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The effect of competitive pressure on income distribution and social policy; public perception, attitudes and norms

Deliverable No. 14

Impact of transition and pre-accession on income distribution and inequality in selected EU catching-up and candidate countries

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Executive Summary

Many excellent works already elaborated the main economic and social transformations in the former socialist countries in the first period of the transition. The main and most important processes are well known: shrinking GDP, the collapse of certain industries, suddenly rising unemployment rate, high inflation, forcefully growing differences in wages and income. It is abundant to make reference to the broad work of Milanovic that we have already summarized in deliverable D6. The last data used by Milanovic for his research were data of 1993, 1994.

The research questions addressed in deliverable D14 relate to the impact of transition and pre-accession on income distribution and inequality after the first period of transition.

Large changes in the socio-economic structure of households occurred in the early years of transition in all four countries. In concordance with macro data analyzed in our D13 study, surveys at the household level indicate that in Slovenia, following the creation of an independent state (the Republic of Slovenia) in June 1991 and the transformation shock of 1991-1992, the socioeconomic structure seems to have experienced little further change after 1993. Alike, in Hungary the changes in the socio-economic structure slowed down after the first years of transition. Further important changes occurred, however, after the beginning of the economic growth in 1997.

By contrast, in Bulgaria the longer and deeper transition recession resulted in longer periods of change and more drastic changes in the socio-economic structure of households. The recovery is too recent for observing important further changes with a positive trend. In Romania huge transformations of the socio-economic structure happened during the period 1991-1993. After 1995, due to the second economic recession, the social transformations continued with the same negative trends.

The main transformations of the socio-economic structure in all countries have been: decrease of the share of employees, growth in the proportion of self-employed, increase of the proportion of pensioners, hike in the number and share of unemployed, decline in the share of children, and increase in the share of dependants aged 18 years or above. The share of employed (active earners) in total population is low in all four countries. However, in Slovenia and Hungary after the economy recovered the share of active earners has started to increase, whereas in Bulgaria and Romania the very recent economic recovery has not yet mirrored in employment increase.

In view of the changes in the socio-economic structure of households a re-structuration of the household income sources took also place. In all countries, wages and salaries have represented the main income source as it has retained the greatest share in the total equivalent disposable income of households. The sharp increase of the share of pensioners is correlated with increase of the share of pensions. Thus, pensions have represented the second major source of income in all countries.

The shares of income from self-employment are still low, partly due to underreporting. Income from agricultural whereas in Slovenia and Hungary represents a marginal source of income, in Bulgaria and particularly in Romania it has been a major contributor the households welfare.

In all four countries, income from capital and property, wages and salaries, and, except for Romania, income from self-employment is concentrated at the upper side of the income spectrum. At the opposite side, specifically to the bottom and middle-low income comes from occasional work, secondary employment (thus sources from work in the informal sector), and, except for Bulgaria, unemployment benefits and other social transfers. Pensions are concentrated in the lower and middle ladders of the income structure in all countries except Bulgaria, where they are concentrated at the top levels. Income from agriculture go the poor in Slovenia and Romania, whereas in Bulgaria and

Hungary distribute mainly to the better-off households. The distributions of the other sources of income vary from a country to another.

The main two contributors to total inequality were wages and salaries (in all countries), followed by income from household plot in Bulgaria and Romania, income from self-employment in Hungary, and pensions in Slovenia.

At the level of all population, social transfers others than pensions represent a minor contributor the household budget. The share of this income source represented only 3-4% of the household disposable income in Bulgaria and Romania in 2002. In the better-off countries this share was bigger, namely 6-7% in 2001.

During the investigated period, out of the four countries either Bulgaria or Romania were characterized by the highest income inequality, and Hungary by the lowest. In Slovenia the large increase in inequality in the first years of transition was followed by a decrease and then fairly stable values. In Hungary, data indicate a stable growth of income inequality between 1993 and 2001. In Romania, during the second economic recession period (1996-1999) the income inequality descrease as the poverty increased. By contrast, as the economy started to recover (2000-2002) poverty decreased, while the income inequality has increased. The inequality growth in Bulgaria was very high during the period 1992-1995. After 1995 the income inequality has decreased.

In Slovenia the importance of the social protection system increased, with an increasing share of the population receiving cash benefits from this system - be they pensions, parental and maternity benefits, sickness-leave allowances, child benefits, unemployment benefits, scholarships There is absolutely no doubt that the tax and social protection system contributed significantly to the 'smoothing' of income inequality and - even more - alleviating poverty.

Hungary, instead, after the 'populist' approach adopted in the early '90s (Milanovic, 1998) has continuously diminished support for the population. The stabilisation package in early 1995 – which went hand in hand with the reduction of the real value of various social transfers, primarily through inflation – ceased the 'populist' situation and Hungary became 'compensator'. The gentle rise of inequalities took place besides a major shrinking of real incomes. We may interpret the stabilisation package in 1995 as the final act of the first period of transition. Concerning the households' income on aggregate level, the 1995 stabilisation shock was over by 1997. However, the general growth between 1998 and 2001 did not reach about one third of the population. The inequalities in a small extent grew further, and a significant part of the losers of the previous period could not recover again. The social policy of the years of growth improved the situation of the population around the lower middle of the income ladder, but it missed to reach the poorest.

Bulgaria despite its large share of population in need, particularly unemployed, has implemented a rather 'stingy' and poorly targeted social policy by diminishing the support of the population. Romania, a 'non-compensator' country in the first years of transition (Milanovic, 1998) increased the support for the population in order to compensate the massive lay-offs from industry that took place in 1995-1997. Afterwards, it reduced the social transfers and put more emphasize on active labour market policies, which are not 'visible' in the households disposable income.

In conclusion, in spite of the very different social policies implemented in Hungary and Slovenia, the income drop was lower, the inequality rose fewer and the risk of poverty has been considerable smaller compare to the situation from Bulgaria and Romania, countries in which the economic recession was longer and deeper and the social policies protected less the population against income shocks.

However, in all four countries, some social groups became the 'transition losers' first of all those who could not cope with the challenge of competitive pressure.

During the analysed period, in all four countries, the main poverty risk groups have been unemployed (or 'disguised unemployed' as people making a living by working their plots)

and the economically dependants. The relative risk of poverty of unemployed is much higher in Slovenia and Hungary compared to Bulgaria and Romania. For children the relative risk of poverty is much higher in Hungary and Romania compared to Bulgaria and Slovenia.

How do poor people make a living? The income portfolio of the poorest is much more diverse and fragmented in Romania and particularly in Bulgaria compared to Slovenia and Hungary. In the later two countries, the poorest make a living based on three sources of income: wages + pensions + other social transfers. In Bulgaria the income portfolio of the poorest changed drastically in time. However, during the entire period, it appears atypical being dominated by 'others sources', 'other work-related', which at a great extent relate to the informal sector, and 'other social transfers' (than pensions). The access of the poorest Bulgarians to the formal sector of the economy appears rather restricted.

The major source of income for the Romanian poorest has been agriculture on household plot. Pensions and other social transfers form the second important pillar of the income portfolio of the poorest Romanian households. The third pillar consists in wages and income from non-agricultural self-employment. The share of wages in the porfolio of the Romanian poorest households is considerable larger when compared to Bulgarians but much lower, and declining, in comparison with the Hungarians and Slovens poorest. Striking is the relatively large and increasing importance of the income from self-employed in the portfolio of the poorest. Because their access to the formal labour market has considerably diminished the Romanian poorest has increasingly adopted self-employment as survival strategy.

Content

Introduction

COMPPRESS research project is expected to contribute to a better understanding of the dynamics of competitive pressure both on the enterprise level and the household one in four Central and East European countries: Bulgaria, Hungary, Romania and Slovenia.

The work package 4 (WP4) is focused at the household level. In transition, when households have to adjust to a new and market situation, competitive pressure contains, at least, two elements: transition pressure and market pressure (more complex as the country join[1] the European Union).

Many excellent works already elaborated the main economic and social transformations in the former socialist countries in the first period of the transition. The main and most important processes are well known: shrinking GDP, the collapse of certain industries, suddenly rising unemployment rate, high inflation, forcefully growing differences in wages and income. It is abundant to make reference to the broad work of Milanovic that we have already summarized in deliverable D6. The last data used by Milanovic for his research were data of 1993, 1994.

Deliverable D13 (December 2004) provided an analysis of the main trends of the economically active and inactive populations, of incomes, and of income and social policies during the period 1989-2002, with focus put on the period after the first years of transition. We showed that, although in different extents, in all four COMPRESS countries restructuring of the economy resulted in large increase in unemployment and large increase in the number of pensioners; the real income after seriously dropped it has improved as the economy recovered. We also described and compared the responses of the four states to the transition shock; to what extent and in what ways they ensured protection of the population and of the most vulnerable (children and elderly).

This deliverable D14 is the third paper of WP4. The research questions addressed relate to how the processes shaped after the first period of transition. Did social income redistribution compensate for the decline in GDP? How did the income gap changed when the economy came through the first period of the adaptation to the conditions of a market economy? Did the relative income differences decreased as the economic growth started? Did the split off of social groups unable or hardly able to stand the competitive pressure go on? How did the size of these groups changed?

The organization of the report is as follows. Section 1 provides a brief discussion of methodological and data issues. Section 2 describes the changes in the socioeconomic structure of households. Changes in household income sources are presented in Section 3. Section 4 delivers measures of income inequality, whereas section 5 provides some measures of poverty incidence. Section 6 includes two case studies focused on income mobility in Hungary and Roma poverty in Bulgaria. Concluding remarks of Deliverable D14 make up the Section 7.

[1] Slovenia and Hungary became members of the European Union in 2004. Bulgaria and Romania are scheduled to join the EU in 2007.

1 Data and Methodology

All data on incomes, used in this paper, come from household budget surveys. All four surveys are conducted on an annual basis by the national statistical offices. The surveys have comparable methodologies due to EUROSTAT harmonization requirements. For all countries, the surveys are nationally representative for the entire population. The quality of these surveys has improved so that they allow a relatively good measurement of the developments during transition. Description of the surveys used can be consulted in Annex 1.

Table 1. 1 Surveys used

Country	Survey	Time	Income concept	Consumption-in-kind included	Data-sets	Economic output (real GDP, 1990=100)
Bulgaria	National Statistical Institute (NSI) Bulgarian Household Budget Survey (BHBS)	Annual basis	Disposable	Yes	1992	First years of transition recession
					1995	Better year
					1998	Depression
					2002	Recovered
Hungary	Central Statistical Office (CSO) Hungarian Household Budget Surveys (HHBS)	Annual basis	Disposable	No	1993	First years of transition recession
					1997	Recovered
					2001	Growing
Romania	National Institute for Statistics (NIS) Integrated Household Survey (AIG)	Annual: 12 repeated cross-sections interviewed for one month during the year	Disposable	Yes	1995	Better year
					1997	Depression
	Romanian Household Budget Survey (ABF)				2001	Recovered
					2002	Recovered
Slovenia	Statistical Office of Slovenia (SOS) Household Expenditure Surveys (HES)	Annual basis and five-year large surveys	Disposable	No	1983	Pre-transition
					1993	First years of transition recession
		Annual basis			1997-1999	Growing
					1999-2001	Growing

Note: Assessments done in the final column that refer to the economic output are based on Figure 1, Annex 2. For more details on the surveys see Annex 1.

In order to allow comparisons of households of different size and composition, household income was equivalized using the *OECD equivalence scale*: The first adult in the household was assigned a weight of 1, all other adults 0.7 and each child (below age 15) was assigned weight 0.5. Household income divided by the number of equivalent adults is *household equivalent income*.

Households are ranked from the lowest to the highest, according to household equivalent income. The first decile contains the lowest (in terms of household equivalent income) 10% of all households; the tenth decile contains the highest 10% of all households.

For Bulgaria and Romania the income concept used in this paper is *household disposable*[2] *income*. For Slovenia and Hungary we use *current monetary disposable household income*.

- *Household disposable income* includes both cash and in-kind incomes. Household cash income comprises all monetary receipts from wages and salaries; individual economic activity; property; sales of agricultural products, animals and other property; money benefits from social security funds and insurance; pensions; family allowances; sick and birth payments; scholarships; received money from relatives and friends and others. Household in-kind income comprises the value of food and non-food products obtained from the household plots, agricultural enterprises, friends and relatives as well as the value of the increase of farm products and animals. Savings, loans, direct personal income taxes and social security contributions are not included.
    - In Bulgaria only households, which have taken part in the sample during the whole year, are used in our calculations. For the period 1992-1996 these household have participated in the sample 12 months, respectively 11 months for the period 1997-2002. The value of consumption in-kind is based on retail prices.
    - In Romania, the annual sample consists in 12 cross-sections of households that are interviewed for one month. Correspondingly, each component of income is inflated with the total CPI, except value of consumption in-kind that is inflated with food CPI, in 2002 constant prices.
- *Current monetary disposable household income* includes income from employment, self-employment, income from occasional work, income compensations (sickness benefits, maternity benefits), (monetary) fringe benefits offered by the employer, pensions, other social benefits, income from capital, income from property rights and intra-family gifts and monetary transfers. This definition of income does not include benefits in kind nor does it include imputed income, such as imputed rent. Also, it does not include savings withdrawal or loans received. Income is disposable, after tax, income, meaning that direct taxes and social security contributions are not included.

Bias inherent in surveys worth mentioning to encourage caution in interpreting the results presented in this paper.

Data in countries in which informal (and illegal) sector have increased will systematically show lower incomes and higher poverty than data in countries in which most income is obtained either in the state sector (wages or social transfers) or in the wage-reporting private sector. The issue of informal sector is discussed in deliverable D15. The omission or inadequate coverage of informal and illegal sector income means that incomes are underestimated and, consequently, poverty rates are biased upwards. On the other side, inequality is most probably underestimated by not covering those with high incomes who refuse to participate with the survey.

Underreporting of income is another bias inherent in surveys. The use of income data rather than expenditure data tends yield underestimations of 'true' welfare because people tend to underreport their sources of income. (Milanovic, 1998) This is more problematic for surveys that are designed so that households report income and expenditures for one month such as the Romanian surveys. The major drawback of the short recall period is that usually both income inequality and poverty are over-estimated.

Seasonality of income is another source of biases, particularly for short recall period surveys. Non-seasonal, regular incomes, such as pensions or wages, are much accurately

[2] The standard definition of *disposable income*: all wage earnings (from primary and secondary jobs, and so on) *plus* cash social transfers *plus* income from property and entrepreneurship *plus* received gifts *plus* the value of consumption-in-kind. It excludes payroll and PIT taxes. (Milanovic, 1998)

measured in relation with the volatile incomes such as those with regard to farming, self-employment, seasonal work, and casual work. For instance, similarly endowed farm households will appear rich if surveyed after the harvest, and poor if surveyed before. Consequently, if volatile incomes make up an important part of the household budget (as in Romania) a robust household income indicator is difficult to be derived.

On the other side, the absence of consumption-in-kind (as in our data for Slovenia and Hungary) leads to a slight increase in inequality and poverty, because consumption-in-kind is generally greater in poorer households.

The bias against the coverage of the poorest and the richest segments of society happens in virtually all household-surveys. The very poor are difficult to survey: institutionalized population, homeless people, emerging urban underclass and the social excluded[3], poor ethnic minorities are almost always left out. In Bulgaria, Hungary and Romania surveys tend to leave out the poor Gypsy population although Gypsy represents a sizable minority.

Also some sources of income such as property and entrepreneurship are typically under-surveyed.

Beyond all these limitations in this paper we assume that differences between the four surveys are not great enough to render comparisons of income distribution and inequality.

A final remark, in some cases figures in this paper differ to those we have published in the D13 study, because the longer time-series of the D13 study derive from other statistical sources as the macro-data of the Statistical Yearbooks, official data regarding pensioners, data of registered unemployment and labor force surveys.

[3] Documented in studies such as World Bank (1999b), Stanculescu and Berevoescu (2004), Trbanc (1996a and 1996b).

2 Changes in the socio-economic structure of households

Changes in the socio-economic structure of households by income deciles are pictured in Tables BG.2.1, BG.2.2, HU.2.1, RO.2.1, RO.2.2, and SI.2.1 (Annex 3).

Quite large changes in the socio-economic structure of households occurred in the early years of transition in all four countries. In concordance with macro data, surveys at the household level indicate that:

- In Slovenia, following the creation of an independent state (the Republic of Slovenia) in June 1991 and the transformation shock of 1991-1992, the socioeconomic structure seems to have experienced little further change after 1993.
- In Hungary the changes in the socio-economic structure slowed down after the first years of transition. Further important changes occurred only after the beginning of the economic growth in 1997.
- In Bulgaria the longer and deeper transition recession resulted in longer periods of change and more drastic changes in the socio-economic structure of households. The recovery is too recent for observing important further changes with a positive trend.
- In Romania the household surveys used here were not available in the first years of transition. Nevertheless, a large number of surveys and studies were carried out with respect to that period. Most of these emphasize the huge transformations of the socio-economic structure happened during the period 1991-1993. After 1995, due to the second economic recession, the social transformations continued with the same negative trends.

The main transformations of the socio-economic structure in all countries are:

- decrease of the share of employees:
    - In Slovenia: decrease of employees from some 42% of all household members in 1983 to 35% in 1993.
    - In Hungary: the share of employees after declined to 28% of all household members in 1993 it increased after 1997 reaching 30% in 2001.
    - In Romania: the share of employees remained rather constant to some 28% between 1995 and 1997 due to the delayed industrial restructuring. After the drastic reforms from 1997 the share of employees diminished to 24.3% in 2001 – 24.7% of all household members in 2002.
- growth in the proportion of self-employed:
    - In Slovenia: the proportion of self-employed increased between 1983 (0.8%) and 1993 (2.3% of all household members), with a further increasing share in 1997-99[4] (4.3%).
    - In Hungary: the share of self-employed increased considerable after 1997 from 2.8% of all household members to 4.8% in 2001.
    - In Romania: the share of self-employed 'exploded' in early '90s (in 1992-1993), particularly due to the major shift from industry to agriculture, rather unusually for a European country in the process of post-communist transformation, mainly as result of the land reform (Figure 2, Annex 2). As

[4] The actual increase in the number of self-employed, as shown by the registry of labour active population and the LFS is somewhat less pronounced. Also, the decrease in the number of farmers, as shown by HES is larger that the decrease shown by the LFS; one must of course be aware of the fact that small sample shares are also subject to wider margins of error.

various studies (e.g. CASE, 2004) showed, the shift in labor towards agriculture cannot be justified in terms of allocative efficiency, but rather in terms of the agricultural sector (and rural areas more widely) acting as a buffer, absorbing people who have lost jobs in industry and haven't been able to find employment in the developing service sector due to rigidities of the labor market. Consequently, in Romania a net distinction is needed between self-employment in agriculture and self-employment in non-agricultural activities. With respect to self-employment in agriculture (despite the economic recovery) the share after 1995 varied in a narrow band 9.5%-10% of all household members. By contrast, self-employment in non-agricultural sectors has increased from 1.7% in 1995 to 2.7% in 2002.

  - Whereas in Slovenia the share of farmers diminished considerably from 4.7% in 1983 to 2.5% in 1993, and subsequently 0.2% in 1997-2001, in Romania the share of agricultural self-employed has accounted for about 10% of all household members for the entire period after 1995. The differential in pension in the two countries is a possible explanation of the two opposite trends. In Slovenia the pensions ensure a decent life, while in Romania the very low-level farmers' pensions push a large part of elderly from rural areas to perform subsistence agriculture for making a living.

- increase of the proportion of pensioners:
  - In Slovenia: the proportion of pensioners increased from 16% in 1983 to 22% of all household members in 1993. After 1993 the increase has slowed down significantly reaching 22.9% in 1999-2001. Data from the Institute for Pension and Disability Insurance show also that the number of pensioners has been on a slow and steady rise even after the "quantum leap" in the early years of transition.
  - In Hungary: the growth in the share of pensioners continued between 1993 (26%) and 1997 (28.6%), which is a consequence – on first place – of the early and disability retirement, escaping from the impacts of competitive pressure. As result of the legislation of the new pension law in 1997 – that raised the retirement age limit and reduced the possibilities of early retirement – this process significantly slowed down after 1997.
  - In Bulgaria: the share of pensioners after a decline from 34% in 1992 to 31% in 1995, it increased and felt again from 35.7% in 1998 to 34% in 2002.
  - In Romania: the first huge leap of the number of social insurance pensioners took place in 1991. In 1993-1995 was recorded a significant increase of the farming pensioners also included in the pension system. In 1995 already the share of pensioners was 21% of all household members. This has continued to rise reaching in 2001/2002 the value of 24%.
- hike in the number and share of unemployed. The definition of unemployment applied in this study differs both from the definition of ILO, and the notion of registered unemployment[5]. In the context of the surveys used here unemployed are defined as people who answer to the question of the survey that they are not employed, but they would like to work. A lot of unemployed people do not register themselves because they run out already from unemployment benefit and have no hope to get a job. Consequently, our unemployment ratio is higher then the ratio of registered unemployed.

[5] The two time series corresponding to unemployment based on the ILO definition and registered unemployment are not necessarily congruent. We note that the divergence between the two time series is particularly large in Slovenia.

- In Slovenia: unemployment was an unknown phenomenon in the early and mid 1980s but by 1993 unemployed represented some 5% of all household members. Afterwards it further rose to 7.1% in 1997-1999, slightly declining to 6.4% during the period 1999-2001.
- In Hungary: unemployment has become a concern since the late '80s. The unemployment rate in the population – that was around only half percent in 1989 – topped at 6.9% in 1993. Till the year 2001 it started to decrease first very slowly, then a bit faster, reaching 3.3%.
- In Bulgaria: unemployment sharply rose. The share of the unemployed persons increased by almost 10 percentage points - from 4.78% on 1992 to 13.4% in 2002.
- In Romania: unemployment was not officially acknowledged but hidden unemployment was present in the late '80s. After the sharp increase from the first years of transition the share of unemployed reached 5.5% in 1995 since when it varied between 5.1% and 6.7%.

- decline in the share of children mainly due to the demographic processes, precisely documented in our D13 study.
  - In Slovenia: the share of dependants below 18 years has continuously declined from 25.5% of all household members in 1983 to 23.3% in 1993, respectively 19.7% during the period 1999-2001.
  - In Hungary: the share of dependants under age 18 constantly decreased from 24.9% in 1993 to 20.9% of all household members in 2001.
  - In Bulgaria: the share of children below 18 years increased from 24% in 1992 to 20% in 2002.
  - In Romania: the share of dependants under age 18 decreased from 24.7% in 1995 to 22% in 2002.
- By contrast, the share of dependants aged 18 years or above has increased due to two factors the remarkable increase in the number of students and the retreat in the household niche of women who lost job. The first factor has been recorded in all four countries, while the second factor it has been present particularly in Romania and Hungary. These trends are also documented in our deliverable D13.

As result of the changes highlighted above, the share of employed (active earners) in total population is low in all four countries. However, in Slovenia and Hungary after the economy recovered the share of active earners has started to increase, whereas in Bulgaria and Romania the very recent economic recovery has not yet mirrored in employment increase.

- In Slovenia: the share of the active earners in all household members sharply decreased from 47.2% in 1983 to 40.8% in 1993, respectively 39.7% in 1997-1999. During the period 1999-2001 this share slightly increased to 40.5%.
- In Hungary: the extremely small share of the active earners in the total population rose from 32.8% to 36.2% between 1997 and 2001.
- In Bulgaria: the share of employed is decreasing during the period and in 2002 reached its lowest level. Employed household members represented 37.14% of all household members in 1992 while in 2002 they were 32.7%.
- In Romania: the share of active earners diminished from 40% to 37.8% between 1995 and 2002.

Let now examine the distribution of the socio-economic groups by income deciles.

In Slovenia, Hungary, and Romania, employees have been concentrated in the middle and high-income deciles. Bulgaria has provided only data on total employment.

The situation of self-employed is equivocal. First to be mentioned is the distinction between those active in agriculture and those active in non-agricultural activities. Data are breakdown accordingly only in Slovenia and Romania. For the case of Hungary, the *active in agriculture* column at the right hand side of Table HU.2.1 (Annex 3) serves the comparison goal. The agriculture workers in Hungary can be co-operative members, self-employed, persons with occasional income and even employees, so they appear in the adequate place in the body of the table. The majority of co-operative members work in the agriculture. One fifth of the self-employed in 1993 and 1997 was self-employed in the agriculture, which figure was one-fourth in 2001.

Agricultural self-employment is clearly concentrated in the low-income deciles. In Slovenia, however, the share of farmers diminished and their situation has considerably improved once the economy recovered. By contrast, in Romania[6], the positive economic growth has not yet reached the agricultural self-employed: their share has remained high and their situation has deteriorated after 1999. In Hungary, the share of the population active in agriculture is dropping in time. The income distribution does not show an obvious picture because of the mixed composition, the growing polarization of incomes can be observed.

With respect to the non-agricultural self-employed the situation is much more mixed.

- In Slovenia, both the share of non-agricultural self-employed has increased and their situation has remained medium-good as they tend to concentrate in the middle and high income deciles.
- In Romania they are over-represented both in the lowest and in the highest income-deciles and their situation worsened between 1995 and 2002, as the concentration in the lowest deciles became more and more accentuated than in the highest deciles.

In Hungary, total self-employment is not concentrated in certain income deciles. However, the situation of the self-employed has slightly improved in the period 1993-2001. In 2001 they were clearly over-represented in highest (tenth) income decile. On the one side, this result is an effect of mixing agricultural and non-agricultural self-employed, which may have different (even opposite) evolutions. On the other side, if classification is done by the expenditure deciles instead of the income deciles it becomes much more visible both that the share of the self-employed is strictly growing going from the lower to the higher expenditure deciles and that their situation tends to be better in time. This phenomenon is effect of the underreporting income and of the insufficient coverage of the informal incomes of self-employed, which come up by using household expenditure. Noticeable, in the case of other social groups, there is no such a systematic gap between the positions taken in the expenditure and the income structure.

At the level of the entire employment, the active earners group has been over-represented, during the whole period and in all four COMPPRESS countries, in the medium and high income deciles.

The situation of pensioners changed in time in concordance with reforms of the pension system (for a description see D13 study). Thus:

- In Slovenia, whereas in 1983 and 1993, pensioners were over-represented in the lowest income deciles, until 1999-2001 the situation of pensioners considerable improved, this group being over-represented in the middle-income deciles. During transition, Slovenia managed to preserve its social protection system virtually

[6] Co-operative members and persons with occasional income from agriculture (insignificant figures) are included among the agricultural self-employed.

intact. The social protection system was in the Bismarckian tradition, with fairly generous entitlements. The stability of entitlements during the 1992-2000 period can perhaps best be observed through a simple indicator, the replacement rate. Thus the ratio between average net old-age pension and average net wage fluctuated within a rather narrow band, hovering around 75%; it reached its peak value of 77.8% in 1992 and minimum value of 73.9% in 1993. It is though true that the value of the old-age pension (relative to net wage) did start to slide in 2001, when the first effects of the 1999 Pension reform were being felt.

- In Hungary, the relative income situation of pensioners improved a bit between 1993 and 1997, but in the next period it slowly worsened. Nevertheless, similar to the Slovenian case, in 2001, pensioners tend to concentrate in the middle-income deciles. What makes the difference between the two countries is the lower share of the Hungarian pensioners in the highest deciles.
- In Romania, although the replacement rate has been far lower than in Slovenia, pensioners have constantly been concentrated in the middle-income deciles. Their distribution is quite similar to the one of the Hungarian pensioners.
- In Bulgaria, because of the low real value of the pensions, pensioners were constantly concentrated in the lower deciles. However, the situation has improved since the share of pensioners in the lowest (first) decile deteriorated from 13.39% of all pensioners in 1992 to 6.48% in 2002. Nowadays, the situation of the Bulgarian pensioners is rather medium. The change observed is a result of the measures taken to improve pensioners' position and to protect partly the pensions against the inflation impact.

By contrast, unemployed are in a much worse, and worsening, situation.

In Slovenia there is high concentration of the unemployed in the lowest income deciles and their income position is clearly deteriorating through time. Thus, in 1993, the unemployed represented some 11% of all persons situated in households in the first (lowest) decile[7], with their share in all households amounting to some 5%. In 1997-1999 their share in the first decile was some 22%, with their share in all households amounting to some 7%. The explanation for this ever stronger concentration among low-income household is straightforward: the share of unemployed persons receiving unemployment benefits has been decreasing: in 1993 some 43% of all registered unemployed persons were receiving unemployment benefits, and in 2001 this share decreased to only 25%[8]. This decrease was mostly caused by severing entitlement conditions, with lower values of benefits and shorter periods of entitlement.

Examining the distribution in income deciles in Hungary, the worsening situation of unemployed is really clear. Almost 25% of the unemployed was in the first income decile in 1993 already. This ratio rose to 30% in 1997 and to 34% in 2001. The situation of the less and less unemployed – and their households – is getting worse continuously. This phenomenon is explicable by two factors. On one hand, the share of long-term unemployment is increasing within the unemployed population. On the other hand, the terms of the unemployment benefits were restricted several times. As a result, the share of uncared has risen and the amount of the benefits has fallen. The regulations, which came into power at the beginning of 2000 were really serious in this sense.

