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FACING INEQUALITIES IN A COMMUNIST COUNTRY: THE CASE OF PEASANT POVERTY IN SOCIALIST REPUBLIC OF SLOVENIA*

Abstract: This article examines how socialist Slovenia produced, obscured, recognized, and partially mitigated peasant poverty. While the official ideology equated full employment, nationalization, and subsidized services with the eradication of poverty, policy and practice relied on euphemisms ("materially deprived") and framed inequality as transitional. Tracing four political periods (1945–1990), it shows how debates within the Communist Party, measurement via living-cost baskets, exposed persistent disparities, especially between urban and rural populations. A bimodal agricultural strategy privileges state agricultural enterprises and marginalizes small private farms drives deagrarization and rural vulnerability. Households responded through part-time farming (pluriactivity), while gradual, uneven integration into health, pension, and family benefits only culminated in the 1980s. Regional policies have softened but have not erased structural gaps. This article argues that socialist egalitarianism simultaneously compressed and reproduced inequalities in its own way, leaving peasants particularly exposed.

Keywords: socialist Slovenia, peasant poverty, inequalities, egalitarianism, par-time farming, social policy

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INTRODUCTION

The issue of poverty in socialism opens a broad context of social inequality, as poverty is only one form of social differentiation. This article does not analyze Marxist principles or the genesis of Marxist thought on poverty and social differences, as this is a separate topic. This article is a case study and aims to explain the social circumstances, conceptual background, and practices in socialist Slovenia as part of Yugoslavia, that led to the emergence of peasant poverty, its official recognition, and, consequently, social policies to alleviate it. The Yugoslav context appears in the background, where the stance toward social differences is presented through the declarations of the League of Communists of Yugoslavia. These were congress declarations that provided only general guidelines. Owing to the far-reaching decentralization of the Yugoslav state, implementation depended on the individual republics. It is therefore not possible to speak of a single Yugoslav context, but rather of six, corresponding to the six Yugoslav republics. Each republic constituted its own reality, and each addressed the problems of poverty according to its own economic and social structure. The differences in the levels of economic and social development among the republics were considerable. Slovenia was the most developed part of Yugoslavia. What united the Yugoslav republics was a uniform design of the political system. Owing to the ideological design of the system, the path regarding recognition of poverty was neither quick nor easy in all parts of the country. For most postwar decades, poverty was not part of the authorities' official narrative. While the term *poverty* was absent, social inequalities or social differences (as a substitute) were the subject of public debate, especially from the 1960s.

The fundamental premise of the socialist authorities in Slovenia was that work was a universal right and duty, as well as a universal solution to all kinds of human problems (Zaviršek, 2022: 49). This defined the economic and social policies. They assumed equality for all. The prevailing ideological concept was that the socialist system was the path to a prosperous society in the future. Therefore, issues of poverty are rarely discussed. Visible poverty was perceived as a remnant of the past, as a "contradiction of social development," and as a temporary and exceptional phenomenon. The prevailing belief was that accelerated economic development, the abolition of private property, and full employ-

ment were sufficient to eliminate it. Simultaneously, the state heavily subsidized necessities and various services (housing, education, and social welfare). The socialization of individual needs, combined with low wages, led to apparent equality among most of the population. However, poverty still exists (Stropnik, 1995: 262). Veljko Rus wrote that the idea that poverty could be eliminated once and for all by abolishing private property and rapid industrial development was a great delusion. Socialist systems tended toward the global equalization of social groups rather than dealing with the partial prevention of impoverishment of the lowest strata. Global equalization was made possible by widespread nationalization (including the abolition of private property), limiting income differences, eliminating unemployment (full employment), and a system of social benefits. Although all these policies were consistently implemented, social inequalities in socialist countries were noticeable and politically disruptive (Rus, 1990: 1424). The same applies to socialist Slovenia. Although Slovenia's situation after World War II, as beeing part of Yugoslavia, differed somewhat from that of the countries of the so-called Soviet bloc, the differences in many areas were only subtle. The issue of poverty was treated in a very similar way, as the political systems had the same foundations, and poverty or prosperity was one of the most sensitive areas for proving the legitimacy of the communist ideology (Stropnik, 1995: 263).

