Some State Financial Segments of the Childbirth and Family Support System in Slovakia

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Summary
Many countries around the world are struggling with the problem of declining fertility. In this study, we analyse the historical demographic context of Slovakia and present the tax and support instruments that the Slovak government uses to promote childbearing and parenting. The choice of the topic of this paper is in fact an indirect attempt to justify the Hungarian demographic and population policy measures. In our previous research, supported by empirical evidence, we found that Hungary, as a country with a similar level of development and in many respects similar to Slovakia, has been providing extensive tax and housing subsidies since the early 2010s, and we analysed how women of childbearing age and families relate to these subsidies. Do they have an impact on the propensity to have children? We have shown that the Hungarian government’s CSOK scheme and tax incentives are well received by young people, but that the promotion of childbearing depends on a number of factors beyond the financial incentives and subsidies. By analysing the situation in Slovakia, we also want to draw attention to the possible further development of the Hungarian system and other aspects of family formation.

Keywords: Family Tax Intensives, Home-building Policy, Demography, Slovakia, Hungary

JEL codes: I38, J13, R21

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With the declining fertility of the developed countries around the world, the governments seek to influence the increasingly alarming birth rates by introducing a number of public financing instruments (particularly tax incentives and subsidies) in an attempt to counterbalance the negative trends.

THEORETICAL AND LOGICAL BACKGROUND OF THE RESEARCH

The European countries also struggle with declining fertility rates and population (Beaujouan et al., 2017; Dorbritz, 2018, 45–46; Neyer et al., 2016, 1), however, a rise in the propensity to have children could encourage population growth (Sobotka, 2011), and thereby boost economic activity in the region.

Freedom of choice on a personal level is essential in the matter, nevertheless, the impact of government decisions and measures is also apparent (Liefbroer et al., 2015). The interventions aiming to improve the fertility rates influence the relative costs of child-rearing and generally boost employment, re-employment, family welfare and housing (Neyer, 2006; Stefán-Makay, 2009; Lieber Luci-Greulich, Thévenon, 2013). Based on a study by Sorvachev and Yakovlev (2019), our question is whether the government’s housing and other subsidies can at least partially compensate for the extra burden (and opportunity cost) associated with parenting, i.e. what are the characteristic family policy features of a country that has a similar level of development and culture to Hungary. Government incentives have a definite effect on fertility rates.

By presenting the situation in Slovakia, we seek to set this paper alongside the results of our previous research on Hungary that has already been discussed at various forums. Our aim is to find out why Slovakia has better population figures than Hungary despite the fact that starting from 2010, Hungarian social policy has put increasing focus on demographic issues for two reasons. First, to encourage families to have the desired number of children and thereby stop the population decline characteristic in the past forty years, and second, to promote more births (Novák, 2020), because the future of the countries will ultimately depend on their demographic trends (Singhammer, 2019). With the family tax benefit introduced in 2010, the Hungarian government launched its housing support scheme in 2012, which was further extended in 2015, with conditions improving ever since.1 In an empirical research carried out in 2017, we studied the influence of existing subsidies on the future plans of young people approaching childbearing age. Our questionnaire survey involved 1,332 tertiary students. 73.4% of the respondents agreed that the housing support scheme encouraged childbearing, but only 36.7% indicated willingness to have more children if the support scheme remained in place. It was therefore concluded that the housing support scheme had a positive influence on childbearing (Tatay et al., 2017). Our survey performed in 2018 (Sági, Lentner, 2018) covered over 9% of the students in Hungarian higher education (with the potential to start a family), i.e. 15,700 participants, corresponding to a more than tenfold increase since the previous study. Other than the sample size compared to 2017, the responses reflected no significant change. Furthermore, the survey indicated that the housing support provided for families had a major upward effect on the housing prices, and therefore it failed to materially improve the financial conditions necessary to obtain housing, particularly in the larger settlements with better job opportunities. It was proposed that the government should not only influence the housing demand of the families, but also
act as a regulator and implementer on the construction market.

Our study considered the results of international research as well. Baughman and Dickert-Conlin (2007) examined the impact of dramatically changing incentives in the earned income tax credit on fertility rates in the USA during the period from 1990 to 1999. It was assumed that the income taxes represent an exogenous variable which influences childbearing decisions through the costs of childbearing and child-raising (see, for example, Whittington, 1992). Contrary to expectations, the authors found that the extension of tax credits reduced, rather than increased birth rates. A similar unexpected negative correlation can be observed in respect of direct home-building subsidies as well. Our own results also indicate that the amount of the housing subsidy is not large enough to encourage childbearing, as the concerned young adults are likely to live and work in the more developed cities with constantly rising housing costs. Looking ahead short-term, Riederer and Buber-Ennser (2016) confirm our conclusion that the willingness to have children is more or less the same among city and country dwellers, yet it is less likely among the urban youth.

