

# The Development and State Regional Policy in the V4 Countries

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## Abstract:

**Purpose and Originality:** It provides an overview of the current state of development of regional policy in the European Union, which compares with developments in the countries of the Rose Group (Slovakia, Czech Republic, Hungary and Poland).

**Method:** It informs about the possibilities of regional, structural and cohesion European Union policy objectives and instruments of regional policy in the programming period 2007 – 2013. What is NUTS regions and cohesion. in all countries analyzed evaluates and compares economic regions according to objective level verifiable indicators. They include gross domestic product (GDP) in purchasing power parity (PPP) 1 per capita and unemployment levels work describes the strategies, objectives, instruments, program and institutional framework of regional policy in individual countries.

**Keywords:** Regional Policy, Central European regional development, NUTS 2 regions, GDP at PPP, Visegrad Group.

## 1 Introduction

The concept of regional policy is now in Slovakia, the often mentioned phrases. It is due to the fact that the term is associated with European issues and the European Union and Slovakia was only five years ago, on 1 May 2004 became a full member. This does not mean that there was no regional policy before, but systematically, the common solution to this long-term endeavor in particular States of the European Union. Slovakia now has the opportunity to draw on the experience of the "old" EU Member States to this issue and to use funds from its funds. The aim of this work is to clarify the development of regional policy of the European Union since the mid-20th century until 2009 and compare it with the evolution and current status in selected countries of Central Europe including Slovakia. We will try to specifically evaluate the national territory, taking into account the similar development of regional policy in the states so. Visegrad Group. This is a fairly large area, of which the States have a specific history and development of regional policy and development. Their development is similar especially from the 90s of the 20th century and continues even after the joint accession to the European Union in 2004. In the analysis, we deliberately have not included Germany, which regional policy would unduly broaden the scope of work. We will also address the regional, structural and cohesion policy and analysis on what the priorities are assigned in the programming period 2007 - 2013 and through which regional programs are implemented in the individual countries. We get what institutions redistribute money from EU funds, possible legislative framework of regional policy. Finally, we will attempt to explain and compare the economic level of regions and individual countries on the basis of objectively verifiable

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indicators. They are mainly economic indicators. As a main we chose the gross domestic product (GDP) respectively. Gross domestic product in purchasing power of the population (GDP at PPP). We will analyze and compare regional share of the total national GDP and created Moreover, unemployment or other indicators. The conclusion will try to compare the values of monitored indicators States themselves and with the average of European Union.

## **2. Regional and structural policy of the European Union**

Under the regional policy can be understood management by the state and territorial institutions the scope of which tend towards the creation of favorable conditions for dynamic and versatile development of regions with maximum use of their geographic, human and economic potential (Rajčáková 2005). Regional policy is an integral part of macroeconomic policy State and is carried out in close coordination with sectoral policies, structural and urban policy, whilst itself as the regional dimension (Tvrdoň, Hamalová, Žárska 1995). Structural policy is one of the tools for achieving sustainable economic growth. Its objectives are conceived to support: macroeconomic stability and economic growth; increasing competitiveness of the economy; reduction the unemployment rate and improve the quality of life of citizens ([Http://www.vlada.gov.sk/infoservis\\_archiv.php?adm\\_action=13&ID=61](http://www.vlada.gov.sk/infoservis_archiv.php?adm_action=13&ID=61), 6.5.2008). Cohesion policy is a policy of economic and social cohesion. This policy brings the new Member States the benefits of cohesion, reducing disparities, increase competitiveness and improve the quality of life of their inhabitants.

### **2.1 Development of regional and structural policy**

The beginnings of regional policy as we know it today dates back to 1957, when the founding states of the European Economic Community (France, Italy, Germany, Netherlands, Belgium and Luxembourg) signed the Treaty of Rome. The preamble of the document They are referring to the need "to strengthen the unity of their economies and to ensure their harmonious development reducing disparities between the various regions and the backwardness of disadvantaged Regions' (Delegation of the European Commission in Slovakia, 2002). The following year, 1958, on the basis of the Treaty, created the first two ministerial Funds: the European Social Fund (ESF European Social Fund) and the European Agricultural Guidance and Guarantee Fund (EAGF European Agricultural and Guarantee Fund)). The two funds are designed to promote the creation of common policies. At this time, part of the EU structural funds. These are instruments for the implementation of regional policy (Lipková, 2006). The most important institutions of regional policy based on the EEC Treaty, is without no doubt the European Investment Bank. The role of this institution is to contribute to the balanced and steady development of the common market. This is why EU regional policy in the 60s the last century, carried right through concessional loans from the European Investment Bank (Dudas, 2006).