The fundamental thesis of the article is that socialist authorities, on the one hand, equalized society and eradicated poverty through nationalization, full employment, and social transfers, but at the same time, their economic policies caused new inequalities and also poverty for certain segments of society. The article illustrates this process using the example of peasant poverty in Slovenia within the given political and economic contexts. The article is therefore divided into several chapters. The topic of the first chapter is the attitude towards poverty and social inequalities in general during different periods of the post-war era. This is an overview of how the attitude towards poverty changed depending on the political and social circumstances and reform efforts. The second chapter highlights the discussions in political forums in Slovenia at the end of the sixties and seventies, when poverty was already recognized as a social fact. The third part follows with a discussion of the measurement of social inequalities, which, by focusing on official incomes, only highlighted the economic aspect of inequality. This is followed by a chapter on agricultural policy, which

directly caused poverty for a part of the peasant population. The phenomena of peasant poverty, which were presented by the media in image and word, resonated in the public, which the fifth chapter addresses. The subject of discussion in the final chapter are three components of economic and social policy that addressed the issue of peasant poverty. The measures intervened in the areas of economic activity (pluri-activity and part-time farming), social policy (inclusion in social insurance systems), and regional policy.

SOCIAL INEQUALITIES (POVERTY) IN POLITICAL PERIODS

From a Slovenian and Yugoslav perspective, we can distinguish four periods in which social inequalities, including poverty, received varying degrees of political attention and played different roles. The official ideology claimed that the socialist system would ensure a decent life for every citizen. Free education and healthcare, the elimination of unemployment through full employment, and housing policies were accompanied by social policies with various forms of assistance. All of these measures were intended to eliminate poverty. For this reason, the term *poverty* was not officially used; in public and official discourse, the terms "persons with insufficient or no means of subsistence" or "materially deprived" prevailed.

The first period (1945–1952) witnessed a major reorganization of society and the economy. The egalitarian concept of society was established, along with the comprehensive nationalization of social welfare systems, the economy, land, and housing. Poverty was expected to be eliminated through social reorganization, and any remaining traces would disappear with increased economic development. This technocratic-economistic position, which was not empirically substantiated, resulted in neglecting social issues.

In the second period (1952–1965), social inequalities and poverty were recognized. It was accepted that social inequality was "necessary" even in socialism, albeit as a transitional phenomenon. The cause of inequality was found to be differences in income and the division of labor. The words were clear:

> It is clear that in a socialist social order, there are no serious social problems as those constantly arising in a capitalist social order. However, the remnants of the past, not only in the economy and social relations, but also in people's consciousness, insufficient material goods, inadequate education, disease, and elementary misfortunes will still give rise to social problems that will require solutions.

In addition to correcting these differences through housing, wage, education, and health policies, socio-political institutions – the Social Work Centers – were institutionalized and professionalized. This was an important change that enabled more professional and personal work with poor individuals, which nevertheless was not desirable to emphasize (Zaviršek, 2022: 54, 57).

In the third period (1965–1974), social services work intensified. With general decentralization, the responsibility for operations was transferred to the republics. During this time, there was much discussion of social inequalities because of the economic reforms that had been introduced (i.e., market socialism). The perception of social inequalities has also increased. This called into question the egalitarian concept of socialist order. Research on social inequalities has also begun.

In the fourth period (1974–1990), Communist Party congresses continued to emphasize that social inequalities were a contradiction that had to be overcome in the process of the country's overall social and economic development. This was achieved through investment in education, childcare, pensions and disability insurance, employment, housing, healthcare, and social welfare. Within this framework, minimum income criteria were also envisaged – important because they paved the way for a different regulation of social inequalities and, in this context, poverty. The 1970s and the 1980s were years of great economic crisis, which, with a decline in living standards, raised the question of poverty anew. Social inequalities, declining living standards, and poverty have been openly researched and measured. The term *poverty* rarely appears in official documents, but it is clearly present in public discourse. With the deterioration of the economic situation from the mid-1970s through the 1980s, inequalities began to increase as "equality was formed at the bottom." Thus, toward the end of the 1980s, equality came to mean equality in poor material conditions. Poor material conditions have become the social norm. They characterized those living on social security benefits, the unemployed, low-income workers, and those whose family members were unemployed (Perišić and Vidojević, 2020).

THE POLITICAL PERCEPTIONS OF SOCIAL INEQUALITIES

Political debates on social inequalities are important because they set guidelines for the formulation of regulations at the government level. In this regard, I highlight the debate on social differences in Slovenia, using the example of the conference of the Communist Party of Slovenia held on 17–18 November 1971. The conference was important because it took place at a time when the socialist system was already recognized as incapable of eliminating social inequalities. Simultaneously, there was a debate on how to ideologically accommodate social inequality within the system. The introductory paper, which set the tone for the entire debate, was presented by Vinko Hafner, one of the less important members of the Communist Party leadership. As usual, there was no mention of *poverty*; the focus was on social differences (inequalities). Poverty was present in the background of these terms as well. It was not that it was not seen, but rather that it was not defined directly in political terms. Substitute terms were used that meant the same thing without mentioning poverty.

