

Regional Development of Eastern Slovakia

Monika Hergezelová*

Trnava University in Trnava, Faculty of Arts, Department of Political Science,
Hornopotočná 23, 917 01 Trnava, Slovakia
monika.hergezelova@gmail.com

Abstract:

Purpose and Originality: The aim of the work is to provide an overview of regional development in Eastern Slovakia, where are Košice and Prešov Region. The originality of the work lies in the work of enriching the SWOT analysis from the author Eve Rajčáková, which is given in the book deals with the issue of Regional development and regional policy of the European Union and Slovakia.

Research question: The conditions of life of people in eastern Slovakia.

Method: For writing this contribution will be used method of analysis and statistics. Knowledge on this subject have been looking on the internet and in books and sources of information publicly available. Using the data collected, we dealt with the issue of regional development in the Košice and Prešov regions.

Results: The topic was the beginning focused on the overall characteristics of eastern Slovakia. Furthermore, we are at work we dealt with social and economic phenomena in both regions of eastern Slovakia. We focused on GDP, unemployment and tourism, which is in the region is widespread.

Society: It is well known that there are obviously different living conditions in eastern Slovakia as in other parts of Slovakia. People are forced to, mainly because of employment, leave their region to move or commute to work to the west. The paper point out the right of this negative phenomenon that is quite visible - high unemployment.

Limitations: The limits of work are limited by problems of regional development in eastern Slovakia, mainly focusing on economic and social phenomena in the society.

Key words: Regional development. Region. Eastern Slovakia. Kosice region. Prešov Region. Social conditions. Economic conditions. Geographical characteristics.

1 Introduction

In this paper on the Regional Development of Eastern Slovakia, we discuss essential concepts which are important for a reader to understand the paper properly in the introduction of our work. Regional policy is one of basic concepts. We define it from a perspectives of several authors in the paper. Next, we write about a key term, which is regional development. In that section of work, we explain the meaning of development and regional development. In regard to the fact that regional development is the main topic of our work, we consider it relevant to describe and clarify the concept in greater detail. Region as a term is introduced in a separate

* Korespondenčni avtor / Correspondence author

Prejeto: 14. april 2017; revidirano: 5. julij 2017; sprejeto: 8. julij 2017. /

Received: April 14, 2017; revised: July 5, 2017; accepted: July 8, 2017.

subchapter. In order to enrich our work, we give a SWOT-analysis – a profile of Eastern Slovakia Region. The analysis focuses on an industrial and service sector, agriculture and rural areas, infrastructure, environment and human resources. Then, we characterize Eastern Slovakia as a whole in a second main chapter. The chapter is devoted to the Košice Region and Prešov Region, which are at first defined from a geographical viewpoint. Both regions are characterised from an economic as well as social perspective. The work includes an appendix where we compare differences between the individual Slovak regions and which contains the latest available map presenting an overview of unemployment in Slovakia.

2 Regional policy

Firstly, it is necessary to point out that regional policy and regional development are constantly evolving. The first aspect of regional policy aims at making regional disparities smaller. An original idea of balanced development of all regions has been replaced by an idea of the so-called equality of opportunity and the mobilization of common financial resources for financing regional policy. An effective financial investment requirement is a new opinion which is implemented. The funded projects have to solve local issues. Simultaneously, they have to have a nature of the so-called growth effect. The second aspect includes a hypothesis on regional differences, which are the determinants of growth – highly-developed regions are supposed to provide the economic entities of weaker regions with significant economic opportunities. This should lead to the natural transformation of underdeveloped or affected regions. The significant growth determinants are manifested by the increase of state and regional competitiveness as well as strong centres being the bearers of regional economic development. (Rajčáková 2009, p.8)

A number of authors have characterized regional policy. We report several characterizations in our work. Regional policy is a set of goals, measures and instruments focused on making considerable regional differences smaller at a socio-economic level. (Žák 2002 in Stejskal, Kovárník 2009, p.14)

From a macroeconomic perspective, regional policy can be defined as a conceptual and executive activity of national government and its regional authorities. (Lacina, Obršálová, Stejskal 2005 in Stejskal, Kovárník 2009, p.14)

Regional policy is a part of national policy affecting the distribution of main economic resources and activities across the whole territory of state or in its part. It includes, on the one hand, measures which are designed to encourage a growth of economic activities in a territory having a high unemployment rate and low potential for the natural economic growth, and on the other hand, measures which are intended to control economic activities in the territories which show the above-average growth. (Goodall 1987 in Stejskal, Kovárník 2009, p.12)