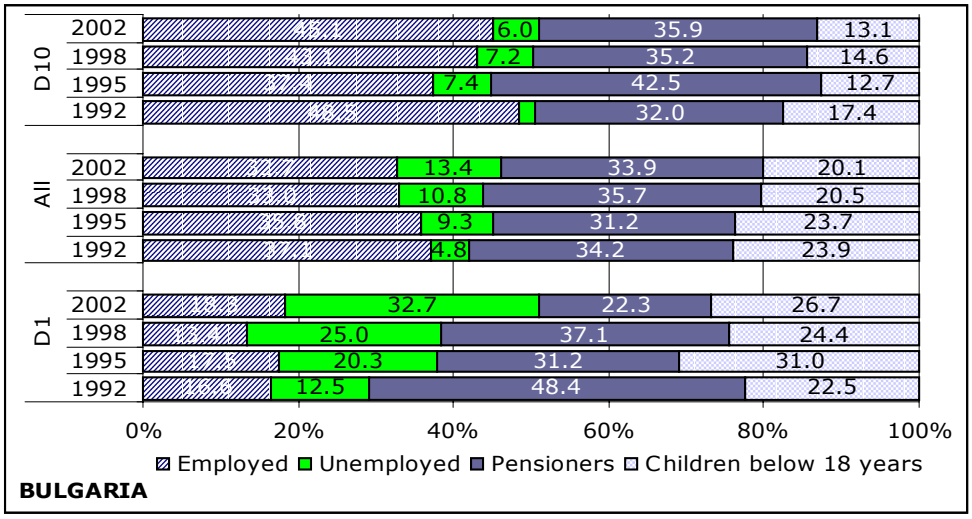
In Romania, alike in the other countries, most of the unemployed belong to the lowest income deciles. In 1995, 22% of unemployed were in the first decile. This share grew to 26% in 1997, declined to 23% in 2001 and rose back to 26% in 2002. Noticeable, during the period 1995-1997 when the share of unemployed in the first decile grew, the unemployment benefit was very generous (97%-136% of the minimum wage), particularly taking into consideration that it covered more than 75% of all registered unemployment. The limited impact of the unemployment benefit reflects the large share

[7] This means: of all persons whose household equivalent income posits them in the first decile.
[8] Source: 2002 Annual Report, National Employment Office, Republic of Slovenia.

of long-term unemployed no longer eligible for benefits but it also represents an evidence of the large gap between the registered unemployment and unemployed defined according the household budget surveys (AIG, ABF). In addition, we should note, however, that unemployed in Romania are in a better position compared to the farm self-employed.

In Bulgaria the situation is more severe mainly because unemployment is much higher than in the other three countries. On the other hand, in 1992 already more than 25% of the unemployed were in the lowest (first) decile. Later until 1998 the situation improved a bit but unemployed people remained concentrated in the lowest income deciles. In the next years the rules for entitlement to unemployment benefits have been changed and the distribution of unemployed returned to its initial structure – most concentrated in the lower part of the income distribution.

Figure 2. 1 Socio-economic structure of the households of first decile, tenth decile, and all population, Bulgaria 1992-2002, Hungary 1993-2001, Romania 1995-2002, Slovenia 1983-1999/2001



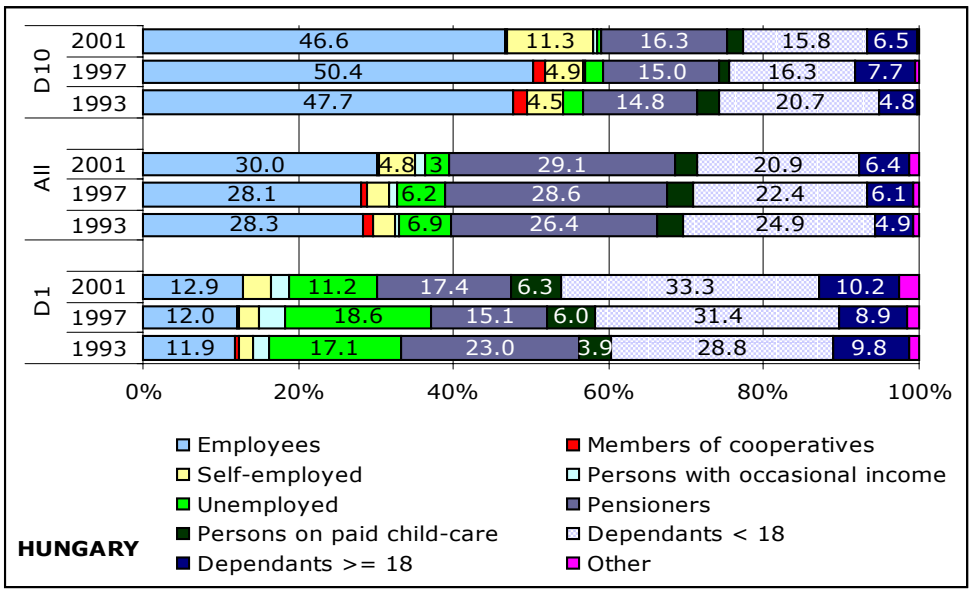
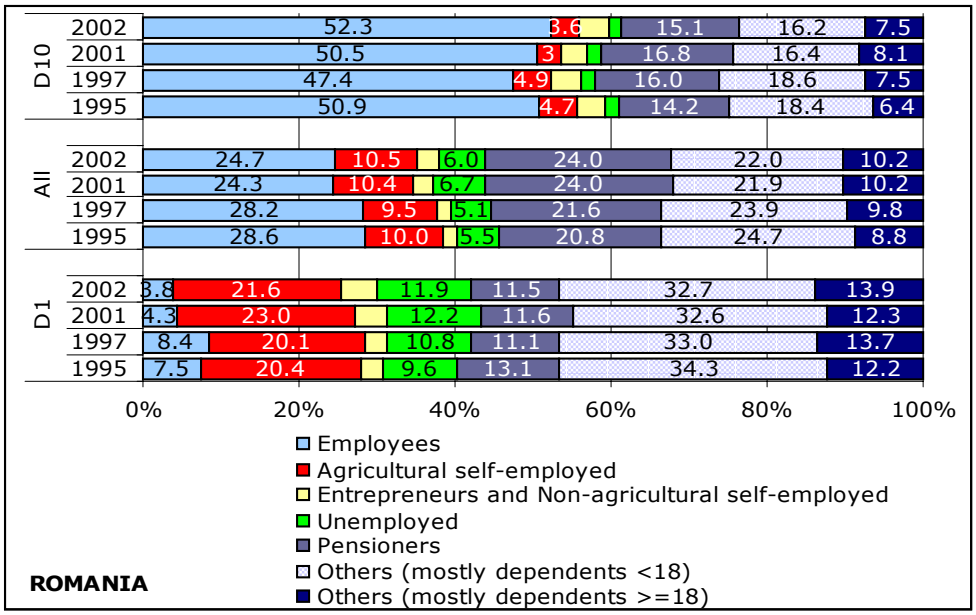
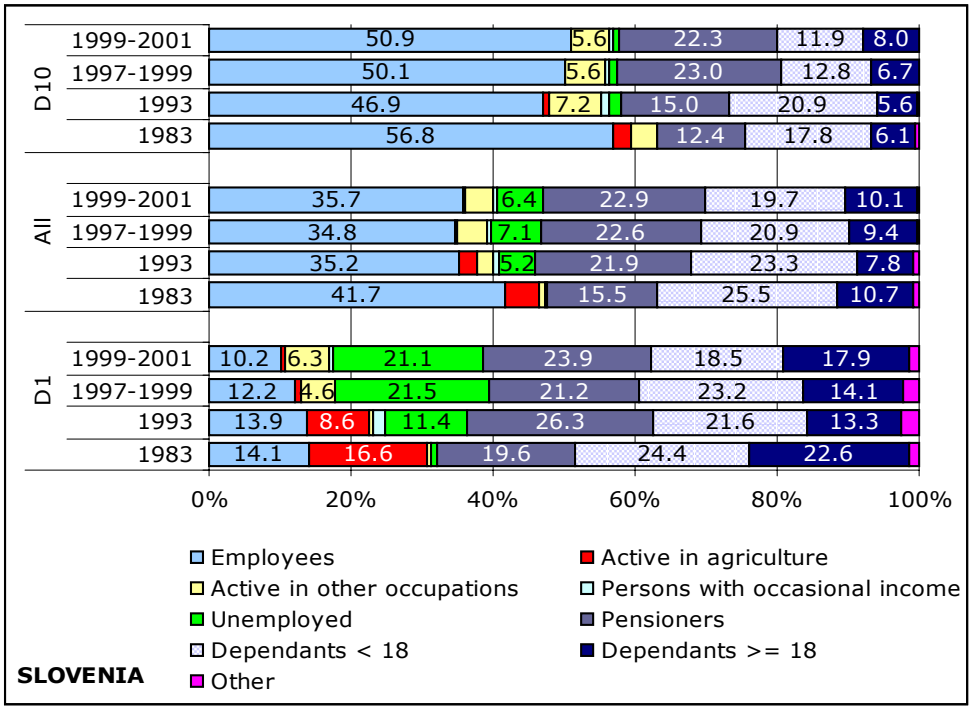


Figure 2.1 (continuation)





Source: Authors' computations based on Household Budget Surveys (BHBS, HHBS, AIG/ABF, and HES). See also Table BG.2.1, HU.2.1, RO.2.1, and SI.2.1 (Annex 3).

The high and increasing share of dependants under 18 and the persons on paid childcare leave – which are partially connected – in the low-income sphere is an important phenomenon. This process was current in all four countries, during the period of economic growth as well, though it slowed down a bit. One cause is the limited efficiency of the state policy towards child protection. Another cause is the over-representation among the poorest of ethnic minorities with very high fertility rate (such as Gypsy).

Figure 2.1 shows the changes in socio-economic structure of all households but also of the worst-off 10 percent and the best-off 10 percent households. To be remembered, the worst-off are not necessarily the poorest because the poorest are usually left out of all surveys. Likewise, the most affluent members of a society are usually overlooked by

survey therefore members of the best-off 10 percent households are not necessarily the richest in the country. However, for simplicity we will speak about the poorest, respectively the richest.

In 2001-2002, the highest risk to fall among the poorest face:	
Slovenia:	unemployed + dependants aged 18 years or more
Hungary:	unemployed + children (up to 18 years) and, correlated, persons on paid child-care leave
Romania:	agricultural self-employed + children (up to 18 years) + unemployed + dependants aged 18 years or more
Bulgaria:	unemployed + children (up to 18 years).

The employees account for 4% of all poorest household members in Romania, 10% in Slovenia, 13% in Hungary, and 18% in Bulgaria. Thus, wages protect against the risk to be among the poorest to the largest extent in Romania and to the smallest extent in Bulgaria. Also, pensioners account for large shares of the poorest: 12% in Romania, 17% in Hungary, 22% in Bulgaria, and 24% in Slovenia. Thus, despite the high replacement rate in Slovenia pensioners still run higher relative risk to be among the poorest compared to the other countries, particularly Romania and Hungary.

Children are best protected in Slovenia, were the share among the poorest is not higher than in population. Work in agriculture does not offer any protection in Romania.

3 Changes in the structure of household income

Before analyzing the distribution of households income it is useful for the reader to learn that changes of real equivalent income on personal level differ from trends in GDP (see also Figure 1, Annex 2).

Table 3. 1 Real net income per adult equivalent and real GDP, Hungary and Romania

		1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Hungary	Real GDP	100	102.9	104.4	105.8	110.7	116.1	121.0	127.3	132.0	136.3
	Real net income	100	97	87	79	79	83	89	90	99	*
Romania	Real GDP			100	104.0	97.7	93.0	91.9	93.5	98.5	103.3
	Real net income	*	*	100	*	83.2	*	*	*	80.2	82.9

Source: Real GDP: Authors' computations based on UNICEF, TransMONEE Database, Innocenti Social Monitor 2004: 91. Table EBRD (2003). (see Figure 3, Annex 2) Real net income: Authors' computations based on HHBS, CSO and AIG/ABF, NIS. Note: * Not available.

In Hungary, between 1993 and 1997 – mainly between 1994 and 1996 – the real income of the households significantly dropped even if the real GDP grew. This was the result of the serious stabilization measures introduced in March 1995 (the so-called Bokros package, named after the Minister of Finance) and the high inflation rate (more than 28%). The growth of household incomes began after 1997, and in 2001 the real income almost reached its 1993 level. So, comparing the income structure of different years we have to keep in mind that in 2001 the real income was the same as in 1993, while in 1997 its level was by 20% less.

By contrast, in Romania the shape of the real net income parallels the real GDP curve. Economic growth, however, has begun only in 2000 so it mirrors in increase of population income only in a very small extent. For this paper, it is useful to notice that compared to 1995 the real income in all other selected years (1997, 2001, and 2002) was by 17%-20% lower.

Few methodological caveats worth mentioning to foster caution in interpreting the analysis presented below. Firstly, in the Hungarian and the Romanian surveys only the gross value of the different kinds of income, and the yearly total of personal income taxes and social contributions are reported. Correspondingly, for these two countries, the household equivalent income deciles are based on the net[9] income, but analysis of the different income sources are based on their gross values. However, in both countries there is usually no tax and social contribution payment after pensions, unemployment benefits and other social transfers. Additionally in Romania there is no tax on income from agriculture, which represent an important share of total households income. Incomes from capital and from property rights are taxed separately from other incomes, usually at a rate which is close to the lowest personal income tax rate.

Secondly, there are some differences between statistics presented in this paper and statistics from deliverable D13 (December 2004). One part of the discrepancy is due to methodological differences between statistics at household level and macro-statistics. For instance, the share of income from capital and property rights is far lower than what was shown in D13 study because in macro-statistics all of the interests and dividends in the household sector are counted as part of the disposable income, while in the HBS only that part of interests and dividends which was drawn appear as income. Another cause of the discrepancy is that incomes such as those from capital and property rights are presumably 'kept dark' in higher extent than other income types.

[9] Determined by subtracting taxes and social contributions and outgoing family transfers from the gross income.

Thirdly, there are changes of the definition of various sources induced by institutional or legal reforms. For instance in Slovenia, satisfactory data comparability across surveys cannot be achieved with regard to several sources of incomes, particularly some *fringe benefits*. Allowances for meals and travel allowances were included in wages in the 1983 and 1993 surveys, while in 1997-1999 and 1999-2001 surveys they were treated separately i.e. as fringe benefits offered by the employer. Maternity/parental leave wage compensation makes a second good example also for Slovenia. This was included in the category of wages and salaries in 1983 and 1993 HES because until 1994 the employer disbursed this wage compensation, requesting a refund from the National Health Insurance Institute. By contrast 1997-1999 and 1999-2001 HES assign wage compensation to the category of social transfers, because since 1994 this compensation has been disbursed directly by the centers for social work. Consequently, the share of social transfers in these 1983 and 1993 is somewhat understated, and the share of salaries and wages somewhat overstated.

Finally, our international team worked independently on 15 datasets. Full compatibility has not been achieved therefore the various countries operate with different breakdown categories. For easing the lecture we present below the scheme of the sources of income used in the country analysis.

Table 3. 2 Sources of income used in the country analysis

Income sources …	**Slovenia**	**Hungary**	**Bulgaria**	**Romania**
Wages and salaries	Salaries and wages Fringe benefits	Gross wages/ salaries Fringe benefits	Primary employment Secondary employment	Gross wages/ salaries
Self-employment	Self-employment income	Self-employment income	Entrepreneurship	Non-agricultural self-employment income
Agriculture	Income from agriculture	Income from agriculture	Household plot	Income from agriculture
Others work-related	Income from occasional work	Income from occasional work	Other earnings	
Capital and property rights	Income from property rights Income from capital	Income from property rights Income from capital	Property sale Property income	Income from capital
Social transfers	Pensions Unemployment benefits Other social transfers	Pensions Unemployment benefits Other social transfers	Pensions Unemployment benefits Family allowances Scholarships Other social benefits	Pensions Unemployment benefits Other social transfers
Intra-Family transfers	Intra-family financial gifts and transfers	Family transfers, inflow	Other in-kind income Miscellaneous	Remittances
TOTAL	Net income	Gross income Taxes and social contributions Net income	Net income	Gross income Taxes and social contributions Net income

Note: In Hungary statistics regarding 'family transfers, outflow' are provided.

The horizontal structures of household income sources by income deciles in each of the four countries are showed in Tables BG.3.2, HU.3.2, RO.3.2, and SI.3.2 (Annex 3), whereas Tables BG.3.1, HU.3.1, RO.3.1, and SI.3.1 (Annex 3) give the vertical structures, i.e. the distribution of income sources across income deciles, for all households.

Table 3. 3 Changes (compared with the previous survey) in the structure of household income sources by country

Income sources …	**Slovenia**			**Hungary**		**Bulgaria**			**Romania**		
	83-93	93-99	99-01	93-97	97-01	92-95	95-98	98-02	95-97	97-01	01-02
Wages and salaries	--	--	-	0	0	--	++	--	--	++	++
Fringe benefits/ Secondary employment	++	++	+	-	0	--	0	0			
Self-employment	++	--	0	+	++	+	++	0	-	-	0
Agriculture	--	--	0	0	--	++	--	0	++	--	-
Others work-related	++	--	0	+	+	+	0	++			
Income from capital	0	0	0	0	0				0	0	0
Property sale						0	-	0			
Property income						0	0	0			
Income from property rights	0	0	0	--	+						
Pensions	++	++	0	++	-	--	++	++	++	++	0
Unemployment benefits	++	0	0	--	-	0	0	0	0	0	0
Other social transfers	0	++	0	--	-	0	0	+	++	-	0
Family allowances						--	0	-			
Scholarships						0	0	0			
Intra-Family transfers	++	--	0	0	+				0	0	0
Other in-kind income						++	0	-			
Miscellaneous						++	++	-			

Data: Tables BG.3.2, HU.3.2, RO.3.2, and SI.3.2 (Annex 3).

Legend: The share of the income source: '- -' decreased by 1% or more; '-' decreased by more than 0.5%; '0' no change or decreased/increased by 0.5% or less; '+' increased by more than 0.5%; '++' increased by 1% or more.

For assessing the changes in the structure of household income sources in a consistent manner we consider 'change' only a variation (decrease or increase) larger in absolute value than 0.5% or 1% (quite a marginal value) in the share of a given income source. (see Table 3.3)

In view of the changes in the socio-economic structure of households described in Section 2, re-structuring of the household income sources took also place as follows.

- In all countries, *wages and salaries* have represented the main income source as it has retained the greatest share in the total equivalent disposable income of households. The decrease/ increase of the share of employees is not necessarily accompanied by a decline/ expansion of the share of wages and salaries:

Table 3. 4 Changes (compared with the previous survey) in the share of wages/salaries and fringe benefits (work-related allowances) and in the share of employees by country

Changes in the share of …	**Slovenia**			**Hungary**		**Bulgaria***			**Romania**		
	83-93	93-99	99-01	93-97	97-01	92-95	95-98	98-02	95-97	97-01	01-02
Wages and salaries	-15.9	-3.2	-0.6	+0.2	+0.1	-1.9	+2.1	-2.7	-4.2	+1.2	+1.3
Fringe benefits/ Secondary employment	+1.9	+4.9	+0.5	-0.5	0.0	-4.4	0.0	0.0			
Employees	-6.5	-0.4	+0.9	-0.2	+1.9	-1.3	-2.8	-0.4	-0.4	-3.9	+0.4

Data: Tables BG.3.2, HU.3.2, RO.3.2, and SI.3.2 and Tables BG.2.1, HU.2.1, RO.2.1, and SI.2.1 (Annex 3); * Data refer to total employment.

- In Slovenia: it would be preferable to join *salaries and wages* and *fringe benefits* and rename this income source as *income from employment* due

to the change of the HES definitions (see explanation above). Adding the shares of these two income sources, we observe that *income from employment* represented almost 73% of household income in 1983, with the share decreasing to some 59% in 1993, and marginally increasing in the latter years (to some 60%). This trend parallels the dynamics of the share of employees.

- In Hungary: following the drastic drop at the very beginning of the nineties, the share of gross wages and salaries stagnated in the period between 1993 and 2001 to 51% of the gross households income in spite of the increasing share of employees. To large extent this is the result of the different changes across income deciles. While the positive correlation between changes in the share of employees and in the share of wages is valid for low and middle income deciles, in the tenth decile (the most affluent) growing share of employees has shifted to self-employment and has replaced wages with income with self-employed. Thus, at the level of the entire population the share of employees increased whereas the share of wages stagnated.
- In Bulgaria: although the share of employees steadily decreased during the period (see also D13), the share of wages decreased from 1992 to 1995, increased from 1995 to 1998 (even if the real wage was in 1998 only 85% of the 1995 value) and declined again to 37% in 2002 (even if the real wages index in 2002 was 138% of the 1998 value).
- In Romania: the share of gross wages and salaries dropped (as did the share of employees) between 1990 and 1995 from about 65%[10] to 53%. It further decreased to 49% in 1997. Afterwards, in spite of the decline in the share of employees, the growth of the real wage[11] resulted in an increase of the share of wages in households disposable income to 52% in 2002.

- The shares of *income from self-employment* are still low, partly due to underreporting, in all countries. Increase of the proportion of self-employed is associated with increase of income from self-employment, except in Slovenia and Romania.

Table 3. 5 Changes (compared with the previous survey) in the share of income from self-employed and in the share of self-employed by country

Changes in the share of …	**Slovenia***			**Hungary**		**Bulgaria**			**Romania***		
	83-93	93-99	99-01	93-97	97-01	92-95	95-98	98-02	95-97	97-01	01-02
Income from self-employment	3.9	-1.8	-0.1	0.8	2.1	0.7	1.4	0.0	-0.7	-0.8	0.1
Self-employed household members	1.5	2	-0.1	0.0	2.0				0.2	0.6	0.3

Data: Tables BG.3.2, HU.3.2, RO.3.2, and SI.3.2 and Tables BG.2.1, HU.2.1, RO.2.1, and SI.2.1 (Annex 3); * Data refer to non-agricultural self-employment.

- In Slovenia: the share of income from self-employment increased between 1983 and 1993; until 2001 it decreased to only 4.7%.
- In Hungary: the share of self-employment income significantly increased, especially between 1997 and 2001 when it reached 6.5%.
- In Bulgaria: incomes from self-employment were on very low level but they grew from 2.2% in 1992 to 4.3% in 2002.

[10] NIS and UNDP, *National Human Development Plan*, 1997.
[11] In 2001 and 2002 the real wage index was 112% of the 1997 value.

- In Romania: income from non-agricultural self-employment accounted for 5% of the households income in 1995. Until 2002 this share diminished to only 3.7% in spite of the increase of the share of self-employed persons.

- *Income from agricultural* makes a distinctive case. Whereas in Slovenia and Hungary this is a marginal source of income, the Bulgarian and particularly the Romanian households heavily rely on it.

Table 3. 6 Changes (compared with the previous survey) in the share of income from agriculture and in the share of active in agriculture by country

Changes in the share of …	**Slovenia**			**Hungary**		**Bulgaria**			**Romania**		
	83-93	93-99	99-01	93-97	97-01	92-95	95-98	98-02	95-97	97-01	01-02
Income from agriculture	-1.2	-1.3	-0.1	0.1	-1.9	5.0	-6.8	-0.1	2.3	-2.4	-1
Household members active in agriculture	-2.2	-2.3	0	-0.5	-0.2				-0.4	0.9	0.1

Data: Tables BG.3.2, HU.3.2, RO.3.2, and SI.3.2 and Tables BG.2.1, HU.2.1, RO.2.1, and SI.2.1 (Annex 3).

- In Slovenia and Hungary: both the share of households members active in agriculture and the share of income from agriculture in the net disposable income drastically decreased.
- In Bulgaria: the share of income from household plot fluctuated – from 16.5% in 1992 to 21.5% in 1995, respectively 15% in 1998-2002.
- In Romania: although the proportion of farm self-employed represented constantly about 10% of all household members, the share of income from agriculture grew in most difficult year (1997) to 24%, decreasing as the economy started to recover to 21% in 2002.

- The share of *income from occasional work* increased in Slovenia in 1993 as compared to 1983, but then decreased to 1.5% of total household income in 1997-99. The reasons for this are most probably changes in the tax legislation, which caused much higher taxation from 1994 onwards. In other words, this income source became much less attractive, particularly for the highest income groups, which used this income source as a convenient form of tax arbitrage. Unlikely, in Hungary both the share of occasional workers and the share of this source of income increased.
- *Pensions* represent the second major (third in the case of Romania) source of income in all countries. The sharp increase of the share of pensioners is correlated with increase of the share of pensions:

Table 3. 7 Changes (compared with the previous survey) in the share of pensions and in the share of pensioners by country

Changes in the share of …	**Slovenia**			**Hungary**		**Bulgaria**			**Romania**		
	83-93	93-99	99-01	93-97	97-01	92-95	95-98	98-02	95-97	97-01	01-02
Pensions	6.3	3.8	-0.1	2.6	-0.7	-1.6	2.9	2.8	1	2.7	-0.2
Pensioners - household members	6.4	0.7	0.3	2.2	0.5	-3.0	4.5	-1.9	0.8	2.4	0.0

Data: Tables BG.3.2, HU.3.2, RO.3.2, and SI.3.2 and Tables BG.2.1, HU.2.1, RO.2.1, and SI.2.1 (Annex 3).

- In Slovenia: the share of pensions increased from some 15% of all household income in 1983 to 21% in 1993, with a further increase to some 25% in the late 1990s.
- In Hungary: one fifth of the gross and one fourth of the net income of the households is stemming from pensions. Between 1993 and 1997 the share of pensions increased but – in spite of the further growth of the ratio of

pensioners – between 1997 and 2001 the share of pensions in household income slightly decreased.

- In Bulgaria: while in 1992 pensions amounted to 16% of the total equivalent disposable income, in 1995 this share dropped to 14.4%, and in 2002 the pensions' share increased to 20.1%. Besides the growing number of the pensioners, the fact that pensions were the social transfers best protected against inflation represents another cause of this trend.
- In Romania: both the share of pensioners and of pensions grew particularly during 1997 and 2001 as result of the early retirement promoted as alternative to the massive lay-offs.

- *Capital and property* represent insignificant sources of income in all four countries. Their shares in household disposable income had been less than 1% in Slovenia and Romania, respectively less than 2% in Bulgaria and Hungary. Changes in the importance of these income sources in the household budget had also been minor. (see Table 3.3)
- *Intra-family transfers (and financial gifts)* are also minor contributors to the household budget, except for Bulgaria. Trends of these informal transfers vary from a country to another. In Slovenia after an initial growth the share of family transfers severely declined. Oppositely in Hungary this share increased. In Romania it constantly represented only 2% of households disposable income. By contrast, for the Bulgarian households the informal transfers compensated the loss in wages and the decline of social transfers accounting during difficult years for 13-17% of the household disposable income. The share of informal transfers has begun declining only after the economy started to recover yet in 2002 made up more than 15% of the household net income.

Incomes from social transfers (others than pensions) need to be discussed separately since they are determined by a complex of factors: the decline of the share of children and dependants below 18 years, the increase of the dependants aged 18 years or more (that include disabled and other people in need), the hike in unemployment and so on. In addition, they very much depend upon the social policy promoted by the state, the political-will of the state to protect or not the population against the transition shock, and the resources available both financial (GDP dynamics) and institutional (if institution are developed enough so that to manage efficiently the available resources or they are weak, characterized by corruption, instability and low efficiency).

Social transfers includes social assistance, child benefits, state educational grants, war related invalidity and health insurance-related cash benefits - which comprises sickness benefit, maternity/parental leave wage compensations, birth grants etc. In all countries, the scope of social transfers has changed somewhat between the investigated years (see D13 study).

Table 3. 8 Changes (compared with the previous survey) in the share of social transfers others than pensions by country

Changes in the share of …	**Slovenia**			**Hungary**		**Bulgaria**			**Romania**		
	83-93	93-99	99-01	93-97	97-01	92-95	95-98	98-02	95-97	97-01	01-02
Social transfers others than pensions	1.8	1.5	0.1	-3.1	-1.5	-1.9	-0.3	0.4	1.1	-0.6	0.1

Data: Tables BG.3.2, HU.3.2, RO.3.2, and SI.3.2 (Annex 3).

At the level of all population, social transfers others than pensions represent a minor contributor the household budget. The share of this income source represented only 3-4% of the household disposable income in Bulgaria and Romania in 2002. In the better-off countries this share was bigger, namely 6-7% in 2001. Nevertheless, during transition the four states chose different ways for adjusting their social policies:

- Slovenia increased support for the population until both real GDP and real population income were back to the 1990 base. (Figures 1, Annex 2)
- Hungary, instead, after the 'populist' approach adopted in the early '90s (Milanovic, 1998) has continuously diminished the support. Correspondingly, while social transfers others than pensions made up 12% of household disposable income in 1993, by 2002 the share reached 7%, which is still high in relative terms.
- Bulgaria despite its large share of population in need, particularly unemployed, has implemented a rather 'stingy' social policy by diminishing the support of the population.
- Romania, after the 1995-1997 more 'generous' period meant to compensate the massive lay-offs from industry, reduced the social transfers and put more emphasize on active policy, retraining etc., which are not 'visible' in the households disposable income.

Table 3. 9 Changes (compared with the previous survey) in the share of unemployment benefits and in the share of unemployed by country

Changes in the share of …	**Slovenia**			**Hungary**		**Bulgaria**			**Romania**		
	83-93	93-99	99-01	93-97	97-01	92-95	95-98	98-02	95-97	97-01	01-02
Unemployed benefits	1.4	0.0	-0.1	-1.2	-0.7	-0.2	0.1	0.3	-0.4	0.2	-0.1
Unemployed household members	4.9	1.9	-0.7	-0.7	-2.9	4.5	1.5	2.6	-0.4	1.6	-0.8

Data: Tables BG.3.2, HU.3.2, RO.3.2, and SI.3.2 and Tables BG.2.1, HU.2.1, RO.2.1, and SI.2.1 (Annex 3).

Unemployment benefits hold larger share in household income particularly in Slovenia, where in the period 1993-2001, it had constantly represented 1.4-1.3% in spite of the increase/decrease of the proportion of unemployed. In Hungary the share of unemployment benefit decreased as the share of unemployed within the population decreased. In Romania, the share of unemployment benefits had followed the changes in the share of unemployed in population. For example, the decline in the proportion of unemployed from 5.5% in 1995 to 5.1% in 1997 was reflected in a decline of the share of unemployment benefits from 1.2% to 0.8% of households income.

The situation is much more critical in Bulgaria on the one hand due to the large and increasing share of unemployed and on the other hand due to the evolution of the proportion of unemployment benefits in households disposable income, which followed the unemployment trend neither as direction nor as level. For instance, between 1992 and 1995, the share of unemployed in all households members jumped from 4.8% to 9.3%. Nevertheless, during the same period, the share of unemployment benefit in household disposable income had an opposite trend, declining from 0.6% to 0.4%.