In 1975 establishing the European Regional Development Fund (ERDF, European Regional Development Fund) for the purpose of allocating part of Member States' contributions to Budget poorer nations (Delegation of the European Commission in Slovakia, 2002), which were mostly newly acceding countries. To support the needs of defined regions lagging

behind in development: southern Italy, Ireland and even .; and regions in structural crisis following the decline of traditional Industry: regions of the United Kingdom and others. (Rajčáková, 2005). In 1986 was adopted the Single European Act, which laid the foundation for the unique cohesion policy aimed at removing barriers to the single market for southern countries and other disadvantaged regions (Delegation of the European Commission in Slovakia, 2002). In 1988, the Heads of State and Government adopted the proposal of the President of the Commission Jacques Delors action plan that provides for doubling the resources of the Structural Funds in the years 1987-1992 (Lipková, 2006). Structural assistance has been allocated 68 billion. ECU (at 1997 prices, Delegation of the European Commission in Slovakia, 2002). In 1989 it was launched the first reform of the Structural Funds. The reform approved the principle of multi-annual planning, prioritize development goals and has established partnerships with States as well as other economic entities (Lipková, 2006).

The shaping of the EU structural policy has contributed significantly and the Maastricht Treaty - The Treaty on European Union, which outlines the prospects for further development of the EC in the post Completing the single market with the major goals - strengthening economic and social Cohesion members of the European Community (Rajčáková, 2005). This agreement entered into force in 1993. On that basis was established by the Cohesion Fund (CF, Cohesion Fund - Cohesion Fund). The beneficiaries of the Cohesion Fund, in contrast to the Structural Funds There are regions, but the state. EU Treaty strengthened structural funds itself when it establishes a financing Instrument for Fisheries Guidance (FIFG). It strengthens the institutional and regional coverage policy by the EU Treaty based Committee of the Regions. This consultative body established in 1994, representatives of individual EU regions under it say in European Lawmaking (Dudas, 2006).

In 1997 the European Commission adopted an Action Agenda 2000, which He presented the most important problems related to EU enlargement, the political reform and financial perspective. ([Http://www.euroinfo.gov.sk/index/go.php?id=1129](http://www.euroinfo.gov.sk/index/go.php?id=1129), 28.3.2009). In 1997, was also signed Treaty of Amsterdam confirmed the importance cohesion and stressed the need for cooperation in reducing unemployment (Delegation of the European Commission in Slovakia, 2002). In March 1999, the Heads of State and Government at the Summit in Berlin, a second reform of the Structural Funds (after the first in 1989). Priority objectives are redefined and reduced in three groups, while the item is directed to the benefit of least developed regions and social groups (Lipková, 2006). European Council The Berlin meeting, in addition to reform of the Structural Funds and the Cohesion Fund approved for the period 2000 - 2006 and the Pre-Accession Instrument for Structural Policies (ISPA) Special Accession Instrument for Agriculture and Rural Development (SAPARD) which complement the PHARE program and have been identified as so-called. Pre-accession assistance to candidate Central and Eastern Europe (Rajčáková, 2005). In specific areas of operations were complemented by the structural funds and so-called. Community initiatives, which included: INTERREG - border support Regions; URBAN - encouraging the development of urban centers; LEADER - encouraging the development; EQUAL - support for eliminating the causes of inequality and discrimination in the labor market others. In March 2000 the Lisbon

Strategy was adopted. Heads of State and Government agreed on an ambitious goal: making the EU "the most competitive by 2010 and dynamic knowledge-based economy in the world, capable of sustainable growth with more and better jobs and greater social cohesion" ([Http://www.europskaunia.sk/lisabonska\\_strategia](http://www.europskaunia.sk/lisabonska_strategia), 28.3.2009). When it became clear that this ambition is unrealistic, EU leaders in the Lisbon strategy 2005 review. Its priorities are already talking only about ensuring growth and jobs together with an emphasis on the social dimension of the economy (<http://www.euractiv.sk/lisabonskastrategia/clanok/barroso-lisabonska-strategia-funguje>, 28.3.2009).

## **2.2 Regional and structural policy in the period 2007-2013**

Period 2007 - 2013 marks the modification of regional policy instruments, creation of strategic guidelines for regional policy and the adoption of new innovative financial initiatives. Identify the basic features of the regional policy of the European Union, reducing disparities based on innovation and knowledge, improving the continuity of the core and peripheral regions and increase internal cohesion of the European Union (Ivaničková, 2007).