Regional policy is a part of economic policy. Thus, it is an activity done by the national government which is aimed at affecting the development of public matters without regard to who is an agent. With this in mind, we may state that economic policy involves specific

activities pursued with the aim of correcting the unbalanced inter-regional development and intra-regional disparities. Regional policy refers to an active impact of national government and self-governing regions on the speed and structure of regional development and changes in the conditions and structure of spatial distribution of national economy. It is a part of macro-economic national policy and it is implemented closely considering sectoral policies. (Kern 1998 in Stejskal, Kovárník 2009, p.13)

Regional policy is represented by all the direct as well as indirect interventions of government, regions, municipalities and towns into the better spatial distribution of economic and non-economic activities. In this sense, an effort is made to coordinate certain spatial consequences of free market economy with the aim of achieving the two mutually-dependant targets, namely the economic growth and the improvement of social distribution. (Adamčík 1998 in Stejskal, Kovárník 2009, p.13)

1.1 Regional development

Development is a process which aims at improving an original state or changing the original state into the better one. Development is conceived as a process of progress leading to a better version in comparison with the original version it was based on. On contrary, Stagnation is an opposite process to development – There is no progress and what occurs is the halt or recession. Development is often used in association with the process of forming human personality, when we talk about personal development. Next, it is applied also in connection with construction, when it refers to the development of enterprise, cities etc. Sustainable development is thus a social progress which preserves successful environment inevitable for constant development. (Metodika tvorby programov hospodárskeho a sociálneho rozvoja obce/obcí/VÚC 2016, p.9)

Regional development is a set of social, economic, cultural and environmental processes and relationships which are implemented in a region and which encourages the growth of regional competitiveness, sustainable development, social and land development, and the reduction of economic and social disparities between regions. Regional development is a qualitative change in all the material and non-material values in time and space. Regional development aims at making citizens' life very good and people living in the quality environment satisfied due to the sustainable economic progress. (Metodika tvorby programov hospodárskeho a sociálneho rozvoja obce/obcí/VÚC 2016, p.9)

In Slovakia as of 1st January 2017, all regional development powers rest with the Government Office of the Slovak Republic.

Regional policy has its weaknesses, for instance, especially the significant regional disparities (between regions, and between districts especially). In general, we can assert that the up-to-date tendencies in regional development have also been caused by the absence of effective

regional policy. If we consider the fact that national regional policy is implemented in the developed European countries and the regional policy of European Union is only a supplementary policy, what arises is the question whether Slovakia has the sufficient resources for the implementation of effective national regional policy. A significant role is played by the institutions which coordinate the development of regions, especially the public authorities and the institutions which elaborate, implement and assess the projects having impact on regional development. The above-mentioned system should be embedded in legislation and the powers of individual agents affecting regional development should be defined by law. (Falt'an, Pašiak 2004, p.49)

In the context of regional development, we can identify tendencies which have affected the increase of regional competitiveness or the marginalisation of individual regions and which will affect it to a certain extent in the following period. *In regard to the distribution of the quality of human and social potential*, the fact that (from the perspective of population, education and lifestyle) a quality human and social potential is still concentrated predominantly in bigger towns makes the commencement of development trends complex especially in rural areas and smaller towns. However, there are also considerable regional disparities, what creates significantly different “starting” conditions and development preconditions. *With respect to making profiles of the regions of poverty*, it is particularly the East Slovak regions and a southern part of central Slovakia which are frequently referred to as “the regions of poverty”. They are defined by the high and constantly growing number of the unemployed and the permanently unemployed, the growth of the number of people dependant on social benefits, economically active inhabitants with low income, the low economic growth as well as the insufficient lifestyle facilities. Finally, concerning *a social and economic level of border districts* situated next to south-east and north-east borders of the Slovak Republic, the insufficient connection of Slovak territories like this (but also other territories) to main roads (international roads and a capital city) is still a reality, what strengthens the lack of interest of especially foreign investors in these territories. *The relationship of centre – periphery* is a dominant property of the economic structure and potential of Slovak regions. In the majority of economic activities and indicators, the central status of Bratislava and secondly Košice stands out, and from a wider assessment perspective, they are followed by the districts with significantly developed and urbanised centres – Žilina, Banská Bystrica, Prešov, Trnava, Trenčín a Nitra (current seats of regions). (Falt'an, Pašiak 2004, p.51)