For illustrating the gap between countries, the share of unemployment benefits of 0.8% corresponded to 3.3% of all households members unemployed in Hungary (2001) compared to 13.4% unemployed in Bulgaria (in 2002).

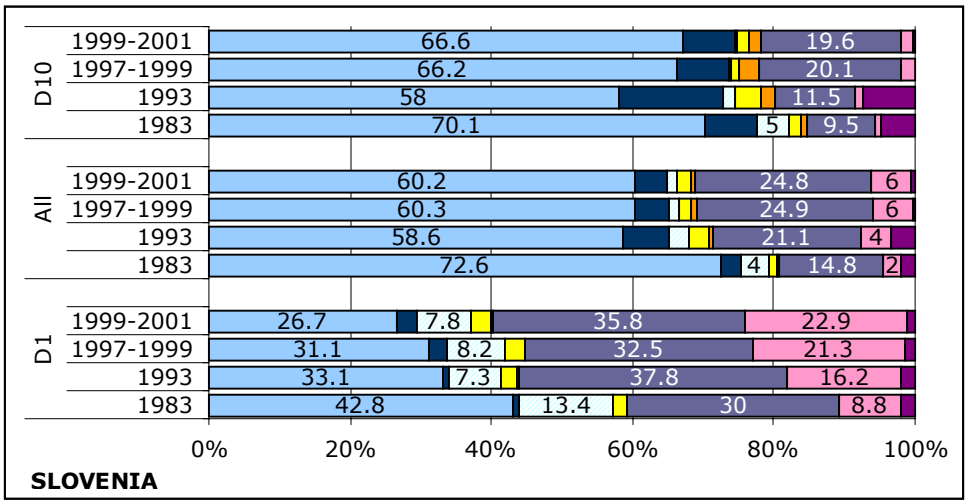
The share of social transfers (other than pensions and unemployment benefits) has been steadily increasing in Slovenia, in 1999-2001, amounted to more than 4.4% of all income sources. Oppositely, this share decreased notably during 1993 and 2001 in Hungary yet it remained higher than in Slovenia (6.3% in 2001). In Romania, it grew from 2% in 1995 (rather 'good' year) to 3.5% in 1997, a very difficult year, after which it declined to 2.9% (2002) as the poverty rate diminished.

With respect to case of Bulgaria the three selected types of social transfers had during 1992-2002 completely different evolutions, none following the real GDP dynamics. Thus, the share of family allowances decreased five times (from 2.5% to 0.5%) in the investigated 11 years due to their low level but also due to the drastic decline of children.

The share of scholarships also diminished five times (from 2% to 0.04%) in spite of the extended share of students. Other social transfers had accounted for only 1.4% in 1992, decreased to 1% in 1995-1998, and rose back to 1.6% in 2002, evolution which is related to various changes in the country social policy (see D13 study).

The poorest 10 percent and the best-off 10 percent households

Figure 3. 1 Structure of household income sources of the households of first decile, tenth decile, and all population, Bulgaria 1992-2002, Hungary 1993-2001, Romania 1995-2002, Slovenia 1983-1999/2001



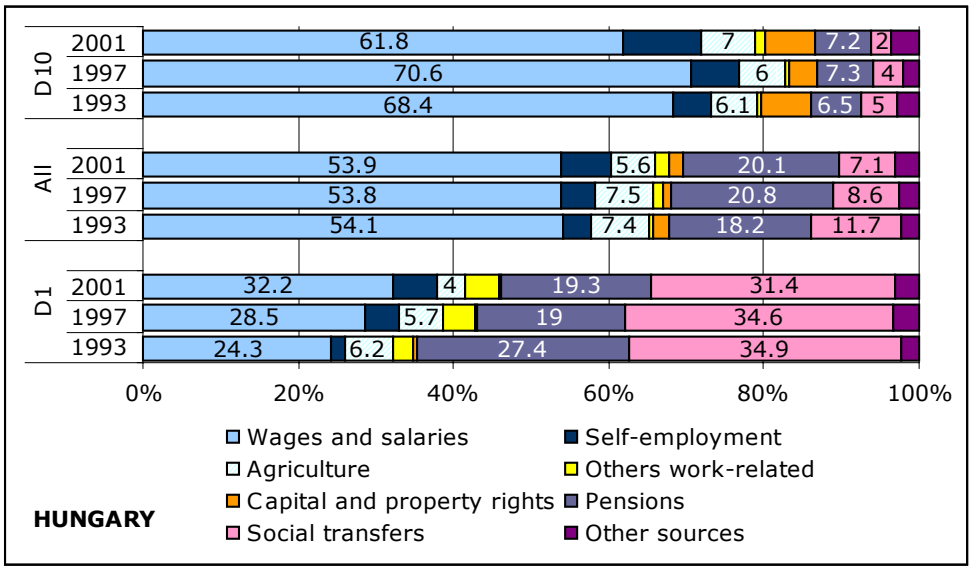
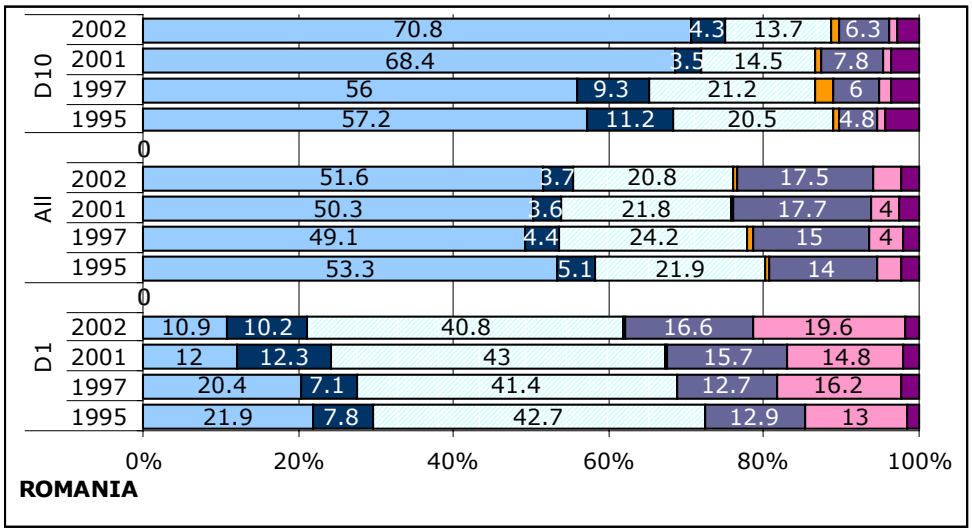
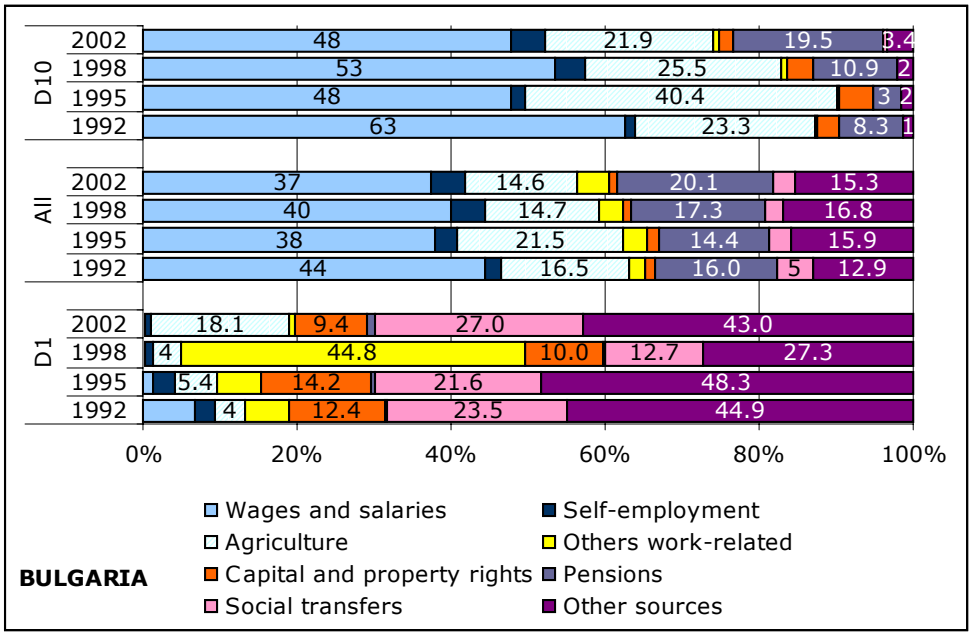


Figure 3.1 (continuation)





Source: Tables BG.3.2, HU.3.2, RO.3.2, and SI.3.2 (Annex 3).

Notes: Social transfers refer to all types of social transfers except pensions. Other sources refer to intra-family transfers. For more details regarding grouping of the income sources see Table 3.2.

Figure 3.1 shows how the poorest and the richest from the four countries have made a living during transition.

The income portfolio of the poorest is much more diverse and fragmented in Romania and particularly in Bulgaria compared to Slovenia and Hungary. In the later two countries, the poorest make a living based on three sources of income: wages + pensions + other social transfers. Still, while in Slovenia wages had lost importance in favor of social transfers others than pensions, in Hungary wages had gained importance against social transfers, particularly pensions.

In Bulgaria the income portfolio of the poorest changed drastically in time. However, during the entire period these appear atypical being dominated by 'others sources', 'other work-related', 'other social transfers' (than pensions), which at a great extent relate to the informal sector. The access of the poorest Bulgarians to the formal sector of the economy appears rather restricted.

The income portfolio of the Romanian poorest is also formed of more than three sources of income but the major source by far has been agriculture on household plot. Pensions and other social transfers form the second important pillar of the poorest Romanian households. The third pillar consists also in two income sources, namely wages and income from non-agricultural self-employment. The share of wages in the Romanian poorest households is considerable larger when compared to Bulgarians but much lower, and declining, in comparison with the Hungarians and Slovenians poorest. Striking is the relatively large, and increasing, importance of the income from self-employed in the portfolio of the poorest. Because their access to the formal labour market has considerable diminished the Romanian poorest has increasingly adopted self-employment as survival strategy.

At the other extreme, the best-off Slovenians built a solid portfolio based on wages + pensions (more and more) + income from self-employment (less and less). In Hungary, pensions represent a much lower share of the income of the best-off households. A solid portfolio involves wages combined with other sources related to market; it is thus much more exposed to the increasing competitive pressure.

In Romania, the portfolio of the richest is heavily based on wages completed with some incomes from agriculture (such as relatives from countryside sending various products, fact which help the household to diminish considerable their cash expenditures). The contributions of income from self-employment and from pensions, as well, are low and declining.

In Bulgaria the principal contributor to the income portfolio of the richest 10% are also wages but in a significantly lower extent than in all other countries. In turn, income from the household-plot although diminished had still represented more than a fifth of the total disposable income. In addition, as a more recent development, pensions got more and more important in the economy of the best-off Bulgarian households.

In the end of this section we discuss the distribution of income sources across income deciles to see which of them go to the bottom, which to the middle, and which to the top of the income structure of the society. In this respect we use the data showed in Tables BG.3.1, HU.3.1, RO.3.1, and SI.3.1 (Annex 3).

By 'bottom' we denote the first two deciles, 'middle-low' consist in deciles 3 and 4, 'middle' are called deciles 5 and 6, 'middle-up' refer to deciles 7 and 8, and deciles 9 and 10 make up the 'top'. The analysis is based on comparisons between the distribution of a given income source with the distribution of total income (net total income in Slovenia and Bulgaria, and gross total income in Hungary and Romania where the individual sources of income have been available only as gross amounts). Consequently, 'under/over-represented' refer to shares larger/smaller compared to the average share of total income corresponding to the same decile/quintile.

In Bulgaria the main characteristics of the income structure:

- Wages and salaries (primary employment) and income from household plot have been specific for the top of income structure for the entire period 1992-2002.
- Income from secondary employment makes a special case. This income source was highly polarized in 1992, when it was divided between the bottom/middle-low income ladders and the very top of the income structure. During transition, however, the distribution of this income source moved to the middle, subsequently to the middle-low and bottom layers. Thus, if at the beginning of transition, the poorest and the richest Bulgarians had a second job or economic activity, already in 1995 the worse-off people found a secondary employment as a strategy for obtaining additional earnings.
- Income from self-employment and property income have moved more and more from the middle-up to the top ladders.

- Pensions have constantly been concentrated in the top of the social structure but during the years 1995-1998 had an increasing importance for the middle-up ladders.
- Unemployment benefits as well as other social benefits, other in-kind income and miscellaneous are specific at the middle-up level. Moreover, all these incomes go much more to the middle and the top income deciles than to the middle-low and bottom. The share of the unemployment benefits received by the highest income decile decreased in 1995 and 1998 but it grew again in 2002 due to the changes in the entitlement rules implemented in 2002, according which the long-term unemployed were no longer entitled to benefits.
- As we go to the lower social ladders we find 'other work-related earnings' located at the middle and middle-low levels. Notable, other work-related earnings as well as income from secondary employment distribute among the poor to a much higher extent compared to social transfers such as pensions and unemployment benefits. Thus, unemployed abound among the poor but they make a living by performing a various pallet of 'other' activities because they cannot rely on unemployment benefits.
- Family allowance concentrated in 1992 to the middle-low social ladder spread and cover more and more social levels from the bottom to the middle as the legal framework changed.
- Bottom ladders are reached mainly by income from secondary employment and more recently (in 2002) by scholarships.

Hungary differs considerably from Bulgaria with respect to the characteristics of income structure. Investigating the income structure from the top to the bottom as we did in the Bulgarian case we learn the following:

- Income from capital, income from property rights, and income from self-employment have been more and more concentrated at the top deciles during the period 1993-2001. Worth mentioning that income from self-employment were also statistically over-represented at the bottom deciles compared to the other deciles but only in 1997.
- Fringe benefits and particularly income from agriculture are sources of income that during transition changed gradually their position from the middle/middle-up to the top ladder of the income structure.
- Wages and salaries had constantly been concentrated at the middle-up and top deciles. This makes a great difference to the Bulgarian case where this income source is much more concentrate at the very top (first two deciles) of the structure. For example, in 2001 in Hungary 27% of wages and income went to the tenth decile, 17% to the ninth decile, 14% to the eight, 10% to the seven and 9% to the six, overall 76% in the highest five deciles. In contrast, in 2002 in Bulgaria 71% of the income from primary employment went to the tenth decile and additional 19% to the ninth.
- Income from occasional work changed from income source over-represented to the bottom but also well-represented to the top in 1993, to income source concentrated at the bottom and middle-low layers in 1997, and subsequently in 2002 to a distribution comparable to the one from 1993.
- Completely different to Bulgaria, in the Hungarian case unemployment benefits as well as other social transfers were during the whole period 1993-2001 much better represented to the bottom and middle-low layers of the income structure compared to all other types of income.
    - In 2001, about 60% of income from unemployment benefits went to the lowest three deciles and only 11% to the highest three deciles. For

comparison, in 2002 in Bulgaria, the corresponding shares were less than 3%, respectively 59%.

- With regard to the other social transfers the gap between the bottom and the top of the structure is not marked so well. In 1993, the lowest three deciles accounted for 32% of all income from other social transfers, which was almost equal with the 29% corresponding to the highest three deciles. However, this situation that can be interpreted as perverse income redistribution has been constantly corrected. Whereas the share of the lowest three deciles increased to 37% in 1997, respectively 41% in 2001, the share of the highest three deciles continuously decreased to 26% in 1997 and 23% in 2001. The main cause of this phenomenon is the so-called housing subsidy. This kind of 'social support' is paid for families building their first own home, the amount of it depending also on the number of children. The extent of this support is pretty-large, but a relatively high amount of own financial resources are needed. Consequently, mainly the well-off families can draw on this subsidy.

- Pensions make also a significant difference to the Bulgarian case. They are strongly under-represented in the top two deciles. For instance, in 2002 in Bulgaria the highest two deciles concentrated 80% of income from pensions, whereas the corresponding share in Hungary was in 2001 less than 19%.
- Intra-family transfers (inflow) were in 1993 concentrated in the top, while they distributed more evenly across deciles in 1997 and after.

Distribution of income sources across income deciles in Romania is much closer to the Hungarian model than to the Bulgarian one. Income from capital has been concentrated at the top deciles during the entire period 1995-2002. Wages and salaries had constantly been concentrated at the middle-up and top layers but the share of the top two deciles has dynamically grown.

Unemployment benefits as well as other social transfers were during the whole period 1995-2002 much better represented to the bottom and middle-low layers of the income structure compared to all other types of income. However, unlike in Hungary, income from unemployment benefit has relatively large shares at the middle ladder of the income structure, particularly in 2001 and 2002. Pensions while in 1995-1997 were mainly concentrated in the middle layers (deciles 3 to 8), in 2001 started also to increase at the bottom.

In 2001, other social transfers appeared much better targeted in Hungary compared to all other three countries. (Table 3.10)

Table 3. 10 Distribution of income from other social transfers (than pension and unemployment benefits) across deciles by country, 2001/2002

Decile	1	2	3	4	5	6	7	8	9	10	All
Hungary, 2001	17.5	13	11.1	9.8	8.8	7.7	7	7.8	6.7	8.5	100
Slovenia, 2001	12.9	14.6	13.1	12	10.3	9.7	7.2	7	6.2	6.8	100
Bulgaria, 2002:											
- Family allowances	8.1	12.7	18.1	17.6	33.5	10.1	0.0	0.0	0.0	0.0	100
- Scholarships	1.7	10.8	12.3	2.3	12.0	5.2	19.6	36.1	0.0	0.0	100
- Other social benefits	1.3	4.2	5.1	6.6	8.5	15.6	26.2	13.1	1.1	18.4	100
Romania, 2001	15.1	12	11.1	10.5	9	8.2	8.3	8.9	8.8	8.2	100
Romania, 2002	19.8	13.2	11.1	10	8.5	8.1	7.3	7.3	7.8	6.9	100

Data: Tables BG.3.1, HU.3.1, RO.3.1, and SI.3.1 (Annex 3).

In Romania, however, in 2002 the social assistance targeting the poor had considerably improved, particularly due to the introduction of the minimum income guaranteed program. Moreover, in 2004, two other types of family allowances have been introduced, which most probably improved further the targeting. Noticeable, other (than pensions and unemployment benefits) social transfers in the case of Romania include universal child allowance. (For details see D13 study)

Two income sources clearly oppose Romania to Hungary, namely income from self-employment and income from agriculture. The distribution of income from non-agricultural self-employment in Romania was rather similar with the Hungarian one in 1995-1997, with more than 50% of income from self-employment concentrated in the top two deciles. However, the situation of self-employed changed dramatically until 2001/2002 so that the shares of income from self-employment have considerably increased at the bottom deciles (about 20%) and, correlated, decreased at the top level to 33-36%. On the other hand, in Romania, income from agriculture has been during the entire investigated period over-represented at the bottom and middle-low ladders although the highest shares were recorded at the higher levels.

Time-series on distribution of income sources across deciles in Slovenia have the advantage to cover a longer period starting with the pre-transition phase. If we limit to the developments during transition the Slovenian distribution has many common characteristics with the Hungarian one, few with the Romanian and few specific traits. These are as follows:

- Income from capital, income from property rights, and income from self-employment have been concentrated at the top deciles during the period 1993-2001. However, only income from property rights increased in time its share at the top ladder as in Hungary; in 1999-2001 the tenth decile received some 87% of the total amount, with the remaining 13% distributed among the other nine income deciles. This low-tax income source was mostly exploited by well-placed persons, who though had an employee status in government or academia[12]. By contrast, the other two types of income – income from capital and income from self-employment - diminished their shares in the first two deciles, particularly between 1993 and 1997. Prior to the privatization, income from capital was mostly rental income. Following the mass privatization, a large number of - admittedly very small - shareholders emerged, and the concentration of this income source in the very top income deciles somewhat decreased. In 1993, persons in the tenth decile received 78% of the total amount of income from capital, whereas in 1997-99 this share decreased to 46%.
- Fringe benefits (including other work-related allowances) used to be concentrated at the middle-up and top levels before transition (1983). Until 1993 this source of income changed gradually its position. Unlike in Hungary where fringe benefits moved more and more to the top ladder, in Slovenia fringe benefits came down to the middle ladders. Thus, this income source is much less unequally distributed than salaries and wages in 1997-99 and particularly in 1999-2001. Travel meal allowances are work-related expenses and are not subject to the personal income tax, but are subject to strict government regulation. The vacation allowance is subject to the personal income tax; however, since 1998 amounts disbursed above a given threshold are also subject to social security contributions. This might have further narrowed the dispersion of vacation allowances.
- With respect to the distribution of income from agriculture Slovenia differs consistently from Hungary and is rather comparable with Romania. Thus, income from agriculture before transition used to be polarized between the bottom and

[12] This form of tax arbitrage is being closed by the new 2004 Law on Personal Income Tax, which treats this income as (almost) equivalent (for tax purposes) to income from employment. Quite possibly, the importance of this income source will decrease, as it will become a less attractive source for the employer.

the top. After 1993, it has always been over-represented at the bottom up to the middle income deciles.

- Wages and salaries had started to be concentrated at the middle-up and top deciles only after 1993.
- Income from occasional work changed from income source over-represented to the top of the income structure until 1993, to income source over-represented at the bottom and middle-low layers in 2001. This change is mainly due to the change in the tax legislation, which caused much higher taxation from 1994 onwards. Consequently, particularly the highest income groups, which used this source as a convenient form of tax arbitrage, dropped it.
- Unemployment benefits as well as other social transfers changed more and more to the lower income spectrum. They are over-represented at the bottom up to the middle income layers. However, these transfers are less targeted to the poor compared to Hungary and Romania.
- Pensions, alike in Hungary, moved up from the bottom and middle-low income layers so that after 1993 they were more and more under-represented only in the top two deciles. For instance, in 2002 in Bulgaria the highest two deciles concentrated 80% of income from pensions, whereas in 2001 the corresponding share was less than 19% in Hungary, 21% in Romania and about 27% in Slovenia.
- Intra-family transfers (inflow) had a tendency that does not lead to a clear and plausible conclusion. Thus, this income source was concentrated in the highest income decile in both 1983 and 1993. After 1993, it became much less important, and its distribution became more plausible (which would mean more according to expectations), with the poor receiving more of this income source (in relative terms) than the rich.

In conclusion, in all four countries, income from capital and property, wages and salaries, and, except for Romania, income from self-employment is concentrated at the upper side of the income spectrum. At the opposite side, specifically to the bottom and middle-low go income from occasional work, secondary employment (thus sources from work in the informal sector), and, except for Bulgaria, unemployment benefits and other social transfers. Pensions are concentrated in the lower and middle ladders of the income structure in all countries except Bulgaria, where they are concentrated at the top levels. Income from agriculture go the poor in Slovenia and Romania, whereas in Bulgaria and Hungary distribute mainly to the better-off households. The distributions of the other sources of income vary from a country to another.

Table 3. 11 Relative under/over-representation of income sources across income structure by country in the most recent available survey

Income sources …	Slovenia 1999-2001					Hungary 2001				
	Bottom	Middle-low	Middle	Middle-up	Top	Bottom	Middle-low	Middle	Middle-up	Top
Wages and salaries	-	-	-	+	+	-	-	-	+	+
Fringe benefits/ Secondary employment	-	+	+	+	-	-	-	-	-	+
Self-employment	-	-	-	-	+	-	-	-	-	+
Agriculture	+	+	+	-	-	-	0	-	-	+
Others work-related	+	+	-	-	-	+	+	-	-	-
Income from capital	-	-	-	-	+	-	-	-	-	+
Property sale										
Property income										
Income from property rights	-	-	-	-	+	-	-	-	-	+
Pensions	+	+	+	0	-	+	+	+	+	-
Unemployment benefits	+	+	+	-	-	+	+	-	-	-
Other social transfers	+	+	0	-	-	+	+	-	-	-
Family allowances										
Scholarships										
Intra-Family transfers	+	+	0	+	-	+	0	-	-	+
Other in-kind income										
Miscellaneous										

Income sources …	Bulgaria 2002					Romania 2002				
	Bottom	Middle-low	Middle	Middle-up	Top	Bottom	Middle-low	Middle	Middle-up	Top
Wages and salaries	-	-	-	-	+	-	-	-	0	+
Fringe benefits/ Secondary employment	+	+	+	-	-					
Self-employment	-	-	-	-	+	+	+	-	-	-
Agriculture	-	-	-	-	+	+	+	+	-	-
Others work-related	-	+	+	-	-					
Income from capital						-	-	-	-	+
Property sale	-	-	-	+	0					
Property income	-	-	-	+	+					
Income from property rights										
Pensions	-	-	-	-	+	+	+	+	+	-
Unemployment benefits	-	-	-	+	-	+	+	+	-	-
Other social transfers	-	-	+	+	-	+	+	0	-	-
Family allowances	+	+	+	-	-					
Scholarships	+	+	0	+	-					
Intra-Family transfers						-	-	-	0	+
Other in-kind income	-	-	+	+	-					
Miscellaneous	-	-	0	+	-					

Data: Computations based on Tables BG.3.1, HU.3.1, RO.3.1, and SI.3.1 (Annex 3).

Legend: The share of the income source corresponding to a certain quintile represents: '-' 95% or less of the share of total income in that quintile; '0' in the interval 96%-104% of the share of total income in that quintile; '+' 105% or more of the share of total income in that quintile.

4 Income inequality

4.1 Income inequality and human capital

Income inequality is driven by a number of factors. In this paper we do not deal with this complex issue. Here we observe income inequality only through measured outcomes, i.e. incomes received by household.

We nevertheless present in Tables HU.4.1, RO.4.1, and SI.4.1 (Annex 3) the attained educational level of all household members aged 25 or more across income deciles. Human capital endowment is a decisive factor for a household income-generating capacity. The attained educational level is used as proxy for measuring human capital; although is less-than-perfect it provides a broad indication of this.

The analysis of the attained educational level of all household members aged 25 or more across income deciles refers to three of the four COMPPRESS countries, namely Hungary, Romania, and Slovenia. For the firstly mentioned two countries we considered useful to divide the category of 'secondary level of education' in two groups, namely apprentice and vocational (2-3 years) and secondary, which include 4-year programs. In all countries, 'primary education' refers to at most 8 years of schooling.

In all countries, persons with primary education concentrate in the low income deciles, whereas persons with tertiary education tend to locate in the highest income decile.

The attained educational level of household members has been continuously improving in all three countries:

- the share of persons (age 25 and more) with primary education had continuously decreased: in Slovenia from 51% (1983) to 39% in 1993, and 33% in 1999-2001, in Hungary from 48% in 1993 to 36% in 2001, and in Romania from 51% in 1995 to 39% in 2001 and 2002.
- the share of people with vocational school strongly increased both in Hungary and Romania. At the same time the ratio and even the absolute number of young people attending vocational school has been continuously decreasing from 1990, so the growing tendency in the share of this educational level will stop in the near future. The growth rate was higher in the lower income deciles, in the top decile it turn back already between 1997 and 2001.
- the share of population that attained secondary level of education had also increased but it had different variations in the three countries. Thus, in Hungary this stagnated between 1993 and 1997, then it grew by 2%. In Slovenia and Romania the main increase was before 1997, after which it varied very few. Worth mentioning that in all three countries after 1997 this ratio had decreased in the top deciles as more and more persons from the tenth decile attained the tertiary level of education.
- the share of persons with tertiary education had strictly increased across income deciles. It had however increased more in Hungary and Slovenia compared to Romania. In 2001, the share of household members aged 25 or more graduates of tertiary education reached 16% in Slovenia, 12% in Hungary, respectively 8% in Romania. This growth will be accelerated in the future, in the view of the huge expansion in the tertiary education in all three countries.

4.2 Income inequality: income distribution across income quintiles

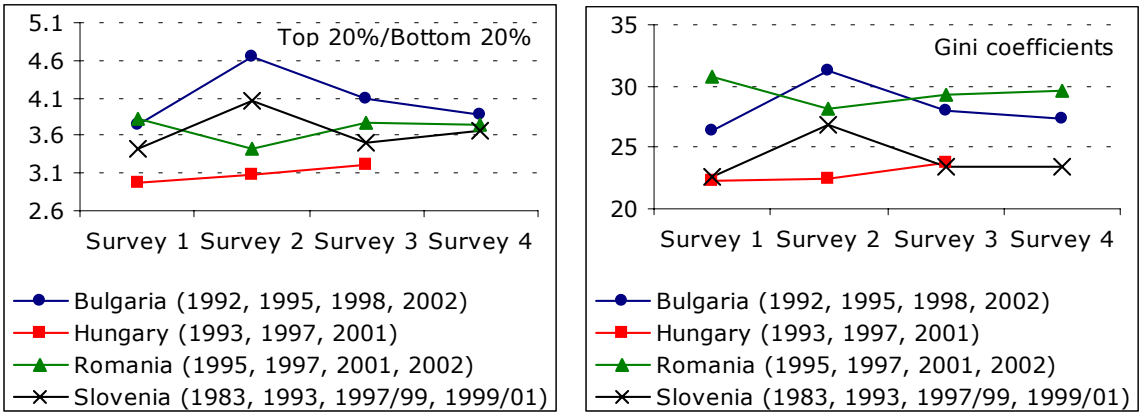
There are many ways to measure inequality because inequality is a multi dimensional concept (see www.worldbank.org/poverty/inequal/). However, most studies take into

account at least two types of inequality measures, namely the quintile/decile ratios and the Gini coefficients.

We discussed in Section 1 the main limitations of the surveys used. Few of these are particularly relevant for inequality. On the one hand, the absence of consumption-in-kind (as in our data for Slovenia and Hungary) leads to a slight increase in inequality, because consumption-in-kind is generally greater in poorer households. On the other hand, the omission or inadequate coverage of informal sector, underreporting of income, and especially the bias against the coverage of the poorest and the richest segments of society lead to a certain under-estimation of the income inequality.