### ***2.2.1 The objective of regional policy in the period 2007-2013***

In the programming period 2007 - 2013 are the main objectives of cohesion and regional policy:

- Objective 1: Convergence
- Objective 2: Regional Competitiveness and Employment
- Objective 3: European Territorial Cooperation

For regions and Member States eligible for support from the EU Structural Funds under new "Convergence" objective, the key intention to stimulate growth potential. Strategy objective focuses on investments and collective services which require long-term competitiveness, job creation and sustainable development. Main strategic plans that aim are basic infrastructure and its modernization, scientific, research, innovation and information and communication technologies and human resources development (Ivaničková, 2007). To achieve this objective are assigned to lagging regions whose GDP per capita for the period 2000 - 2002 is less than 75 percent of GDP on average capita in developed EU countries. For funding from the Cohesion Fund eligible Member States whose gross national income (GNI expressed in PPS) per capita, calculated on the basis of the EU for the period 2001 - 2003, it is less than 90% GNP EU25 (Ivaničková, 2007). Regions with GDP above 75% of EU-25 fall under the second of the "Regional Competitiveness and Employment ". One aims at strengthening competitiveness and attractiveness. Also, to support employment, two ways.

Development programs that can help the region realize and promote economic change through innovation and the promotion of the knowledge society, entrepreneurship, environmental protection and the improvement of their accessibility.

Development of new and better jobs by adapting the workforce and investing in human resources. In the third objective "European Territorial (territorial) cooperation 'should be to achieve the strengthening:

- Cross-border cooperation through joint local and regional initiatives,
- Transnational cooperation to integrated territorial development,
- Interregional cooperation and exchange of experience across the EU.

To finance cross-border cooperation, the regions of the Community level NUTS 3 along all internal and certain external land borders and all NUTS 3 regions along maritime borders separated generally 150 km, taking into account potential adjustments needed to ensure the coherence and continuity of cooperation (Ivaničková,2007). Within these three main target groups are allocated to the regions, which are applies so. transitional support, respectively. Regions with transitional support. Such regions are (Ivaničková, 2007).

The regions 'phasing-out' - they are NUTS level 2 regions affected by the so-called. Statistical effect due to a reduction in the Community average following the enlargement of the European Union. This regions should by 2013 provide strong support to complete its process convergence.

The regions 'phasing-in' - they are NUTS level 2 regions, which were the subject in 2006 full Objective 1 and whose nominal GDP level per capita exceeds already 75% the average GDP of the EU15. These regions are eligible for the specific and transitional funding from the Structural Funds under the Regional competitiveness and employment.

Member States eligible for funding from the Cohesion Fund in 2006 which would be continue to be eligible had the eligibility threshold remained at 90% of the GNP of countries EU15 and EU25 countries or not. EU27. These states are eligible for the transitional and specific funding from the Cohesion Fund under the Convergence objective. 3.2.2 Regional policy instruments in the period 2007-2013 Structural Funds, Cohesion Fund and Community Initiatives continue to be tools for achieving priority goals of EU regional policy. Objective 1 is financed by ERDF, ESF and the Cohesion Fund Objective 2 from the ERDF and ESF Objective 3 and also from the ERDF. For the period 2007 - 2013 prepared by the European Commission together with the European financial institutions, new financial instruments which serve to make use of Cohesion and Structural Funds. Their aim is to ensure effective absorption funds provided by the EU budget. New financial initiatives are:

- JASPERS - to prepare major infrastructure projects financed by the European funds;
- JEREMIE - improving the access of micro, small and medium-sized enterprises to financing;
- JESSICA - for urban renewal and social housing (Ivaničková, 2007).

Management of the Structural Funds and the Cohesion Fund is implemented through programming documents, which are:

1. National Strategic Reference Framework (NSRF)
2. Strategies, priorities and objectives of the NSRF are implemented through operational programs

### **2.3 Planning regions, regional and structural policy Union**

Since the early 70s the countries of the Commonwealth uses a unified and coherent five-level categorization system territorial statistical territorial units - Planning NUTS respectively. LAU. These regions have been established in cooperation between EU statistical office, the national statistical institutes of the Member States and the European Commission. This division does not necessarily correspond to the administrative division of the state. NUTS 1, NUTS 2 and NUTS 3 shall apply to regional, regions LAU LAU I and II the local level. NUTS level 2, having generally from 800 thousand. 3 million. residents are essential for the application of the principles of consistency and application tools structural policy (Rajčáková, 2005). Amendments to the NUTS classification shall be taken no more frequently than every three years in the second half of the calendar year based on the classification set out in Regulation criteria in accordance with the regulatory procedure referred to. In case of a substantial reorganization the relevant administrative structure of a Member State may be amendments NUTS classification taken in intervals of less than three (European Parliament and Council Regulation (EC) No. 1059/2003).

In accordance with the provisions of the NUTS classification updated every three years. This important process took place in late 2006. The new NUTS classification will apply the data provided from 1 January 2008. From this date must be timely statistics data in accordance with the new NUTS classification 2006. The NUTS classification is the reference framework for all regional statistics of the EU. Member States are required to submit regional statistics Commission, specifically Eurostat, which then publishes. (Commission Communities, 2007).

