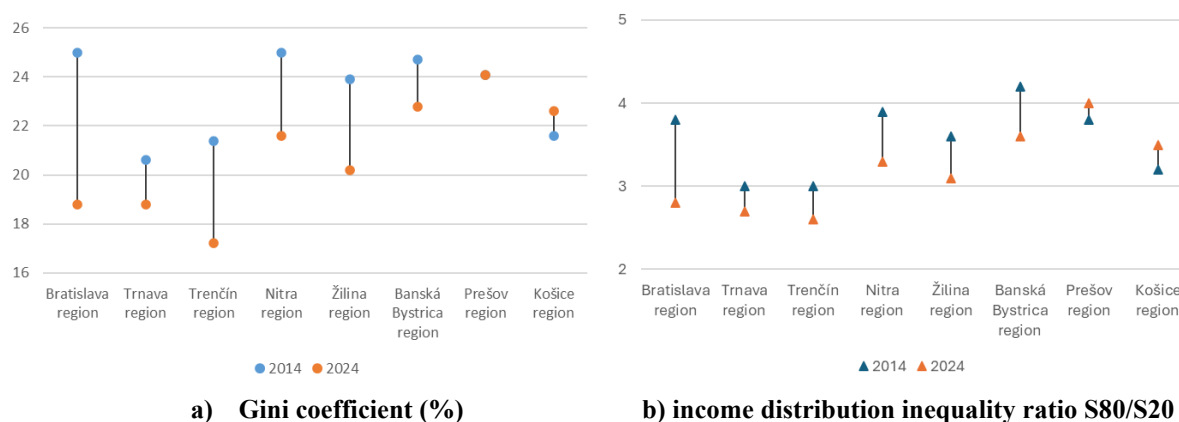


Figure 4: Income inequality in regions of Slovakia in 2014 and 2024

Source: self elaboration according to the data from Eurostat, 2025

Conversely, parts of Central and Eastern Slovakia exhibit higher Gini coefficient values compared to the western part of the country. The Prešov region, with a coefficient of 24,1% in 2024, has long been among the regions with the highest income distribution inequality (Figure 4a). It recorded its highest value in 2023, at 26,5%, suggesting persistent disparity in income distribution within the region. The Banská Bystrica region followed a highly fluctuating path. It started at a high level of 24,7% in 2014, but in 2019, it even rose to an extremely high value of 27,5%, representing the highest recorded inequality in the region. However, it is important to note that by 2024, it managed to significantly reduce internal inequality to 22,8%. Conversely, the Košice region shows a slight long-term increase in inequality, as its coefficient rose from 21,6% in 2014 to 22,6% in 2024, slightly worsening income distribution.

The analysis of income inequality data in Slovakia for the years 2014 to 2024, measured by the Gini coefficient, is supplemented by the quintile share ratio S80/S20. In terms of the evenness of income distribution (low inequality), the Trenčín region appears to be the best in the long run, recording the lowest S80/S20 value (2,6) in 2024, meaning the smallest discrepancy between the incomes of the richest 20% and the poorest 20% of the population. The Trnava region also belongs to the regions with a relatively even income distribution. At the opposite end of the spectrum are the regions with the largest gap between income groups. The Prešov region exhibits the highest and most volatile inequality, evidenced by the extreme S80/S20 value (4,8) in 2023 and 4,0 in 2024, signaling the largest disparity in income distribution in the country (Figure 4b).

Overall, the analysis confirms that Slovakia faces a dual problem - not only absolute income polarization between the West and the East but also high internal inequality concentrated precisely in the more economically vulnerable regions.

4.2 The structure of household incomes

An even more important finding for assessing the quality of regional development is the change in the structure of household incomes that occurred between 2014 and 2024 (see Figure 5). Across the entire country, a continuous and concerning trend was observed: a decline in the share of labor income accompanied by a parallel increase in the share of social income within total gross income.