In this section, besides the Gini coefficients, we use an admittedly crude measure of income inequality, namely the ratio between the post-tax income received by the top 20% of all households and the bottom 20%. The distribution of post-tax income across income quintiles is shown in Table 4.2.3 (Annex 3). Figure 4.2.1 and Table 4.2.1 picture the dynamics of both inequality indicators: quintile ratio and Gini coefficient.

Figure 4.2. 1 Income quintile ratio and income-based Gini coefficients by country



Source: Table 4.2.3 (Annex 3).

Table 4.2. 1 Changes (percentage of previous survey) in income inequality by country

Inequality measures …	**Slovenia**			**Hungary**		**Bulgaria**			**Romania**		
	83-93	**93-99**	**99-01**	**93-97**	**97-01**	**92-95**	**95-98**	**98-02**	**95-97**	**97-01**	**01-02**
Quintile ratio	118.4	86.7	104.3	103.0	104.2	124.6	88.0	94.6	89.7	109.4	99.4
Income based Gini coefficients	119.0	87.2	99.9	100.6	105.7	118.1	89.9	97.4	91.7	104.3	100.8

Source: Table 4.2.3 (Annex 3).

According to both indicators, during the entire period, out of the four countries either Bulgaria or Romania were characterized by the highest income inequality, and Hungary by the lowest.

In Slovenia although the two inequality measures indicate a large increase in inequality in the first years of transition, followed by a decrease and then fairly stable values. It should be noted that only Slovenia used a pre-transition survey so that provides an indication of the changes in inequality that took place in the initial phase of transition. As other data show (see D6 study) a similar initial growth of income inequality was recorded in the other countries in transition.

In Hungary the two measures match quite well and indicate a stable growth of income inequality between 1993 and 2001. Worth mentioning that between 1993 and 1997 the structure of the poorest households had significantly rearranged by including an increasing number of families with many children. Although statistics indicate that the

extent of inequality growth[13] was larger between 1997 and 2001, in population perception the inequality growth from the period 1994-1996 was more important because of the drastic decline of the average income.

In Romania, during the second economic recession period (1996-1999) the income inequality decreased as the poverty increased. By contrast, as the economy started to recover (2000-2002) poverty decreased, while the income inequality has increased.

The inequality growth in Bulgaria was very high during the period 1992-1995. According to both inequality measures, after 1995 the income inequality has decreased.

There are debates regarding income versus consumption based inequality. Some argue that due to all sorts of biases that affect income reporting a measure of income inequality makes reality to look 'pretty'. Others say, especially in countries with important non-monetary incomes such as Romania, that to assess inequality based on income makes reality 'darker' than it is. Clarifying this issue does not belong to this paper. Nevertheless, in this line of thinking, Table 4.2.2 shows the gap between inequality measures based on income versus based on consumption expenditures in Hungary and Romania. Thus, whereas in Hungary expenditure inequality exceeds income inequality for the entire period 1993-2001, in Romania this regularity is no longer confirmed, the income inequality has overcome the expenditure inequality since 2001.

Table 4.2. 2 Gini coefficients based on income and based on consumption expenditures in Hungary and Romania

Hungary	**1993**	**1997**	**2001**	
Consumption expenditures	25.45	26.10	26.78	
Incomes	22.31	22.44	23.71	
Romania	**1995**	**1997**	**2001**	**2002**
Consumption expenditures	31.6	29.61	28.36	28.76
Incomes	30.7	28.15	29.37	29.60

Source: Table 4.2.3 and Table 4.2.4, Annex 3. For Gini coefficient based on consumption expenditures in Romania we used World Bank, 2003.

In Hungary, regardless the welfare function used to measure inequality, Gini coefficients indicate the same trend. By contrast, in Romania, the two indicators differ not only in terms of level but also in term of direction; between 1997 and 2001, while the income-based inequality rose, the expenditure-based inequality declined.

4.3 Decomposition of inequality by income components

This section concerns the contribution of various income sources to overall income inequality – i.e. whether a given income source acts to increase or decrease overall income inequality. This can be analyzed using the analytical decomposition first derived by Rao (1969).

Thus, we use the following formula for decomposing the Gini coefficient:

(1) $$G = \sum_{k=1}^{K} \frac{\mu_k}{\mu} C_k$$

where:

G = Gini coefficient of income inequality
μ = mean of total income
μ_k = mean of income source *k*
C_k = concentration coefficient ('concentration ratio') of income source *k.*

[13] Between 1996 and 1998, after the running down of the direct effects of the stabilization package, the income inequalities on personal level were stagnating as documented by Kapitany and Molnar (2002).

Though most of these terms are well known, we nevertheless briefly describe them. The concentration coefficient for a given income source *k* was computed as follows. First, we constructed a concentration curve by arranging income units (households) in ascending order of the total disposable monetary (equivalized) income and plotting the cumulative proportions of the factor income *k* against the cumulative proportions of income units. One minus twice the area beneath the concentration curve is the concentration coefficient. If the concentration curve lies mostly above the 45-degree line, the value of the concentration coefficient will be negative; in this case we say that the income component *k* is an *absolute income equalizer*. This means that the poor receive (in absolute terms) more of a given income source than the rich. If the value of the concentration coefficient is less than the value of the Gini coefficient, we say that the given income component *k* is a *relative income equalizer*. This means that this income source represents a larger share of total income for poorer households than for richer households but the rich receive – in absolute terms – more of this income source than the poor.

The value of the Gini coefficient is one minus twice the area beneath the Lorenz curve. Thus the Gini coefficient can be viewed as a particular example of the concentration coefficient, since the Lorenz curve is but a particular example of the concentration curve. Namely, for the Lorenz curve we plot not the cumulative proportion of income source *k* against the cumulative proportion of income units (ranked according to their equivalent income), but simply the cumulative proportion of total income against the cumulative proportion of income units (ranked according to their equivalent income).

Tables BG.4.3.1, HU.4.3.1, RO.4.3.1, SI.4.3.1 (Annex 3) show the values of the concentration coefficients for each income source in the investigated surveys, as well as the shares of a given income source in total income (the μ_k/μ, for each *k*) and the absolute contribution of each income source to total income inequality, i.e. the $[(\mu_k/\mu)*C_k]$ for each *k*.

Before interpreting the results we specify that the inequality decomposition analysis in Slovenia and Bulgaria is based on net values of the income components, whereas in Hungary and Romania income components contain gross values. Thus, in the later two countries, taxes and outgoing family transfers have to be deducted in order to get net income. So, the corresponding rows have negative sign in the table of income shares.

In addition, income shares are determined based on total income in Slovenia and Bulgaria (see row/column 'all' in Tables BG.3.2 and SI.3.2), while in Hungary and Romania the income shares are based on income per adult equivalent. For this reason, the income shares from Tables HU 4.3.1 and RO 4.3.1 are not equal to income shares showed in row/column 'all' of Tables HU 3.2 and RO 3.2.

Absolute income equalizers for the entire investigated period after 1990 were only:

- Unemployment benefits in Slovenia, Romania, and particularly in Hungary, where its absolute value is continuously increasing, which means that income from unemployment benefits is more and more concentrated on the poorest;
- Other social transfers in Slovenia and Romania;
- In Bulgaria, scholarships and other social transfers were absolute equalizers but only in 1992-1995;
- Pensions in Bulgaria and Hungary but only in the first years of transition.

Relative income equalizers were:

- Pensions in Slovenia and Romania for the entire period, in Hungary only after 1993 and in Bulgaria after 1992.

Income sources less unequally distributed than total household income:

- Income from agriculture in Slovenia has had negative concentration coefficients since 1993;
- In Romania, income from agriculture for the entire period 1995-2002 and income from self-employment but only in 2001-2002 had concentration coefficients less than Gini coefficient;
- Fringe benefits in Bulgaria after 1995 and in Slovenia after 1999;
- Income from other work-related sources during 1992-2002 in Bulgaria, in Slovenia only after 1997, and in Hungary in 1993 and in 2001 but not in 1997 when it was an absolute equalizer;
- Other in-kind income in Bulgaria for the entire period.

So, there are work-related income sources that have been less unequally distributed than total household income, that is income sources more important for the poor than for the rich, namely income for agriculture, fringe benefits and income from occasional work in Slovenia, secondary employment and other earnings in Bulgaria, agriculture and self-employment in Romania.

Concentration coefficients of all other work-related income sources as well as those of income from capital and property exceeded the value of Gini coefficients. This shows that in all countries income from employment, capital, and property are less represented in the lower income deciles.

The concentration coefficient of wages and salaries were much higher in Hungary and Romania compared to Slovenia and Bulgaria. However, this result should be cautiously interpreted because wages and salaries in Hungary and Romania are based on gross values. In both countries the magnitude of the concentration coefficient of taxes and social contributions were greater than that of wages and salaries.

Fringe benefits are differently distributed in Slovenia and Hungary. In Slovenia in 1997-99 and 1999-2001 the concentration coefficient for fringe benefits was considerably lower than the concentration coefficient for wages and salaries. In 1999-2001 it reached such a low value (0.219) that was a relative equalizer. The low values in 1997-99 and 1999-2001 can be explained by the fact that fringe benefits in these years also included meal and travel allowances, which are virtually flat benefits, strongly regulated by government. Furthermore, taxation of an important fringe benefit changed. Though vacation allowance was even previously subject to the personal income tax; in 1998 taxation of this fringe benefit increased, as amounts greater than 70% of the average national wage were now taxed also with social security contributions. Understandably, employers refrained from disbursing amounts in excess of the 'recommended' value, which resulted in an even greater 'egalitarian' distribution of fringe benefits.

In Hungary, unlike in Slovenia, the concentration coefficient of gross fringe benefits was similar or larger in magnitude to the coefficient of wages. Meal and clothing allowances are flat benefits also in Hungary, but this is counterbalanced by a special form of fringe benefits, namely refunding for the usage of own cars, which concerns mainly employees with relatively high income.

The concentration coefficient of income from self-employment increased in the first years of transition. After 1993 in Slovenia and Hungary, and after 1995 in Romania and Bulgaria it decreased. However, only in Hungary the trend reversed and increased considerable between 1997 and 2001. In addition, only in Romania the decline was so sharp that income from self-employment has become since 2001 less unequally distributed than total household income.

Income from agriculture makes a big difference. Thus, whereas in Slovenia and Romania agriculture has represented during the entire period relative or absolute income equalizer, in Hungary and Bulgaria income from agriculture enlarge the level of total inequality.

Table 4.3. 1 Changes (compared with the previous survey) in the structure of household income sources by country

Income sources …	Slovenia				Hungary			
	1983	1993	1997-1999	1999-2001	1993	1997	2001	
Wages and salaries	+	+	+	+	+	+	+	
Fringe benefits/ Secondary employment	+	+	+	-	+	++	+	
Self-employment	++	++	+	+	+	+	++	
Agriculture	-	- -	- -	- -	+	+	+	
Others work-related	+	+	-	-	-	- -	-	
Income from capital	+	++	++	++	+++	++	++	
Property sale								
Property income								
Income from property rights	+++	++	+++	+++	+++	+++	+++	
Pensions	-	-	-	-	- -	-	-	
Unemployment benefits	- -	- -	- -	- -	- -	- -	- -	
Other social transfers	- -	- -	- -	- -	-	- -	- -	
Family allowances								
Scholarships								
Intra-Family transfers	+	++	- -	-	+	-	+	
Other in-kind income								
Miscellaneous								

Income sources …	Bulgaria				Romania			
	1992	1995	1998	2002	1995	1997	2001	2002
Wages and salaries	+	-	+	+	+	+	+	+
Fringe benefits/ Secondary employment	+	-	-	-				
Self-employment	+	+	+	+	+	+	-	-
Agriculture	++	+	+	+	-	-	-	-
Others work-related	-	-	-	-				
Income from capital					++	++	++	++
Property sale	+++	++	+	++				
Property income	-	0	+	+				
Income from property rights								
Pensions	- -	-	-	-	-	-	-	-
Unemployment benefits	- -	-	- -	-	- -	- -	- -	- -
Other social transfers	- -	- -	-	-	- -	- -	- -	- -
Family allowances	-	-	-	- -				
Scholarships	- -	- -	-	-				
Intra-Family transfers					+	+	+	+
Other in-kind income	-	-	-	-				
Miscellaneous	-	-	+	+				

Data: Computations based on Tables BG.4.3.1, HU.4.3.1, RO.4.3.1, and SI.4.3.1 (Annex 3). Note: For Hungary and Romania the concentration coefficients of income sources are based on gross values.

Legend: The concentration coefficient of the income source is: '- -' negative; '-' less than Gini coefficient; '0' equal to the Gini coefficient; '+' 100%-199% of the Gini coefficient; '++' 200%-299% of the Gini coefficient; '+++' 300% or more of the Gini coefficient.

The taxation has the most important equalizer effects. In Hungary[14] this coefficient diminished in time, while the average tax and social contribution burden was growing. By contrast, in Romania, the concentration coefficient of taxes and contributions has started to increase after 1997.

The concentration coefficient combined with the income share result in the absolute contribution of the income source to total inequality. Thus, in all four countries, even if income from capital and property have high concentration coefficient their absolute contribution to total inequality is small due to their small income shares.

The main contributors to total inequality were as follows:

- In Bulgaria: wages and salaries from primary employment and income from household plot followed, at large distance, by miscellaneous and other in-kind income for 1992-1995, respectively self-employment in 1998, and pensions in 2001.
- In Hungary: wages and salaries contribute to total inequality almost double than in Bulgaria (mainly because in the case of Hungary we used the gross values) but decreasing. The other income sources have considerable lower contributions. However, the most important were income from self-employment (increasing), followed by pensions but only in 2001.
- In Romania: wages and salaries contribute to total inequality to a large and increasing extent compared to Hungary (also because we used the gross values). Like in Hungary, the other income sources have considerable lower contributions, the most important being income from agriculture (similar to Bulgaria but with a contribution much lower), followed by pensions, and income from self-employment for the period 1995-1997, and remittances for 2001-2002.
- In Slovenia: wages and salaries represented by far the main contributor to total inequality with absolute contributions higher than in Bulgaria. To large distance, followed pensions (increasing and much higher contributions than in the other three countries), fringe benefits (increasing and much larger contribution than in Hungary), and income from self-employment (decreasing).

[14] Income from capital and property rights are taxed separately from other types of income, and their tax rate is lower than the average personal income tax rate, the top 10% of taxpayers pay relatively lower taxes in average then the ninth 10%. (data of the Hungarian Tax Office)

5 Risk of poverty

This section analyses the risk of poverty in the four COMPPRESS countries.

Poverty as compared to others is measured against relative poverty lines, which define poverty relative to national living standards. Relative poverty lines are usually set as a proportion of median or mean material resources of the entire population (poor and non-poor). Definition of the material resources is made either in terms of income or expenditure, either per person or per adult equivalent.

For example, the EU has adopted a poverty line that equals 60 per cent of the median income or expenditure in each country. The rationale for this definition of relative poverty is that people whose living standards (either income or expenditure) fall far below the average are at risk of being excluded from the advantages and benefits considered normal in society. Relative poverty measurement is sensitive to inequality: a rise in inequality will cause the number of people in relative poverty to increase, while a decline in inequality will cause the number of relatively poor people to drop. However, if the poverty line is defined as a percentage of the median income, then changes in the distribution of income among people above the median will affect measured income inequality, but leave the number of people in poverty unchanged.

Economic growth results in rise of household incomes, consequently a drop in the number of poor. On the other hand, rise in inequality results in increasing number of poor. The two factors work in opposite direction so that it is possible that even if in absolute terms many poor would be well off than they have been at the beginning of the economic growth period, in relative terms they would be not. In these sense, relative measure of poverty is weak in reflecting poverty developments over time, particularly during periods of drastic structural changes.

In international comparisons, relative poverty lines are mainly useful regarding the *characteristics* of the worst off individuals in each country. To make comparison possible, most studies determine for each analyzed social group its *relative poverty rate* by country. The relative poverty rate of a certain social group in a given country is calculated by dividing the group rate by the country average rate (or as group rate per cent of the country average rate). A value smaller than one (or 100) indicates that the given social group has a smaller proportion of the poor than the country average. Values larger than one (or 100) indicate social groups with high risk to poverty in the given country.

Table 1 Risk of income-poverty for all population

Poverty line as % of median equivalent household income								
	1983	1993	1997-	1999-	1993	1997	2001	
				2002				
50	5.58	8.94	7.47	3.35 7.41	12.6	5.8 11.0 26.9	12.8	13.7

Source: Tables BG.5.1, HU.5.1, RO.5.1, SI.5.1 (Annex 3).

For the purpose of our analysis, we use as welfare function the household income per adult equivalent (OECD scale). Poverty is measured as the share of persons who live in households with household equivalent income below a given income threshold. We take four income thresholds, namely 40%, 50%, 60% and 70% of median household equivalent income. This poverty incidence, or rather 'risk-of-poverty', is presented in Tables BG.5.1, HU.5.1, RO.5.1, and SI.5.1 (Annex 3).

The risk of poverty for the whole population:

- In Slovenia it has remained remarkably stable. Thus, in 1983, 7.4% of all persons lived in households with equivalent household incomes less than 50% of the median household equivalent income. In 1999-2001 this share increased marginally to 7.7%.
- In Hungary it increased between 1993 and 1997, then between 1997 and 2001 its level stagnated or slightly decreased; only 5% of all persons lived in households with equivalent household incomes less than 50% of the median household equivalent income.
- In Bulgaria, for all poverty lines, the lowest risk of poverty was recorded in 1992. Afterwards, the poverty rates measured against 40% of the median equivalent income have continuously increased. This means that the increase of the poorest population was higher compared to the growth of the poverty among the population receiving higher income. In 2002, 3.35% of the population had incomes below 40% of the median equivalent income, i.e. the poorest people accounted for 3.35% of the total population in Bulgaria.
- In Romania, already in 1995 the poverty rates were high. After 1995, the income poverty risk in Romania decreased to 1997 (as all incomes but also inequality strongly declined) to increase back in 2001 and 2002 to values much higher than in all other countries.
- Notable, poor people from Bulgaria and Romania are poorer than the Slovenian and the Hungarian poor due to the lower median equivalent income in the first two countries compared to the later.

Within the overall trend (stability or increase), the relative improvement or deterioration of the income position of various population subgroups can be observed.

Pensioners improved their income position in Slovenia, Bulgaria and Romania, whereas in Hungary and it was fairly stable. The relative income position of the pensioners, although decay compared to the employees, is close to average in Slovenia and is better than average in the other three countries. Furthermore, in Slovenia the improvement of the pensioner situation was mainly due to the favorable indexation, which was valid till 2000. However, their situation might gradually deteriorate as result of the 1999 Pension reform. This pension reform introduced a less favorable indexation of pensions and also changed considerably the conditions for pension entitlements for new entrants[15].

Elderly dependants (aged 60 and over) had very high (and increasing) risk of poverty in Slovenia. In 1999-2001 some 23% of all elderly dependants lived in households whose equivalent income was less than 50% of median equivalent household income, and 60% belonged to households whose equivalent income was less than 70% of median equivalent household income. The risk of poverty of this social group was also high in Hungary but much lower than in Slovenia. In 2001 only 2.2% of all elderly dependants lived in households whose equivalent income was less than 50% of median equivalent household income, and 36% belonged to households whose equivalent income was less than 70% of median equivalent household income. Moreover, in Hungary almost everybody gets pension above the appropriate age limit and, consequently, this group is very small. Their share within the total population was only 0.3% in 2001.

[15] These changed conditions are of course being introduced gradually.

The income position of children (dependants aged less than 18 years) has deteriorated in Slovenia, Hungary, and Romania. In Slovenia, the children risk of poverty increased only marginally for lower poverty lines (40% and 50% of the median equivalent income) whereas for the higher (60% and 70%) poverty lines it increased more consistently. As result the relative risk of poverty of the Slovenian children is higher than average with regard to the 'shallow' poverty measured against the poverty line of 70% of the median equivalent income.

In Hungary, the risk of poverty of children has considerably increased, mainly because of the drastically worsening living conditions of families having many children. (This is partly connected to the worsening status of the Gipsy population). After 1998 the nominal value of the income-independent family support did not change (the inflation rate in these years was around 10%), but a tax reimbursement was introduced after the children. This reimbursement could be draw on only above a given income level. Thus the risk of poverty of dependants under age 18 increased a little bit further in the period of overall income growth.

In Romania the risk of income-poverty of children has increased to levels much higher than for all population, irrespective the poverty line we consider. Alike in Hungary, this is related to the worsening conditions of families with many children (only marginally connected to the worsening status of the Gypsy population).

Unlike in the other countries, in Bulgaria the income position of children (below 18 years) after a drastic deterioration between 1992 and 1995, it has largely improved. In 2002, children relative risk of poverty was higher than average only with respect to the 'shallow' poverty measured against the 70% of the median equivalent income, which is a characteristic common to Bulgaria and Slovenia.

Unemployed knew the worst situation in all four countries, particularly in the first part of the investigated periods. Only in Bulgaria the unemployed relative income position improved in 2002, while in the other three countries this has worsened. The main causes are the decrease in the share of unemployed receiving benefits, the increasing long-term unemployment, and the decreasing real value of the unemployment benefit.

During the analyzed period, in all four countries, the main risk groups (with relative poverty rates higher than average, see Table 5.1) have been unemployed and the economically dependants. The relative risk of poverty is much higher in Slovenia and Hungary compared to Bulgaria and Romania. For children the relative risk of poverty is much higher in Hungary and Romania compared to Bulgaria and Slovenia.

Table 5. 1 Relative poverty risk of five groups of population

Poverty line as % of median equivalent household income	Unemployed	Dependants age < 18	Dependants age ≥ 18	Dependants age > 60	Pensioners
	Bulgaria (2002)				
40	295	96	*	*	33
50	202	80	*	*	47
60	137	97	*	*	71
70	133	125	*	*	80
	Hungary (2001)				
40	333	156	217	28	50
50	376	166	180	44	48
60	347	164	164	103	56
70	287	151	150	208	69

Table 5.1 (continuation)

Poverty line as % of median equivalent household income	Unemployed	Dependants age < 18	Dependants age ≥ 18	Dependants age > 60	Pensioners
	Romania (2002)				
40	210	156	145	*	38
50	197	148	135	*	50
60	183	138	127	*	62
70	171	130	124	*	73
	Slovenia (1999-2001)				
40	417	85	151	371	110
50	348	95	166	303	103
60	302	104	167	325	102
70	246	110	161	296	100

Source: Computations based on Tables BG.5.1, HU.5.1, RO.5.1, and SI.5.1 (Annex 3). * Not available, the number of cases in the samples is too small.

5.1 Poverty among Roma ethnic-minority in Bulgaria

Roma in Bulgaria are facing numerous social, political, and economic challenges that prevent them from fully integrating into the society and taking part actively in politics. Racial prejudice, poverty, low education levels, sub-standard living conditions, language barriers and other social and economic factors increase the communication and policy gap between the Bulgarian authorities and ethnic Bulgarians on one side, and the Roma population on the other.

Roma economic situation in Bulgaria deteriorated sharply as consequence of the post-communist transition. Roma unemployment rates in the 1990s were far above the country's average. In 1998, for instance, official unemployment among Roma was reputedly between 80 and 90%, while the average unemployment rate in Bulgaria at that time was 16%. During the central planned system a significant share of Roma used to be employed in agriculture. However, with the collapse of the old system and the land restitution these opportunities virtually vanished, contributing to high poverty levels among the Roma in the rural areas.

Some of the unemployed Roma have been engaged in different spheres of the 'shadow economy', but this is sporadic, payments are extremely low and unregulated. The activities are often illegal (e.g. production and bottling of alcohol, trading with currency or stolen goods, drug-selling, etc).

The officers from the social services point out that the officially registered unemployment among the Roma women is lower than the average data on the women's unemployment in the surveyed regions. A significant part of them has not been registered as unemployed because of different reasons like lack of regular address registration, passing from one maternity to another, higher disability, irregular registration with the social services. In addition 66% of the youngest Roma (aged between 17 and 29 years) have never worked and this percentage reaches 77% for the young women in same age group.

As result of the high unemployment, Roma have significantly higher poverty rates compared to the non-Roma population of the country. A World Bank poverty study revealed that, in 1997, more than 84% of Roma in Bulgaria[16] were living in poverty. The study shows that even when controlling for all other socio-demographic factors, Roma

[16] In Romania, Roma situation is similar to the one described for Bulgaria. Roma poverty rate was 80% in 2002. (World Bank, 2003)

households are still likely to consume only two-thirds of that of non-Roma households. A Roma individual is ten times more likely to be poor than an ethnic Bulgarian. Roma household heads are found also to be less educated - over 80% not reaching secondary school, in comparison 35% in non-Roma households. Differences in access to basic services are also evident in the results of the World Bank study, with four Roma households in five lacking access to modern toilets, and only one household in four with access to public sewage. Only one Roma household in ten has access to a telephone. Less than one third of Roma households use upgraded cooking facilities, such as electric or gas stoves, in comparison to three quarters among non-Roma households. Three out of four Roma households are still using coal or wood for cooking, and virtually all households use coal and wood for heating. Roma are more likely to fall through the cracks of the health system than other groups, because they lack necessary identification and registration papers. Lack of information and poor communication with providers has also meant that many Roma are not signed up with primary care physicians.

An UNDP study (2003) shows that income sources for Roma are indicative of the degree to which they are dependent on social assistance. 49% of the respondents in the UNDP survey, conducted among Roma minority in 2002, have social benefits as a source of income during the last 6 months, 39% mention old age pensions, 34% – child-allowances, and 32% subsist on some temporary non-contracted job. Only 22% of the respondents mention work on a regular labor contract as a source of income during the last 6 months and 6% – a regular wage without a labor contract. Most of Roma families who are entitled to receive social benefits can rely only on their child-allowances which are quite miserable, or, if they have this chance – on the pension of some of their old parents.

Therefore social assistance, pensions and occasional job(s) without contract are the main income sources for Roma in Bulgaria. When asked about the material status of their families, 49% define it as poor, 30% miserable, 20% determined it as mean, and hardly 0,6% as rich. Most of those Roma living in poverty and misery are in rural areas - 85%, or they live in a remote region - 89%. Despite the high unemployment rates unemployment benefits are mentioned only by 8.3% as income source and reason for this fact is that most of unemployed Roma are long-term unemployed and are not entitled to unemployment benefits anymore. Concerning employment, it is dominated by occasional job(s) without contract followed by regular wage jobs with a contract. (UNDP, 2003)

Parents have lower education and qualifications and they are facing difficulties in their career development. Family income does not suffice to cover the basic needs. At the same time, more money is needed to cover the specific children's needs such as medicines, heating, textbooks, clothing, shoes, etc. Accordingly to the UNDP study the average income of Roma-families with three and more children hardly reaches 54% of the average income for the country. This fact threatens the large families with social isolation and they are faced with the risk of being excluded from the security system.

Another difficulty in the access to social benefits is related to early marriages. There are many cases when Roma women become mothers before they reach the age of 16. In order to receive child-allowance, the parent (the mother) should legitimize herself but personal identity cards are issued after reaching the age of 16. Technically it is possible for the parents of the teenage mother to receive the allowance on her behalf but the procedure is long and complicated. As a result, maternity benefits and child-allowances are postponed until they get their personal identity card.

The UNDP study among Roma reveals also that 38% of the respondents are constantly starving, 27% live on the starvation line 1-2 days every month and 10% starve 1-2 days during the year. Roma who claimed that they had never starved were 24%. The share of those starving is substantially higher in the villages and small towns than in bigger cities and the capital.

5.2 Absolute and relative income mobility in Hungary

By comparing three static situations in Table HU.2.1 (Annex 3) we investigated the change of the socio-economic status of different population groups presented in Section 2. In Table 3.1 (Section 3) we presented the average real income change of the households. Using the *rotation panels* extracted from the HBS samples (see Annex 1, Hungary) we can partly dynamize and connect together these analyses.

Table 5.2. 1 Changes in real equalized income by population groups, Hungary

Changes in real income	Employees	Self-employed	Unemployed	Pensioners	Persons on paid child-care	Dependant age < 18	Dependant age ≥ 18	All
				1993-1995				
– –	40	47	56	34	67	46	46	41
–	19	11	18	23	16	20	23	20
+	13	9	9	19	6	12	10	14
+ +	28	33	18	25	12	21	21	25
Total	100	100	100	100	100	100	100	100
				1996-1998				
– –	21	50	33	23	43	26	27	25
–	20	7	20	19	17	17	18	19
+	21	9	12	25	13	21	16	21
+ +	37	34	34	33	27	36	40	35
Total	100	100	100	100	100	100	100	100
				1998-2000				
– –	18	33	37	18	25	20	16	20
–	18	9	16	19	14	16	17	17
+	19	18	16	26	22	21	17	21
+ +	45	41	31	37	38	43	50	41
Total	100	100	100	100	100	100	100	100
				1999-2001				
– –	18	33	27	17	34	23	22	20
–	16	12	13	20	22	17	22	18
+	22	8	9	22	8	16	18	19
+ +	44	46	50	41	36	44	38	43
Total	100	100	100	100	100	100	100	100

Source: Author's computation based on household panels extracted from the HHBS, CSO.

Legend: '– –' average real income of the second and third years of the given period is less than 90% of the starting year's real income; '–' between 90 and 100%; '+' between 100 and 110%; '+ +' exceeds 110% of the respective value.

Table 16 presents changes of the real income of different population groups between 1993-1995, 1996-1998, 1998-2000 and 1999-2001. *Persons with occasional income*, the *members of cooperatives* and the *other* population groups are omitted from the analysis, because the size of these groups is too small in sample. The population category always refers to the position in the last year. (That is, in the first sub-table we regard as *employees* those, who were employees in 1995, etc.) To filter the short-term fluctuations we related the *average* real income of the second and third years of the given period to the real income of the starting year.

Between 1993 and 1995 more than 60% of the population was touched by the decrease of their real income. In the case of 40% of the population this decrease was quite large, larger than 10%. The mostly afflicted groups were *persons on paid child-care* (and of

course their family-members) and the *unemployed.* While the average decline of the household income was 13% in this period, almost 40% of the population could increase their income.