At the outset, Hafner unequivocally stated that the socialist system had failed to eliminate social inequalities. He went a step further, expressing the conviction that the growth of social inequalities was becoming a political problem – and a serious one:

> Most working people – including communists – are convinced that we have reached such a level of social differentiation that it is beginning to seriously threaten socialist development and undermine people's confidence in the effectiveness of the entire social mechanism. Therefore, they are convinced that we must prevent social differences from deepening, eliminate some immediately, and gradually reduce others in accordance with social possibilities.

Therefore, it is necessary to discuss social inequalities. After politically sharp qualifications, he became more realistic in his approach. He pointed out that the differences reflected in different incomes, wealth, social influence, education, and the like are only the consequences of deeper social and economic causes of social inequalities. He located the source of inequality in the social division of labor, which requires different levels of education and thus generates different income and social power. He added that there are also differences in access to education, opportunities, and physical and mental abilities of people with disabilities.

He then pointed to the existing egalitarianism, which sat uneasily with his assessment of the major political implications of social inequalities in Slovenia at the time, and acknowledged that social inequalities were small. In terms of wages, which is generally the only source of income for the population, the ratio between workers with no education and those with a university education was 1 to 2.8. In certain industrial sectors, this ratio reached 1 to 5.5. Hafner thus argued that it would be necessary to redistribute only 20% of the wage funds, and all employees in Slovenia would have equal wages. He bridged the gap between political rhetoric and reality with the argument that "we have found that social differentiation cannot be viewed solely as income or wealth differentiation, but must be viewed in its broadest social sense." By introducing the concept of the broadest social meaning, he drew attention to the fundamental problem of political and public perceptions of social inequalities. These did not stem from official income but from supplementary income or "incomes outside regular employment," as this category was defined. Here, he pointed to the problem of the gray economy, which was completely unregulated. He highlighted consumption, constitutive of social differentiation, as the most visible reason for the perception of growing social inequalities. He was thinking of the extensive construction of residential and holiday homes, cars, long holidays and trips abroad. For him, this was excessive and irrational consumption that should be limited by the authorities. He proposed either higher taxation or a reduction in the wage gap to achieve this. The funds raised would then be directed toward promoting investment in economic development and social services.

The mixed messages of Hafner's presentation were balanced by other discussants, who calmly pointed out numerous expressions of social inequalities, especially regional economic and social differences, and the poor economic and social situation of the rural population. This was important, as one of the conclusions of the conference was that farmers should be treated equally to employees in terms of income and social status, because everyone in society should have the same starting point (Hafner, 1972).

The discussions clearly showed that social differences occurred in three categories (as in other parts of Yugoslavia). First, there were differences in wages between companies and industries, which meant that individuals with the same level of education had different wages in different companies. Second, the neglect of private agriculture has pushed

part of the rural population into poverty. The third factor is regional differences in the levels of economic and social development (Milijić, 2020). Each category has a clear origin. The first stems from economic reforms that, through decentralization and the introduction of a socialist market economy, transferred the responsibility for economic success to enterprises. With the autonomy they gained, enterprises began to pay different wages according to their economic results. Private agriculture – economically – and farmers – socially – were pushed to the margins by restrictive policies until the 1970s. This generated poverty. In the third category, it should be noted that until the 1970s, Slovenia neglected regional development policy and did not address historically different levels of economic and social development. At the end of the 1960s, approximately a quarter of Slovenian territory was relatively underdeveloped (Rendla, 2022: 179).

MEASURING SOCIAL INEQUALITIES (POVERTY)

As it was pointed, there was a consensus on obvious social inequalities during the socialist era. The establishment of social work centers in the 1950s marked an implicit recognition of poverty. Social inequalities is understood as the differential distribution of social goods among individual social units (Bernik, 1982: 1001). Because the socialist authorities did not officially recognize poverty, they had to devise alternative terms. In the Slovenian (Yugoslav) case, the alternatives were the "minimum subsistence level, average or minimum living costs, or the agreed level of social security for citizens", as Rendla (2022: 178–181) wrote. The "agreed level of social security for citizens" is an alternative concept to the poverty line. It was determined by the established cost of living based on the consumer basket and the wage growth.