A number of Hungarian economists, as well as other researchers tend to suggest various economic policy instruments to encourage childbearing, such as the life-cycle approach (Giday, 2012), or some sort of delayed compensation in the pension scheme for the ‘sacrifice’ of starting a family (Banyár, 2020; Botos, 2019). Then again, there are those who conclude that the population decline and ageing cannot be prevented, or in fact reduced materially within a national framework, no matter how much money the government spends in an effort to reduce the individual costs of childbearing (Mihályi, 2019), a view not necessarily shared by the authors of this paper.

Nevertheless, in spite of the ongoing family support efforts of the Hungarian government amidst the COVID-19 crisis, the latest figures hardly reflect the expected rise in birth rates. Since 1998, the number of live births has permanently remained below 100,000 (closer to 90,000), with no substantial improvement in the past 22 years. However, it is important to note that due to the tax and housing subsidy schemes introduced by the Hungarian government, the number of births per 1,000 inhabitants increased from 9 in 2010 (the year in which the current government took over) to 9.5 in 2020, and the total fertility rate also increased from 1.25 to 1.56.

Between January and May 2021, the number of children born in Hungary was 36,375, that is 231 (0.6%) less year-on-year. Also, the number of live births dropped by 9.4% in January and by 2.0% in April–May, while it increased by 1.4% and 10% in February and March, respectively, on a year-on-year basis. The estimated total fertility rate per woman was 1.50 compared to 1.48 calculated for January–May 2020. These Hungarian figures require a deeper study into why our ‘neighbour’ with a similar level of development has better results, albeit minimally.

METHODOLOGICAL CONSIDERATIONS

We compared the unfavourable demographic figures of Hungary with the data produced by a neighbouring country with similar history, level of development and dynamics (see Table 2). Table 1 indicates the Czech Republic as the country closest to the EU average. The situation of Slovakia, although slightly better, is quite similar to Hungary.

In this study, we assumed more favourable demographic rates in Slovakia, although with no significant differences in the underlying
tax benefit and housing investment subsidy schemes compared to those introduced in Hungary. Given the similar level of economic development and social conditions, as well as the geographical proximity of the two countries, the question is how family policy improvements implemented through public financing instruments and fiscal benefits affect the live birth rates. We hypothesised that the government subsidies and their relative intensity in Hungary have no powerful positive influence on the birth rates; in other words, government assistance is not a decisive factor in terms of childbearing. To support the above, we looked at the key economic and social indicators of Slovakia in a historical context, reviewing the past and present of Slovakia’s family support system.

HISTORICAL REVIEW: DEMOGRAPHIC TRENDS IN CZECHOSLOVAKIA

Czechoslovakia was created by the union of the historic Czech and Slovak states at the end of 1918. In spite of having very similar languages, the two biggest nations of Czechoslovakia had significantly different cultural, political,
social, religious, economic and demographic characteristics. Being more urbanised with a rising middle class (Zemko, Bystrický, 2004), Bohemia (the present-day Czech Republic) was one of the most industrialised regions of the disintegrating Austro-Hungarian Empire. By contrast, Slovakia was the least developed, despite having belonged to a more advanced region of historic Hungary. Slovakia’s inferiority persisted throughout the history of Czechoslovakia. Its economic underdevelopment was further enhanced by the centralised economic policy pursued between the two world wars. Slovakia’s industry was overshadowed by its Czech counterpart, in fact, it even declined with negative social consequences (Habaj et al., 2015). After 1945, the situation changed, although political equality was only achieved with the Prague Spring in 1968. During the four decades of socialism, Slovakia underwent a moderate convergence. In 1948, Slovakia was responsible for 19.2% of the national income generated in the country, while in 1990, it was already 30.9%. The relevant figures in terms of gross industrial output were 13.5% and 30%, in terms of gross agricultural output, 29.3% and 32.3%, and in terms of private consumption, 23.9% and 31.8%, respectively (Průcha V. et al., 2009).