1.2 Region

Region as a term itself may be defined as a spatially-related dynamic system of qualitative and quantitative variables which have impact on each other, e. g. a natural, social and economic potential. The identification of region, the intensity and stability of connections between system elements and structures are directly related. The spatially determined system

like this shows the specific dynamics of behaviour and effects the character of region. Simultaneously, it stimulates the economic and social development. In recent years, regions have gained in importance due to the social conception of space. It is exactly this approach what is applied to the conception of regions in regional development. Regions can also be seen as the specific and dynamic manifestation of social processes, which depends on people's behaviour. (Rajčáková 2009, p.9)

Regions can be understood from several perspectives. *The political dimension* means the that regions are considered from a political and administrative viewpoint, including competition and cooperation links on a local, regional, national and transnational level. To give an illustration, let's look at the so-called learning regions. It is the initiative intended to unite professionals, laymen and organisations working in the field of life-long learning and other fields which encourage overall regional development. The formation of network like this is a precondition for the regions to be able to use public and private resources for the implementation of development activities effectively. Next, it is the *economic dimension*, which is significant from the viewpoint of international companies and their localization in regions. The economic dimension is also important in establishing regional production clusters. From the perspective of *social and cultural dimension*, regions are considered in regard to the role of regional media and the importance of regional culture. The strategic dimension is important in planning and supporting the formation of networks, partnerships in solving social issues on all the hierarchical levels. (Rajčáková 2009, p.10)

The following paragraphs briefly describe the classification and typology of regions which is used most frequently. Rural regions have an agricultural and eco-stabilization function. Regional policy aims at creating favourable economic, social and cultural conditions to reduce the migration of inhabitants from rural to urban areas. The main problem of urban regions is the *goal-directed progress*, which should proceed in line with the maintenance of quality environment. Special attention is paid to the development of infrastructure and the renovation of historical monuments. The full cooperation with the regions situated on the other side of border, the economic progress and the development of infrastructure are of top priority for the border regions. *Mountain regions* have a high and significant natural potential. They fulfil forestry, agricultural and protective functions. Regional policy focuses on the development of tourism in these regions. *Declining regions* have arisen as a result of the long-term impact of negative development factors like the long-term unemployment in a region, the absence of infrastructure, demographic regression etc. The support concentrates on the restructuring of the economy, infrastructure modernisation and social environment stabilization. *Underdeveloped regions* differ from the above-mentioned type of regions in the long-term economic recession accompanied by the continuous decrease of production, need and demand, and the growth of social issues. For the problems like this to be solved, the long-term assistance and support of the government is vital. *Open regions* have a leading position in the economy of a country. They have outstanding advantages, which are manifested by the "openness" of the region toward the development of internal and external activities regarding, for instance, the transformation of labour markets and the entry of foreign capital. *Seaside*

regions and islands are characterized by their location in the proximity of sea. (Rajčáková 2009, p.14)

Regions can be assessed applying various methods. Because regional development is most frequently associated with the economic growth, the economic power of regions is most often expressed by the indicators of gross domestic product (GDP) calculated per capita. The SWOT-analysis is one of the methods which are applied most frequently to regional development. It is used to analyse and assess the situation in regions, identify crucial areas and make decisions.

3 Eastern Slovakia

Despite its small area, Slovakia is a country with considerable regional disparities. Eastern Slovakia belongs to the most underdeveloped Slovak regions. There are several reasons to the situation like this and they can be identified on an international, national as well as regional level. The economic backwardness of the Region is encouraged by the fact that it is detached by natural barriers (the Tatras, the Pieniny and the Poloniny mountain range) and an external EU border, which is common with the Ukraine to the east and which makes the movement of people, goods, services and capital more difficult. (Angelovič, Benč 2014, p.86)

Eastern Slovakia is characterized by a hilly terrain in the north and lowlands in the south. It borders with three countries: Poland, the Ukraine and Hungary. (Travel in Slovakia – Good Idea 2015)

The area of Eastern Slovakia is 15,729 km² (32 % of the area of Slovakia). From the administrative perspective, the region is divided into the Košice and Prešov self-governing regions. They are further subdivided into 24 districts, where there are 40 seats having the status of town. The urbanization amounts to approximately 51 % (2013). The Region has undergone a difficult development. Historically, it includes the regions of Spiš, Šariš, Zemplin and Hont. (Angelovič, Benč 2014, p.87)