The recognition of social inequalities also brought to the fore the issue of the classification, measurement, and description of social inequalities (Bernik, 1982: 1001). As the study of poverty was not developed, they relied on Western concepts of absolute, relative and subjective poverty. The consumer basket standard was implemented from the 1960s to the early 1990s. The consumer basket, based on an absolute approach, was never intended to determine the poverty line.

However, the methodology for determining the minimum cost of living was used, at least in part, to formulate social policy. The calculation of average (and minimum) living costs was important for several reasons: to monitor the standard of living of the population, determine the guaranteed wage, and set criteria for the agreed level of social security and subsidies, which vulnerable individuals received on this basis. Compared to Mollie Orshansky's methodology, which is based on determining a food basket that partly considers the eating habits of the population and is considered one of the better-known absolute approaches, Slovenia's (Yugoslavia) methodology was more complex and detailed. It calculated a basket of all goods and services and considered seven types of different consumers, divided into so-called individual consumers (children of different ages, pupils, students, employees, and pensioners) and collective consumers (household or family living costs).

Although this methodology was not intended to study (absolute) poverty, it was used in the formulation of social policy. Such studies began in 1963 and were repeated every five years until 1988. Thus, an unofficial poverty measure was established. Long-term dynamics showed that the rural population was most at risk of poverty in terms of income. In contrast, *mixed* households (part-time farming) showed a long-term improvement in their economic situation. For the remaining 79% of households, the situation began to deteriorate in the long term. With the outbreak of the deep economic crisis of the 1980s, they were increasingly at risk of poverty. By 1983, they had already come very close to the farming households. Observations using the methodology of expenditure on a basket of consumer products also confirmed that farming households were in the most disadvantaged position. The first survey that partially addressed poverty was conducted in 1984 during a deep economic crisis. The survey was conducted by the Institute of Sociology at the Faculty of Social Sciences. It primarily focuses on the subjective experience of poverty. The results showed that almost two-thirds of the population believed they were living in poverty and had no savings to overcome social risks. As many as one-fifth said they had to cut back on food purchases because of loss of income. This subjective experience of poverty contrasted with data on housing conditions and material well-being, which showed a significant improvement during the same period (Rendla, 2022: 188–197).

Measurements of social inequalities using the Gini coefficient also show a long-term equalization of society. In this regard, it is worth highlighting studies by Branko Milanović, who calculated the long-term trend of inequalities in Yugoslavia. Data for the period from 1962 to 1981 show a reduction in inequalities of approximately 40% (from 0.256 to 0.155). In the three years after 1981, however, it began to rise again, reaching 0.216 in 1984. During the socialist period, Yugoslavia, and Slovenia within it, belonged to a group of countries with moderate inequalities. Other authors present similar findings, concluding that comparative data indicate above-average egalitarianism in the former Yugoslavia, including Slovenia (Perišić and Vidojević, 2020).

THE PRODUCTION OF PEASANT POVERTY

To understand the problem of peasant poverty the outline of agricultural policy in post war period is needed. The agricultural development strategy between 1945 and 1990 was based on a bimodal approach. This concept focuses on creating an agricultural sector with a concentration of land and capital, intensive use of artificial fertilizers, and a high degree of mechanization. This role was intended for the state agricultural sector. It was provided with sufficient capital under favorable conditions to increase productivity and ensure the sufficient production of food and raw materials. The goal of this strategy was to create a modern state-owned agricultural sector organized into large estates (*kombinati*). The combines were vertically integrated systems that included the processing (food) industry and trade to meet the needs of the urban population. In this concept, the private agricultural sector was only a partner (co-operator) of state agricultural enterprises. The result of this policy was, on the one hand, the concentration of land and, on the other, the high fragmentation of the private agricultural sector. At the Yugoslav level, the state agricultural combine had an average of 1,050 ha of land, usually comprising contiguous plots. In contrast, the average private farm was 3.5 ha. In this way, two completely different types of producers were created, both qualitatively and quantitatively. They use

different technologies and achieve very different levels of productivity and market orientation. Thus, there was a dualism in the mode of production: the state sector produced in a capital-intensive manner and used large quantities of modern inputs, while the private sector produced extensively with small quantities of modern inputs. Favoring state-owned enterprises has led to the poor economic situation of private agriculture. The privileged position of state-owned agricultural enterprises enabled relatively high productivity, owing to a high degree of mechanization and the use of large quantities of fertilizers. The productivity of state-owned agricultural enterprises was high only in comparison with private agriculture; in international comparisons, the picture was less optimistic.