### **3. Slovakia and countries of the Visegrad Group**

Slovak Republic belongs to the countries called. Otherwise the Visegrad Group also called Visegrad Four (V4). Visegrad Group name is derived from Northern Hungarian town Vysehrad (Hungarian Visegrád), which was in the 14th century venue Meeting of Central European rulers. In Visegrad in 1335 has already been met Czech, Hungarian and the Polish king to discuss regional co-operation between their kingdoms and agreed to working closely together in the field of politics and business. As an indication of the country He 656 years later elected president of Czechoslovakia Vaclav Havel, President of the Hungarian Government József Antall and Polish President Lech Walesa at the meeting, which was held in Visegrad 15 February 1991. The three original leaders that signed the declaration of its close cooperation three (now four) countries towards European integration. After the fall of communist regimes mutual cooperation played an important role of these countries in the transition from totalitarian regime to a free, pluralistic and democratic society

### **3.1 Slovakia**

Slovak Republic is a landlocked country in Central Europe. formed relatively Recently 1.1.1993 after the split of Czechoslovakia. Since 1 May 2004 a member of the European Union. As of 31.12.2008 there were in the country to 49 035 km<sup>2</sup> with 5,412,254 inhabitants population density amounted to 110 inhabitants per km<sup>2</sup>. The level of urbanization is at about 56.5%. The capital of Slovakia is Bratislava (426,927 inhab.). Administratively, the country is divided into 8 autonomous regions, 79 districts and 2,891 villages (Municipalities 31.12.2007). Regional policy is essential to the NUTS division. The whole territory of Slovakia falls under NUTS I. There are also earmarked 4 NUTS 2 regions (Bratislava region, Western Slovakia, Central Slovakia and Eastern Slovakia), 8 NUTS 3 regions (all regions), 79 regions LAU I (districts) and LAU II regions in 2891 (the village; Eurostat, 2009).

#### ***3.1.1 Development of regional policy in Slovakia***

Each historical period of development in Slovakia, both within Czechoslovakia or even before Austria-Hungary, on his left his mark regions. current form Regional structure of Slovakia has been shaping the development of the most within the socialist Czechoslovakia (Kling, J., 2003). In the period of "real socialism" existed prescriptive The governance of central planning, under which were determined by the objectives of economic, social and territorial development of individual regions (Freedom D., 2003). The main priority for the development of the state in the 50s and 60s was the industrialization of Slovakia (Considered the main tool of balancing economic development and living standards Slovakia and the Czech regions) and its successor urbanization. Regional development was to 1960, part of a single state plan of economic development, from the early 60s national plan for economic and social development projects included the development of regional and to the state plan, they were integrated and option plans conurbations and adjacent areas. In the regional plan, the emphasis in terms of placement of investment funds put the cities of medium size (20 to 100,000 inhabitants), which represented the core regions (Korec, P., 2005). Naoko plans address the differences between the regions but were not permanently sustainable.

An important milestone in the development of regional policy in Slovakia was society-wide changes that occur after November 1989 (D. Freedom, 2003). The new regional policy in Slovakia began to take shape after the year. 1990. The Government Resolution no. 390/1991 approved the principle of regional economic policy representing motion system steps on regional issues and the regulation of development the problem of territorial units. This document also applied to Slovakia principles and objectives of regional planning corresponding with the European Standard European Charter for Regional / Spatial Planning (National Plan Regional Development, 2001) According to D. Freedom (2003), the regional policy after 1990 focused more on the Monitoring of growing regional disparities and receiving non-systemic steps to the stop growing regional disparities. Prevailing problems with excessive the distribution of funds through the state budget, as well as a lack of project managers in the field of pre-accession funds. Later it was the same turnover. In 1997 the Government approved the Concept of State Regional Policy and was developed as a range of documents relating to cross-border and international cooperation, integration in the European

Union and the possibilities for assistance of the funds. In particular it should be noted Integrated Plan of Regional and Social Development (approved by RG SR č.923 / 1999), which identify 29 problem districts that concentrate in the current Košice, Prešov and Banská Bystrica Region (National Plan for Regional Development, 2001). Who carried out the reform of public administration in the Slovak Republic with an ambition to contribute to the enhancement Slovakia's economic performance and its regions through decentralization of decision-making processes, including those related to regional development (D. Freedom, 2003). Regional development and regional policy of the Slovak Republic in the period 1999 - 2004 developed in accordance with the integration initiatives and with Slovakia joining the EU (Rajčáková E., 2005). Slovak Republic adopted on the development of its regions and the pre-accession financial assistance Union programs PHARE, ISPA and SAPARD. From 1 May 2004, Slovakia is a full member of the European Union and can benefit from support from the Structural Funds and the Cohesion Fund. Institutional provision of regional policy of the Slovak Republic currently has three levels - Central (Government, the Ministry of Construction and Regional Development, Central State Report) and the municipal level, regional (autonomous regions) and local (municipal) with relevant competence (Rajčáková, 2005).