3.1 Public Investments in Eastern Slovakia

The economy of Eastern Slovakia has been the weakest economy in the country for a long time, as it was also the case in former Czechoslovakia. The Region suffers from a high unemployment rate and emigration as well as a low standard of living. At the time of socialist Czechoslovakia, the strongly agrarian Region was focused on the economic progress main due to “forced industrialization” and it was closely associated with armament production. Considerable investments were also made into health-care, an educational system and science and research infrastructure.. The Fall of Communism brought about the significant restructuring of the East Slovak economy as a part of the transition of Slovakia to the market economy. The collapse of industrial production and the fall of socialist agriculture had a devastating impact on the regional performance and employment. Eastern Slovakia rapidly

became the most problem area of the new independent Slovak Republic (after the dissolution of Czechoslovak Federation in 1992). (Kupčík 2016)

In comparison with other Slovak regions, Eastern Slovakia has the lowest GDP per capita, lower salaries, a lower level of labour productivity and the higher unemployment rate. Eastern Slovakia produces 20 % of national GDP, being on the same level as Central Slovakia, but it is lagging behind Western Slovakia and the Bratislava Region. Taking the number of inhabitants into account, Eastern Slovakia is lagging behind each of the three other regions, having the lowest GDP per capita (8,667 Euro in 2011). Even though GDP per capita has been increasing in all the regions throughout the time (except the year of 2009 when the financial crisis occurred), regional disparities have increased considerably. (Martins 2015, p.50)

4 Košice Region

4.1 Geographic Characterization of the Košice Region

The Košice Region is located in the south-east of the Slovak Republic. A southern border is a common state border with Hungary and it is an internal boundary located within the Schengen area. An eastern common border with the Ukraine (Carpatho-Ukraine) is also an eastern boundary of the EU. The Košice Region borders with the Prešov Region to the north and with the Banská Bystrica Region to the south. Having the area of 6,755 km², the Košice Region is one of the largest Slovak regions. The Region stretches from the east to the west. It covers the whole southern part of Eastern Slovakia.

The territory of the Košice Region covers the Eastern Slovak Lowland, the Zemplín Mountains, a part of the Košice Basin, the highland of Bodvianska Pahorkatina, the mountain ranges of Slanské vrchy and Vihorlatské vrchy. The mountains of Slanské vrchy range across the centre of Region. The Region ranges to the Slovak Ore Mountains to the west. It reaches to the Hornád Basin and the mountain range of Branisko to the north. The highest point in the Region is the hill of Stolica (1,476 m.s.l.) and its lowest point is the village of Klin nad Bodrodom (94 m.s.l.) located in the District of Trebišov, which is the lowest place in Slovakia as well. The eastern section of the Region – the Eastern Slovak Flat and the Eastern Slovak Hills – is predominantly formed by lowlands. Its western part is formed by highlands. In the south, there is the Slovak Karst there. (Košický samosprávny kraj 2015, p.1)

There are four reserves in the territory of the Košice Region, namely the National Park of Slovak Paradise and the Slovak Karst, and the protected landscape areas of Latorica and Vihorlat. The Dobšinská Ice Cave and the geyser of Herľany are natural objects which are unique in Europe. The water reservoirs of Zemlínka šírava, Bukovec, Ružín and Dobšiná are also important from an economic and recreational perspective. Forests cover two fifths of the territory. They cover up to three quarters of the land especially in the most forested district of

Slovakia – in Gelnica. They are situated predominantly in the mountain areas in the north and south-west of the Region. There are bottomland forests in the south-east.

The Region has resources of energetic, ore and non-metallic raw materials. In regard to energetic raw materials, there are reserves of oil and natural gas there. The resources of geothermal energy are located in the District of Košice-okolie. Iron and silver ores can be found in the Districts of Rožňava and Spišská Nová Ves. There are also important reserves of magnesite in the proximity of Košice, stone salt in the District of Michalovce, talc and gypsum in the Districts of Rožňava and Spišská Nová Ves. The Region has the resources of various types of building stone, brick clay, limestone, kaolin, gravel sand and others. (Štatistický úrad SR 2016)

4.2 Regional Development

Regional development can be understood as an effort to satisfy regional inhabitants' personal and social needs. In the Košice Region, the effort like this is referred to as the quality of life. Therefore the Department of Regional Development of the Košice Self-Governing Region aims at ensuring the quality of life of the inhabitants who live in the territory of the Košice Region.