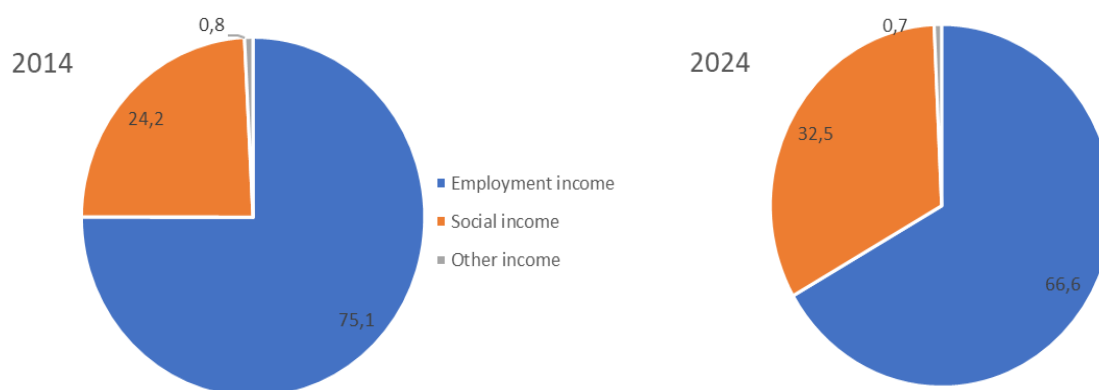


Figure 5: Changes in household income structure in Slovakia

Source: self elaboration according to the data from ŠÚ SR, 2025

This trend was most pronounced in less developed regions, suggesting that the growth of total income in these areas has been largely driven by an increasing dependence on social transfers and benefits, rather than by improvements in the economic performance of the labor market.

The largest relative decline in the share of labor income was recorded in the Prešov region (a decrease from 74,7% to 62,7%) and in the Trnava region (a decrease from 76,4% to 65,5%). The Košice region also experienced a significant decline (Table 1). In contrast, the Bratislava region, despite a reduction from 80,8% to 76%, maintained the highest share of labor income with the smallest relative change, underscoring its position as the region with the healthiest and most self-sufficient income structure.

The corresponding increase in the share of social income was likewise strongest in regions where the share of labor income fell the most. The most dramatic rise was observed in

the Prešov region, where the share of social income grew from 24,7% to 36,7%, followed by the Trnava region.

The share of other income sources (such as income from property rental, land lease, educational stipends, private pension funds, interest, or dividends) remains marginal across all regions, below 1%. The most notable changes in this category include an increase in the Trnava region and a decrease in the Košice region.

These structural shifts indicate that in many regions, the primary source of income (labor wages) is eroding, while the role of state transfers is growing. The analysis of income structure thus provides a critical perspective: although total gross income may be rising, its quality and sustainability in peripheral regions may be deteriorating. These structural changes are therefore an essential factor in assessing the quality and long-term sustainability of regional wage development.

Table 1: Changes in household income structure in regions of Slovakia

Region	Income	2014	2024
<i>Slovak republic</i>	<i>Employment income</i>	75,1	66,6
	<i>Social income</i>	24,2	32,5
	<i>Other income</i>	0,8	0,7
<i>Bratislava region</i>	<i>Employment income</i>	80,8	76
	<i>Social income</i>	18,5	23,4
	<i>Other income</i>	0,7	0,5
<i>Trnava region</i>	<i>Employment income</i>	76,4	65,5
	<i>Social income</i>	23	33,5
	<i>Other income</i>	0,6	1,1
<i>Trenčín region</i>	<i>Employment income</i>	74,6	64,4
	<i>Social income</i>	24,9	34,9
	<i>Other income</i>	0,5	0,8
<i>Nitra region</i>	<i>Employment income</i>	74,3	64,5
	<i>Social income</i>	24,9	35,1
	<i>Other income</i>	0,8	0,6
<i>Žilina region</i>	<i>Employment income</i>	74,8	67,3
	<i>Social income</i>	24,5	32
	<i>Other income</i>	0,7	0,8
<i>Banská Bystrica region</i>	<i>Employment income</i>	72,6	65,6
	<i>Social income</i>	26,5	33,3
	<i>Other income</i>	1	1
<i>Prešov region</i>	<i>Employment income</i>	74,7	62,7
	<i>Social income</i>	24,7	36,7
	<i>Other income</i>	0,6	0,7
<i>Košice region</i>	<i>Employment income</i>	71,3	63,5
	<i>Social income</i>	27,6	36,1
	<i>Other income</i>	1,1	0,4

Source: self elaboration according to the data from ŠÚ SR, 2025

5 DISCUSSION

The results of the analysis confirm the theoretical assumptions and findings of previous studies (e.g., Bobáková, 2020; Jarmuzek & Banerjee, 2009) regarding the persistence of regional disparities in Slovakia. Although the overall income inequality in Slovakia is among the lowest in the EU (the Gini coefficient fell to 24.8% in 2024), internal polarization remains a critical barrier to sustainable development.

Our findings reveal a dual problem within the Slovak regional economy. On the one hand, there is moderate convergence in the absolute amount of disposable income, confirmed by faster percentage growth in the Banská Bystrica, Trnava, and Košice regions. On the other hand, this convergence is called into question by findings of a deteriorating quality of the income structure. The continuous decline in the share of labor income and the rise in the share of social transfers in gross income signals that the overall income growth in less developed regions is driven more by state support than by the strengthening of the labor market and wage growth.