### ***3.1.2 Regional disparities - the reason for the implementation of regional policy***

Slovakia is characterized by huge regional disparities - disparities between individual regions. Large regional differentiation is determined by geography, history, culture, economic development, ethnic composition, religion, age-old cultural and administrative centers. Is affected by external cultural influences, abuse, State intervention in the regions, urbanization and industrialization level. After years of a centrally controlled leveling regional disparities in Slovakia differences between different parts of the country began to rapidly increase. With the advent of market economy led to inappropriate consequences of regional policy of the communist regime. Once supporting industrial and agricultural enterprises of each region have been unable to adapt to market forces and unable to cope with the lack paternalism government (Kling, J., 2003). Analysis of the current state of the Slovak economy showed that the key disparities lie (Ivaničková, 2007):

- the low competitiveness of production and services,
- insufficient quality of human resources
- insufficient quality and availability of public infrastructure.

For the application of the principles of consistency and application of structural policy instruments are important NUTS level 2. The most developed area of Slovakia Bratislava region, which has well above the average GDP in PPP compared to the EU27 average (see. Tab. 1). Thus it falls under Objective 2 "Regional Competitiveness and Employment". Other SR regions are lagging behind significantly and convergence. The worst thing is that the Eastern region Slovakia, which in 2006 amounted to GDP in PPP only 44 percent of the level of the EU 27. In the Middle and Eastern Slovakia is relatively higher unemployment rate than



in the west Slovakia. In year There in 2007 reached about 15 percent, while in California for just over 4 percent.

### ***3.1.3 Strategies and Regional Policy in the period 2007-2013***

The basic strategic document of the Slovak Republic for the programming use of European Union funds in the period 2007 - 2013 is the National Strategic Reference Framework (NSRF). It sets national priorities, which will be co-financed by the Structural Funds and the Cohesion Fund in the programming period following the strategic guidelines Community, which defines the framework for the Funds at European level. Content National Strategic Reference Framework is to analyze the current situation Slovakia Republic, the vision and strategy for the economic and social development priorities, including Slovakia NSRF, the strategy to operational programs and the NSRF financing.

The strategic objective for 2007 - 2013 is formulated as "significantly increase by 2013 competitiveness of the regions and the Slovak economy and employment by respecting sustainable development "is not only a continuation of the trend approaching the EU-15 in terms of economic performance, but its fulfillment Subject to a qualitative and structural changes needed to increase competitiveness of Slovakia and its regions, as well as enhancing the quality of life of citizens Slovak Republic. On the basis of the underlying strategies and following the set goal of the Slovak Republic NSRF strategy is based on three strategic priorities and their three objectives that It will be attained through projects financed in the programming period 2007 – 2013.

Strategic priorities are at lower levels to specific priorities and target objectives (Ivaničková, 2007). Institutional provision of regional policy of the Slovak Republic currently has three levels - Central (Government, the Ministry of Construction and Regional Development, Central State Report) and the municipal level, regional (autonomous regions) and local (municipal) with relevant competence (Rajčáková, 2005).

### ***3.1.4 Software products for regional policy in the period 2007-2013***

Strategy, priorities and objectives of the NSRF are implemented through 11 operational programs under individual EU cohesion policy objectives (NSRR 2007 - 2013):

Six operational programs for the Convergence objective, including: four operational programs co-financed by the ERDF cover the entire Slovakia except Bratislava region (Regional Operational Programme, OP Information Society, OP Competitiveness and Economic Growth and OP Health); on two operational programs financed by the ERDF and CF cover the entire Slovakia including Bratislava region (OP Transport and OP Environment); priority axis co-financed by the ERDF will cover the entire Slovakia except for the Bratislava region and priority axes financed from the Cohesion Fund will apply to the entire Slovakia including Bratislava region.

Three operational programs common for both objectives - Convergence and Regional competitiveness and employment, ie covering the entire Slovakia including the Bratislava region - One co-financed by the ERDF (OP Research and Development) and two from the ESF (OP Employment and Social Inclusion and OP Education);

Operational Programme Technical Assistance for the Convergence objective covering horizontal activities, under the responsibility of the Central Coordinating Authority for NSRF and which are common to all OPs;

Operational Programme Bratislava Region for the Regional Competitiveness and employment co-financed by the ERDF. Regional development was within the framework of the EU funds in the period 2007 – 2013 Slovakia allocated a total of € 11.6 billion, of which 10.9 billion under Objective Convergence, € 0.5 billion under the Regional Competitiveness and jobs and € 0.2 billion under the European Territorial Cooperation