The bimodal development strategy resulted in the regionalization of agriculture and the politicization of its role in the supply of food and raw materials for the industry. Since the development of the state agricultural sector was always linked to regional (republican) political support, an atmosphere was created for the preferential development of one's own area without considering the real possibilities and comparative advantages of individual regions (republics). The most important task of such state agriculture was to rapidly increase production and meet regional (republican) needs for food and raw materials for the processing industry, which was also developing at the regional level at that time. Each republic had a few agricultural giants whose task was to supply their own republic. Since state-owned combines were also officially responsible for supply, they were not allowed to fail, regardless of their economic performance or inefficiency (Kranjec, 1989: 208–211). In addition, large state-owned enterprises with extensive livestock production and extensive chemicalization of agriculture have also caused environmental damage. On the other hand, rapid deagrarization without support for private agriculture meant that investments in modern technology could not compensate for the loss of labor (Barbič and Četina, 1990: 73–79). Another characteristic feature was the emergence of part-time farming (pluriactivity), a rational strategy for the rural population to adapt to the bimodal development strategy (Barbič, 1991).

PUBLIC PERCEPTIONS OF PEASANTS POVERTY

The debate on poverty was not limited to political circles. It reached various social groups and the media, which unreservedly used the term *poverty* when describing the situation in rural areas and, to some extent, in cities. One such example, which resonated with the public and reinforced the use of the term *poverty* instead of alternative expressions, was the 1969 publication *Siti in lačni Slovenci* (The Hungry and the Full Slovenians). A group of writers traveled to the most remote and impoverished agricultural areas and encountered the deep poverty of rural populations. After their return, the participants summarized their impressions and published them in a special volume. The book was published by the renowned publishing house Založba Obzorja. On the very first page, they highlighted a quote by Dušan Pirjevec, a distinguished philosopher and literary theorist at the time: "The Slovenian national question today cannot be a question of what others are doing to Slovenians, but rather a question of what we Slovenians are doing to ourselves." The carefully chosen quote suggested that the sting was aimed at the Slovenian authorities, the Slovenian version of socialism, and Slovenian regulation of poverty.

The book highlights the numerous manifestations and consequences of rural poverty. At times, it was provocative for political forums, with claims of deliberate neglect of the rural population in economic, cultural, and social terms. It also accused these areas of being more neglected than before the Second World War. The peasant problem, that is, the inequality of farmers, was placed in the broader context of regional differences. They visited areas that were later classified as least developed in the 1970s. Poor roads, difficult access to schools and healthcare, and a lack of employment opportunities have made life in rural areas impossible. Restrictive policies toward private farmers and the push for industrialization have led to the depopulation of rural areas (deagrarization). Those who remained were the elderly, women, and the disabled, without prospects, social welfare services, or hope. The words of Slavko Gliha, an agricultural economist and later director of the Agricultural Institute, are noteworthy. In a text with the suggestive title *Peasants' Appeal to Socialism*, he conveyed the peasants' desire that, in view of the social development that had been achieved,

they should enjoy a standard of living comparable to that of other employees. He drew attention to the pressing problems of low income and lack of social security for peasants. He wrote emotionally that he hoped they would succeed in

> convincing those Slovenians who have a monthly income of 1,000 dinars, free Saturdays, Sundays, annual leave, financial compensation for it, free medical care, disability insurance, old-age insurance, etc., that even a quarter of the population who take care of their food and nurture our countryside, who work day after day, from dawn to dusk, from birth to death, will be given just over half of all this. … Let them tell us if we are building socialism together. For us peasants too? … Can we count on being able to live modestly, in a manner befitting human beings, in our old age, when we are infirm and our children have left us in search of a better life? How many more of us will die abandoned, as many old peasants die today on border, mountain, or karst farms? (Rotar and Forstnerič, 1969: 67–73).