Between 1996 and 1998, around the turning point of the household income trend (see Table 3.1, Section 3), the real income decreased in the case of 44% of the population. It is interesting that 50% of the self-employed had to register an income decrease above 10%. It is true in every panel-period that the situation of self-employed is changing exaggeratedly: in most cases their income change is larger than 10% (in both directions). In this period again persons on paid child-care are mostly the losers.

In the next two periods (1998-2000 and 1999-2001), while the average income growth was 8% and 11%, there was a fall in real income of 37%, respectively 38% of the population. This shows that more than one third of the society could not gain from the growing GDP and real income. The downturn of real income affected again mostly the unemployed and persons on paid child-care.

The change of inequalities, and the social effect of that change are closely related to the trends of relative income positions. The question is whether the rise of income inequality, which we showed in Section 4, also meant rising inequality between the same groups of households. From the previous analyses we can conclude that in the case of some groups the answer is yes. Now, we investigate this question further, looking at the changes in relative income positions.

Before interpreting the results shown in Table 5.2.2, we shortly summarize the methodology applied [17]. We ordered the persons in the sample according to the equalized income (regarding also weighting) and normalize the sequence between 0 and 100%. We name this parameter the *relative position* of the person in question. We regard the person immobile at 10% range, if his/her relative position in the period under scrutiny changed less than 10 percentage points on the 0-100% scale.

The share of population relative position of which remained within the 10%-range of their original position from one year to the other, is presented in the first row of Table 5.2.2. The second row of the table shows those, who remained within this 10%-range all along in the 3-years long panel period.

Table 5.2. 2 10%-range relative immobility of household equalized income

1993-1994	1994-1995	1996-1997	1997-1998	1999-2000	2000-2001
46	51	50	50	55	54
27		29		34	

Source: Author's computation based on household panels extracted from the HBS, CSO.

As data in Table 5.2.2 indicate, the relative immobility was increasing between 1993 and 2001. (We could not insert well the partly overlapping 1998-2000 panel into the table. From 1998 to 1999 the relative immobility was 55%, and from 1998 to 2000 it was 34%, the same as from 1999 to 2001). This means that the significant reduction in income and rising inequalities appeared simultaneously with higher mobility. However, in the period of the income growth the relative positions are more and more frozen.

[17] More details can be found in Kapitány-Molnár (2002).

6 Concluding remarks

Large changes in the socio-economic structure of households occurred in the early years of transition in all four countries. In concordance with macro data analyzed in our D13 study, surveys at the household level indicate that in Slovenia, following the creation of an independent state (the Republic of Slovenia) in June 1991 and the transformation shock of 1991-1992, the socioeconomic structure seems to have experienced little further change after 1993. Alike, in Hungary the changes in the socio-economic structure slowed down after the first years of transition. Further important changes occurred, however, after the beginning of the economic growth in 1997. By contrast, in Bulgaria the longer and deeper transition recession resulted in longer periods of change and more drastic changes in the socio-economic structure of households. The recovery is too recent for observing important further changes with a positive trend. In Romania huge transformations of the socio-economic structure happened during the period 1991-1993. After 1995, due to the second economic recession, the social transformations continued with the same negative trends.

The main transformations of the socio-economic structure in all countries have been: decrease of the share of employees, growth in the proportion of self-employed, increase of the proportion of pensioners, hike in the number and share of unemployed, decline in the share of children, and increase in the share of dependants aged 18 years or above.

As result of the changes highlighted above, the share of employed (active earners) in total population is low in all four countries. However, in Slovenia and Hungary after the economy recovered the share of active earners has started to increase, whereas in Bulgaria and Romania the very recent economic recovery has not yet mirrored in employment increase.

In view of the changes in the socio-economic structure of households, re-structuring of the household income sources took also place.

In all countries, *wages and salaries* have represented the main income source as it has retained the greatest share in the total equivalent disposable income of households. The decrease/ increase of the share of employees is not necessarily accompanied by a decline/ expansion of the share of wages and salaries:

The shares of *income from self-employment* are still low, partly due to underreporting, in all countries. Increase of the proportion of self-employed is associated with increase of income from self-employment, except in Slovenia and Romania.

Income from agricultural whereas in Slovenia and Hungary represents a marginal source of income, in Bulgaria and particularly in Romania it has been a major contributor the households welfare.

Pensions represent the second major (third in the case of Romania) source of income in all countries. The sharp increase of the share of pensioners is correlated with increase of the share of pensions:

Capital and property represent insignificant sources of income in all four countries. Their shares in household disposable income had been less than 1% in Slovenia and Romania, respectively less than 2% in Bulgaria and Hungary. Changes in the importance of these income sources in the household budget had also been minor.

According both to quintile ratio and Gini coefficient, during the investigated period, out of the four countries either Bulgaria or Romania were characterized by the highest income inequality, and Hungary by the lowest.

In Slovenia the large increase in inequality in the first years of transition was followed by a decrease and then fairly stable values.

In Hungary, data indicate a stable growth of income inequality between 1993 and 2001.

In Romania, during the second economic recession period (1996-1999) the income inequality decrease as the poverty increased. By contrast, as the economy started to recover (2000-2002) poverty decreased, while the income inequality has increased.

The inequality growth in Bulgaria was very high during the period 1992-1995. After 1995 the income inequality has decreased.

During the analyzed period, in all four countries, the main risk groups (with relative poverty rates higher than average, see Table 5.1) have been unemployed and the economically dependants. The relative risk of poverty is much higher in Slovenia and Hungary compared to Bulgaria and Romania. For children the relative risk of poverty is much higher in Hungary and Romania compared to Bulgaria and Slovenia.

The income portfolio of the poorest is much more diverse and fragmented in Romania and particularly in Bulgaria compared to Slovenia and Hungary. In the later two countries, the poorest make a living based on three sources of income: wages + pensions + other social transfers. Still, while in Slovenia wages had lost importance in favor of social transfers others than pensions, in Hungary wages had gained importance against social transfers, particularly pensions.

In Bulgaria the income portfolio of the poorest changed drastically in time. However, during the entire period these appear atypical being dominated by 'others sources', 'other work-related', 'other social transfers' (than pensions), which at a great extent relate to the informal sector. The access of the poorest Bulgarians to the formal sector of the economy appears rather restricted.

The income portfolio of the Romanian poorest is also formed of more than three sources of income but the major source by far has been agriculture on household plot. Pensions and other social transfers form the second important pillar of the poorest Romanian households. The third pillar consists also in two income sources, namely wages and income from non-agricultural self-employment. The share of wages in the Romanian poorest households is considerable larger when compared to Bulgarians but much lower, and declining, in comparison with the Hungarians and Slovens poorest. Striking is the relatively large, and increasing, importance of the income from self-employed in the portfolio of the poorest. Because their access to the formal labour market has considerable diminished the Romanian poorest has increasingly adopted self-employment as survival strategy.

In all four countries, income from capital and property, wages and salaries, and, except for Romania, income from self-employment is concentrated at the upper side of the income spectrum. At the opposite side, specifically to the bottom and middle-low go income from occasional work, secondary employment (thus sources from work in the informal sector), and, except for Bulgaria, unemployment benefits and other social transfers. Pensions are concentrated in the lower and middle ladders of the income structure in all countries except Bulgaria, where they are concentrated at the top levels. Income from agriculture go the poor in Slovenia and Romania, whereas in Bulgaria and Hungary distribute mainly to the better-off households. The distributions of the other sources of income vary from a country to another.

At the level of all population, social transfers others than pensions represent a minor contributor the household budget. The share of this income source represented only 3-4% of the household disposable income in Bulgaria and Romania in 2002. In the better-off countries this share was bigger, namely 6-7% in 2001. Nevertheless, during transition the four states chose different ways for adjusting their social policies:

- Slovenia increased support for the population until both real GDP and real population income were back to the 1990 base.
- Hungary, instead, after the 'populist' approach adopted in the early '90s (Milanovic, 1998) has continuously diminished the support.

- Bulgaria despite its large share of population in need, particularly unemployed, has implemented a rather 'stingy' social policy by diminishing the support of the population.
- Romania, after the 1995-1997 more 'generous' period meant to compensate the massive lay-offs from industry, reduced the social transfers and put more emphasize on active policy, retraining etc., which are not 'visible' in the households disposable income.

Absolute income equalizers for the entire investigated period after 1990 were only:

- Unemployment benefits in Slovenia, Romania, and particularly in Hungary, where its absolute value is continuously increasing, which means that income from unemployment benefits is more and more concentrated on the poorest;
- Other social transfers in Slovenia and Romania;
- In Bulgaria, scholarships and other social transfers were absolute equalizers but only in 1992-1995;
- Pensions in Bulgaria and Hungary but only in the first years of transition.

Relative income equalizers (income sources more important for the poor than for the rich) were pensions in Slovenia and Romania for the entire period, in Hungary only after 1993 and in Bulgaria after 1992.

There are work-related income sources that have been less unequally distributed than total household income, that is income sources more important for the poor than for the rich, namely income for agriculture, fringe benefits and income from occasional work in Slovenia, secondary employment and other earnings in Bulgaria, agriculture and self-employment in Romania.

Concentration coefficients of all other work-related income sources as well as those of income from capital and property exceeded the value of Gini coefficients. This shows that in all countries income from employment, capital, and property are less represented in the lower income deciles.

The main two contributors to total inequality were wages and salaries (in all countries), followed by income from household plot in Bulgaria and Romania, income from self-employment in Hungary, and pensions in Slovenia.

In conclusion, in spite of the very different social policies implemented in Hungary and Slovenia, the income drop was lower, the inequality rose fewer and the risk of poverty has been considerable smaller compare to the situation from Bulgaria and Romania, countries in which the economic recession was longer and deeper and the social policies protected less the population against income shocks. However, in all four countries, the 'transition losers' look the same, households with unemployed (or 'disguised unemployed' as people making a living by workings their plots) and children.

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8 Annexes

8.1 Annex 1. Description of the surveys used

Bulgaria

For the calculations is used the Bulgarian Household Budget Survey conducted by the National Statistical Institute. The survey's methodology was changed in 1992 and the data before and after this year is not comparable. Thus, our analysis starts from 1992 and does not include information about the per-transition years. It has been made on the basis of the surveys from 1992, 1995, 1998 and 2002.

Only households which have taken part in the sample during the whole year are used in our calculations. For the period 1992 - 1996 these household have participated in the sample 12 months and for the period between 1997 and 2002 – 11 months[18].

The HBS questionnaire gives information on: household composition and socio-demographic characteristics of members; numbers of days at work and absence from work due to illness for all workers in the household; amounts of money and in-kind income by sources; amounts of money and in-kind expenditures by uses; purchased amounts of food products and some non-food goods; goods produced and consumed by the household; and the number, turnover and production from household animals.

The size of the annual HBS sample is 2,508 households from 418 sites for 1988–1992. There were some changes in 1993 and in the middle of 1994 an additional 3600 households from 600 sites were included in the sample.

The method of the survey enquiry is self-recording by a member of the sampled household, combined with an interview. Households record daily information on: all money expenses for food and non-food products, services and other; all money income from wages and salaries, social insurance, sale of produce from household plot and other sources; income in-kind and consumption of food and non-food products; data on the members of the household and changes in the household or its members.

Diaries are kept for a whole year, avoiding problems associated with within-year inflation. Interviewers attend a household at least twice per month. They carry out a detailed interview with members of household and check for completeness and reliability of records in the diary.

Survey concept of income includes seven major sources - earned income, property income, social insurance, social benefits, income from sales, other sources of income, income from loans, credits and savings. Some of these sources, such as income from sales of property, borrowing and saving withdrawals, do not belong to current income. The inclusion of these sources potentially alters income distribution in Bulgaria, as they are typically concentrated in the richest groups. The income unit which corresponds with the income concept employed in the Bulgarian income survey is the household. The household concept adopted in the survey includes one-person households, one family households, and households of more than one family who make common provision for food or other essentials for living. This concept includes salaries and wages in cash and in-kind (excluding social security and private insurance contributions both by employees and employers), net income from self-employment including consumption of own production, income from personal property and investment including imputed rent from

[18] Since 1997 the substitution of the households in the sample has been made not at the beginning of the year but in February.

owner-occupied dwellings, social security and private insurance transfers, minus personal income and property taxes. The Bulgarian survey does not include imputed rents.

Hungary

The study is based on the Hungarian Household Budget Surveys (HBS), which – similarly to the Slovenian HES – contain data on the social and demographic characteristics of household members, household income and expenditure, housing, ownership of consumer durables etc. These surveys are undertaken by the Hungarian Central Statistical Office (HCSO); from 1993 the data are collected on an annual basis. Before 1993 all of the income and large majority of the expenditure data were based only on the two months long household diaries. As we know[19], the usually applied inequality measures when applied on a longer period containing a shorter one, give lower inequality for the longer period. That is, the inequality based on yearly income is necessarily lower than based on monthly one.

This distortion was increased further by the relatively high inflation and the different income structure of different months (relatively high year-end incomes, large costs – consequently large negative income – in some months in agricultural activities, large agricultural income in other months, etc.). Another methodological problem was that the stratified samples in the 80's did not contain all of the social strata (e.g. self-employed). To summarize, the HBS data before and after the transition are not really comparable.

A further methodological change was in 2000, due to the Eurostat harmonization requirements. We have restructured the earlier data according to the new structure.

The surveys contain the data of 7500-9500 households with 18-22000 persons. They do not cover population living in so called institutional households. In the sample the population of the larger cities, the active population and the highly qualified people are underrepresented. Weighting was applied to restore representativity. However, no weighting can solve an important sampling problem of the HBS after the transition. The poorest (e.g. homeless, functional illiterate persons) whom the interviewers could not create contact are missing from the sample. Also missing are the most affluent who often live in separation from society, and refuse to disclose information to the survey.

One third of the households in the survey sample rotate annually, thus theoretically one third of households spend 3 years in the survey. This makes it possible the extract 3 years long rotation panels from the samples, what we have done. Because of the sample deterioration, the real size of the panels is one quarter/sixth of the original sample.

In the study we use the 1993, 1997 and 2001 HBS, and in the case study on income mobility (section 5) we use the 1993-1995, 1996-1998, 1998-2000 and 1999-2001 rotation panels.

Beside the HBS of the HCSO there is another household budget database in Hungary, the Hungarian Household Panel for the period 1991-1997, and the yearly Household Monitor for the subsequent years, prepared by TÁRKI. We have to mention that the income inequality measures calculated on the basis of TÁRKI data are higher than that of the HCSO data. We have decided to use the HBS database, because it fits the structure of our partners' database better, the complementary questionnaire we can apply in the next deliverable of the COMPPRESS project is connected to the HBS survey, and finally there are no other panel data in Hungary for the post 1997 period.

Romania

The information on income and expenditures of households in Romania is derived from two comparable, nationally representative surveys carried out by the National Institute

[19] See Shorrocks (1978)

for Statistics: (i) the Romanian Household Budget Survey (ABF, upon its Romanian acronym) for the period 2001-2002; and (ii) the Integrated Household Survey (AIG) for the period 1995-2000. These two surveys are perfectly comparable (Tesliuc, Pop and Panduru, in World Bank, 2003).

The ABF (AIG) is a multi-purpose nationally representative survey administered by the Romanian National Institute for Statistics (INS) in cooperation with the Ministry of Labor and Social Solidarity, and designed with the technical assistance of the World Bank. The survey was first administered in April 1994, and continued since. The survey aims for an annual sample of 36,000 households, in fact 12 repeated cross-sections of 3,000 households interviewed for one month during the year. Each month, responses are gathered from 2,600-2,800 households out of 3,000 selected households. These households provide detailed information regarding demographics, assets, labor market activities, income, purchases and consumption for that month only. The information is collected using a household questionnaire (administered in three visits by trained interviewers), complemented by a diary. The diary is used to help the household keep track of cash flows: incomes, expenditures, and savings.

Initially, the survey was designed as a rotating panel, with 50 percent of the households interviewed in a given year to be interviewed again the next year. This feature was not respected during implementation. So, households have been interviewed for 2, maximum 3 consecutive years, especially during 1995-1998. Based on these, Tesliuc and Pop established a rotation panel (database of 3,000 households). No panel element was maintained since 2001, with the implementation of the ABF.

The strength of the ABF (AIG) is in measuring monthly current consumption, i.e. household purchases of food, non-food and services, as well as consumption of food out of own production. The food consumption module collects information about the consumption of 104 (83) commodities, using a balance approach. The household reports the initial stock of that commodity, the inflows and outflow during the month, and the final stock. The inflows are split between (the value and quantity of) goods bought *(B*o), quantities produced on-farm, derived from processing, received in gift or in exchange with other commodities. Outflows consist of (the value and quantity of) goods sold, processed, given as gifts, used as farm inputs, exchanged and goods consumed *(C*s) by the members of the household. One can determine consumption out of own production as $Sc = \max(0, Cs - Bo)$, and the amount purchased as food for the household members as $Pr = Cs - Sc$. The non-food module collects information on the purchases of 121 (113) items, mostly as total monthly outlays. Similarly, the services module records information on the value of the monthly purchases of 89 (56) items. The survey does not record the self-consumption of non-food or services. The survey collects information on few durable goods owned by the household.

In the Romanian NIS household survey income data suffer from incomplete measurement. Total income represents a simple aggregation of the cash income with the costs of home production that have been declared in the month when the household was surveyed, which induces seasonality distortions. Nevertheless, data permit calculation of the current monetary disposable income, which includes earnings, income from self-employment, pensions, other social transfers, income from capital and property rights and intrafamily monetary gifts and transfers.

Slovenia

This study is based on the Household Expenditure Surveys (HES), which contain data on the social and demographic characteristics of household members, household income and expenditure, housing, ownership of consumer durables etc. Until 1993, the large surveys (i.e. surveys with larger samples) were undertaken by the Statistical Office of Slovenia at regular five-year intervals. The surveys proved to be of satisfactory quality, as evidenced by numerous comparisons with other relevant data. The methodology changed in 1997, due to Eurostat harmonization requirements, but this had no negative consequences for

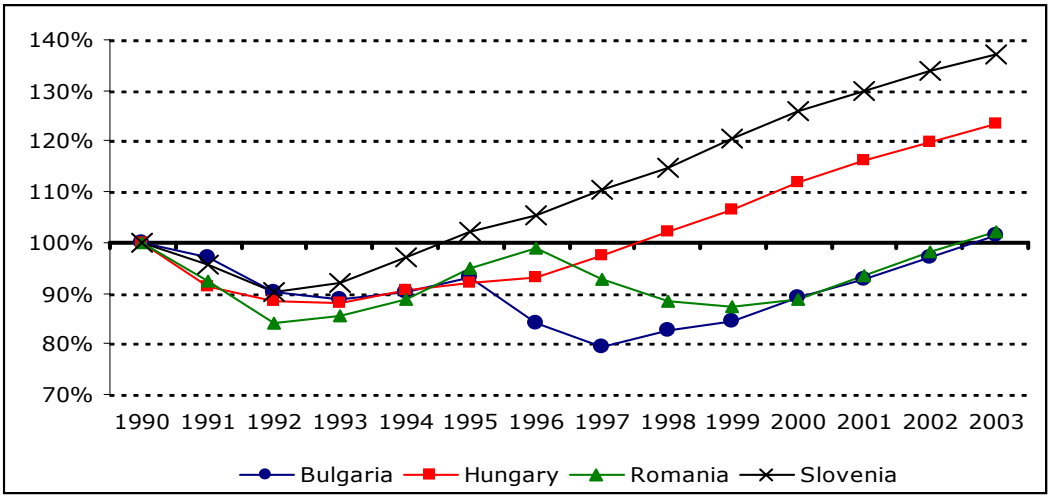
the comparability with previous surveys. However, since 1997 data have been collected on an annual basis; as the new annual samples are smaller than the samples of the previous large surveys, the Statistical Office merges three annual surveys into a unified sample. In our case, the 1997, 1998 and 1999 surveys were merged into the 1997-1999 dataset; this dataset contains 3867 households, which compares favorably with the 1993 sample, which contained 3270 households. Also, the 1999, 2000 and 2001 surveys were merged to form a 1999-2001 dataset; this merged dataset contains 3806 households.

In our study we will use the following datasets: 1983 HES, 1993 HES, 1997-99 HES and 1999-2001 HES. This in fact means that we have one dataset from a pre-transition year (1983), one dataset from the early years of transition (1993) and two datasets from the later years. We have refrained from using the 1988 HES, because it was not of a high quality, due to high inflation and poor survey preparations.

The Slovenian survey does not include data on taxes and social contributions. It also does not include imputed rents. Households are given weights so that to achieve representativity.

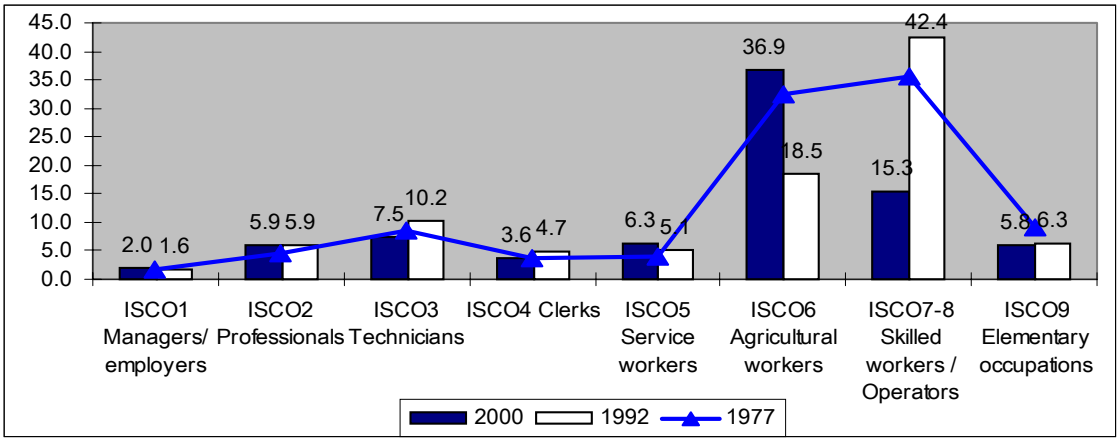
8.2 Annex 2. Some usefull data

Figure 1 Real GDP (1990=100%)



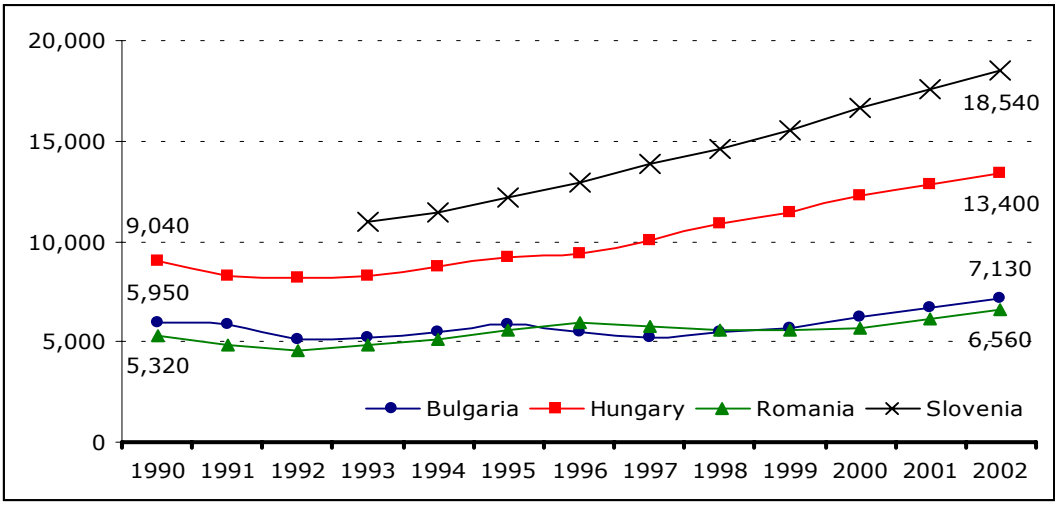
Source: Computations based on UNICEF, TransMONEE Database, Innocenti Social Monitor 2004: 91. Table EBRD (2003); 2003 preliminary data.

Figure 2 Employment by occupational categories (ISCO classification), Romania



Source: Census 1977 and 1992 and the Labour Force Survey, 2000.

Figure 3 GDP per capita (dollars per year in PPPs)



Source: UNICEF, TransMONEE Database, Innocenti Social Monitor 2004: 92. Table World Bank (2004).

8.3 Annex 3. Tables by section and by country

Table BG.2. 1 Horizontal structure of household members, by socio-economic status and income deciles, Bulgaria 1992-2002

Deciles	Employed	Unemployed	Pensioners	Children below 18 years	Total
			1992		
1	16.61	12.50	48.42	22.47	100
2	20.37	4.59	55.74	19.30	100
3	33.44	4.64	37.28	24.64	100
4	36.66	5.46	28.24	29.64	100
5	41.27	4.79	27.82	26.12	100
6	41.41	3.13	28.59	26.88	100
7	41.98	3.09	29.78	25.15	100
5	43.03	3.56	29.72	23.68	100
9	47.74	4.04	24.26	23.95	100
10	48.47	2.14	31.96	17.43	100
Total	37.14	4.78	34.17	23.91	100
			1995		
1	17.49	20.32	31.23	30.97	100
2	20.95	11.53	46.70	20.82	100
3	28.37	11.32	36.45	23.85	100
4	35.59	9.91	27.09	27.41	100
5	40.15	8.59	24.85	26.40	100
6	43.37	6.47	24.22	25.94	100
7	45.71	6.48	21.71	26.10	100
8	44.97	6.36	24.62	24.05	100
9	43.82	4.74	32.35	19.09	100
10	37.38	7.43	42.48	12.71	100
Total	35.84	9.28	31.19	23.70	100
			1998		
1	13.42	25.04	37.10	24.43	100
2	19.85	13.33	46.96	19.85	100
3	26.26	12.02	44.07	17.66	100
4	30.00	9.24	39.09	21.67	100
5	35.59	7.81	37.09	19.52	100
6	37.05	10.27	30.65	22.02	100
7	41.50	7.82	27.22	23.46	100
8	40.24	7.60	27.57	24.59	100
9	43.26	7.34	32.34	17.07	100
10	43.09	7.21	35.15	14.56	100
Total	33.04	10.76	35.73	20.47	100
			2002		
1	18.25	32.73	22.28	26.74	100
2	21.18	19.53	38.24	21.05	100
3	27.46	15.16	36.07	21.31	100
4	30.78	11.90	35.98	21.34	100
5	29.36	12.21	37.59	20.85	100
6	34.94	9.90	32.05	23.11	100
7	35.93	11.34	34.56	18.17	100
8	39.21	8.41	32.97	19.40	100
9	44.19	7.11	32.69	16.01	100
10	45.05	6.04	35.85	13.05	100
Total	32.67	13.4	33.85	20.09	100

Source: Author's computation based on BHBS data, NSI.

Table BG.2. 2 Vertical structure of household members, by socio-economic status and income deciles, Bulgaria 1992-2002

Deciles	Employed	Unemployed	Pensioners	Children below 18 years	Total
1992					
1	4.40	25.41	13.93	9.30	9.83
2	5.57	10.10	16.57	8.13	10.16
3	8.75	9.45	10.61	10.02	9.72
4	9.84	11.40	8.24	12.36	9.97
5	11.14	10.10	8.28	10.93	10.06
6	11.14	6.51	8.24	11.26	9.95
7	11.35	6.51	8.78	10.67	10.08
5	11.68	7.49	8.74	9.89	10.05
9	12.90	8.47	7.10	9.95	10.00
10	13.23	4.56	9.51	7.48	10.17
Total	100	100	100	100	100
1995					
1	4.75	21.33	9.75	12.73	9.74
2	5.84	12.42	14.97	8.78	10.00
3	7.97	12.28	11.75	10.16	10.07
4	9.88	10.63	8.67	11.49	9.95
5	11.12	9.18	7.91	11.05	9.92
6	12.12	6.97	7.76	10.92	10.00
7	12.85	7.04	7.02	11.14	10.09
8	12.63	6.90	7.95	10.22	10.07
9	12.22	5.11	10.37	8.05	10.00
10	10.61	8.14	13.86	5.46	10.18
Total	100	100	100	100	100
1998					
1	4.02	23.06	10.28	11.82	9.90
2	6.06	12.50	13.25	9.78	10.08
3	8.00	11.25	12.42	8.69	10.07
4	8.95	8.47	10.79	10.44	9.86
5	10.76	7.22	10.33	9.42	9.95
6	11.21	9.58	8.61	10.88	10.04
7	12.48	7.22	7.57	11.39	9.93
8	12.21	7.08	7.73	12.04	10.02
9	13.07	6.81	9.03	8.32	9.98
10	13.25	6.81	9.99	7.23	10.16
Total	100	100	100	100	100
2002					
1	5.50	24.05	6.48	13.11	9.85
2	6.47	14.53	11.26	10.44	9.97
3	8.44	11.36	10.70	10.65	10.04
4	9.49	8.90	10.66	10.58	10.02
5	8.94	9.11	11.10	10.44	10.00
6	10.66	7.37	9.44	11.47	9.97
7	11.00	8.50	10.29	9.08	10.04
8	12.17	6.35	9.81	9.76	10.11
9	13.56	5.32	9.68	7.99	10.02
10	13.77	4.50	10.58	6.48	9.98
Total	100	100	100	100	100

Source: Author's computation based on BHBS data, NSI.