Furthermore, it can be stated that while the Bratislava region, the economic leader, recorded the most significant decrease in intra-regional inequality (the Gini coefficient fell from 27,1% to 18,8%), the highest internal polarization is exhibited by those regions that also struggle with the lowest absolute incomes. The Prešov region, with the highest volatility and the highest S80/S20 value (4,8 in 2023), exemplifies a region where the richest fifth of households receives almost five times the income of the poorest fifth. This situation confirms the existence of inequality within unevenness, where the economic vulnerability of peripheral regions is intensified by a high degree of internal social polarization.

The findings concerning the structural shift in incomes, particularly in the Prešov region (social income increased to 36,7%) and the Košice region, confirm persistent structural problems in the labor market. This increase, while serving a short-term stabilization function, poses a long-term risk of weakening labor market motivation and threatens the long-term sustainability of regional development. It thus represents a threat of growing dependence on social transfers.

Based on the analyses and findings conducted, the research question can be answered. The current growth of total disposable income in less developed regions (such as Banská Bystrica, Prešov, and Košice regions) leads to insufficient convergence and simultaneously to a deepening structural dependence on social transfers. Income growth in less developed regions is not a sign of a robust economic strength of the labor market, but rather a consequence of social stabilization on the part of the state. This growth model is not long-term sustainable without reforms aimed at strengthening employment and reducing reliance on transfers.

CONCLUSION

The aim of the paper was to analyze changes in the level and structure of household incomes in the Slovak Republic during the period 2014 - 2024. The analysis confirmed that regional income disparities remain the main obstacle to sustainable development.

The findings show that despite slight indications of convergence in the absolute amount of incomes (due to faster growth in some less developed regions), Slovakia faces three key challenges. These are the persistence of the disparity between the western and eastern parts of Slovakia, where the Bratislava region maintains its leading position, while the eastern regions (Prešov and Košice regions) continue to lag behind. Another challenge is the structural deterioration of income quality. Across the country, but primarily in less developed regions, there is a so-called erosion of primary labor income and an undesirable increase in dependence on social transfers. High intra-regional inequality is also a problem, with the

Prešov region (and historically the Banská Bystrica region) exhibiting the highest degree of income polarization (high S80/S20), which puts the population at risk of social exclusion.

Based on these conclusions, it is necessary that regional policies focus not only on supporting wage growth but primarily on improving the quality of employment and reducing dependence on social transfers. These policies should be aimed at:

- regulating structural changes, as strengthening the labor market and creating jobs with higher added value will reverse the trend of replacing labor income with social benefits;
- reducing internal inequality by focusing on the most vulnerable groups through targeted social and tax relief and improved access to childcare;
- strengthening convergence by ensuring that income growth in less developed regions is based on productivity and innovation, and not solely on state transfers.

Based on the analysis, it can be stated that income growth in less developed regions does not lead to real convergence but is structurally driven by a deepening dependence on social transfers.

REFERENCES

BASSO, S. H., DIMAKOU, O., & PIDKUYKO, M. How inflation varies across Spanish households. *ICE, Revista de Economía*, [online]. no. 929 (2002), pp. 8–20. Available at: doi:10.32796/ice.2022.929.7530

BOBÁKOVÁ, V. Príjmová nerovnosť v regiónoch Slovenskej republiky. *Verejná správa a spoločnosť*, 21/2020(1), 2021. (2021). <https://doi.org/10.33542/VSS2020-1-01>

DILBER, C., & HATIPOGLU, M. Causality relationship between inflation and income distribution: A study on developing OECD countries. *Research of Financial Economic and Social Studies*, [online]. vol. 7 (2022), no. 3, pp. 1–6. Available at: <https://dergipark.org.tr/tr/download/article-file/2330351>

CHOCHOLATÁ, M., & FURKOVÁ, A. Income disparities and convergence across regions of Central Europe. *Croatian Operational Research Review (Hrvatsko društvo za operacijska istraživanja)*, 7(2), 303-318. (2016). <https://doi.org/10.17535/crorr.2016.0021>

EUROFOUND. *Income inequalities and social inclusion in the European Union*. Publications Office of the European Union. 2022. [online]. Available at: <https://www.eurofound.europa.eu>

EUROPEAN COMMISSION. *Country report – Slovakia 2024*. European Semester Documents. Recommendation for a COUNCIL RECOMMENDATION on the economic, social, employment, structural and budgetary policies of Slovakia, 2024. [online]. 81 p. Available at: <https://ec.europa.eu/>

HABÁNIK, J., HOSTAK, P., & KUTIK, J. Economic and social disparity development within regional development of the Slovak Republic. *Economics and Management*, 18(3), 457-464. (2013). <https://doi.org/10.5755/j01.em.18.3.4203>