Journalistic articles in subsequent years also added emotional weight to the appeal. One such article, which resonated with the public, was published in the most important weekly magazine, *Tovariš* (*Comrade*). It was written by Željko Kozinc and illustrated with photographs by Joco Žnidaršić. The forces of an excellent writer and master photographer – the official photographer of President Tito – were combined. It was a literary journalistic report (Merljak Zdovc, 2008) on the lives of elderly people in one of the least developed regions in eastern Slovenia (Kozjansko), with the suggestive title *Prijazna smrt, predolgo se ne mudi* (Dear death, do not take too long). While Gliha spoke impersonally from the perspective of peasants as a group, Kozinc and Žnidaršič presented the situation of individual persons with pictures, names, and surnames. The pictures conveyed images of shocking misery that words cannot capture. Kozinc and Žnidaršič presented an old peasant who had no means of subsistence and was staying on farms where, in accordance with village solidarity, she was offered food and shelter. Kozinc also evocatively highlighted the case of a child, Francka Gril, who looked at the world with large, distrustful eyes, frightened and seeking protection from her old and sick father, who, given his fragile health, had only a year or two left to live. He clung to life because of his child. The report reaches its climax with a description of the fate of the Žlender couple. Janez died one day. Marija took care of the body, covered it with rags, and lit a candle. She did not seek help or notify anyone of this incident. She waited for several days without

food, drinking only a little, and did not light a fire. "Then she pushed her husband onto the bed, lay down next to him and died. They claimed that she died of pneumonia. Perhaps, but also of grief."

The reporters came to an area of poverty plagued by alcoholism and malnutrition, which was evident in the appearance and health of the inhabitants. In addition, these places were difficult to access, with cart tracks rather than roads. Living on the margins of society, people had no healthcare and no means to pay for doctors. Suffering from illness, death seemed like a relief to them. However, there was no death in sight and no help either.

"Everywhere in the Kozjansko hills, you would encounter the same picture: dilapidated homes, unheatlthy kitchens, abandoned old people, filth, hunger, resignation to fate, hope for God's mercy." The municipality of Šentjur, where the report was written, has an unfavorable age structure in agriculture. Of the 1,458 farms, 949 owners were over 50 years of age. There were 592 over 60. Kozinc wrote that in Kozjansko region, people over 50 were exhausted, worn out, and sickly. In their helplessness, they sought help from social work centers. The municipality of Šentjur, on the list of least developed municipalities, allocated almost a quarter of its budget to social support. However, this hardly made a difference. Therefore, the age structure of farms was a cause for concern.

Kozinc and Žnidaršič drew attention to a pressing social problem in one case: the deep poverty of rural areas, a direct consequence of restrictive agricultural policies that drove private farmers into poverty. Their report sounded like a condemnation of the authorities' indifference. They did not even attempt to hide this.

> A decision will have to be made either to leave this and many other (Kozjansko) villages to their fate, whatever that may be, or to finally help them. To begin with, misery must be alleviated, and then people must be educated. Is it impossible to help them, at least by ensuring that they can sell what they have at guaranteed and reasonable prices, fruit and some livestock (Kozinc, 1970: 20).

REGULATION OF PEASANTS POVERTY

In such economic and political framework, peasants have developed pragmatic strategies to ensure social security and reduce poverty risk. One way was to work closely with agricultural cooperatives or state-owned enterprises, thereby gaining the right to social insurance coverage. Another way was to employ one of the family members in the industry or service sector, which provided the household with access to social services and a regular income. Evidence of these strategies can be seen in increased cooperation with the cooperative sector and the large number of part-time farming households that combine agricultural and nonagricultural income. However, these solutions were not comprehensive, as many family members and farmers who were not in contractual relationships with the state agricultural sector remained without insurance. Peasant pragmatism alone was not sufficient for a sustainable long-term settlement of the peasants' position. Therefore, peasant pragmatism was complemented by social policy, which integrated peasants into health and pension insurance schemes. At the same time, a development policy was also implemented, addressing the problems of regional economic and social disparities and establishing conditions for more balanced regional development.

1. Pragmatism

Economic incentives and the partial functioning of the market, which the authorities gradually implemented from the 1950s onward, slowly enabled the release of peasant labor and entrepreneurship – within socialist limits. Barbič's research has shown that peasants quickly turned relaxation to their advantage when they had the opportunity. Peasants began to work for their own account, rapidly expanded their range of activities, and thus diversified their income. Barbič further argued that all activities carried out by peasants were directly or indirectly aimed at generating income. Barbič also distinguishes between formal and informal agricultural activities. This is more of an analytical category, as she points out that it is difficult to draw a line between agriculture as a formal and informal activity in everyday life. For members of a farming family whose main source of income is agriculture, this is formal employment. Informal employment applies to those who earn most of

their income from nonagricultural activities (Barbič, 1991: 128–129). This distinction is important, as historical experience shows that within peasant families, there was a division of labor, not only by gender (feminization of agriculture!) but also by activities on the farm.