The main instrument the Department uses to achieve its regional goals is strategic planning. In these constantly changing times, strategic planning is mainly a set of activities which has to respond to the changes in the close environment in an active way and focus on the achievement of the goal set as well as ensure the quality of regional inhabitants' life. This kind of activities concerns the whole spectrum of fields ranging from economic to social, legislative, conceptual as well as implementation field.

4.3 Key Activities of the Košice Self-Governing Region:

- elaboration, implementation and assessment of the Economic and Social Development Programme of the Košice Self-Governing Region;
- elaboration and implementation of sectoral strategies and other development plans;
- elaboration of analytical documents and feasibility studies;
- marketing and searching for investment opportunities, communication with potential investors;
- elaboration of expert opinions and comments on regional, governmental and European policies and intents which may affect the socio-economic development of the Region;
- analysis and monitoring of socio-economic activities in the territory;
- conceptual draft projects and the implementation of development projects in the selected areas;
- promotion and development of partnership cooperation with public, private and academic sector;

- organisation of professional meetings and discussions on the topics related to the development of the Region;
- monitoring of development, technological and business opportunities and trends in the selected spheres of the economy and social agenda in Europe and across the world.

The mission of the Košice self-governing region is to propose effective instruments and seek active cooperation and partnerships with the aim of ensuring the socio-economic development of the Košice Region and increasing its regional competitiveness, and thus creating the quality conditions for life and work for the people who live the Region. (Archív KSK 2012)

4.4 Powers and Legislation

The Košice Self-Governing Region ensures and coordinates the elaboration and implementation of the economic and social development programme of the Self-Governing Region. It cooperates with the Ministries and other public bodies in elaborating the national regional development strategy and updating the plan of the territorial development of Slovakia and the framework programme documentation for drawing resources on the EU funds. It formulates a regional innovation strategy and elaborates the draft of regional innovation policy. It creates the conditions for the establishment and development of territorial cooperation and partnerships as well as the improvement of business environment. The Region collaborates with other regions and higher territorial units, universities, the Association of Slovak Towns and Municipalities, micro regions, municipalities and various entities located in the territory. It has competence in the elaboration of non-investment project applications focused on the development of human resources, the use of renewable sources of energy and the revitalization of the territory. (Archív KSK 2013)

The Košice Self-Governing Region acts in line with the Act No 539/2008 Coll on the promotion of regional development, Act No 302/2001 Coll on the self-government of higher territorial units as amended, Act No 416/2001 Coll on the transfer of certain competencies from state administration bodies to municipalities and higher territorial units, Act No 446/2001 Coll on higher territorial units assets as amended, Act No 50/1976 Coll on land use planning and building order (Building Act) as well as other related Acts and generally binding legal regulations. The essential document of regional development in the Košice Self-Governing Region is the Economic and Social Development Programme. (Archív KSK 2013)

4.5 Economic and Social Particularities

As of 31st December 2013, 66 thousand organisational entities were active in the districts of the Region. The natural persons – entrepreneurs – accounted for 60.4 %. The number of entrepreneurs decreased by 0.03 % year over year and they amounted to 39.8 thousand. The largest group amounting to 35.6 thousand consisted of the self-employed and the number of

them decreased by 0.5 % year over year. At the end of 2013, the number of registered entities amounted to 26.1 thousand. In other words, it was by 6.5 % more than in the previous year. 18.2 thousand enterprises focused on generating the profit. From the perspective of legal form, commercial companies prevailed (66 %). The most numerous group of 87.1 % consisted of small enterprises having up to 19 employees. Entrepreneurial activities were done especially in the field of business, science, industry, construction and in professional and technical fields. (Štatistický úrad SR 2016)

From the viewpoint of the regional share in generating the gross domestic product in the Slovak Republic (11.4 % in 2011) and the existing economic base, the Region belongs to one of the most significant regions in the Slovak Republic. On the average, an inhabitant of the Košice region made the gross domestic product amounting to 9,898 Euro in 2011.

The high unemployment rate still exists in the Region. Following the Prešov Region and Banská Bystrica Region, it was the third highest unemployment rate in Slovakia at the end of 2013 and it amounted to 17.23 %. The unemployment rate in the Košice Region was by 3.37 % higher than the Slovak rate whereas it decreased by 2.35 year over year. The highest rate of official unemployment was recorded in the district of Rožňava (24.83 %) and Trebišov (22.4 %). Approximately every fifth economically active inhabitant was unemployed. The lowest unemployment rate is permanently in Košice. Out of the total number of 71.054, up to 60.9 % of unemployed were registered with the Office of Labour, Social Affairs and Family for more than 12 months at the end of 2013.