Table HU.2. 1 Horizontal structure of household members, by socio-economic status and income deciles, Hungary 1993-2001

Decile	Employees	Members of cooperativ	Self-employed	Persons with occasion income	Unemployed	Pensioners	Persons on paid child-care	Dependant age < 18	Dependant age ≥ 18	Other	All	Active in agriculture
1993												
1	11.9	0.5	1.8	2.0	17.1	23.0	3.9	28.8	9.8	1.2	100	2.7
2	15.2	0.4	2.3	0.9	13.5	30.4	3.8	25.5	6.8	1.3	100	2.9
3	18.8	1.3	3.0	0.4	8.3	34.4	3.3	25.0	4.8	0.8	100	4.2
4	21.8	0.7	2.6	0.5	5.8	35.6	4.0	24.2	4.1	0.7	100	2.5
5	24.5	1.4	2.1	0.2	6.2	30.8	3.3	27.4	3.8	0.3	100	3.8
6	28.5	1.6	2.9	0.3	5.1	28.4	3.5	25.5	3.9	0.4	100	4.1
7	30.9	1.5	3.0	0.2	5.2	26.9	3.3	24.6	4.0	0.5	100	3.8
8	37.9	1.7	2.4	0.2	4.2	22.3	2.6	24.0	4.0	0.7	100	4.0
9	42.3	2.1	3.7	0.1	2.8	19.6	2.5	23.1	3.3	0.6	100	4.3
10	47.7	1.9	4.5	0.2	2.4	14.8	2.8	20.7	4.8	0.3	100	4.5
All	28.3	1.3	2.8	0.5	6.9	26.4	3.3	24.9	4.9	0.7	100	3.7
1997												
1	12.0	0.3	2.6	3.5	18.6	15.1	6.0	31.4	8.9	1.5	100	3.2
2	18.6	0.6	3.1	1.4	9.9	26.0	4.8	28.0	6.5	1.2	100	2.7
3	20.3	0.9	2.3	1.2	6.6	33.6	3.8	23.1	7.4	0.8	100	3.4
4	22.5	0.3	1.7	1.5	5.3	37.4	3.3	21.7	5.7	0.6	100	2.4
5	25.0	0.8	2.3	0.5	4.3	36.4	3.1	22.6	4.6	0.3	100	2.6
6	27.4	0.9	2.4	0.6	4.4	35.4	2.7	21.6	4.3	0.4	100	2.9
7	31.5	0.8	2.3	0.5	2.9	36.2	2.2	18.9	4.6	0.2	100	2.8
8	37.6	1.0	2.2	0.1	1.9	28.4	2.7	20.2	5.7	0.2	100	3.9
9	39.5	1.6	3.9	0.6	2.5	26.5	1.7	17.7	5.4	0.7	100	4.1
10	50.4	1.4	4.9	0.5	2.3	15.0	1.2	16.3	7.7	0.5	100	4.2
All	28.1	0.8	2.8	1.1	6.2	28.6	3.2	22.4	6.1	0.7	100	3.2
2001												
1	12.9	0.0	3.7	2.2	11.2	17.4	6.3	33.3	10.2	2.7	100	2.5
2	20.4	0.3	4.8	1.3	5.3	28.0	3.7	26.4	7.9	2.0	100	3.3
3	21.9	0.1	4.7	1.6	3.8	34.7	3.2	21.3	7.2	1.6	100	2.7
4	24.8	0.2	2.8	1.3	2.8	38.7	3.2	20.2	4.7	1.3	100	2.5
5	28.5	0.2	4.0	0.8	1.5	35.6	2.6	19.2	6.3	1.3	100	2.8
6	31.5	0.7	3.3	0.6	1.8	36.8	2.2	17.6	4.7	0.9	100	3.7
7	34.8	0.4	3.7	0.4	1.3	34.2	1.7	17.9	5.4	0.3	100	2.2
8	38.9	0.2	5.0	1.1	1.0	29.2	2.2	17.0	5.2	0.4	100	2.5
9	44.5	0.6	5.5	0.5	1.6	23.6	1.4	17.0	5.0	0.3	100	3.0
10	46.6	0.2	11.3	0.4	0.5	16.3	2.1	15.8	6.5	0.3	100	5.2
All	30.0	0.3	4.8	1.1	3.3	29.1	3.0	20.9	6.4	1.2	100	3.0

Source: Author's computation based on HHBS data, CSO.

Table RO.2. 1 Horizontal structure of household members, by socio-economic status and income deciles, Romania 1995-2002

Decile	Employees	Self-employed non-agriculture	Self-employed in agriculture	Unemployed	Pensioners	Others (mostly dependant s age < 18)	Others (mostly dependants age ≥ 18	All
1995								
1	7.5	2.7	20.4	9.6	13.1	34.3	12.2	100
2	14.4	1.4	15.8	8.5	17.9	30.6	11.4	100
3	19.2	1.2	12.7	7.7	21.4	26.9	10.9	100
4	23.6	1.1	11.0	6.6	24.0	24.8	8.9	100
5	27.4	1.3	8.6	5.1	25.2	23.7	8.7	100
6	31.6	1.0	6.8	4.1	27.0	21.5	7.9	100
7	35.2	1.1	5.8	3.6	26.4	21.2	6.6	100
8	41.2	1.3	4.5	2.9	22.8	20.5	6.7	100
9	47.4	1.8	4.1	2.7	17.8	19.8	6.4	100
10	50.9	3.7	4.7	1.7	14.2	18.4	6.4	100
All	28.6	1.7	10.0	5.5	20.8	24.7	8.8	100
1997								
1	8.4	2.9	20.1	10.8	11.1	33.0	13.7	100
2	15.4	1.7	15.7	7.7	18.0	28.3	13.2	100
3	20.7	1.6	11.7	6.6	21.9	25.9	11.6	100
4	24.2	1.4	9.7	5.5	24.2	24.2	10.9	100
5	28.6	1.3	7.4	4.5	25.9	22.9	9.4	100
6	31.1	1.4	6.5	3.6	26.5	22.1	8.8	100
7	35.5	1.4	5.7	3.2	26.7	20.4	7.1	100
8	38.8	1.5	4.2	2.8	26.0	19.8	6.9	100
9	43.5	1.5	4.3	2.0	23.5	18.8	6.5	100
10	47.4	3.7	4.9	1.9	16.0	18.6	7.5	100
All	28.2	1.8	9.5	5.1	21.6	23.9	9.8	100
2001								
1	4.3	4.0	23.0	12.2	11.6	32.6	12.3	100
2	8.9	2.7	18.5	9.4	21.8	26.1	12.5	100
3	14.0	2.1	14.0	9.0	24.8	24.2	11.8	100
4	17.9	2.2	10.1	8.0	28.2	22.4	11.3	100
5	22.2	1.8	8.4	7.2	30.0	20.1	10.3	100
6	26.9	2.0	6.4	5.9	30.9	18.8	9.1	100
7	31.3	2.0	5.5	4.8	29.4	18.4	8.5	100
8	37.5	1.6	4.5	3.2	26.9	18.1	8.2	100
9	42.0	1.9	3.9	3.0	23.6	17.4	8.1	100
10	50.5	3.3	3.2	1.8	16.8	16.4	8.1	100
All	24.3	2.4	10.4	6.7	24.0	21.9	10.2	100
2002								
1	3.8	4.7	21.6	11.9	11.5	32.7	13.9	100
2	9.2	3.0	19.6	9.2	22.0	25.6	11.4	100
3	14.6	2.6	14.0	8.0	25.6	23.4	11.8	100
4	19.2	2.4	10.5	6.6	28.1	21.8	11.3	100
5	22.6	2.3	8.8	5.9	29.8	20.4	10.3	100
6	26.9	1.8	7.2	4.8	30.6	19.5	9.2	100
7	32.2	1.5	5.4	3.5	29.2	19.0	9.2	100
8	36.3	1.9	4.0	2.6	28.9	18.1	8.1	100
9	43.5	2.3	3.3	2.2	22.8	18.1	7.7	100
10	52.3	3.8	3.6	1.5	15.1	16.2	7.5	100
All	24.7	2.7	10.5	6.0	24.0	22.0	10.2	100

Source: Author's computation based on AIG/ABF data, NIS.

Note: Members of cooperatives and persons with occasional income from agricultural activities (insignificant figures) are included among self-employed in agriculture. Persons on paid child-care are not reported.

Table RO.2. 2 Vertical structure of household members, by socio-economic status and income deciles, Romania 1995-2002

Decile	Employees	Self-employed non-agriculture	Self-employed in agriculture	Unemployed	Pensioners	Others (mostly dependant s age < 18)	Others (mostly dependants age ≥ 18	All
1995								
1	3.2	19.9	25.2	21.5	7.7	17.1	17.0	12.3
2	5.7	9.7	17.8	17.5	9.7	14.0	14.5	11.3
3	7.1	7.3	13.4	14.8	10.8	11.5	13.1	10.6
4	8.3	6.8	11.1	12.0	11.6	10.1	10.1	10.0
5	9.4	7.7	8.5	9.1	11.9	9.5	9.7	9.8
6	10.3	5.8	6.4	7.0	12.1	8.1	8.3	9.3
7	11.5	6.3	5.4	6.1	11.9	8.0	7.0	9.4
8	13.5	7.4	4.3	4.9	10.3	7.8	7.1	9.4
9	15.3	9.9	3.8	4.5	7.9	7.4	6.7	9.2
10	15.6	19.1	4.1	2.7	6.0	6.5	6.3	8.7
All	100	100	100	100	100	100	100	100
1997								
1	3.7	19.4	26.3	26.3	6.4	17.3	17.5	12.5
2	6.1	10.5	18.5	16.7	9.4	13.3	15.1	11.2
3	7.6	9.2	12.7	13.4	10.5	11.3	12.3	10.4
4	8.6	7.5	10.2	10.8	11.2	10.2	11.2	10.0
5	9.9	6.9	7.5	8.6	11.6	9.3	9.4	9.7
6	10.5	7.1	6.5	6.6	11.7	8.8	8.6	9.5
7	11.8	6.9	5.6	5.8	11.6	8.0	6.8	9.4
8	12.7	7.3	4.0	5.1	11.1	7.7	6.5	9.2
9	14.0	7.4	4.1	3.5	9.9	7.1	6.0	9.1
10	15.0	17.9	4.6	3.2	6.6	6.9	6.8	8.9
All	100	100	100	100	100	100	100	100
2001								
1	2.2	20.9	28.2	23.2	6.2	19.0	15.5	12.8
2	4.0	12.2	19.4	15.1	9.9	13.0	13.4	10.9
3	5.9	9.0	13.8	13.7	10.6	11.3	11.9	10.3
4	7.3	9.2	9.6	11.8	11.7	10.1	11.0	9.9
5	8.8	7.2	7.8	10.3	12.0	8.8	9.7	9.6
6	10.3	7.7	5.7	8.1	12.0	8.0	8.3	9.3
7	12.3	7.8	5.1	6.8	11.7	8.0	8.0	9.5
8	14.5	6.3	4.1	4.4	10.6	7.8	7.6	9.4
9	16.0	7.4	3.5	4.1	9.1	7.3	7.4	9.2
10	18.7	12.3	2.8	2.4	6.3	6.7	7.2	9.0
All	100	100	100	100	100	100	100	100
2002								
1	2.0	22.4	26.9	26.0	6.2	19.3	17.6	13.0
2	4.0	12.2	20.3	16.7	9.9	12.6	12.1	10.8
3	6.1	9.8	13.8	13.8	11.0	10.9	11.8	10.3
4	7.7	8.9	9.9	11.0	11.6	9.8	10.9	9.9
5	8.9	8.3	8.1	9.5	12.0	8.9	9.7	9.7
6	10.3	6.4	6.5	7.6	12.1	8.4	8.5	9.5
7	12.4	5.3	4.9	5.7	11.6	8.3	8.6	9.5
8	13.7	6.7	3.6	4.1	11.2	7.7	7.4	9.3
9	16.4	7.8	3.0	3.5	8.9	7.7	7.0	9.3
10	18.4	12.2	3.0	2.2	5.5	6.4	6.4	8.7
All	100	100	100	100	100	100	100	100

Source: Author's computation based on AIG/ABF data, NIS.

Note: Members of cooperatives and persons with occasional income from agricultural activities (insignificant figures) are included among self-employed in agriculture. Persons on paid child-care are not reported.

Table SI.2. 1 Horizontal structure of household members, by socio-economic status and income deciles, Slovenia 1983-2001

Decile	Employees	Active in agriculture	Active in other occupations	Persons with occasion income	Unemployed	Pensioners	Dependant s age < 18	Dependants age ≥ 18	Others	All
1983										
1	14.1	16.6	0.6		0.8	19.6	24.4	22.6	1.4	100
2	25.7	7.4	0.3		0.6	22.1	25.6	17.4	0.8	100
3	33.6	6.2	0.3		0.6	17.9	27.0	13.8	0.6	100
4	40.0	3.4	0.1		0.2	16.8	29.2	9.7	0.6	100
5	44.8	2.4	0.0		0.3	13.5	28.1	9.7	1.1	100
6	45.9	3.0	0.5		0.3	14.0	27.8	7.5	0.9	100
7	50.0	1.7	0.5		0.0	13.6	25.6	7.9	0.8	100
8	53.5	1.3	1.3		0.2	11.7	25.7	6.0	0.3	100
9	53.7	2.5	1.5		0.0	13.2	22.2	6.4	0.5	100
10	56.8	2.6	3.6		0.0	12.4	17.8	6.1	0.6	100
All	41.7	4.7	0.8		0.3	15.5	25.5	10.7	0.8	100
1993										
1	13.9	8.6	0.6	1.8	11.4	26.3	21.6	13.3	2.5	100
2	23.9	4.5	0.8	0.5	8.4	24.6	24.8	10.6	1.9	100
3	29.6	2.2	0.6	0.9	6.2	26.3	24.5	9.4	0.2	100
4	34.5	2.8	1.3	0.9	4.6	20.2	26.6	8.4	0.8	100
5	37.8	2.4	0.9	0.5	5.7	19.5	25.6	7.0	0.7	100
6	39.1	1.8	1.5	0.6	4.8	23.8	21.6	6.2	0.6	100
7	38.7	0.9	2.1	0.9	3.6	23.9	22.8	6.4	0.7	100
8	44.8	0.6	2.9	0.3	2.3	21.7	21.6	5.5	0.3	100
9	42.5	1.1	5.5	0.7	3.0	18.2	22.0	6.1	1.1	100
10	46.9	1.0	7.2	1.2	1.8	15.0	20.9	5.6	0.3	100
All	35.2	2.5	2.3	0.8	5.2	21.9	23.3	7.8	0.9	100
1997-1999										
1	12.2	0.9	4.6	0.2	21.5	21.2	23.2	14.1	2.2	100
2	20.3	0.3	5.7	0.3	13.5	22.8	23.9	13.0	0.3	100
3	26.5	0.2	3.7	0.7	8.3	24.6	23.0	12.6	0.4	100
4	33.7	0.0	3.6	0.5	6.4	21.8	23.9	9.6	0.5	100
5	35.0	0.3	4.6	0.4	6.2	21.2	23.1	9.2	0.2	100
6	38.0	0.1	3.6	0.5	4.0	25.2	20.8	7.6	0.2	100
7	41.2	0.0	3.3	0.4	4.0	22.6	20.7	7.6	0.1	100
8	45.4	0.0	4.6	0.2	3.1	21.0	187.7	7.1	0.0	100
9	47.5	0.0	3.4	0.3	2.0	23.0	17.6	6.1	0.2	100
10	50.1	0.0	5.6	0.6	1.2	23.0	12.8	6.7	0.0	100
All	34.8	0.2	4.3	0.4	7.1	22.6	20.9	9.4	0.4	100
1999-2001										
1	10.2	0.5	6.3	0.5	21.1	23.9	18.5	17.9	1.3	100
2	20.7	0.3	5.2	0.3	12.1	22.1	23.9	14.8	0.5	100
3	30.8	0.5	3.5	0.5	6.8	20.0	24.4	12.9	0.5	100
4	31.4	0.2	4.2	0.2	6.7	22.1	23.6	11.4	0.3	100
5	36.4	0.0	4.1	0.7	5.3	22.3	22.4	8.6	0.2	100
6	38.3	0.1	3.7	0.3	4.0	25.6	19.9	7.8	0.1	100
7	42.8	0.0	3.0	0.3	3.3	24.1	19.4	7.1	0.0	100
8	46.2	0.0	3.3	0.5	2.8	24.3	15.8	7.0	0.0	100
9	49.9	0.0	3.6	0.2	1.8	22.6	15.7	6.1	0.0	100
10	50.9	0.0	5.6	0.5	0.9	22.3	11.9	8.0	0.0	100
All	35.7	0.2	4.2	0.4	6.4	22.9	19.7	10.1	0.3	100

Source: Author's computation based on HES data, SOS.

Table BG.3. 1 Distribution of income sources across income deciles (vertical structure of income sources), Bulgaria 1992-2002

						1992					
Decile	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**Total**
Primary employment	0.00	0.00	0.02	0.02	0.05	0.20	0.43	3.76	13.90	81.63	100
Secondary employment	2.38	20.51	13.91	9.83	5.54	7.74	6.30	9.26	0.00	24.54	100
Other earnings	0.40	6.84	14.50	20.65	21.87	8.37	10.03	8.13	1.59	7.63	100
Entrepreneurship	0.19	0.40	0.86	1.16	3.06	4.41	8.87	23.17	26.66	31.24	100
Property income	0.70	2.07	3.87	6.90	7.75	13.57	13.76	32.46	18.91	0.00	100
Unemployment benefits	0.07	1.05	2.47	4.88	7.44	16.15	32.08	23.34	0.00	12.52	100
Pensions	0.00	0.01	0.01	0.02	0.05	0.37	3.13	15.80	59.31	21.29	100
Family allowances	0.17	0.30	0.87	3.19	14.61	37.42	41.34	2.12	0.00	0.00	100
Other social benefits	2.61	4.28	6.75	8.35	9.36	13.61	27.85	25.07	2.12	0.00	100
Scholarships	0.31	0.64	6.68	7.97	14.91	31.07	29.91	8.50	0.00	0.00	100
Property sale	0.43	0.54	0.86	1.78	3.06	6.92	10.82	20.95	16.52	38.14	100
Miscellaneous	1.27	2.32	3.47	5.41	9.41	13.26	19.65	21.85	12.95	10.41	100
Household plot	0.03	0.07	0.08	0.22	0.52	1.65	3.80	13.43	22.92	57.30	100
Other in-kind income	0.51	0.97	1.88	3.27	6.98	14.42	24.93	32.93	8.57	5.55	100
Total	4.09	5.42	6.48	7.43	8.47	9.48	10.72	12.33	14.41	21.17	100
						1995					
Primary employment	0.01	0.01	0.01	0.06	0.08	0.37	1.49	8.07	16.56	73.33	100
Secondary employment	2.04	9.01	3.98	15.60	8.31	31.88	15.70	13.49	0.00	0.00	100
Other earnings	0.32	8.33	17.33	9.83	17.52	8.37	10.66	12.86	9.22	5.56	100
Entrepreneurship	0.19	0.60	0.72	1.57	2.42	6.40	12.79	17.80	18.77	38.75	100
Property income	0.85	2.07	2.78	6.62	7.61	14.09	20.70	23.70	11.40	10.20	100
Unemployment benefits	0.68	1.77	2.32	8.72	15.41	31.04	32.72	7.34	0.00	0.00	100
Pensions	0.01	0.01	0.02	0.06	0.14	1.04	6.40	20.47	62.28	9.58	100
Family allowances	0.81	2.87	5.56	26.56	36.82	27.06	0.33	0.00	0.00	0.00	100
Other social benefits	3.06	4.67	4.13	8.26	10.19	23.70	32.55	10.20	3.26	0.00	100
Scholarships	3.48	7.31	2.52	14.64	20.01	21.59	20.39	10.06	0.00	0.00	100
Property sale	0.40	0.67	0.59	1.47	2.01	5.73	10.63	17.68	13.95	46.87	100
Miscellaneous	1.47	2.37	2.93	6.36	8.63	15.73	21.95	21.11	10.14	9.32	100
Household plot	0.03	0.07	0.06	0.19	0.33	1.30	3.46	7.78	11.12	75.66	100
Other in-kind income	0.56	0.88	1.11	3.25	5.56	14.50	25.89	28.86	11.41	7.98	100
Total	3.54	4.88	5.79	6.74	7.82	9.07	10.54	12.36	15.12	24.13	100

Table BG.3.1 (continuation)

						1998					
Decile	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**Total**
Primary employment	0.00	0.00	0.01	0.07	0.18	0.51	1.39	6.98	14.90	75.97	100
Secondary employment	0.15	1.59	2.38	9.29	22.68	18.87	11.27	0.00	33.78	0.00	100
Other earnings	2.65	9.22	12.40	3.64	6.13	7.87	13.66	16.24	16.15	12.04	100
Entrepreneurship	0.06	0.06	0.25	0.62	1.55	1.90	6.69	15.52	18.72	54.64	100
Property income	0.61	0.87	1.36	4.74	5.90	13.06	20.08	15.25	10.10	28.04	100
Unemployment benefits	0.28	0.72	2.29	5.27	14.39	30.67	29.75	13.05	3.58	0.00	100
Pensions	0.00	0.01	0.03	0.09	0.31	1.74	6.45	20.30	47.42	23.65	100
Family allowances	0.85	1.40	7.31	40.94	45.56	3.95	0.00	0.00	0.00	0.00	100
Other social benefits	1.66	2.73	5.89	11.71	16.86	19.46	23.53	8.98	1.51	7.68	100
Scholarships	2.69	3.82	7.91	11.19	15.56	23.19	35.64	0.00	0.00	0.00	100
Property sale	0.34	0.29	0.77	2.40	4.78	6.91	13.95	16.08	19.54	34.96	100
Miscellaneous	0.55	0.81	1.61	4.47	8.37	17.59	16.14	20.39	13.98	16.10	100
Household plot	0.03	0.04	0.09	0.27	0.77	2.53	5.53	11.66	19.48	59.60	100
Other in-kind income	0.35	0.43	0.90	3.46	8.05	17.28	28.85	24.58	12.42	3.68	100
Total	3.80	5.17	6.24	7.24	8.20	9.36	10.76	12.41	14.79	22.03	100
						2002					
Primary employment	0.00	0.01	0.03	0.03	0.11	0.31	1.63	7.16	19.46	71.26	100
Secondary employment	1.29	8.94	6.22	10.98	72.58	0.00	0.00	0.00	0.00	0.00	100
Other earnings	0.03	4.10	9.80	17.25	22.00	9.64	10.55	10.52	8.30	7.82	100
Entrepreneurship	0.05	0.28	0.35	0.39	0.66	1.21	4.37	12.09	23.22	57.39	100
Property income	0.30	1.07	1.37	1.33	3.82	5.33	16.34	17.49	22.47	30.47	100
Unemployment benefits	0.27	0.88	1.70	2.92	3.33	6.71	24.89	36.16	17.08	6.08	100
Pensions	0.01	0.03	0.05	0.09	0.17	0.86	3.88	15.34	41.12	38.46	100
Family allowances	8.09	12.65	18.09	17.59	33.48	10.11	0.00	0.00	0.00	0.00	100
Other social benefits	1.33	4.18	5.12	6.56	8.48	15.64	26.17	13.11	1.08	18.35	100
Scholarships	1.69	10.81	12.33	2.30	12.03	5.16	19.55	36.14	0.00	0.00	100
Property sale	0.55	1.08	1.40	2.20	3.44	11.54	19.25	23.89	15.05	21.60	100
Miscellaneous	0.62	2.12	2.28	3.11	5.65	12.25	18.70	24.85	12.74	17.67	100
Household plot	0.17	0.38	0.59	0.74	1.16	3.24	6.35	12.45	20.43	54.49	100
Other in-kind income	0.76	1.68	2.30	2.95	5.27	15.75	25.98	24.85	12.28	8.19	100
Total	3.98	5.45	6.36	7.27	8.25	9.27	10.58	12.22	14.68	21.92	100

Source: Author's computations based on BHBS data, NSI.

Table BG.3. 2 Structure of household income sources by income deciles (horizontal structure of income sources), Bulgaria 1992-2002

					1992						
Decile	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**Total**
Primary employment	0.78	0.33	0.92	0.69	0.96	2.33	2.88	12.28	22.51	62.47	39.87
Secondary employment	5.98	16.53	6.73	2.99	1.05	0.87	0.41	0.29	0.00	0.18	4.43
Other earnings	5.67	32.07	39.99	36.98	23.70	5.36	3.73	1.46	0.14	0.32	2.10
Entrepreneurship	2.54	1.73	2.23	1.94	3.16	2.65	3.10	4.49	1.93	1.23	2.20
Property income	1.11	1.06	1.18	1.36	0.87	0.96	0.56	0.64	0.19	0.00	0.20
Unemployment benefits	0.23	1.00	1.58	2.97	3.03	3.34	2.66	0.65	0.00	0.05	0.60
Pensions	0.22	0.62	0.22	0.41	0.52	2.22	10.85	26.40	49.14	8.33	16.00
Family allowances	2.19	1.29	2.20	5.26	14.59	22.08	14.17	0.35	0.00	0.00	2.50
Other social benefits	20.75	10.76	10.19	8.29	5.53	4.79	5.69	2.47	0.10	0.00	1.40
Scholarships	0.30	0.20	1.25	0.97	1.09	1.35	0.75	0.10	0.00	0.00	0.20
Property sale	11.24	4.47	4.29	5.57	6.00	8.02	7.29	6.81	2.66	2.90	1.10
Miscellaneous	26.21	15.40	13.83	13.87	14.66	12.16	10.46	5.61	1.65	0.63	8.20
Household plot	4.04	3.02	2.09	3.73	5.43	10.20	13.67	23.30	19.72	23.29	16.50
Other in-kind income	18.73	11.52	13.31	14.99	19.41	23.68	23.77	15.15	1.95	0.60	4.70
Total	100	100	100	100	100	100	100	100	100	100	100
					1995						
Primary employment	0.90	0.52	0.52	1.58	1.27	3.46	7.28	20.26	24.33	47.71	37.96
Secondary employment	0.33	0.45	0.12	0.32	0.11	0.25	0.06	0.03	0.00	0.00	0.04
Other earnings	5.72	46.25	59.80	22.37	25.86	7.20	4.81	2.99	1.26	0.34	3.00
Entrepreneurship	2.96	2.86	2.14	3.08	3.08	4.76	4.98	3.57	2.21	2.02	2.90
Property income	3.14	2.41	2.01	3.16	2.36	2.54	1.96	1.16	0.33	0.13	0.60
Unemployment benefits	1.33	1.09	0.89	2.20	2.53	3.13	1.56	0.19	0.00	0.00	0.40
Pensions	0.71	0.32	0.38	0.79	1.24	5.32	17.20	28.38	50.49	3.44	14.40
Family allowances	5.03	5.55	6.67	21.03	18.91	8.10	0.05	0.00	0.00	0.00	1.40
Other social benefits	14.57	6.97	3.83	5.04	4.04	5.48	3.95	0.64	0.12	0.00	0.97
Scholarships	0.62	0.41	0.09	0.33	0.30	0.19	0.09	0.02	0.00	0.00	0.03
Property sale	11.04	5.70	3.12	5.15	4.57	7.58	7.38	6.33	2.92	4.35	0.90
Miscellaneous	25.16	12.70	9.74	13.96	12.29	13.05	9.57	4.74	1.33	0.54	9.80
Household plot	5.40	3.38	1.78	3.76	4.32	9.86	13.84	16.02	13.39	40.35	21.53
Other in-kind income	23.09	11.40	8.91	17.22	19.13	29.09	27.26	15.66	3.62	1.12	6.07
Total	100	100	100	100	100	100	100	100	100	100	100

Table BG.3.2 (continuation)

					1998						
Decile	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**Total**
Primary employment	0.17	0.14	0.36	1.74	2.58	4.06	6.16	16.91	21.76	53.40	40.06
Secondary employment	0.03	0.14	0.13	0.29	0.38	0.17	0.06	0.00	0.06	0.00	0.04
Other earnings	44.79	67.13	53.38	9.02	8.29	5.81	5.58	3.63	2.18	0.78	3.20
Entrepreneurship	1.03	0.47	1.18	1.71	2.32	1.56	3.04	3.86	2.81	3.94	4.30
Property income	3.05	1.87	1.74	3.48	2.37	2.86	2.43	1.01	0.40	0.54	0.80
Unemployment benefits	0.56	0.63	1.19	1.57	2.34	2.72	1.46	0.35	0.06	0.00	0.50
Pensions	0.37	0.68	0.99	1.58	3.02	9.10	18.72	32.24	45.43	10.90	17.30
Family allowances	3.34	2.36	7.30	23.52	14.29	0.68	0.00	0.00	0.00	0.00	1.00
Other social benefits	8.33	5.91	7.54	8.63	6.78	5.17	2.37	0.60	0.06	0.15	0.97
Scholarships	0.45	0.28	0.48	0.39	0.48	0.06	0.09	0.00	0.00	0.00	0.03
Property sale	6.96	2.56	4.07	7.31	7.96	6.27	7.02	4.42	3.24	2.79	0.30
Miscellaneous	12.56	8.04	9.41	15.07	15.38	17.65	8.97	6.20	2.56	1.42	10.80
Household plot	3.58	2.00	2.65	4.46	6.83	12.30	14.90	17.17	17.30	25.48	14.70
Other in-kind income	14.76	7.79	9.60	21.24	26.98	31.59	29.21	13.61	4.15	0.59	6.00
Total	100	100	100	100	100	100	100	100	100	100	100
					2002						
Primary employment	0.28	0.65	0.88	0.71	1.51	2.66	7.46	17.27	26.92	47.86	37.39
Secondary employment	0.07	0.14	0.06	0.07	0.00	0.00	0.00	0.05	0.00	0.00	0.01
Other earnings	0.61	28.36	40.75	49.99	41.75	11.20	6.53	3.43	1.55	0.71	4.30
Entrepreneurship	0.59	1.00	0.85	0.87	0.94	1.84	1.67	3.19	3.91	4.33	4.30
Property income	1.30	1.33	1.02	0.69	1.30	1.11	1.81	1.02	0.75	0.49	0.60
Unemployment benefits	1.16	1.11	1.30	1.55	2.11	3.64	2.82	2.16	0.23	0.06	0.80
Pensions	0.99	1.10	1.23	1.53	1.77	5.56	13.44	27.96	42.98	19.52	20.10
Family allowances	15.86	7.19	6.18	4.18	5.22	0.96	0.00	0.00	0.00	0.00	0.50
Other social benefits	9.57	8.75	8.22	4.47	4.85	5.47	4.88	1.29	0.06	0.50	1.56
Scholarships	0.44	0.81	0.55	0.07	0.25	0.06	0.13	0.00	0.07	0.00	0.04
Property sale	8.06	4.82	3.68	4.05	4.26	8.45	7.56	4.94	1.78	1.24	0.50
Miscellaneous	16.25	15.88	10.30	9.78	11.58	15.39	12.56	8.79	2.58	1.74	10.20
Household plot	18.11	11.77	10.85	9.44	9.74	16.69	17.42	17.98	16.91	21.90	14.58
Other in-kind income	26.73	17.11	14.12	12.60	14.73	26.97	23.71	11.94	2.26	1.64	5.12
Total	100	100	100	100	100	100	100	100	100	100	100

Source: Author's computations based on BHBS data, NSI.