A survey of individual peasant households in the 1980s showed that almost half (47.1%) of the households earned income from two sources: agricultural activities and regular employment of members outside agriculture. Only 20% of peasant households had income from agricultural activities alone. A total of 12.5% of the respondents had three sources of income: agriculture, regular employment, and agriculture-related activities. The combined income from agriculture and agriculture-related activities was 6.6%. In addition to agriculture, 13.8% of farms had a combination of very diverse activities that were difficult to categorize (Barbič, 1991: 131).

The employment outside agriculture has attracted the attention of authorities and researchers. The structure of peasant households and the countryside was changing (Klemenčič, 1974; Klemenčič, 1968; Munton, Whatmore and Marsden, 1989). When socialism saw the emergence of peasants who also worked in factories, a dilemma arose as to how to name this group of rural population. Terms such as *part-time peasant*, *peasant-worker*, or *worker-peasant* have been used to describe this phenomenon. The terms *part-time peasant* and *peasant-worker* are derived from Marxist logic about the transitional nature of such phenomena, which leads to the inevitable proletarianization of peasants. With greater pragmatism on the part of the authorities, the term *mixed farm* later became established in professional circles – coined after the term *part-time farming* in foreign literature. These two terms were synonymous in socialist Slovenia (Yugoslavia). The criterion for determining the status of a *mixed farm* is its sources of income, that is, a combination of income from agriculture and nonagricultural activities (Barbič, 1991: 16–29; Fuller, 1990).

To understand the broader context of *mixed farms*, some explanations are provided. Agricultural land in Slovenia (Yugoslavia) had a prevailing share of private ownership. Private peasants were tolerated after the end of collectivization in the early 1950s. The logic of private farming was constrained by the political and economic measures taken by the socialist authorities. The nationalization of land in 1945 and 1953 further contributed to property fragmentation. It is not surprising that the smallholder structure was a problem for intensifying private agri-

cultural production. This was compounded by an unfavorable tax system, relative price levels detrimental to agriculture, and low purchase prices for agricultural products, not to mention restrictions on land size (10 ha), the purchase of machinery, and the scope of investment in private agriculture (up to the middle of the 1960s). The social subordination of peasants, who for a long time did not have the right to health and pension insurance, also contributed to this issue. If they were regularly employed, they acquired all social rights as well. The state's policy of intensive industrialization was not conducive to agriculture. This led to an exodus from the countryside to the cities, and deagrarization was rapid. Barbič argues that "the reliable and regular income and guaranteed social security offered by regular employment attracted at least part of the rural population, who did not want to give up farming completely, away from agriculture" (Barbič, 1991: 128–129).

2. Integration into social security systems

In socialist Yugoslavia, including Slovenia, employment was a basic prerequisite for social security. As peasants were considered a social class that was to be gradually eliminated through industrialization and the collectivization of agriculture, their social security was neglected. The state encouraged employment in nonagricultural activities, which gave individuals the right to social services. Despite tolerating private peasants after the end of collectivization in the early 1950s, the state did not regulate their social security, which put them at a disadvantage. In the 1960s, the development model changed, and the state realized the need for more balanced development, which included social as well as economic aspects. The social status of peasants began to be regulated. In 1960, a law was passed that provided private farmers and their family members with health insurance coverage. This was an important step toward equalizing the status of peasants and other employees. During this period, the pressing issue of pension and disability insurance for peasants was also addressed. The aging structure of the population and the severing of intergenerational ties due to migration to cities and abroad have increased the risk of poverty in rural areas.

A turning point came with the *Peasants Old-Age Insurance Act* (1972), which established a minimum peasant pension. The Act also introduced family pensions, which are particularly important for rural women. However, the scope of rights was minimal compared with other social

groups, which was justified by their low contributions. The Act still distinguished between peasants who cooperated with the social sector and those who did not. Peasants who entered into contracts for more permanent production cooperation with cooperatives or state-owned enterprises were granted special benefits. This "carrot and stick" practice continued until the 1980s. In the 1980s, these rights were expanded. The possibility of alimony was introduced for peasants who transferred their land to the social sector. In 1981, female peasants who were members of the Cooperative Union of Slovenia were granted the right to maternity leave under the same conditions as other employed women were. In 1984, private peasants were finally included in the unified health and pension insurance systems. Insurance became mandatory for all the peasants. Peasants were able to choose between different bases for their old-age pension, which transferred the responsibility for the pension to them. Despite their inclusion in the unified system, discrimination still exists. Those who cooperated with the state agricultural sector had part of their contributions covered by the organization with which they cooperated, while others had to pay the full amount.