The area of the Slovak Ore Mountains is a raw material base of the Region, which encouraged mining, metallurgy of non-ferrous metals and engineering. These industries are essential due to the dominant position of modern metals-processing plants and chemistry enterprises. Industry (metallurgy, engineering, food processing, electro technical, mining, construction materials, fuels and energy), construction and agriculture are the most important economic sectors. Food processing industry processing the agricultural products plays a significant role in the Region. Agricultural production is concentrated in the districts of Košice-okolie, Trebišov, Michalovce and Sobrance. (Štatistický úrad SR 2016)

The farmland covers 335 thousand hectares, what is a half of the area of the Region. Its three fifths consist of arable land and its one third includes grass land. Forests cover almost two fifths of the land.

The total length of roads located in the Region is 2,382.5 km. The Region has railways with the length of 788.6 km. A land harbour in Čierna nad Tisou has a significant function. There is an airport of international significance in Košice.

The network of business, services, financial institutions, health-care and social facilities, scientific and cultural institutions is well-developed. Institutions of higher education are

concentrated in Košice where there are four advanced education institutions there (Pavol Jozef Šafárik University, the Technical University of Košice, the University of Veterinary Medicine and Pharmacy in Košice and the private University of Security Management in Košice) (Štatistický úrad SR 2016)

Being one of the significant economic fields in the territory, tourism has a very good potential for the development in all the districts of the Region. Natural wonders of the Slovak Paradise are unique. The Slovak Karst full of caves, cloughs, plateaus and other peculiarities is unsurpassed. The Districts of Michalovce, Spišská Nová Ves, Rožňava and Košice I show the best results in the tourism development thanks to good natural conditions. Natural wonders, numerous cultural and historical monuments and peculiarities are significant elements which motivate domestic and foreign tourists to visit these districts. (Štatistický úrad SR 2016)

5 Prešov Region

The Prešov Region is situated in a north-eastern part of the Slovak Republic and it contains mainly small municipalities. It is the most populous region among all the regions. In regard to its area, it is the second largest region in Slovakia. It is made of historical regions of North, Central and partially Southern Spiš, Upper and Lower Šariš and Upper Zemplín.

The Region stretches from the west to the east. Its length is 250 kilometres, what makes its length three times greater than its width. The Region covers the whole north-eastern part of Slovakia (it is the easternmost region in the Slovak Republic). The Prešov Region has a common borders with Poland, the Ukraine and the three Slovak Regions of Košice, Banská Bystrica and Žilina. From an administrative perspective, the Prešov region is divided into 13 districts. (Prešovský samosprávky kraj 2008)

The highest point of the Region which is also the highest point of Slovakia is Mount Gerlach (2,655 m above sea level). The lowest place is near the place where the Ondava River leaves the Region in the cadaster of Nižný Hrušov Municipality (105 m above sea level). The relative height difference is 2,550 m. Due to the different altitude and uneven surface, the territory of the Region is divided into three climatic areas, namely a cold area, slightly warm area and warm area.

The Region has rich reserves of raw materials, for instance, the most important of them are the reserves of salt, limestone, building stone, brick materials, zeolite and manganite ore. (Štatistický úrad SR 2016)

5.1 Economic and Social Particularities

The region has the highest birth rate and shows the highest increase in population. However, the overall increase in population is the second highest in the Slovak Republic due to migration. In regard to its age structure, the size of pre-productive group is decreasing while the size of productive and post-productive group is increasing. With respect to the slight increase in the average age (37.24 years) of its inhabitants, the Region is one of the youngest regions in Slovakia. (Štatistický úrad SR 2016)

In the economic sense, the Prešov Region is the weakest Slovak region, namely also due to its predominantly rural character. Industry is varied and it is not significantly oriented to some production fields. Metal processing, wood processing, food processing, electro technical, engineering, chemical, textile and clothing industry plays a significant role in the Region. It concentrates mainly in the capital towns of districts. The following companies belong to the most important enterprises in the Region: Tatravagónka in Poprad, Lear Corporation Seating Slovakia in Prešov, Pivovary TOPVAR, a.s., MECOM GROUP in Humenné, MILK-AGRO in Prešov, Nexis Fibers in Humenné, Bukóza Export-Import in Vranov nad Topľou, Chemosvit folie in Svit, Bukocel in Hencovce and others.