Table HU.3. 1 Distribution of income sources across income deciles (vertical structure of income sources), Hungary 1993-2001

					1993						
Decile	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**All**
Salaries and wages	1.9	3.4	4.5	5.7	7.2	8.4	10.5	12.8	16.9	27.2	100
Fringe benefits	1.6	2.6	4.2	5.4	6	7.1	9.5	13.9	17.5	30.6	100
Unemployment benefits	18.4	18.3	13.7	9.6	9.3	7.5	8.4	7.4	4.4	4.5	100
Pensions	6.4	9.8	11.4	12.1	11.1	11.1	11	9.7	9.7	7.7	100
Other social transfers	11	10.8	10	9.6	10.1	10.1	9.5	10.1	9.2	9.7	100
Income from occasional work	18.8	8.8	6.8	5.3	6.5	9.9	4.9	8.2	13	18	100
Income from agriculture	3.6	5.1	5.4	7.2	9.6	10.3	11.5	13.6	14.4	17.9	100
Self-employment income	2.1	4.4	6.8	7.3	4.4	9.1	7.9	12.1	16	28.9	100
Income from capital	0.2	0.8	0.7	3.5	3	1.8	4.2	10.8	20.5	53.4	100
Income from property rights	1	1	0.9	2.1	1.9	2.9	5.1	7.4	10.8	66.9	100
Family transfers, inflow	4.5	5.4	6.6	5.6	8.4	8.9	8.4	10.3	14.3	26.9	100
Gross income	4.3	5.8	6.6	7.4	8.2	9	10.2	11.7	14.2	21.7	100
Family transfers, outflow	8.1	7.2	6.7	8	8.5	8.5	10.4	10.8	12	19.1	100
Taxes and social contributions	1.4	2.5	3.6	4.7	6.1	7.6	9.7	12.7	18.1	31.9	100
Net income	4.7	6.4	7.2	7.9	8.6	9.4	10.3	11.6	13.5	19.7	100
					1997						
Salaries and wages	2.2	4.3	5.1	5.8	7.2	8.5	9.8	13.3	16.2	29.5	100
Fringe benefits	2.5	3.6	6.4	5	5.3	6.1	8.6	12.4	18.1	33.8	100
Unemployment benefits	26.5	17.4	9.6	8.6	8	6.5	5.8	4.3	4.5	4.1	100
Pensions	3.8	7.4	10	11.6	12	12.5	13.5	11.4	11.8	7.9	100
Other social transfers	14.5	12.4	10.1	9.4	10.3	8.9	7.4	8	6.6	11.1	100
Income from occasional work	14.9	9	14.4	13.5	7.4	10	6.3	7	7.7	8.7	100
Income from agriculture	3.2	5.1	6.2	8	7.4	10.6	12.6	13	17.4	18.2	100
Self-employment income	4.2	7.8	5.3	4.7	7.8	5.9	8.5	8.9	15.2	32.9	100
Income from capital	0.7	0.3	2.2	2.8	2.5	4.2	5.7	16.5	7.5	60.2	100
Income from property rights	1	1.3	1.5	2.1	1.6	3.5	2.1	8.6	6.1	74.7	100
Family transfers, inflow	5.3	6.5	8	7.8	7.3	10.3	10.4	12.6	15.1	17.7	100
Gross income	4.2	6	6.8	7.5	8.4	9.3	10.4	12	14.3	22.6	100
Family transfers, outflow	4.5	6.3	7.3	9.4	7.6	9.9	11.5	12.5	13.8	18.8	100
Taxes and social contributions	2.2	4.1	4.5	4.6	6.4	7.6	9.1	12.5	16.4	34.5	100
Net income	4.6	6.4	7.3	8.1	8.8	9.7	10.6	11.9	13.8	20.1	100
					2001						
Salaries and wages	2.6	4.5	5.4	6.3	7.6	8.9	10.3	13.5	16.9	26.6	100
Fringe benefits	3.3	4.3	4.5	4.1	7.4	8.3	9.0	10.9	18.8	31.8	100
Unemployment benefits	31.9	15.7	11.5	9.4	4.8	5.4	4.6	2.8	6.3	1.6	100
Pensions	4.2	7.5	10.1	11.8	11.8	12.9	12.7	12.0	10.3	8.4	100
Other social transfers	17.5	13.0	11.1	9.8	8.8	7.7	7.0	7.8	6.7	8.5	100
Income from occasional work	10.0	8.5	9.1	9.7	7.9	8.4	7.0	10.6	13.6	15.4	100
Income from agriculture	3.0	6.4	6.5	7.3	7.4	9.2	9.5	10.6	13.9	28.9	100
Self-employment income	3.7	4.1	5.7	4.5	7.2	4.9	9.7	9.9	16.6	36.2	100
Income from capital	0.5	1.1	1.3	4.3	2.0	2.1	5.1	11.0	5.9	72.4	100
Income from property rights	0.8	0.6	1.4	1.0	1.1	0.9	4.2	2.3	6.9	86.9	100
Family transfers, inflow	4.5	6.3	6.9	7.0	8.5	7.4	8.9	11.3	13.3	28.0	100
Gross income	4.4	5.9	6.8	7.5	8.4	9.2	10.2	12.0	14.4	23.3	100
Family transfers, outflow	10.7	6.0	7.4	7.7	7.8	6.9	8.1	11.5	11.0	23.4	100
Taxes and social contributions	2.4	3.5	4.6	5.3	6.7	7.8	9.5	13.1	17.8	31.9	100
Net income	4.6	6.4	7.3	8.1	8.8	9.5	10.5	11.7	13.7	21.4	100

Source: Author's computations based on HHBS data, CSO.

Table HU.3. 2 Structure of household income sources by income deciles (horizontal structure of income sources), Hungary 1993-2001

					1993						
Decile	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**All**
Salaries and wages	23.2	30	34.7	39.5	45.3	47.5	52.7	56	61.3	64.4	51.3
Fringe benefits	1.1	1.3	1.8	2.1	2.1	2.2	2.6	3.4	3.5	4	2.8
Unemployment benefits	11.7	8.6	5.6	3.5	3.1	2.3	2.2	1.7	0.8	0.6	2.7
Pensions	27.4	30.8	31.5	29.7	24.6	22.4	19.7	15.1	12.4	6.5	18.2
Other social transfers	23.2	16.8	13.5	11.6	11	10	8.4	7.7	5.8	4	9
Income from occasional work	2.5	0.9	0.6	0.4	0.5	0.6	0.3	0.4	0.5	0.5	0.6
Income from agriculture	6.2	6.6	6.1	7.2	8.7	8.5	8.4	8.6	7.5	6.1	7.4
Self-employment income	1.8	2.8	3.7	3.5	1.9	3.6	2.8	3.7	4.1	4.8	3.6
Income from capital	0	0	0	0.1	0.1	0.1	0.1	0.2	0.4	0.7	0.3
Income from property rights	0.4	0.3	0.2	0.5	0.4	0.6	0.9	1.2	1.4	5.7	1.8
Family transfers, inflow	2.4	2.1	2.2	1.7	2.3	2.2	1.9	2	2.3	2.8	2.2
Gross income	100	100	100	100	100	100	100	100	100	100	100
Taxes and social contributions	5.3	7.2	8.9	10.4	12.2	13.7	15.6	17.7	20.8	24.1	16.3
Net income	90	89.7	88.6	86.9	85.2	84	81.8	80	77.1	73.8	81.2
					1997						
Salaries and wages	27.1	37	38.7	39.7	44.3	46.8	48.8	57	58.5	67.2	51.5
Fringe benefits	1.4	1.4	2.1	1.5	1.4	1.5	1.9	2.3	2.9	3.4	2.3
Unemployment benefits	9.7	4.4	2.1	1.7	1.4	1.1	0.8	0.5	0.5	0.3	1.5
Pensions	19	25.6	30.4	32.2	29.8	28	27.1	19.7	17.2	7.3	20.8
Other social transfers	24.9	14.7	10.6	9	8.8	6.8	5.1	4.7	3.3	3.5	7.1
Income from occasional work	4.2	1.7	2.4	2.1	1	1.2	0.7	0.7	0.6	0.4	1.2
Income from agriculture	5.7	6.4	6.8	8	6.6	8.5	9.1	8.1	9.1	6	7.5
Self-employment income	4.5	5.7	3.4	2.7	4.1	2.8	3.6	3.2	4.6	6.3	4.4
Income from capital	0	0	0.1	0.1	0.1	0.1	0.2	0.4	0.2	0.8	0.3
Income from property rights	0.2	0.2	0.2	0.2	0.2	0.3	0.2	0.6	0.4	2.8	0.8
Family transfers, inflow	3.3	2.9	3.1	2.7	2.3	2.9	2.6	2.8	2.8	2.1	2.6
Gross income	100	100	100	100	100	100	100	100	100	100	100
Taxes and social contributions	9.3	12.2	11.7	11	13.7	14.6	15.7	18.6	20.7	27.3	17.9
Net income	88.3	85.5	85.9	86.2	84.2	83	81.9	79	77.2	70.8	79.8
					2001						
Salaries and wages	30.5	39.3	40.6	43.2	46.7	50.1	52.2	58	60.8	58.7	51.6
Fringe benefits	1.7	1.7	1.5	1.2	2	2.1	2	2.1	3	3.1	2.3
Unemployment benefits	6	2.2	1.4	1	0.5	0.5	0.4	0.2	0.4	0.1	0.8
Pensions	19.3	25.8	29.6	31.3	28.3	28.5	25	20.1	14.5	7.2	20.1
Other social transfers	25.4	14.1	10.2	8.3	6.7	5.3	4.3	4.1	3	2.3	6.3
Income from occasional work	4.2	2.7	2.4	2.4	1.7	1.7	1.2	1.6	1.7	1.2	1.8
Income from agriculture	3.8	6.1	5.3	5.4	5	5.6	5.2	5	5.4	7	5.6
Self-employment income	5.6	4.6	5.4	3.9	5.7	3.5	6.2	5.4	7.5	10.1	6.5
Income from capital	0	0.1	0.1	0.2	0.1	0.1	0.2	0.3	0.1	1.1	0.4
Income from property rights	0.3	0.1	0.3	0.2	0.2	0.2	0.6	0.3	0.7	5.5	1.5
Family transfers, inflow	3.2	3.4	3.1	2.9	3.2	2.5	2.7	2.9	2.9	3.7	3.1
Gross income	100	100	100	100	100	100	100	100	100	100	100
Taxes and social contributions	10	10.9	12.3	12.7	14.5	15.5	16.9	19.8	22.5	24.7	18.1
Net income	83.3	86.3	84.8	84.5	83	82.4	81	77.5	75.5	72.5	79.2

Source: Author's computations based on HHBS data, CSO.

Table RO.3. 1 Distribution of income sources across income deciles (vertical structure of income sources), Romania 1995-2002

Decile	Gross wages/ salaries	Pensions	Income from non-agricultural self-employment	Income from agriculture	Unemployment benefits	Other social transfers	Income from capital	Family transfers, inflow	Gross income	Taxes and social contributions	Net income
1995											
1	1.4	3.2	5.4	6.9	15.8	13.9	1.2	2.5	3.5	1.3	3.9
2	3.6	6.4	5.5	7.9	15.3	13.3	2.9	3.1	5.4	3.4	5.7
3	4.9	8.7	4.4	8.2	14.9	11.7	1.7	3.6	6.4	4.7	6.6
4	6.2	10.2	4.5	8.3	13.3	10.2	3.7	4.3	7.3	6.0	7.4
5	7.6	11.9	4.8	8.6	10.8	9.8	4.8	4.4	8.3	7.3	8.4
6	8.9	13.2	3.9	8.5	7.7	8.7	3.3	5.2	9.0	8.6	9.1
7	10.8	14.2	4.9	9.0	6.8	8.3	5.6	5.9	10.3	10.7	10.3
8	13.6	13.3	6.3	9.6	6.7	8.4	6.9	9.8	12.0	13.5	11.8
9	17.9	10.8	9.1	11.1	5.3	7.8	11.5	13.2	14.5	18.0	13.9
10	25.1	8.0	51.3	21.8	3.4	7.9	58.5	48.0	23.4	26.4	22.9
All	100	100	100	100	100	100	100	100	100	100	100
1997											
1	1.6	3.3	6.2	6.7	14.3	14.4	0.4	4.1	3.9	1.4	4.3
2	3.8	6.3	5.5	8.0	14.3	13.2	0.7	4.4	5.7	3.5	6.0
3	5.2	8.1	5.1	8.1	13.5	11.3	0.3	4.6	6.6	4.8	6.8
4	6.3	9.7	4.8	8.7	13.9	10.5	0.8	4.9	7.5	5.9	7.7
5	7.9	11.4	4.3	8.5	8.9	9.6	2.0	5.4	8.4	7.5	8.5
6	9.1	12.3	5.5	9.1	8.1	9.6	1.5	6.5	9.3	8.9	9.4
7	10.8	13.4	5.6	9.4	8.3	8.5	3.7	7.9	10.4	10.6	10.4
8	13.0	13.5	6.7	10.0	6.6	8.3	6.2	10.4	11.8	12.8	11.6
9	16.6	13.0	8.9	11.6	4.8	7.6	10.0	12.8	14.0	16.7	13.6
10	25.7	9.0	47.2	19.7	7.4	7.1	74.3	39.1	22.5	27.8	21.8
All	100	100	100	100	100	100	100	100	100	100	100
2001											
1	0.9	3.2	12.3	7.1	12.1	15.1	1.1	3.0	3.6	0.9	4.0
2	2.2	6.4	10.5	8.8	13.7	12.0	1.1	3.7	5.1	2.1	5.6
3	3.7	8.3	8.1	8.8	13.1	11.1	1.4	5.5	6.1	3.5	6.5
4	4.9	10.0	8.2	8.9	13.8	10.5	1.2	5.4	7.1	4.6	7.5
5	6.3	11.2	6.3	9.4	11.9	9.0	1.6	6.0	8.0	5.8	8.3
6	7.9	12.2	7.4	9.2	10.4	8.2	3.9	7.5	8.9	7.3	9.2
7	10.4	12.9	6.9	10.1	9.1	8.3	2.1	8.4	10.5	9.7	10.6
8	13.5	12.9	6.7	10.3	6.4	8.9	5.5	10.5	12.2	12.7	12.1
9	17.7	12.4	10.4	11.5	6.3	8.8	12.1	14.3	14.7	17.3	14.2
10	32.6	10.5	23.3	16.0	3.3	8.2	69.9	35.5	24.0	36.1	21.9
All	100	100	100	100	100	100	100	100	100	100	100
2002											
1	0.8	3.4	9.9	7.0	13.5	19.8	0.6	2.9	3.6	0.9	4.1
2	2.2	6.5	9.8	8.5	14.3	13.2	0.7	4.5	5.0	2.2	5.5
3	3.8	8.3	8.4	9.1	12.3	11.1	0.6	5.0	6.2	3.5	6.6
4	5.2	9.9	7.5	9.0	13.0	10.0	0.9	5.8	7.1	4.8	7.5
5	6.4	11.4	7.7	9.4	12.4	8.5	3.3	6.8	8.0	6.0	8.4
6	7.9	12.7	6.8	9.7	10.6	8.1	4.0	7.1	9.1	7.3	9.4
7	10.5	13.2	5.5	10.1	8.9	7.3	2.6	9.2	10.5	9.9	10.6
8	12.7	14.0	7.7	10.4	6.1	7.3	4.5	12.8	12.0	12.2	12.0
9	18.4	12.2	9.6	11.3	5.1	7.8	10.5	16.0	15.0	18.1	14.5
10	32.2	8.5	27.1	15.5	3.7	6.9	72.2	29.9	23.5	35.3	21.4
All	100	100	100	100	100	100	100	100	100	100	100

Source: Author's computation based on AIG/ABF data, NIS.

Table RO.3. 2 Structure of household income sources by income deciles (horizontal structure of income sources), Romania 1995-2002

Decile	Gross wages/ salaries	Pensions	Income from non-agricultural self-employment	Income from agriculture	Unemployment benefits	Other social transfers	Income from capital	Family transfers, inflow	Gross income	Taxes and social contributions	Net income
1995											
1	21.9	12.9	7.8	42.7	5.3	7.7	0.1	1.6	100	5.1	94.9
2	35.8	16.7	5.3	32.5	3.4	4.9	0.2	1.3	100	8.5	91.5
3	41.2	19.1	3.5	28.5	2.8	3.6	0.1	1.2	100	9.9	90.1
4	45.5	19.7	3.2	25.2	2.2	2.7	0.2	1.3	100	11.0	89.0
5	48.8	20.2	3.0	22.8	1.6	2.3	0.2	1.2	100	11.8	88.2
6	52.4	20.4	2.2	20.8	1.0	1.9	0.1	1.3	100	12.8	87.2
7	55.5	19.2	2.4	19.1	0.8	1.6	0.2	1.3	100	13.8	86.2
8	60.4	15.5	2.7	17.5	0.7	1.4	0.2	1.8	100	15.1	84.9
9	65.7	10.4	3.2	16.9	0.4	1.1	0.3	2.0	100	16.6	83.4
10	57.2	4.8	11.2	20.5	0.2	0.7	0.9	4.5	100	15.1	84.9
All	53.3	14.0	5.1	21.9	1.2	2.0	0.4	2.2	100	13.4	86.6
1997											
1	20.4	12.7	7.1	41.4	3.1	13.1	0.1	2.2	100	4.5	95.5
2	32.9	16.5	4.3	34.2	2.1	8.2	0.1	1.6	100	7.8	92.2
3	38.8	18.5	3.4	30.0	1.7	6.1	0.0	1.5	100	9.2	90.8
4	41.5	19.3	2.8	28.3	1.6	5.0	0.1	1.4	100	10.0	90.0
5	46.2	20.3	2.3	24.7	0.9	4.1	0.2	1.4	100	11.3	88.7
6	47.9	19.7	2.6	23.8	0.7	3.6	0.1	1.5	100	12.0	88.0
7	51.2	19.2	2.4	21.8	0.7	2.9	0.3	1.6	100	12.8	87.2
8	54.4	17.1	2.5	20.7	0.5	2.5	0.4	1.9	100	13.8	86.2
9	58.3	14.0	2.8	20.2	0.3	1.9	0.5	2.0	100	15.1	84.9
10	56.0	6.0	9.3	21.2	0.3	1.1	2.4	3.7	100	15.5	84.5
All	49.1	15.0	4.4	24.2	0.8	3.5	0.7	2.1	100	12.6	87.4
2001											
1	12.0	15.7	12.3	43.0	3.5	11.3	0.1	2.1	100	3.7	96.3
2	21.5	22.5	7.4	37.6	2.8	6.3	0.1	1.8	100	5.8	94.2
3	30.3	24.1	4.8	31.5	2.2	4.8	0.1	2.3	100	8.0	92.0
4	35.3	25.1	4.2	27.5	2.0	4.0	0.1	1.9	100	9.2	90.8
5	39.9	25.0	2.8	25.7	1.6	3.0	0.1	1.9	100	10.4	89.6
6	44.4	24.2	3.0	22.5	1.2	2.5	0.2	2.1	100	11.6	88.4
7	49.9	21.8	2.3	20.9	0.9	2.1	0.1	2.0	100	13.0	87.0
8	56.0	18.8	2.0	18.4	0.6	1.9	0.2	2.2	100	14.8	85.2
9	60.7	14.9	2.5	17.1	0.4	1.6	0.3	2.5	100	16.7	83.3
10	68.4	7.8	3.5	14.5	0.1	0.9	1.0	3.7	100	21.4	78.6
All	50.3	17.7	3.6	21.8	1.0	2.7	0.4	2.5	100	14.2	85.8
2002											
1	10.9	16.6	10.2	40.8	3.4	16.2	0.1	1.8	100	3.5	96.5
2	22.8	22.6	7.2	35.2	2.6	7.7	0.1	2.0	100	6.5	93.5
3	31.5	23.8	5.0	30.8	1.8	5.3	0.0	1.8	100	8.4	91.6
4	37.6	24.5	3.9	26.3	1.7	4.1	0.0	1.8	100	10.0	90.0
5	41.1	24.7	3.5	24.2	1.4	3.1	0.1	1.9	100	11.2	88.8
6	44.8	24.6	2.8	22.3	1.1	2.6	0.2	1.8	100	12.0	88.0
7	51.4	21.9	1.9	20.0	0.8	2.0	0.1	1.9	100	13.9	86.1
8	54.5	20.3	2.4	18.0	0.5	1.8	0.1	2.4	100	15.1	84.9
9	63.2	14.3	2.4	15.7	0.3	1.5	0.2	2.4	100	17.9	82.1
10	70.8	6.3	4.3	13.7	0.1	0.9	1.1	2.9	100	22.4	77.6
All	51.6	17.5	3.7	20.8	0.9	2.9	0.4	2.2	100	14.9	85.1

Source: Author's computation based on AIG/ABF data, NIS.

Notes: Fringe benefits are recorded together with wages; unemployment benefits include also labour market insertion allowance and support allowance; other social transfers include cash and in-kind transfers others than pensions and unemployment benefits; family transfers inflow refer to remittances. Income from property rights are insignificant, therefore are not considered.

Table SI.3. 1 Distribution of income sources across income deciles (vertical structure of income sources), Slovenia 1983-2001

Decile	Salaries and wages	Fringe benefits	Unemployment benefits	Pensions	Other social transfers	Income from occ. work	Income from agriculture	Self – employment income	Income from capital	Income from property rights	Intra-family financial gifts and transfers	All
1983												
1	2.2	2.9	0.0	7.8	14.3	5.8	13.0	1.1	2.2	0.0	3.5	3.8
2	4.4	3.5	0.0	10.7	14.9	6.2	6.9	0.5	7.7	1.2	5.0	5.6
3	6.3	6.5	58.7	9.8	9.5	7.8	8.3	3.9	10.0	0.0	5.8	6.9
4	8.4	7.5	0.0	10.4	10.3	2.5	7.5	0.5	12.9	4.4	6.3	8.4
5	10.0	9.4	0.3	9.4	10.7	8.0	8.1	1.0	13.3	0.4	4.2	9.5
6	10.7	10.1	0.3	9.8	7.9	7.9	9.7	6.3	4.7	1.5	8.2	10.2
7	12.1	11.7	0.2	10.0	9.3	10.5	6.7	5.7	13.0	0.3	5.1	11.1
8	13.7	15.2	40.6	9.2	8.7	9.0	5.9	15.2	4.1	3.7	4.9	12.5
9	14.7	16.9	0.0	11.3	6.6	18.4	12.3	16.0	13.8	9.0	16.5	14.0
10	17.5	16.4	0.0	11.6	7.8	24.0	21.6	49.8	18.3	79.4	40.6	18.0
All	100	100	100	100	100	100	100	100	100	100	100	100
1993												
1	2.0	1.7	11.2	6.1	14.4	2.9	8.8	0.5	5.7	0.2	2.0	3.4
2	4.3	4.5	18.5	8.1	12.5	3.3	13.0	2.0	0.6	0.2	1.8	5.5
3	5.9	5.0	11.0	9.7	10.8	3.9	8.3	1.8	3.7	0.0	3.5	6.5
4	7.9	6.9	12.2	8.5	9.5	5.6	12.8	3.2	2.3	0.9	3.7	7.7
5	9.7	9.1	14.3	8.8	9.6	6.7	12.2	3.3	0.0	2.3	4.0	8.9
6	9.4	9.6	12.2	10.8	10.3	10.1	8.8	3.3	2.5	1.2	6.1	9.2
7	10.4	11.7	5.2	12.1	12.4	9.8	7.4	7.2	2.2	3.4	6.9	10.3
8	13.6	13.5	3.9	12.0	6.5	9.7	5.1	9.2	2.3	7.5	11.4	12.2
9	15.5	17.3	9.4	12.2	7.9	20.1	10.8	20.6	3.2	19.5	13.7	14.9
10	21.2	20.7	2.1	11.6	6.1	28.0	12.8	48.9	77.5	64.9	46.9	21.4
All	100	100	100	100	100	100	100	100	100	100	100	100
1997-1999												
1	1.8	2.2	15.6	4.7	13.1	6.3	19.8	2.0	0.7	0.0	12.8	3.6
2	3.9	4.2	14.8	7.4	13.4	8.7	19.5	6.0	1.4	0.4	7.8	5.7
3	5.3	6.0	8.7	8.7	10.7	7.5	11.5	5.9	3.6	0.0	7.5	6.6
4	7.3	9.2	11.1	8.3	12.2	9.4	10.8	6.0	3.7	2.6	11.0	8.0
5	9.5	10.9	12.3	9.5	10.6	9.5	15.1	9.2	5.7	1.4	11.2	9.7
6	9.6	11.2	9.3	11.1	9.4	10.8	12.8	8.0	5.0	0.0	13.6	10.0
7	11.7	12.5	12.0	11.4	11.2	9.7	4.5	8.9	10.2	4.9	5.4	11.3
8	13.5	13.7	7.2	10.4	6.1	10.5	3.2	13.5	10.8	2.9	5.7	12.1
9	15.2	14.9	5.5	12.9	6.0	12.9	1.3	10.5	12.5	9.7	19.4	13.6
10	22.3	15.0	3.6	15.5	7.2	14.9	1.5	30.0	46.4	78.1	5.6	19.3
All	100	100	100	100	100	100	100	100	100	100	100	100
1999-2001												
1	1.4	1.7	14.3	4.8	12.9	5.3	17.8	1.9	0.9	0.0	7.7	3.3
2	3.8	4.9	13.3	7.2	14.6	8.3	16.3	5.8	2.4	0.0	7.2	5.7
3	6.0	8.2	8.1	7.2	13.1	7.5	12.5	6.4	2.4	0.0	7.8	7.0
4	7.2	9.0	13.1	8.8	12.0	9.9	17.1	7.2	5.1	1.8	9.6	8.2
5	8.8	10.4	10.2	9.8	10.3	9.1	13.3	8.5	4.8	1.5	12.0	9.3
6	9.8	11.2	15.0	11.6	9.7	8.2	10.4	7.4	8.7	0.3	7.4	10.3
7	11.2	12.2	10.5	11.2	7.2	8.1	2.9	9.5	6.6	0.6	6.0	10.8
8	13.1	13.7	6.4	12.2	7.0	11.4	5.1	10.2	8.4	3.6	20.1	12.3
9	16.0	14.4	7.7	12.4	6.2	11.7	1.4	15.0	13.1	5.4	11.4	14.0
10	22.2	14.2	1.3	14.9	6.8	18.7	3.1	28.1	45.1	86.9	10.8	18.9
All	100	100	100	100	100	100	100	100	100	100	100	100

Table SI.3. 2 Structure of household income sources by income deciles (horizontal structure of income sources), Slovenia 1983-2001

Decile	Salaries and wages	Fringe benefits	Unemployment benefits	Pensions	Other social transfers	Income from occ. work	Income from agriculture	Self – employment income	Income from capital	Income from property rights	Intrafamily financial gifts and transfers	All
1983												
1	40.5	2.3	0.0	30.0	8.8	1.8	13.4	0.8	0.0	0.0	1.9	100
2	54.8	2.0	0.0	28.4	6.3	1.3	4.9	0.2	0.2	0.0	1.9	100
3	63.1	2.9	0.1	21.1	3.2	1.4	4.8	1.5	0.2	0.0	1.7	100
4	70.0	2.8	0.0	18.4	2.9	0.4	3.6	0.2	0.2	0.0	1.6	100
5	73.8	3.1	0.0	14.7	2.6	1.0	3.4	0.3	0.2	0.0	0.9	100
6	72.8	3.1	0.0	14.3	1.8	0.9	3.8	1.6	0.0	0.0	1.7	100
7	75.5	3.3	0.0	13.3	2.0	1.1	2.4	1.4	0.1	0.0	0.9	100
8	76.6	3.8	0.0	11.0	1.6	0.9	1.9	3.3	0.0	0.0	0.8	100
9	72.5	3.7	0.0	11.9	1.1	1.6	3.5	3.0	0.1	0.1	2.5	100
10	67.3	2.8	0.0	9.5	1.0	1.6	4.7	7.4	0.1	0.8	4.7	100
All	69.5	3.1	0.0	14.8	2.3	1.2	4.0	2.7	0.1	0.2	2.1	100
1993												
1	30.6	2.5	4.7	37.8	11.5	2.3	7.3	1.0	0.2	0.0	2.0	100
2	42.1	4.1	4.8	31.1	6.2	1.6	6.7	2.3	0.0	0.0	1.1	100
3	48.7	3.9	2.4	31.4	4.6	1.6	3.7	1.8	0.0	0.0	1.8	100
4	55.3	4.5	2.3	23.4	3.4	2.0	4.7	2.7	0.0	0.0	1.6	100
5	58.7	5.2	2.3	20.8	3.0	2.0	3.9	2.4	0.0	0.1	1.5	100
6	54.7	5.3	1.9	24.7	3.1	3.0	2.7	2.3	0.0	0.0	2.3	100
7	53.8	5.7	0.7	24.7	3.3	2.6	2.0	4.6	0.0	0.2	2.3	100
8	60.0	5.6	0.5	20.7	1.5	2.2	1.2	5.0	0.0	0.3	3.2	100
9	55.9	5.9	0.9	17.3	1.5	3.7	2.1	9.1	0.0	0.6	3.1	100
10	53.1	4.9	0.1	11.5	0.8	3.5	1.7	15.0	0.5	1.5	7.5	100
All	53.6	5.0	1.4	21.1	2.7	2.7	2.8	6.6	0.1	0.5	3.4	100
1997-1999												
1	25.1	6.0	6.1	32.5	15.2	2.6	8.2	2.7	0.0	0.0	1.5	100
2	34.1	7.2	3.7	32.2	9.8	2.3	5.1	5.0	0.1	0.0	0.6	100
3	40.1	9.1	1.9	32.8	6.8	1.7	2.6	4.3	0.2	0.0	0.5	100
4	45.9	11.5	2.0	26.0	6.4	1.8	2.0	3.6	0.2	0.2	0.6	100
5	49.0	11.1	1.8	24.4	4.6	1.5	2.3	4.5	0.3	0.0	0.5	100
6	48.2	11.1	1.3	27.5	3.9	1.6	1.9	3.8	0.2	0.0	0.6	100
7	51.9	11.0	1.5	25.0	4.1	1.3	0.6	3.8	0.4	0.2	0.2	100
8	56.5	11.3	0.8	21.5	2.1	1.3	0.4	5.4	0.4	0.1	0.2	100
9	56.4	10.9	0.6	23.7	1.8	1.4	0.1	3.7	0.4	0.3	0.6	100
10	58.5	7.7	0.3	20.1	1.6	1.2	0.1	7.5	1.0	1.9	0.1	100
All	50.4	9.9	1.4	24.9	4.2	1.5	1.5	4.8	0.4	0.5	0.4	100
1999-2001												
1	21.3	5.4	5.7	35.8	17.2	2.8	7.8	2.7	0.1	0.1	1.2	100
2	33.1	9.0	3.0	31.3	11.2	2.6	4.1	4.8	0.2	0.2	0.6	100
3	42.9	12.2	1.5	25.6	8.2	1.9	2.6	4.3	0.1	0.1	0.6	100
4	43.3	11.4	2.1	26.5	6.4	2.1	3.0	4.2	0.2	0.2	0.6	100
5	47.0	11.6	1.4	26.0	4.9	1.7	2.1	4.3	0.2	0.2	0.7	100
6	47.3	11.4	1.9	28.2	4.2	1.4	1.5	3.4	0.3	0.3	0.4	100
7	51.7	11.9	1.3	25.8	2.9	1.3	0.4	4.2	0.2	0.2	0.3	100
8	53.1	11.6	0.7	24.7	2.5	1.7	0.6	3.9	0.3	0.3	0.8	100
9	56.9	10.7	0.7	22.0	2.0	1.5	0.1	5.1	0.3	0.3	0.4	100
10	58.7	7.9	0.0	19.6	1.6	1.8	0.2	7.1	0.9	0.9	0.3	100
All	49.8	10.4	1.3	24.8	4.4	1.8	1.4	4.7	0.4	0.4	0.5	100

Source: Author's computations based on HES data, SOS. Fringe benefits include various work-related allowances.