### **3.2 Czech Republic**

The Czech Republic is a landlocked country in Central Europe. It was established on 1 January 1993 after the peaceful division of Czechoslovakia, which was economically more advanced part. From 1 May 2004 a member of the European Union. As of 31.12.2008 there were in the country of 10,467,542 inhabitants on an area of 78 866 km<sup>2</sup>. The population density of the country amounted to 132.7 inhabitants per km<sup>2</sup> and the level of urbanization was 73.5%. The Czech capital is Prague (1,212,097 inhab.). Administratively, the country is divided the 14 regions, 77 districts and 6,249 communes (municipalities 31.12.2007). As for the way the whole NUTS Czech Republic falls into NUTS I. It is also allocated 8 NUTS 2 regions (Prague, Central Bohemia, Southwest, Northwest, Northeast, Southeast, Central Moravia and Moravia-Silesia), 14 NUTS 3 regions (all regions), 77 regions LAU I (districts) and 6249 LAU II regions (municipalities, Eurostat, 2009).

#### ***3.2.1 Cohesion Regions NUTS 2 in the Czech Republic***

The most developed area of the country is a region consisting of the capital Prague. In year 2005 contributed to almost a quarter of the total national GDP (see. Tab. 5) and is the only an above-average level of GDP in PPP terms compared with other regions in the EU 27. Other convergence among regions and achieves this indicator or average country. The closest to him was the region of Central Bohemia, the smallest level reached Central Moravia.

#### ***3.2.2 Development of regional policy in the Czech Republic***

The Czech Republic in 1989, similar to the development of regional policy as Slovakia. After 1989, the government at the regional level in the Czech Republic mainly by the action of four utvárala factors. Have a role to play historical, political, integration and social factors. Since the beginning of the 90s the development of regional policy has undergone several stages. The main attention was paid to solving transformation processes at the national level. Regional differences are not given greater attention, since they were at that time also evident as in other post-communist countries. By 1996, regional policy mainly focused on regional support for small and medium businesses, aimed at assistance in obtaining loans (Rajčáková

E., 2005). In 1996 was created Ministry of Regional Development, but in 1998 the government It attributed greater importance to regional policy and has decided to adopt the principles of regional policy in accordance with the practice of EU policy. These principles of the Framework set out the main principles, objectives, Programming documents and instruments of regional policy. Implementation of regional policy has been defined on two levels: in the state and to the regional level. system programming Document form: Strategy of Regional Development of the Czech Republic (covers the entire territory of the Czech Republic), Regional development programs (for regions with so-called. focussing the support of the state) and sectoral programs. These documents serve only to implement the national policy. In addition to state aid regional development and cohesion funds to stimulate pre-accession assistance intended for: national programs, CBC programs and multinational programs implemented by the European Commission. They also used the IPA as the ISPA and SAPARD (Rajčáková E., 2005).

The first conceptual document in the field of regional policy was adopted in 2000 Strategy of Regional Development. Its aim was to define a framework for training programming documents for the use of EU structural funds for the training of civil support programs for selected regions and for the programming of development regions Emerging in 2001.

### ***3.2.3 Regional Policy in the period 2007-2013***

The basic tool of regional policy, under the responsibility of the Ministry of Regional Development, the updated Strategy of Regional Development of the Czech Republic applicable to the period 2007 – 2013.

The strategy meets 5 guiding principles: solidarity, cohesion, growth, competitiveness and sustainability. It builds on the Strategy of Sustainable Development, Strategy for Economic Growth The Czech Republic, the renewed Lisbon Strategy is aligned with EU priorities set out in policy economic and social cohesion. Regional development strategy, by contrast, significant source documents in the preparation of the National Development Plan, the National Strategic reference framework and operational programs based on disbursement European funds. The strategic objectives of the national strategic reference framework in the Czech Republic include: Competitive Czech economy; Open, flexible and cohesive society; attractive the environment and Balanced Territorial Development.

In the programming period 2007-2013, the Czech Republic has prepared a total of 24 operational programs. Of this number constitutes a relatively large part of the 7 regional operational programs and five cross-border cooperation programs. For these programs has been the period 2007 - 2013 for the Czech Republic granted a total of 26.7 billion euros, of which 25.9 billion under the Convergence objective, € 0.4 billion under the Regional Competitiveness and jobs and € 0.4 billion under the European Territorial Cooperation

### **3.3 Poland**

The Republic of Poland is a seascape area north of Central Europe. It was established in 1945 after the end of WW2. Since 1 May 2004 a member of the European Union. As of