The farmland covers 42.4 % of the overall area of the Region. Its two fifths include arable land which is used for growing cereal crops, forage crops, oil crops and potatoes. The Region is one of the biggest producers of potatoes in the Slovak Republic. Regarding livestock production, the breeding of bovine prevails. Along with the Banská Bystrica Region, it farms the largest forest areas.

The entrepreneurial activities of its inhabitants are affected by the conditions and opportunities created in the given Region. More than 16 thousand firms and 55.5 thousand self-employed persons are active in the territory of the Region. They are focused on the generation of profit. They are doing business mainly in construction, trade and industrial production. With respect to the number of employees, small-sized enterprises account for 95 % of total companies (having up to 49 employees). Middle-sized enterprises account for 1.6 % (50 – 249 employees) and large enterprises account for 0.3 % (over 250 employees). (Štatistický úrad SR 2016)

The highest number of people is employed in the sector of services (56.8 %), industry and construction (around 37 %). Next, lots of inhabitants work in the field of education (overall 17.26 %) as well as health-care and social services (10 %). Overall, 6.1 % of the employed worked in the sector of agriculture in 2008, what is above the Slovak average. Even though the unemployment had a decreasing tendency after 2004, the decreasing tendency has been gradually changing since 2008. In 2006, the rate reached 13.68 %, and in 2007, it dropped to 12.31 %, what equals to 45,392 jobseekers. It significantly surpassed the Slovak average. In

2008, the unemployment rate reached 12.9 %. The growth of economically active inhabitants did not occur in the Prešov Region but it dropped to the halt, with the total number of Regional inhabitants amounting to 374.8 thousand, what is 46.8 %. In regard to the structure of the unemployed, the Region has the highest number of unemployed graduates (27,504), the third highest number of permanently unemployed and one of the highest unemployment rates in the age group of 35 – 49 in the Slovak Republic. In addition to the unemployed, the economically active people commuting to work to other regions or abroad can be considered to be a potential source of workforce. In case of the Prešov Region, the number of economically active inhabitants amounts to approximately 42,000. The average nominal monthly wage amounted to 632.17 Euro in 2008 and it was lower than the average monthly wage in Slovakia in all the sectors. In 2008, the degree of economic activity amounted to 58.1 % of the activity in the Slovak Republic and its development stagnated. Since 2004, average monthly financial income per capita had been increasing on the national as well as regional level. In 2008, it was 309.2 Euro in the Prešov Region. It remained below the average of the Slovak Republic. Household expenditures were increasing due to the growing income and in the Prešov Region, they amounted to 268.3 Euro of which 22.5 % was spent on food and non-alcoholic beverages and 20.4 % represented housing expenditures. (Spišská regionálna rozvojová agentúra 2015, p. 95)

Nature is the most precious wealth of the Region. Natural wonders and suitable climatic conditions create favourable preconditions for the development of tourism. One fifth of total number of accommodation facilities in Slovakia is located there. Their services are used by about 700 thousand visitors each year. The region of High Tatras and the districts of Bardejov, Kežmarok, Prešov and Stará Ľubovňa are the most visited areas in the Region. The Prešov Region has a significant status in the field of tourism in Slovakia and it is one of the most frequently visited regions.

The educational system includes a wide network of pre-school facilities and elementary schools. There are 39 grammar schools and 74 vocational high schools there. Concerning tertiary schools, the University of Prešov and the International School of Management Slovakia are located in the Region.

A network of health-care facilities involve popular centres for medical and preventive treatment, for instance, the treatment of diseases of the respiratory system in the High Tatras, the digestive system in the spa of Bardejovské Kúpele and the circulatory system in Vyšné Ružbachy.

The Region prides itself in having cultural and historical monuments. The towns of Levoča, Prešov, Bardejov, Poprad and Kežmarok deserve special attention. The town of Prešov is an administrative, economic, cultural and social centre of the Region, where significant administrative instructions of Orthodox Church, Greek Catholic Church and Evangelic Church are also located there. (Štatistický úrad SR 2016)

6 Conclusion

At the beginning of the paper, we became familiar with the theoretical starting points of the topic. In its main section, we examined the Region of Eastern Slovakia which is divided into the Košice Region and Prešov Region. In regard to the area they cover, both regions belong to the largest regions in Slovakia. Based on the geographical characterization, we found out that the Region is very rich in its natural wonders. This is one of the main reasons why tourism prospers there. In addition to other peculiarities, significant national parks and our High Tatras, which are famous across the world, are situated in the territory of Eastern Slovakia. Our work is predominantly focused on the economic and social particularities of above-mentioned Regions. We have dealt with agriculture, entrepreneurial activities, GDP and the unemployment rate. It is the unemployment rate, especially, what is a long-term negative phenomena occurring in the given Region. Living in Western Slovakia, it was interesting for us to observe how big regional disparities exist between the regions of one country which is one of the small countries in the world.