The above were reflected in the population trends as well. Population growth remained permanently lower in the western part of Czechoslovakia. It can be concluded that childbearing and economic development were inversely related; see Table 2.

The share of the Slovak population and nation increased over three-quarters of a century. During the first official census in 1921, 15.13% of the population declared themselves Slovaks, which increased to 31.04% in 1991. Meanwhile, the share of the Czech population also increased from 52.52% to 54.03%. This rise was due to the expulsion of over 3 million ethnic Germans after the Second World War, with a declining share of other ethnic nationalities, including Hungarians (Gyurgyik, 1994).

Slovakia’s population and ethnicity increased despite the constant migration of workers from east to west. This process accelerated after WWII. The expelled Sudeten Germans were replaced by Slovak settlers, and the high rate of industrialisation also encouraged a large number of Slovaks to move to the western parts of the country.

Czechoslovakia experienced three baby boom periods (see Figure 1). Similar to other countries, the first and second waves took place after the two world wars, respectively. The third wave occurred in the 1970s and 1980s. Such demographic changes were hardly unique, as the second-wave baby boomers around the world reached reproductive age at the same time, although Czechoslovakia had its own specificities. The issue will be discussed more extensively in the next chapter.

The demographic trends varied greatly in the Slovak part of the country, too. The multi-child family model persisted in the eastern and north-eastern regions of Slovakia, while in the west, urbanisation, the geographical location of the capital city and domestic migration also led to population growth, although with lower birth rates. Starting from the 1950s, the growth rate of the southern population fell short of the national level growth rate (Gajdoš, Pašiak, 2006). The negative demographic trends observed in the southern districts can be ultimately explained by the negative trends of the Hungarian ethnic population, see Table 3.

The unfavourable trends of the Hungarian ethnic population can be explained, among others, by youth migration toward the more industrialised regions and the fact that it is generally the older population who declare themselves Hungarians.
Based on this chapter, it can be established that the differences in the population and the factors affecting fertility between the Czech and Slovak states were influenced by Christian culture, tradition, the level of relative economic development and, in the case of Slovakia, the ethnic background including a significant Roma population.

Social Policy in the Socialist Czechoslovakia

With the failure of the Prague Spring, the Communist Party of Czechoslovakia wanted to stabilise itself by introducing a number of social policy measures. It was a realistic ambition due to the fact that Czechoslovakia was one of...
the strongest economies of the Eastern Bloc, with high-level social care enjoyed by the population. Naturally, the population surplus had a stimulating effect on the economy as well. The building of pre-fabricated panel blocks in the larger settlements was one of the most spectacular achievements of the era’s social policy to encourage childbearing.

The measures introduced in the spring of 1969 referred to the literature as stabilisation measures comprised moratorium on prices, wage growth and lay-off restrictions. The National Population Commission was set up. Maternity leave was extended to 26 weeks. Later on, maternity assistance was introduced, the amount of which was doubled within a year. Starting from 1973, family support was made conditional on the number of children, and loan subsidies were introduced for young families. The companies and trade unions were also required to support families. The provided in-kind benefits comprised free education, meal and travel discounts, rental subsidies and price subsidies on children’s clothing (Průcha et al., 2009). These measures had a visible impact on birth rates. Effective disease control and reduced infant mortality was another important factor contributing to the demographic peak. The literature commonly refers to the generation of people born during these two decades as Husák’s children.4

Eventually, the negative characteristics of the socialist regime became apparent in Czechoslovakia as well. With the weakening economy, it was increasingly difficult to support the social policy schemes. As for the country’s external debt, the situation was rather complex. Czechoslovakia was a major creditor in relation to other (socialist) countries of the developing world, with simultaneously increasing debts owed to the West. The gross debt reached its peak in 1981, the exact scale of which, however, remained undisclosed at the time. Nevertheless, Czechoslovakia’s debt was one of the lowest among the former socialist countries, amounting to USD 909.8 million in 1970, which eventually increased to USD 1,880.8 million in 1975 and USD 7,763.3 million in 1980. In 1985, it dropped slightly to USD 5,574.1 million, then it rose again and reached USD 8,691 million in 1989 (Průcha V. et al., 2009). Debt servicing caused little inconvenience to the population (compared to Hungary, where the gross debt reached USD 21.3 billion toward the end of the era), and it made the transition to a market economy easier after the regime change.