Table HU.4. 1 Horizontal structure of attained educational level by households members 25 years or more by income deciles, Hungary 1993-2001

	1993					1997				
Decile	Primary	Vocational	Secondary	Tertiary	All	Primary	Vocational	Secondary	Tertiary	All
1	68.7	19.3	9.2	2.8	100	61.0	27.7	9.4	2.0	100
2	64.9	17.9	14.7	2.6	100	54.9	28.2	14.0	3.0	100
3	64.1	17.8	15.8	2.3	100	54.4	27.2	15.0	3.4	100
4	61.8	19.7	15.6	2.9	100	52.4	25.8	19.0	2.8	100
5	54.6	21.4	18.5	5.5	100	46.4	27.8	20.6	5.3	100
6	50.1	23.5	20.3	6.1	100	44.8	27.8	19.7	7.7	100
7	44.1	22.5	24.2	9.2	100	37.6	25.4	27.9	9.1	100
8	38.4	21.6	28.4	11.7	100	29.0	25.1	29.9	15.9	100
9	25.5	20.0	34.1	20.4	100	26.0	22.5	32.4	19.1	100
10	18.6	13.2	37.7	30.6	100	15.0	16.4	35.4	33.2	100
All	48.2	19.7	22.3	9.7	100	41.7	25.3	22.6	10.4	100

	2001				
Decile	Primary	Vocational	Secondary	Tertiary	All
1	55.5	30.6	11.7	2.3	100
2	51.3	29.1	16.5	3.1	100
3	48.9	31.4	15.9	3.8	100
4	46.6	27.9	20.4	5.2	100
5	37.8	30.2	24.1	7.9	100
6	38.0	28.6	23.8	9.7	100
7	31.3	31.7	27.6	9.5	100
8	21.7	27.7	34.8	15.8	100
9	18.7	23.7	35.7	21.9	100
10	11.2	15.4	33.0	40.4	100
All	35.7	27.6	24.6	12.1	100

Source: Author's computation based on HHBS data, CSO.

Table RO.4. 1 Horizontal and vertical structure of attained educational level by households members 25 years or more by income deciles, Romania 1995-2002

	1995								
	Horizontal					Vertical			
Decile	Primary	Vocational	Secondary	Tertiary	All	Primary	Vocational	Secondary	Tertiary
1	73.9	12.6	12.7	0.8	100	14.3	7.7	4.7	1.1
2	69.3	15.6	14.5	0.6	100	13.5	9.6	5.4	0.8
3	63.8	17.1	18.1	1.0	100	12.7	10.8	6.9	1.4
4	61.1	16.8	20.1	1.9	100	12.1	10.6	7.7	2.7
5	55.2	17.3	24.9	2.7	100	11.0	11.0	9.5	3.7
6	49.5	18.1	28.3	4.1	100	9.8	11.4	10.7	5.7
7	44.1	18.4	31.0	6.5	100	8.8	11.6	11.8	9.0
8	36.0	17.9	36.7	9.5	100	7.3	11.4	14.2	13.3
9	29.2	15.0	39.6	16.3	100	5.8	9.5	15.2	22.7
10	24.0	10.4	36.9	28.8	100	4.7	6.4	13.9	39.4
All	50.5	15.9	26.4	7.2	100	100	100	100	100

Table RO.4.1 (continuation)

1997

	Horizontal					Vertical			
Decile	Primary	Vocational	Secondary	Tertiary	All	Primary	Vocational	Secondary	Tertiary
1	63.0	16.0	19.9	1.0	100	14.0	8.9	6.2	1.4
2	59.7	17.4	21.8	1.1	100	13.5	9.8	6.9	1.5
3	55.3	19.1	24.2	1.3	100	12.5	10.7	7.7	1.8
4	51.6	19.8	26.2	2.4	100	11.8	11.2	8.4	3.3
5	47.4	19.7	29.9	3.0	100	10.8	11.2	9.6	4.1
6	44.5	17.5	33.3	4.7	100	10.1	9.9	10.6	6.5
7	37.1	19.5	36.4	7.0	100	8.6	11.2	11.8	9.8
8	32.9	18.4	39.1	9.6	100	7.6	10.7	12.7	13.3
9	26.9	16.3	42.0	14.8	100	6.2	9.4	13.6	20.6
10	20.9	12.2	39.2	27.7	100	4.7	6.9	12.4	37.7
All	43.8	17.6	31.3	7.3	100	100	100	100	100

2001

	Horizontal					Vertical			
Decile	Primary	Vocational	Secondary	Tertiary	All	Primary	Vocational	Secondary	Tertiary
1	61.0	19.0	18.9	1.1	100	15.5	9.2	5.9	1.3
2	58.8	21.2	19.3	0.8	100	14.9	10.2	6.0	0.9
3	53.0	22.1	23.6	1.3	100	13.2	10.5	7.2	1.5
4	48.2	23.3	26.5	2.0	100	12.2	11.2	8.2	2.4
5	44.1	24.0	29.8	2.2	100	11.2	11.7	9.3	2.6
6	37.4	23.4	35.4	3.8	100	9.4	11.3	11.0	4.6
7	33.2	23.5	37.6	5.8	100	8.7	11.7	12.1	7.2
8	25.2	20.9	43.1	10.9	100	6.5	10.3	13.7	13.4
9	21.0	17.4	44.4	17.2	100	5.4	8.5	14.0	21.0
10	12.1	10.7	40.3	36.9	100	3.1	5.2	12.6	45.0
All	39.3	20.5	31.9	8.2	100	100	100	100	100

2002

	Horizontal					Vertical			
Decile	Primary	Vocational	Secondary	Tertiary	All	Primary	Vocational	Secondary	Tertiary
1	61.5	20.0	17.2	1.3	100	15.8	9.5	5.5	1.6
2	59.0	20.7	19.4	0.9	100	15.0	9.8	6.2	1.1
3	53.1	22.0	24.0	0.9	100	13.5	10.4	7.7	1.1
4	49.7	23.8	24.6	1.9	100	12.6	11.3	7.8	2.2
5	43.5	23.9	29.7	2.9	100	11.1	11.4	9.5	3.5
6	37.3	24.7	34.2	3.8	100	9.6	11.9	11.0	4.5
7	30.9	24.5	38.2	6.4	100	8.0	11.8	12.4	7.7
8	26.8	21.9	41.7	9.6	100	6.9	10.5	13.4	11.5
9	18.2	18.9	44.2	18.7	100	4.7	9.0	14.2	22.3
10	11.8	9.4	39.9	38.9	100	2.9	4.3	12.3	44.5
All	39.2	21.0	31.3	8.4	100	100	100	100	100

Source: Author's computations based on AIG/ABF data, NIS.

Table SI.4. 1 Horizontal structure of attained educational level by households members 25 years or more by income deciles, Slovenia 1983-2001

	1983				1993			
Decile	Primary	Secondary	Tertiary	All	Primary	Secondary	Tertiary	All
1	86.7	12.6	0.7	100	77.7	21.2	1.1	100
2	75.7	22.8	1.4	100	63.8	35.0	1.2	100
3	68.8	30.0	1.1	100	53.8	43.7	2.6	100
4	64.9	33.2	2.0	100	43.6	51.2	5.1	100
5	49.1	45.4	5.5	100	41.7	52.8	5.5	100
6	48.3	45.0	6.7	100	37.4	56.5	6.1	100
7	38.2	49.1	12.7	100	31.0	59.2	9.8	100
8	30.2	53.4	16.4	100	21.6	58.4	20.0	100
9	25.2	52.9	21.9	100	13.8	58.7	27.5	100
10	20.2	46.9	32.9	100	8.2	49.2	42.6	100
All	50.7	39.1	10.1	100	39.1	48.8	12.2	100
	1997-1999				**1999-2001**			
Decile	Primary	Secondary	Tertiary	All	Primary	Secondary	Tertiary	All
1	67.6	30.1	2.3	100	67.7	30.4	1.9	100
2	55.7	41.4	2.9	100	55.5	41.3	3.2	100
3	54.0	44.5	1.5	100	50.4	45.1	4.5	100
4	44.4	51.6	4.0	100	42.6	52.9	4.5	100
5	36.8	57.6	5.6	100	32.9	59.9	7.1	100
6	33.4	60.1	6.4	100	27.7	61.2	11.1	100
7	24.1	64.5	11.5	100	25.7	62.1	12.3	100
8	17.7	65.5	16.8	100	18.9	62.0	19.2	100
9	11.5	59.4	29.2	100	10.9	57.2	31.9	100
10	5.3	47.3	47.4	100	3.9	37.0	59.2	100
All	34.8	52.4	12.8	100	33.0	51.3	15.8	100

Source: Author's computation based on HES data, SOS.

Table 4.2. 3 Distribution of post-tax income across income quintiles

Income		**Bulgaria**		
Quintile	**1992**	**1995**	**1998**	**2002**
1	9.51	8.42	8.97	9.44
2	13.90	12.53	13.48	13.64
3	17.96	16.90	17.56	17.52
4	23.05	22.90	23.17	22.81
5	35.58	39.25	36.82	36.60
Top 20% / bottom 20%	3.74	4.66	4.10	3.88
Gini coefficient	0.26393	0.31170	0.28016	0.27285
		Hungary		
Quintile	**1993**	**1997**	**2001**	
1	11.1	11.0	11.0	
2	15.1	15.5	15.4	
3	18.0	18.5	18.3	
4	21.8	22.6	22.2	
5	33.2	33.9	35.1	
Top 20% / bottom 20%	2.98	3.07	3.20	
Gini coefficient	0.2231	0.2244	0.2371	

Table 4.2.3 (continuation)

		Romania		
Quintile	**1995**	**1997**	**2001**	**2002**
1	9.50	10.30	9.60	9.60
2	14.10	14.50	14.00	14.10
3	17.50	17.90	17.50	17.80
4	22.10	22.00	22.70	22.60
5	36.80	35.30	36.20	35.90
Top 20% / bottom 20%	3.87	3.44	3.77	3.74
Gini coefficient	0.3070	0.2815	0.2937	0.2960
		Slovenia		
Quintile	**1983**	**1993**	**1997-1999**	**1999-2001**
1	9.38	8.95	9.36	9.03
2	15.29	14.15	14.60	15.23
3	19.66	18.14	19.81	19.61
4	23.60	22.50	23.40	23.09
5	32.08	36.26	32.83	33.04
Top 20% / bottom 20%	3.42	4.05	3.51	3.66
Gini coefficient	0.22597	0.26887	0.23454	0.23419

Source: Authors' computations based on BHBS, HHBS, AIG/ABF, HES.

Table 4.2. 4 The distribution of expenditures across expenditure quintiles, Hungary

Quintile	**1993**	**1997**	**2001**
1	10.1	10.0	10.0
2	14.3	14.5	14.4
3	17.7	17.8	17.7
4	22.1	22.2	22.5
5	35.8	37.2	37.6
Top 20% / bottom 20%	3.55	3.72	3.74
Gini coefficient	0.2545	0.2610	0.2678

Source: Author's computations based on HHBS, CSO.

Table BG.4.3. 1 Decomposition of income inequality, Bulgaria 1992-2002

Income sources	1992	1995	1998	2002
		Concentration coefficients		
Primary employment	0.30809	0.30275	0.32552	0.33388
Secondary employment	0.30669	0.15141	0.11904	0.08579
Other earnings	0.17834	0.13919	0.13781	0.09978
Entrepreneurship	0.26839	0.32015	0.30151	0.29230
Property income	0.22382	0.31322	0.29130	0.43895
Unemployment benefits	-0.73684	0.17910	-0.16929	0.06444
Pensions	-0.04141	0.00932	0.02954	0.09734
Family allowances	0.02292	0.00940	0.10156	-0.34890
Other social benefits	-0.02683	-0.00039	0.05201	0.07581
Scholarships	-0.71600	-0.20939	0.01542	0.17567
Property sale	0.88345	0.68230	0.52123	0.65954
Miscellaneous	0.22414	0.30132	0.32169	0.28551
Household plot	0.54877	0.59891	0.53898	0.46113
Other in-kind income	0.23498	0.24113	0.14464	0.18122
Total	0.26393	0.31170	0.28016	0.27285
		Income shares		
Primary employment	0.3987	0.3796	0.4006	0.3739
Secondary employment	0.0443	0.0004	0.0004	0.0001
Other earnings	0.0210	0.0300	0.0320	0.0429
Entrepreneurship	0.0220	0.0290	0.0430	0.0430
Property income	0.0020	0.0060	0.0080	0.0060
Unemployment benefits	0.0060	0.0040	0.0050	0.0080
Pensions	0.1600	0.1440	0.1730	0.2010
Family allowances	0.0250	0.0139	0.0100	0.0050
Other social benefits	0.0140	0.0097	0.0097	0.0156
Scholarships	0.0020	0.0003	0.0003	0.0004
Property sale	0.0110	0.0090	0.0030	0.0050
Miscellaneous	0.0820	0.0980	0.1080	0.1020
Household plot	0.1650	0.2153	0.1470	0.1458
Other in-kind income	0.0470	0.0607	0.0600	0.0512
Total	1.000	1.000	1.000	1.000
		Absolute contribution of income sources to total income inequality		
Primary employment	0.122834	0.114926	0.130403	0.124838
Secondary employment	0.013586	0.000061	0.000048	0.000009
Other earnings	0.003745	0.004176	0.004410	0.004281
Entrepreneurship	0.005905	0.009284	0.012965	0.012569
Property income	0.000448	0.001879	0.002330	0.002634
Unemployment benefits	-0.004421	0.000716	-0.000846	0.000516
Pensions	-0.006626	0.001342	0.005110	0.019566
Family allowances	0.000573	0.000131	0.001016	-0.001745
Other social benefits	-0.000376	-0.000004	0.000504	0.001183
Scholarships	-0.001432	-0.000063	0.000005	0.000070
Property sale	0.009718	0.006141	0.001564	0.003298
Miscellaneous	0.018380	0.029529	0.034743	0.029122
Household plot	0.090547	0.128945	0.079230	0.067233
Other in-kind income	0.011044	0.014637	0.008678	0.009278
Total	0.26393	0.31170	0.28016	0.27285

Source: Author's computations based on BHBS data, NSI.

Table HU.4.3. 1 Decomposition of income inequality, Hungary 1993-2001

Income sources	1993	1997	2001
	Concentration coefficients		
Salaries and wages	0.4360	0.4377	0.4027
Fringe benefits	0.4356	0.4609	0.4389
Unemployment benefits	-0.2286	-0.3756	-0.4337
Pensions	-0.0247	0.0626	0.0507
Other social transfers	0.0176	-0.0843	-0.1474
Income from occasional work	0.1194	-0.1265	0.1364
Income from agriculture	0.2678	0.2868	0.2981
Self-employment income	0.4435	0.3563	0.4760
Income from capital	0.6742	0.6212	0.6823
Income from property rights	0.7566	0.7706	0.8435
Family transfers, inflow	0.3089	0.2006	0.2999
Family transfers, outflow	-0.1344	-0.1987	-0.1216
Taxes and social contributions	-0.5012	-0.4836	-0.4627
All (Gini index of net income)	0.2231	0.2244	0.2371
	Welfare (income per adult equivalent) shares		
Salaries and wages	56.0	55.3	56.6
Fringe benefits	3.2	2.7	2.8
Unemployment benefits	3.0	1.6	0.8
Pensions	32.2	37.0	36.3
Other social transfers	8.0	6.2	5.7
Income from occasional work	0.7	1.3	2.0
Income from agriculture	9.1	9.0	6.4
Self-employment income	4.0	4.6	7.6
Income from capital	0.3	0.4	0.4
Income from property rights	2.7	1.2	2.0
Family transfers, inflow	2.9	3.6	4.3
Family transfers, outflow	-3.9	-3.5	-4.4
Taxes and social contributions	-18.1	-19.3	-20.6
All (Gini index of net income)	100.0	100.0	100.0
	Absolute contributions of income sources to total income inequality		
Salaries and wages	0.2442	0.2418	0.2281
Fringe benefits	0.0140	0.0125	0.0121
Unemployment benefits	-0.0068	-0.0062	-0.0035
Pensions	-0.0079	0.0232	0.0184
Other social transfers	0.0014	-0.0052	-0.0084
Income from occasional work	0.0009	-0.0017	0.0028
Income from agriculture	0.0243	0.0257	0.0192
Self-employment income	0.0177	0.0163	0.0363
Income from capital	0.0021	0.0023	0.0028
Income from property rights	0.0205	0.0089	0.0172
Family transfers, inflow	0.0089	0.0072	0.0128
Family transfers, outflow	-0.0052	-0.0069	-0.0054
Taxes and social contributions	-0.0909	-0.0935	-0.0954
All (Gini index of net income)	0.2231	0.2244	0.2371

Source: Author's computations based on HHBS data, CSO.

Table RO.4.3. 1 Decomposition of income inequality, Romania 1995-2002

Income sources	**1995**	**1997**	**2001**	**2002**
		Concentration coefficients		
Gross wages/ salaries	0.438	0.420	0.518	0.525
Pensions	0.118	0.150	0.142	0.132
Income from non-agricultural self-employment	0.545	0.479	0.181	0.249
Income from agriculture	0.220	0.197	0.154	0.143
Unemployment benefits	-0.215	-0.138	-0.165	-0.183
Other social transfers	-0.063	-0.074	-0.019	-0.103
Income from capital	0.643	0.814	0.761	0.805
Remittances (family transfers, inflow)	0.541	0.457	0.465	0.454
Taxes and social contributions	-0.453	-0.445	-0.527	-0.532
All (Net income Gini)	0.307	0.282	0.294	0.296
		Welfare (income per adult equivalent) shares		
Gross wages/ salaries	0.559	0.507	0.531	0.556
Pensions	0.204	0.218	0.253	0.252
Income from non-agricultural self-employment	0.055	0.046	0.037	0.040
Income from agriculture	0.259	0.279	0.255	0.242
Unemployment benefits	0.011	0.008	0.011	0.009
Other social transfers	0.019	0.034	0.026	0.028
Income from capital	0.004	0.009	0.005	0.005
Remittances (family transfers, inflow)	0.030	0.029	0.038	0.035
Taxes and social contributions	-0.141	-0.130	-0.155	-0.167
All	1.000	1.000	1.000	1.000
		Absolute contributions of income sources to total income inequality		
Gross wages/ salaries	0.245	0.213	0.275	0.292
Pensions	0.024	0.033	0.036	0.033
Income from non-agricultural self-employment	0.030	0.022	0.007	0.010
Income from agriculture	0.057	0.055	0.039	0.035
Unemployment benefits	-0.002	-0.001	-0.002	-0.002
Other social transfers	-0.001	-0.003	-0.001	-0.003
Income from capital	0.003	0.007	0.004	0.004
Remittances (family transfers, inflow)	0.016	0.013	0.018	0.016
Taxes and social contributions	-0.064	-0.058	-0.082	-0.089
All (Net income Gini)	0.30700192	0.28153990	0.29369348	0.29600650

Source: Author's computations based on AIG/ABF data, NIS.

Table SI.4.3. 1 Decomposition of income inequality, Slovenia 1983-2001

Income sources	**1983**	**1993**	**1997-1999**	**1999-2001**
		Concentration coefficients		
Salaries and wages	0.26183	0.30110	0.32024	0.32481
Fringe benefits	0.27753	0.32167	0.24190	0.21867
Unemployment benefits	-0.06300	-0.20513	-0.18499	-0.17372
Pensions	0.03295	0.10292	0.15847	0.16122
Other social transfers	-0.12710	-0.12651	-0.13073	-0.15705
Income from occasional work	0.28907	0.40182	0.12934	0.15070
Income from agriculture	0.08151	-0.02151	-0.35803	-0.32639
Self-employment income	0.63469	0.64000	0.33192	0.32834
Income from capital	0.16371	0.66145	0.54019	0.53389
Income from property rights	0.82108	0.79665	0.80254	0.86562
Intra-family financial gifts and transfers	0.42043	0.56250	-0.02111	0.11733
All	0.22597	0.26887	0.23454	0.23419
		Income shares		
Salaries and wages	0.69721	0.53568	0.50330	0.49570
Fringe benefits	0.03109	0.05047	0.09957	0.10494
Unemployment benefits	0.00014	0.01431	0.01436	0.01315
Pensions	0.14839	0.21085	0.25040	0.24968
Other social transfers	0.02350	0.02741	0.04205	0.04430
Income from occasional work	0.01218	0.0214	0.01520	0.01747
Income from agriculture	0.03880	0.02850	0.01503	0.01461
Self-employment income	0.02484	0.06547	0.04799	0.04778
Income from capital	0.00114	0.00134	0.00405	0.00358
Income from property rights	0.00178	0.00482	0.00390	0.00365
Intra-family financial gifts and transfers	0.02092	0.03400	0.00416	0.00514
All	1.00000	1.00000	1.00000	1.00000
		Absolute contributions of income sources to total income inequality		
Salaries and wages	0.18255	0.16129	0.16118	0.16101
Fringe benefits	0.00863	0.01623	0.02409	0.02295
Unemployment benefits	-0.00000	-0.00294	-0.00266	-0.00228
Pensions	0.00489	0.02170	0.03968	0.04025
Other social transfers	-0.00299	-0.00347	-0.00550	-0.00696
Income from occasional work	0.00352	0.01090	0.00197	0.00263
Income from agriculture	0.00316	-0.00061	-0.00538	-0.00477
Self-employment income	0.01576	0.04190	0.01593	0.01569
Income from capital	0.00019	0.00089	0.00219	0.00191
Income from property rights	0.00146	0.00384	0.00313	0.00316
Intra-family financial gifts and transfers	0.00879	0.01912	-0.00009	0.00060
All	0.22597	0.26887	0.23454	0.23419

Source: Author's computations based on HES data, SOS. Fringe benefits include various work-related allowances.

Table BG.5. 1 Income-Poverty incidence in Bulgaria 1992-2002

Poverty line as % of median equivalent household income	All persons				Unemployed			
	1992	**1995**	**1998**	**2002**	**1992**	**1995**	**1998**	**2002**
40	1.99	3.88	3.01	3.35	11.28	7.26	9.23	9.87
50	5.58	8.94	7.47	7.41	17.29	12.41	14.23	14.97
60	11.44	16.00	14.19	14.21	25.56	20.42	23.46	19.43
70	19.32	24.93	21.52	23.72	30.83	25.42	32.31	31.53
Poverty line as % of median equivalent household income	Children below 18 years				Pensioners			
	1992	**1995**	**1998**	**2002**	**1992**	**1995**	**1998**	**2002**
40	2.43	5.97	4.8	3.22	1.00	1.33	0.79	1.09
50	5.63	11.14	10.51	5.91	4.44	7.73	4.38	3.48
60	9.81	17.91	18.74	13.75	12.10	13.14	12.03	10.04
70	17.57	25.83	24.11	29.65	23.12	25.08	21.71	18.86

Source: Author's computations based on BHBS data, NSI.

Table HU.5. 1 Income-Poverty incidence in Hungary 1993-2001

Poverty line as % of median equivalent household income	All persons			Pensioners			Dependants age < 18		
	1993	**1997**	**2001**	**1993**	**1997**	**2001**	**1993**	**1997**	**2001**
40	1.3	2.1	1.8	1.2	0.9	0.9	1.0	3.0	2.8
50	3.0	5.3	5.0	2.4	2.0	2.4	2.9	8.2	8.3
60	6.4	10.0	10.0	5.1	5.0	5.6	7.3	14.0	16.4
70	12.9	17.8	17.3	12.0	11.7	11.9	14.6	24.1	26.2
Poverty line as % of median equivalent household income	Dependants age ≥ 18			Unemployed			Dependants age > 60		
	1993	**1997**	**2001**	**1993**	**1997**	**2001**	**1993**	**1997**	**2001**
40	3.1	3.6	3.9	4.0	8.9	6.0	4.6	0.0	0.5
50	7.1	7.6	9.0	8.9	20.1	18.8	7.0	1.1	2.2
60	14.0	14.3	16.4	18.4	32.9	34.7	13.9	8.2	10.3
70	24.7	23.7	26.0	30.0	47.4	49.7	35.3	32.1	36.0

Source: Author's computations based on HHBS data, CSO.

Table RO.5. 1 Income-Poverty incidence in Romania 1995-2002

Poverty line as % of median equivalent household income	All persons				Pensioners			
	1995	**1997**	**2001**	**2002**	**1995**	**1997**	**2001**	**2002**
40	6.9	5.8	7.1	7.6	3.6	2.0	2.4	2.9
50	12.6	11.0	12.8	13.7	8.0	5.4	6.3	6.8
60	20.0	18.2	20.0	20.9	14.2	10.9	12.5	12.9
70	28.6	26.9	28.2	28.5	22.4	19.1	20.7	20.9

Poverty line as % of median equivalent household income	Dependants age < 18				Dependants age ≥ 18			
	1995	**1997**	**2001**	**2002**	**1995**	**1997**	**2001**	**2002**
40	10.0	8.5	11.2	11.8	10.3	8.8	9.0	11.0
50	17.4	15.5	19.0	20.2	17.3	15.7	15.6	18.5
60	26.6	24.3	27.6	28.8	26.8	25.0	24.4	26.6
70	36.7	34.1	36.9	37.1	38.0	36.5	34.3	35.4

Poverty line as % of median equivalent household income	Unemployed			
	1995	**1997**	**2001**	**2002**
40	12.4	13.6	14.9	16.0
50	22.0	23.7	23.2	27.0
60	33.9	34.8	33.1	38.2
70	46.0	47.4	44.5	48.7

Source: Author's computations based on AIG/ABF data, NIS.

Table SI.5. 1 Income-Poverty incidence in Slovenia 1983-2001

Poverty line as % of median equivalent household income	All persons				Pensioners			
	1983	**1993**	**1997-1999**	**1999-2001**	**1983**	**1993**	**1997-1999**	**1999-2001**
40	3.5	3.6	4.2	4.1	4.4	3.8	3.9	4.5
50	7.4	7.0	8.1	7.7	9.4	8.3	7.0	7.9
60	12.5	12.7	14.1	13.1	16.7	15.8	12.9	13.3
70	20.4	20.7	21.3	20.2	27.5	24.0	20.9	20.2

Poverty line as % of median equivalent household income	Dependants age < 18				Dependants age ≥ 18			
	1983	**1993**	**1997-1999**	**1999-2001**	**1983**	**1993**	**1997-1999**	**1999-2001**
40	2.9	3.6	4.4	3.5	7.8	6.4	6.2	6.2
50	6.9	6.6	9.0	7.3	16.2	11.7	12.5	12.8
60	11.9	12.0	16.5	13.6	25.0	20.3	19.7	21.9
70	19.8	20.9	23.9	22.2	38.2	31.2	30.6	32.6

Poverty line as % of median equivalent household income	Unemployed				Dependants age > 60			
	1983	**1993**	**1997-1999**	**1999-2001**	**1983**	**1993**	**1997-1999**	**1999-2001**
40	10.0	9.1	16.4	17.1	13.3	9.9	10.4	15.2
50	17.5	16.8	26.7	26.8	26.3	18.1	21.6	23.3
60	30.0	26.2	39.0	39.6	37.4	31.8	32.5	42.6
70	45.0	38.4	51.7	49.7	53.8	46.6	53.9	59.7

Source: Author's computations based on HES data, SOS.