HAMILTON, E., et al. *Narrowing economic disparities between Slovakia's regions is essential for economic growth*. World Bank Blogs. 2023. [online]. 76 p. Available at: <https://blogs.worldbank.org/en/europeandcentralasia/narrowing-economic-disparities-between-slovakias-regions-essential-economic>

INTERNATIONAL MONETARY FUND (IMF). *Regional inequality in Slovakia*. *IMF Staff Country Reports*, 2024. [online]. Available at: <https://www.elibrary.imf.org/view/journals/002/2024/076/article-A003-en.xml>

JARMUZEK, M., & BANERJEE, B. Anatomy of Regional Disparities in the Slovak Republic. *IMF Working Papers* (International Monetary Fund), Working Paper No. 2009/145. 28 p. (2009). <https://doi.org/10.5089/9781451872927.001>

KOLLÁR, V., & MATÚŠOVÁ, S. Human Resources Development in the Solution of Regional Disparities in Slovakia. In V. Bevanda (Ed.), *ERAZ Conference – Knowledge Based Sustainable Development: Vol 8*. Conference Proceedings (pp. 211-225). Association of Economists and Managers of the Balkans. (2022). <https://doi.org/10.31410/ERAZ.2022.211>

LEŠKO, P. European Regional Disparities and Application of EU Cohesion Policy - The Case of Slovakia. *Athens Journal of Business & Economics*, 11(4), 417-428. (2025). <https://doi.org/10.30958/ajbe.11-4-5>.

MICHÁLEK, A. Income inequalities and poverty in Slovakia: *Development and changes*. *European Spatial Research and Policy*, 30(2), 207–233. (2024). <https://doi.org/10.18778/1231-1952.30.2.12>

MINISTRY OF LABOR, SOCIAL AFFAIRS AND FAMILY OF THE SLOVAK REPUBLIC. *Správa o sociálnej situácii obyvateľstva Slovenskej republiky 2023*. 2023. 344 p. [online]. Available at: https://www.employment.gov.sk/files/slovensky/ministerstvo/analyticke-centrum/2024/sprava_sossr_2023_pub.pdf

MINISTRY OF INVESTMENTS, REGIONAL DEVELOPMENT AND INFORMATIZATION OF THE SLOVAK REPUBLIC. *Ako sa žije v regiónoch? Dátový prístup k hodnoteniu regionálneho rozvoja na Slovensku*. 2023. 53 p. [online]. Available at: https://mirri.gov.sk/wp-content/uploads/2023/11/Ako_sa_zije_v_regionoch-1.pdf

OECD. *OECD Economic Surveys: Slovak Republic*. OECD Publishing. 2024. 128 p. [online]. Available at: https://www.oecd.org/en/publications/oecd-economic-surveys-slovak-republic-2024_397ca086-en/full-report.html

OECD. *Economic policy reforms 2023: Going for growth*. OECD Publishing. 2023. 196 p. [online]. Available at: https://www.oecd.org/content/dam/oecd/en/publications/reports/2023/10/economic-policy-reforms-2023_6ffe1e12/9953de23-en.pdf

OECD. *Taxing wages 2025: The Slovak Republic*. OECD Publishing. 2025. 5 p. [online]. Available at: https://www.oecd.org/content/dam/oecd/en/publications/reports/2025/04/taxing-wages-2025-country-notes_16d47563/slovak-republic_ac4ab294/779b8d08-en.pdf

PAUHOFOVÁ, I., & ŽELINSKÝ, T. Regionálne aspekty príjmovej polarizácie v Slovenskej republike. *Politická Ekonomie (Politická ekonomie)*, 63(6), 778-796. (2015). <https://doi.org/10.18267/J.POLEK.1026>.

PISÁR, P., & VARGA, M. Financial and Other Indicators for Measurement of the Regional Disparities in Slovakia in 2005 - 2015. *European financial and accounting journal*, 12(4), 67-82. (2018). <https://doi.org/10.18267/J.EFAJ.201>.

SIPKO, J., & SIPKOVA, L. Income Inequality In The Slovak Republic. *Research Journal of Economics, Business and ICT*, 8(1). 5-11. (2013). [online]. Available at: <https://scispace.com/pdf/income-inequality-in-the-slovak-republic-36ec5u3x33.pdf>

ŠTATISTICKÝ ÚRAD SLOVENSKEJ REPUBLIKY (ŠÚ SR). *Chudoba a sociálne vylúčenie na Slovensku (Výstupy zo zisťovania EU SILC 2024)*. 2025. 98 p. [online]. Available at: <https://slovak.statistics.sk>