**FAMILY POLICY IN MODERN-DAY SLOVAKIA: AN ECONOMIC CONTEXT**

In Czechoslovakia, the transition from communist rule to democracy occurred quickly and peacefully, as suggested by the term ‘Velvet Revolution’ used for the change of the political system (Jašek et al., 2019). The political changes apparently surprised the population. The negative features of the market economy came as a shock, too. Consumer prices rose by 10.6% in 1990, followed by 61.2% in 1991, 10.0% in 1992, 23.2% in 1993, and 13.4% in 1994. As a result, the real wages dropped dramatically, before they started to converge gradually. Compared to 1989, the changes during the period from 1991 to 1994 occurred as follows: 70.4; 76.6; 72.5; 73.9 (Statistical Yearbook 1995; pp. 118, 170). Due to the above, as well as to some additional factors (such as unemployment, etc.), the number of births dropped from 79,989 to 66,370 in the early 1990s, corresponding to a decline of 17%.

Slovakia’s social, political and economic development was hindered by the prolonged nature of the actual regime change. The process of building a social market economy slowed down for domestic political reasons
(Leško, 1998), and Slovakia also failed to join the NATO alongside the V4 countries. Slovakia’s internal policy took a significant turn in the new millennium, both in a political and economic sense. In 1998, a west-oriented coalition government was formed with a number of comprehensive reforms implemented in the early 2000s (Mikloš, 2005), followed by a rapid economic growth. During the 2000s, the Slovakian economy performed outstandingly. Nevertheless, despite its favourable macroeconomic figures, Slovakia lagged behind the EU countries, including its neighbours, for quite a while, with permanently high levels of unemployment that began to decrease materially only in the late 2010s (Nagy, 2016).

Due to its Czechoslovakian inheritance and favourable macroeconomic situation, Slovakia’s foreign debt rate was relatively low, compared in particular to Hungary (Figure 2). It was an important factor, considering that spending less on debt service made it possible for Slovakia to use its resources for different purposes.

DEMOGRAPHIC CHANGES IN SLOVAKIA AFTER THE REGIME CHANGE

Despite the social shocks accompanying the regime change, Slovakia’s demographic situation is not particularly bad. As seen in Figures 3 and 4, instead of a decline in the population, it has actually increased gradually. As mentioned earlier, this trend occurred in spite of the drastic drop in the number of births following the political changes and the post-
accession migration of the Slovak population to other EU member states. This migration wave caused no major demographic loss for the country, corresponding to approximately 5,000 to 7,000 citizens annually between 2013 and 2019.

As a result of the above-mentioned social and economic changes, the gross birth rate began to decline rapidly in the 1990s, and dropped below the EU average in 2000. This trend, however, was only temporary; the turnaround occurred in 2008, with a persistent surplus ever since. This demographic feature somewhat resembles the Czech situation. Compared to Slovakia, the Czech birth rate had been lower for some decades, although with similar trends; in fact, the gap almost disappeared in 2002, and it has been above the EU average since 2009. Similar to the final decades of the socialist era, the population growth in Slovakia has been continuously higher than in Hungary.

Figure 3 indicates a minor demographic growth in Slovakia in the early 2010. The timing suggests that Husák’s children, the grandchildren of the first baby boomers, reached fertility age just then.

Naturally, the rate of Slovakia’s population growth has also decreased over the past century, although in no absolute terms most of the time. It actually occurred in 2001, 2002 and 2003, when the population declined by 20,899, 971 and 141 persons, respectively.5

The political transformation brought significant changes in respect of another demographic indicator: the number of
marriages. Marriage had been a social expectation for young people until the early 1990s, when the situation began to change rapidly. In the early 1990s, 93% of the female and 89% of the male population had been married at least once. In 2001, these rates were down at 66% and 63%, respectively. The number of marriages began to increase once more in the new millennium, with the respective rates standing at 66% and 77%. There have been significant differences also within the country. The propensity to marry has been the lowest in the Žilina Region (Northwestern Slovakia); in 2016–2018, the average rates for men and women were 0.54/person and 0.62/person, respectively. Of the eight regions, the Prešov Region (Northeastern Slovakia) has been outstanding with 0.71/person and 0.79/person for men and women, respectively (Šprocha, 2019).

The lower reproduction rate has been another factor accompanying birth-related changes, as the average age of first-time mothers has increased. In 1991, the mean age at first birth was 22.5 years; in 2018, it was 27.1 years. The ratio of births inside and outside of marriage has changed similarly, increasing from 10% just after the regime change to 40% in 2018 (Šprocha, 2019).