31.12.2007, it lived in a country 38,116 miles. Population (Demographic Yearbook of Poland 2008), an area of 312,680 km<sup>2</sup>. The population density of the country amounted to 121.9 inhabitants km<sup>2</sup> and degree of urbanization was 61.5%. The capital of Poland is Warsaw (1,706,624 inhab.). Administratively, the country is divided into 16 provinces, 308 districts, 65 towns the competence of the district and 2489 municipalities. NUTS division is different. Poland's territory divided at the level of NUTS I to 6 regions (Region Central, Region Poludniowy, Wschodni Region, North-Western Region, Region Dolnoslaskie and region Polnocny). Furthermore, for the implementation of EU structural policy allocated 16 regions NUTS 2 (provinces) and, since 2008, 66 sub-regions NUTS 3 (previously there were 45; Eurostat, 2009). 4.3.1 Regions NUTS 2 cohesion in Poland. All regions of the country are among the convergence. Amongst these, the most National GDP accounts for the largest rozlohovo Mazowieckie region, which includes its main 30 Warsaw. The GDP PPP per capita is one that comes closer to the average of the Regions EU 27, where in 2006 reached 83.6 per cent of their level. Other regions in this indicator lagged considerably when second in the order was the only region of Lower Silesia 56-percent level. At least, just over 35 percent, were lying regions in the east Poland: Lubelskie and Podkarpackie.

### ***3.3.2 Development of regional policy in Poland***

Poland belonged since the end of WW2 the country where he was raised communist regime. At the turn of the eighties and nineties was transformed all spheres of the economy and the economy. Policies of central planning, the in conditions of market economy has proved impossible. transformation influenced also on regional development of Poland. They began to exhibit significant regional differences each Province. Many of them had unsatisfactory structure of the economy. (Szlachta J., 1997). The result of the new situation was to identify strategic challenges in the sphere of regional development. These included: definition of a functional regional system; building policy Regional Development of Poland according to the principles of the European Union; the creation of joint bases of regional development; building policy of the state in accordance with regional needs; opportunities for greater competitiveness of regions; exploit opportunities geopolitical position of Poland in the aspect of development of the border area; creating modern tools and institutions of regional development (R Broszkiewicz et al., 1996). The most important achievement in the early 90s was the realization of the so-called. Balcerowiczovho plan. Its author was the then Minister of Finance. Result of the implementation of the reform program was the liberalization of internal prices, efforts to increase imports, tightening controls wage increases, tightening of financial policies to corporates, the introduction of interest rate higher than the rate of inflation, the stabilization of the dollar and the introduction of his redemption.

Polish economy stabilized and opened up the world. Poles have reformed the banking system and financial and credit policies. Within system reforms have important implications beginning of changes in ownership structure, spin-offs and promoting internal competitive mechanisms. In Poland, a capital market and the labor market. consistently implemented economic policy of Poland led them in a short time the most rapidly growing economy in Europe Since 1990, the process of continuous decentralization - transfer of state powers to lower levels of government. It was created 16 provinces and in In 1998 there were three levels

of management of regional policy: central, regional (provinces) and local (municipalities). Created the precondition for more effective regional policies. regional offices launched sub-regional regional policy, which includes: economic awakening activities, and enhance the competitiveness of inováčnosti, creating conditions regional development, with creation of the labor market. Municipalities are responsible for the provinces as well preparation and implementation of development strategy provinces, the determination of the most important documents Autonomous regional planning policies (Rapport on rozwoju and polityce regional, 2007).

### **3.4 Hungary**

Hungary is a landlocked country lying south east of Central Europe. It was established in 1918 after the collapse of Austria-Hungary. After the 2nd World War belonged to so countries. Eastern Bloc. Since 1 May 2004 a member of the European Union. As of January 1 2008 lived in Hungary 10,045,401 inhabitants in an area of 93,030 km<sup>2</sup>. Population density amounted to 108 inhabitants per km<sup>2</sup>. The level of urbanization is at 66.3%. The capital of Hungary is Budapest (1.7 mil. Pop.). administrative the country is divided into 20 regions (19 counties + capital) and 173 subregions. In Hungary to 01.07.2007 with 3152 municipalities, of which 298 seats. According to the NUTS division was divided country different. In Hungary it is already at NUTS I divided into three regions (KözépMagyarország, Plain and Northern Great Plain es). Furthermore, for the implementation of regional policy The EU allocated 7 NUTS 2 regions (Central Hungary, Central Transdanubia, NyugatDunántúl, Southern Transdanubia, Northern Hungary, Northern Great Plain, Southern Great Plain, that is secondary Hungary, Central Transdanubia, Western Transdanubia, Northern Great Plain, Northern Hungary, Northern lowlands and southern lowlands) and 20 NUTS 3 regions (Eurostat, 2009).

#### ***3.4.1 Regions NUTS 2 cohesion in Hungary***

Hungary is a country for which are typically significant regional differences. The most developed part of the State Central Hungary (Central Hungary), which includes the capital city of Budapest with its agglomeration. This region was produced in 2005 almost half of the national GDP, Hungary and is the only achieves above-average level of GDP PPP per capita 1 in comparison with the EU regions 27. Conversely, least developed regions is Northern Hungary (Northern Hungary), which is struggling Low growth, structural problems and high unemployment. Dynamic economic growth is typical for Northern and Western Transdanubia and university centers of Pécs, Szeged, Debrecen and Miskolc. More and more obvious, however, is lagging behind east (Kurucz 2006).

