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## SOCIO-ECONOMIC ASPECTS OF INCOME DISPARITY IN SLOVAKIA<sup>1</sup>

**Abstract:** *Empirical results confirm a long-term disharmony between economic growth and the quality of life in society. In consequence of this, income disparity is most worrying, and so is its increase or the rise in the ratio of low-income groups of inhabitants and growth of poverty. Importance of income disparity (as one of the most visible forms of inequality) is in its linkage with serious economic and social processes that are taking place in last decades. Even though Slovakia has a low income disparity – the distance between bottom and top end of income structure is not extra significant in comparison with other countries, it is important to look at the importance of this problem mainly due to future social and economic development of society.*

**Keywords:** *income disparity, Gini index, quantile index S80/20, equivalent disposable income of households, risk rate of poverty, material deprivation*

**JEL:** I 31, I 32

### Introduction

Income disparity is one of the most visible forms of social inequality, which is layering society into various groups, where members have at their disposal different amount of money and wealth, different level of socio-political power and prestige. From income perspective, polarisation of society is a specific type of vertical inequity. It can be given by social position, but can appear also as an inequity, which is determined by various different factors, e.g. ethnic reference, gender, age, education, profession, and ability to adjust to changes in labour market, health state, etc. In case of researching income disparity of household in classification according to social groups, the most monitored factor is size of household, its composition and life cycle.

Certain rate of inequality in incomes is inevitable for society as stimulation for adequate rewarding for talent, work effort or innovations. Strongly polarised income

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