As regards the fertility rates, Slovakia has been experiencing a long-term decline, too. In the late 1990s, it dropped significantly, to less than 2, or rather below 1.5. The lowest point was reached in 2002, at 1.19. Afterwards, the fertility rate began to increase slowly, followed by a minor dip, and then further increase.
Figure 5 shows the fertility rate returning to over 1.5 in 2017.

On the whole, compared to other countries of Central and Eastern Europe, particularly Hungary, as well as some Western European states, Slovakia’s demographic situation is relatively good. The population has been growing slightly even without a migration-generated surplus. The outlook, however, is not promising. Based on the analyses (Bleha, Šprocha, Vaňo, 2018), the worst-case scenario indicates a population decrease from 5,397,036 persons (2011 census data) to 4,709,000 persons by 2060. The most optimistic forecast is 5,556,000 persons, but the population number is most likely to be around 5,135,000 persons in 2060. Between 2017 and 2060, Slovakia’s population could decline by more than 308,000 persons, i.e. 5.7%, possibly from the late 2020s. Considering that it is not a pressing problem at the moment, demographic issues are given relatively little attention in Slovakia. Nevertheless, despite its fairly stable situation at present, Slovakia will also have to face one of the biggest challenges of modern society: ageing. It has a particularly negative effect on the pension system, although increased life expectancy is undoubtedly a very positive factor.

FAMILY SUPPORT IN SLOVAKIA

‘The Slovak government’s family policy is based on the concept that family policy represents a system of general rules, measures and instruments through which the government directly or indirectly upholds and emphasises the specific

Figure 5

TOTAL FERTILITY RATE IN HUNGARY AND SLOVAKIA

Source: Eurostat [tps00199]
importance of the family in terms of individual development within the society’ (Sika, Španková, 2014, pp. 150). The Constitution of the Slovak Republic addresses family issues in two articles. Article 19 (2) establishes the right to be free from unjustified interference in one’s private and family life. Article 41 (1) dedicates two sentences to the issue of families and children: ‘Matrimony, parenthood and family shall be protected by the law. The special protection of children and minors shall be guaranteed.’ Paragraph (4) reads as follows: ‘Childcare shall be the right of parents; children shall have the right to parental upbringing and care. The rights of parents in respect of their minor children can be restricted against their will only by a court decision.’ Paragraph (5) provides: ‘Parents taking care of their children shall have the right to assistance provided by the State.’

Article 1 of Act 36/2005 on families defines ‘marriage as the union of a man and a woman’, and provides that ‘The main purpose of marriage is to establish a family and to provide normal parenting.’

In Slovakia, family policy is administered by the Ministry of Social Affairs and Family. In 2020, the total spending on family support amounted to EUR 995,445,418.30 (www.upsvar.sk). The Ministry’s total budget in 2020 was EUR 2,847,720,161. By comparison, the Ministry of Education, Science, Research and Sport received a budget of EUR 1,581,963,859; meanwhile, the Ministry of Defence was allocated EUR 1,608,226,356. Essentially, it means that Slovakia’s ministry of welfare was responsible for 15.33% of the central budget (www.finance.gov.sk), including 5.36%, i.e. 1.09% of GDP, used for family support purposes. The available child-related benefits and subsidies fall into 13 different categories.

Family support is a key element of social policy based on an extensive legislative background. Childbearing in Slovakia is also supported via the tax system covering every taxpayer raising children. Eligibility to tax bonus is conditional on the following (www.podpora.financnasprava.sk):

- the taxed income from regular activity is at least six times the minimum wage, the amount of which in 2020 was EUR 3,480;
- at least one depended child living in the same household who is a biological, adopted or foster child of the taxpayer;
- certificate of school attendance submitted to the authorities.

In 2020, the tax bonus per child amounted to EUR 22.72/month; up to the age of six, it was EUR 45.44/month.

Families are given one-off or regular amounts of government assistance. The various forms of social assistance are intended to finance the costs associated with childbearing and child-raising. Eligibility is irrespective of the family income, except when granting extra support. The amounts paid under the government’s social scheme are exclusively funded from the central budget in accordance with the relevant laws.