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Appendix

Strengths	Weaknesses
Industry and Services	
<ul style="list-style-type: none"> • Developed structure of industry, with the long-established production tradition especially in the fields of metallurgy, mechanical engineering, food-processing industry, chemical, textile, electro-technical and wood-processing industry and others • Usable raw material resources of inter-regional importance (talc, magnesite, calcite salt), wood and the conditions for the use of alternative energy resources • Large natural areas as well as cultural heritage create the potential of the Region for tourism 	<ul style="list-style-type: none"> • Insufficient micro-economic adaptation to the market economy conditions • Insufficient research basis and its absence in the fields which are promising from the economic development perspective
Agriculture and Rural Areas	
<ul style="list-style-type: none"> • High soil and climate potential for traditional agricultural production, suitable for crop farming and livestock production, fruit production, vegetable production, and viticulture in the southern and south-eastern parts of the region 	<ul style="list-style-type: none"> • Backwardness of agriculture in regard to technologies and machines

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<ul style="list-style-type: none"> • Quality forest soil and a high degree of forest coverage, the renewable forest reserves, which are suitable for wood production and long-term traditional forest production 	
Infrastructure and Environment	
<ul style="list-style-type: none"> • Convenient geographic location with a common border with three states in Central Europe (a part of borders of the Schengen Area). • International airports in Poprad and Košice • Presence of colleges and universities, scientific institutes for highly-qualified professionals, what along with the relatively developed industry creates opportunities for the use of high-technologies and the implementation of scientific and technical research results in practice. 	<ul style="list-style-type: none"> • Insufficient road infrastructure consisting of low-quality roads of regional importance in the north-east and a low level of accessibility of the Region • Absence of highways, which are essential for foreign investors to come to the region • Bad environmental conditions resulting from past industrial activities and missing technical infrastructure
Human Resources	
<ul style="list-style-type: none"> • Well-educated workforce suitable for the current economic level of the Region, sufficient qualified workforce with complete high-school and vocational education • Concentration of educational, scientific, research and cultural institutions in Košice 	<ul style="list-style-type: none"> • Long-term high unemployment rate and the increasing number of the permanently unemployed • High number of inhabitants with elementary education • Social disparities and the high number of inhabitants dependent on social benefits
Opportunities	Threats
Industry and Services	
<ul style="list-style-type: none"> • Free space convenient for the construction of industrial parks • Use of resources from EU structural funds • Use of natural potential for tourism and spa business, and the use of geothermal energy for heating 	<ul style="list-style-type: none"> • Lack of financial resources for production development and modernisation

»Se nadaljuje«

»nadaljevanje«

Agriculture and Rural Areas	
<ul style="list-style-type: none"> • Development of wood-processing and furniture industry • Development of agrotourism and untraditional forms of tourism • Use of resources from EU structural funds for the implementation of development programmes 	<ul style="list-style-type: none"> • Low productivity of work and the low economic effectiveness of enterprises in agriculture • Insufficient exploitation of rural areas potential for doing small and medium business and agrotourism
Infrastructure and Environment	
<ul style="list-style-type: none"> • Accumulation of financial resources for the improvement of environmental quality 	<ul style="list-style-type: none"> • Lack of financial resources for the further construction and renovation of roads • Environmental accident risk
Human Resources	
<ul style="list-style-type: none"> • Opportunity to draw on the funds supporting breeding, education and science and apply for the assistance of educational institutions related to the labour market • Strengthening of civil society elements and the encouragement of non-governmental non-profit and governmental organisation cooperation 	<ul style="list-style-type: none"> • Above-average natural mobility of Romani • Increasing overall and long-term unemployment • Emigration of qualified workforce • Negative impacts of the restructuring of industry on the labour market

Figure 1: Eastern Slovakia Profile (SWOT-analysis) (Source: book of Eva Rajčáková with name Regionálny rozvoj a regionálna politika Európskej únie a Slovenska)

Monika Hergezelová is an BA in political science from Trnava Universty, Faculty of Arts.

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