Overall, the development of social insurance for peasants in Slovenia was a long process, moving from initial ideological neglect and pragmatic solutions to gradual but incomplete integration into the national social security system. True systemic equalization of status with other social groups occurred only in the final years of the socialist system and during the transition to an independent state (Lazarević, 2025: 180–182).

3. Regional policy

In the mid-1960s, interregional differences emerged as an important political issue. At that time, it became apparent that as many as three-quarters of Slovenian municipalities had to receive republic subsidies to finance the costs of social services in their areas. This certainly caused discontent but simultaneously testified to the reality and development gaps between regions. Such developments cannot remain without repercussions. The efforts and pressure from underdeveloped areas eventually bore fruit. Political leaders accepted the challenge and soon developed criteria for defining underdevelopment, as well as a system for promoting a more balanced development of individual areas and regions. Like many other initiatives, this one also took the form of a law,

with a convincing name: the *Law on Measures to Promote the Development of Less Developed Areas in the Socialist Republic of Slovenia*.

The Act stipulated that areas with a national income below the average (5,000 dinars per capita), more than 40% of the population engaged in agriculture, and less than a fifth of the population in employment – considering daily migration – were considered underdeveloped. The legislator placed the primary responsibility for development on local communities and their leaders. Therefore, the main emphasis was on tax relief (exemption from personal income tax for five years) and credit relief (interest-rate benefits and extended repayment terms) for investors in these areas. Republic authorities undertook to co-finance half of the development projects and provide all the necessary expert assistance for their implementation. The only exceptions were infrastructure facilities important for the economic and social development of less-developed areas. Investments of this kind, such as in roads, schools, kindergartens, and cultural institutions, could be covered by republic funds. A special commission composed of representatives of the republic's executive authorities, developed and undeveloped municipalities, and the Chamber of Economy was responsible for implementing the law's provisions. The Ministry of Finance provides the commission with expert support and administrative services. This law came into force in February 1971.

Since then, the development of less developed areas has been a constant feature of development visions, particularly in plans and forecasts for short- and long-term development. Thus, the development of less developed areas was embedded in a broader set of regional policy measures, which also included elements of polycentric development. The economic and social functions of regional centers were to be systematically strengthened and linked by a broad network of transport routes, energy, and telecommunications lines to enable smooth communication. The principles of urban planning and infrastructure network planning were also subordinated to polycentric development. In this way, a functionally unified and rounded urban system would be created at the republic level, connecting rural areas and cities without sharp divisions between them. To ensure more stable long-term development, investments in industry, agriculture, and tourism should be promoted. By the early 1970s, belief in the redemptive power of industrialization had already waned considerably. Furthermore, they emphasized the importance of educating the population and its spatial

mobility, which was to be enabled by a developed network of transportation routes. It is interesting to note that economic cooperation with neighboring countries was considered an important stimulus for the development of less-developed border areas. Despite considerable success in the relative economic equalization of regions with decentralized and dispersed industrialization significant differences still remained at the end of socialism in the late 1980s (Sedlaček, 2015).

CONCLUSION

The debate on poverty and social inequalities reveals a complex intertwining of ideology, politics, and actual social life. Although the official doctrine emphasized the elimination of poverty through nationalization, full employment, and social transfers, poverty – especially among the peasantry – persisted in both hidden and less hidden forms. For a long time, the system used substitute terms such as *materially disadvantaged* or *persons without means of subsistence*, but in practice, poverty was present in everyday life and in public debate, especially during the economic crises of the 1970s and the 1980s.

Political debates showed that poverty was understood as a potential threat to socialism's legitimacy. Despite efforts to achieve egalitarianism, significant differences remain between urban and rural areas, between industrial sectors, and between regions. Private peasants remain particularly vulnerable, exposed to prolonged uncertainty due to agricultural policy, unfavorable economic conditions, and slow integration into the social security system.

Slovenia seemed to be successful in reducing inequalities in the postwar period, but the processes of economic stagnation in 1980s revealed the limits of the implemented model. Poverty did not disappear but still existed as an integral part of everyday life for certain social groups, such as peasants. This fact – concealed in official discourse, but clearly present in public and in research – shows that socialist Slovenia, on one hand, eliminated inequalities, but at the same time, produced new forms of social inequalities.

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