The Slovak government recently decided to provide EUR 200 as a single assistance for every family raising a child under the age of 18. Eligibility is conditional on having a family income below EUR 2,000. The amount is paid in two instalments in the summer and autumn of 2021. However, some more comprehensive plans to recognise the efforts associated with childbearing and child-raising also exist. The current coalition government of Slovakia is planning to introduce reforms with regard to pension insurance. Parental pension is one of the possible ideas under consideration. Based on the draft amendment to Act 462/2003 on pension insurance, the parental pension, or parental bonus, would be introduced from 1 January 2023. Essentially, it means that a working individual whose parent should be eligible to old age, disability or service pension could provide each parent with 2.5% of his/her gross salary.
Moreover, the family support system comprises various other forms of assistance provided directly or indirectly, including free education at primary, secondary and tertiary level in state-funded schools, except for tertiary correspondence courses. In addition to free education, a variety of social and academic scholarships, subsidised hostel accommodation, meal and travel discounts (for both local and intercity transport) etc. are also available to young people and their families. Access to (almost) free health care is similarly provided. The assistance amounts and ratios in the past decade are shown in Figure 6.

Figure 7 indicates family assistance as a percentage of GDP in some of the OECD countries as well as the whole EU and OECD. In 2017, France had the highest and Turkey the lowest spending on family support. Furthermore, Hungary spent almost twice as much as Slovakia (expressed as a percentage of GDP).10

Based on more recent figures relating to the EU (compiled using Eurostat methodology, slightly differing from the OECD methodology used for Figure 7), in 2019, the Hungarian government invariably spent twice as much on family and child assistance than Slovakia: 2.1% versus 1.1%, and 0.5% more than the Czech Republic. Only the countries of Northern Europe spent more than Hungary.11

Naturally, family support is a priority declared by every government. Nevertheless, the actual measures are influenced by current policy and economic status, among others. In the 2010s, the intended scale of Slovakia’s family assistance mostly stagnated, making up a diminishing share of the constantly growing

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**DIRECT FAMILY ASSISTANCE EXPRESSED AS AN AMOUNT AND AS A PERCENTAGE OF GDP [CURRENT RATES]**

![Chart showing direct family assistance expressed as an amount and as a percentage of GDP](chart.png)

*Source: www.upsvar.sk, GDP: www.statistics.sk, nu0007rs_data, 2020: www.mfsr.sk*
It was possibly due to a number of reasons, including price stability, as well as the left-wing coalition’s domestic political stability. Family support increased significantly in 2017 and particularly in 2020, 2016 and 2020 being election years.

In addition to the aforementioned, the Slovak government also supports young families via the State Housing Development Fund. Subsidised loan is provided on the condition that both applicants are under the age of 35. Access to subsidy is not child-related (www.sfrb.sk). The history of modern Slovakia alternating between a markedly right-liberal and a left-wing coalition government is generally reflected in social policy as well. The introduction of free meals in primary schools was a much-debated family policy measure launched in 2018. The government taking over in 2020 revoked it, and introduced tax bonus instead.

Considering the long-term nature of the demographic processes, Slovakia’s social and family policy measures rarely appear in an organised structure, and the development and implementation of government plans, reforms and regulations are often hindered by domestic political events and economic crises. Due to the fact that Slovakia’s population decline is not a pressing problem at present, the issue is given relatively little attention in the policies. Pension insurance is one of the issues much more frequently addressed in relation to demographic changes (Sika, Kovárová 2016); meanwhile, child-related assistance is rarely discussed in public. Family assistance is primarily understood as a means of supporting family finance and welfare.

### GROSS FAMILY ASSISTANCE IN SLOVAKIA AND IN OTHER RELEVANT COUNTRIES EXPRESSED AS A PERCENTAGE OF GDP, 2017

<table>
<thead>
<tr>
<th>Country</th>
<th>Transfer</th>
<th>Services</th>
<th>Tax benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>3.5%</td>
<td>1.5%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Hungary</td>
<td>3.0%</td>
<td>2.0%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Germany</td>
<td>2.5%</td>
<td>1.5%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Czechoslovakia</td>
<td>3.0%</td>
<td>2.0%</td>
<td>1.0%</td>
</tr>
<tr>
<td>EU</td>
<td>2.5%</td>
<td>1.5%</td>
<td>0.5%</td>
</tr>
<tr>
<td>OECD</td>
<td>2.0%</td>
<td>1.0%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Slovakia</td>
<td>1.5%</td>
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<td>0.0%</td>
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<tr>
<td>Turkey</td>
<td>1.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Source: https://www.oecd.org/els/family/database.htm
Demographic changes and childbearing are generally associated with numerous social, economic, sociological and psychological factors. In the past century, Slovakia and the Slovak nation experienced a number of events that influenced national identity and sentiment, undoubtedly with significant effect. A successful nation capable to achieve its goals is more likely to have faith in the future with a higher propensity to have children. The price of Slovakia’s success is occasionally paid by its neighbour Hungary. It is apparent in the fact that the majority of the children born in families with mixed nationalities generally become Slovak nationals. In fact, even the children born to Hungarian parents occasionally improve the demographic statistics of Slovakia.12

CONCLUSION

This study has raised the question (see Sorvachev and Yakovlev, 2019) whether government subsidies can at least partially compensate for the extra burden (and opportunity cost) associated with parenting, and whether enhanced family support could possibly boost fertility. The Hungarian government’s intensive family support system, the numerous elements of which require further advancement, seeks to improve a demographic situation inferior to that of Slovakia. Government intervention in the Hungarian housing market is yet to come, however, it should be noted that the wide variety of assistance available in Hungary is currently unmatched in the neighbour Slovakia.

While the Hungarian government spends almost twice as much on family support (in terms of GDP) than the economically more advanced Slovakia, it seems that the overall positive effects of Hungary’s superior policy are yet to emerge. Nevertheless, it leads to the conclusion that childbearing and fertility are influenced by more complex societal and individual factors beyond governmental measures. The collapse of the traditional structures and the emergence of consumer society and individualism transformed the family concept in a way that is difficult to quantify through birth rates; still, the social phenomenon is apparent in the declining child population. Fertility rates vary across countries even despite a similar level of development and similar history, and the causes appear to be difficult to influence, particularly and exclusively by economic means, such as extra assistance to boost fertility in a given term. Nonetheless, considering the Hungarian practice, it is clear that the economic policy incentives possess the capacity to encourage childbearing. However, it is also clear that a number of other factors, such as building the necessary infrastructure and taking a more child-centred approach, should be given greater attention in which the religious and social organisations and education could have a key role beyond the government measures.
Notes

1 The latest elements of the scheme announced in August 2021 will have a compensating effect for families with troubled relationships, and it will provide interest-free loan for CSOK-applicants wishing to buy or build a new energy-efficient home under the Hungarian National Bank's Green Home Programme.

2 Source of data: https://www.ksh.hu/stadat_files/nep/hu/nep0006.html (downloaded: 16. 08. 2021) In fact, in 2011, 2013, 2018 and 2019, the number of live births dropped to less than 90,000.

3 An extensive research carried out in 2011 compared the already unfavourable births figures of Hungary, Slovakia and the Czech Republic (Berde, Németh, 2011). The study used three different kinds of fertility rates (the classic total fertility rate, the so-called tempo and parity-adjusted total fertility rate introduced by Bongaarts and Feeney, and the adjusted total fertility rate proposed by Kohler and Ortega) for the period from 1970 to 2011 to demonstrate that although the two adjusted total fertility rate values were higher than the total fertility rates in all three countries during the 1990s and 2000s, they still fell short of the reproduction limit. The authors considered the pre-2011 situation to be the least favourable in Hungary.

4 It should be noted that during this period, Hungary experienced similar demographic trends, too. The number of live births per 1,000 inhabitants increased continuously from 1968, the launch of the New Economic Mechanism, to 1980, the apparent weakening of the planned socialist economy, with rates persisting above 15. The number of children per 1,000 inhabitants was the highest in 1975, at 18.4. From the 1980s to 1996, it ranged between 13.9 and 10.2, then it dropped, and has remained below 10 since 1997.

5 In Hungary, the rate of natural population decline has continuously increased since 1981. Starting from 2010, it reached an average of 40,000 per year.

6 To view the available categories and current rates, visit the website https://www.employment.gov.sk/sk/rodina-socialna-pomoc/podpora-rodinam-detmi/penazna-pomoc/

7 The list of relevant regulations can be accessed at https://www.employment.gov.sk/sk/rodina-socialna-pomoc/podpora-rodinam-detmi/penazna-pomoc/


10 In this study, we wished to eliminate the impacts of the COVID-19 pandemic on childbearing and family assistance, considering only the pre-crisis comparable (audited) data for 2017 and 2019.


12 Against this emotional and logical background, it is obvious that a nation's economic and political success and positive vision are important factors with a potential to boost fertility which could be promoted by further successful cooperation (at national and nationality level) in both Hungary and Slovakia.
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