#### ***3.4.2 Status and development of regional policy in Hungary***

Development of Hungary in 1990 was developed in accordance with the principles of central economic governance and towards the overall development of the national economy sectors and areas. The subsequent transformation of political, economic and social spheres of the also reflected in regional development (Rajčáková, 2005). One of the first modern instruments of regional policy after 1990 was called. Széchenyi Plan. Was a comprehensive medium-term

program for economic development. Its six main priorities were: encouraging entrepreneurship and job creation; housing development; tourism development; improving the conditions for education and research; 34 building the information society and development of information capacity; infrastructure building, especially highway network (Rajčáková, 2005). After 1990 occurred in Hungary and significant changes in the policy area, which affects the development of territories, overcoming or at least mitigating the inequalities between regions largely affecting the economic and social policies the whole society. Regional policy has been subsumed in every government since 1990 to another department or even was split between different ministries, often with different axes and the resources that have been devoted to this area. Maybe it occurred to frequent changes principles and priorities of regional policy, which is a serious problem. This reflects negatively on its consistency and transparency. Its strong point is that since 1996 has law the framework that shapes and strengthens the presence of a regional perspective in decision-making processes at both the state administration and self-government. After the parliamentary elections in of 2006 the Ministry of Government and Regional Development, in which the regional issues included in addition to the government, together with the civil defense, control Fire Brigade and Sports (Kurucz 2006).

#### **4 Conclusion**

Regional policy has become a term today. While regions have developed since ancient times, but not so purposefully and systematically than it is today. Since the mid-20th century, the development momentum has become the European Union and its policies. In addition, it has built a system of financial coverage of problem areas and has enough experts who are primarily concerned with regional policy. Exchanges of experience in implementing this policy in the regions themselves in the EU increases the prospects for their development more efficient. Evidence of continuous development and shift perceptions of EU regional policy are the changes that have occurred there in the creation of the EEC in the fifties of the 20th century. You can say that with every enlargement of the Union has changed view of regions and regional policy. With the accession of new member countries of the Union space becoming increasingly heterogeneous. Economically richer countries have begun to support the poorer countries and their regions lagging behind. Gradually, a system of aid instruments called. EU funds, including the Cohesion and Structural Funds (ERDF, ESF). The most prominent of them became the European Regional Development Fund (ERDF). Additional tools have become more communitarian initiatives (Interreg, EQUAL). Increasing regional differences were at the end of the 20th and even the early 21st century the main reason for reform of regional policy and the adoption of new action programs (the Delors plan, Agenda 2000). The current situation is adapting policy objectives and covering also instruments to achieve them. In the current programming period 2007 - 2013 are among the main objectives of cohesion and regional policy: Convergence; Regional competitiveness and employment; European territorial cooperation. Tools for development are still the Structural Funds, Cohesion Fund and Community Initiatives. Specific policy of regional development, the countries of the Visegrad Group. By the end of 1989 it was among the countries where socialism was prim. The objectives of economic, social and territorial development of

individual regions were determined prescriptive policy management centralized planning. The main priorities are the development of industrialization and urbanization subsequently. Centrally managed policy was not sustainable. After the end of socialism in 1989, so she had to transform the economy and all spheres of the economy. The V4 countries began to take shape a new regional policy. Each of the countries have a differentiated approach to it. Probably the lack of professionals in this area in a manner that initially took some time to be developed and adopted relevant legislation. Partial problem was also that it was nobody to effectively apply to lack of experience. Gradually, the country began to prepare for EU accession. That adapt the legal framework for regional policy 48. Slovakia was in 1997 adopted Concept of state regional policy and subsequently produced documents relating to the integration into the EU and with the possibility of using the EU pre-accession funds (SAPARD, ISPA, Phare). Similar concepts have been adopted in other V4 countries. In the Czech Republic was the first policy document of regional policy adopted until 2000 - Strategy for Regional Development. On validated concepts gradually forge other documents, plans and strategies. In 2004, after the country's accession to the EU started States to apply regional policy in full accordance with the Union. Eligibility draw EU structural assistance to all 16 regions in Poland and almost all regions of Slovakia, the Czech Republic and Hungary. This is not only territory, where they are the main city of the state. The reason is that these regions have achieved a higher level of GDP per capita as established limit of 75% of the developed EU countries. Also it had the same level of most regions of Austria. These regions can draw on the resources of the other two objectives, "Regional competitiveness and employment" and "European territorial cooperation. Relatively low it ended and Eastern Slovakia (44.0). When comparing with 1995 is an evident increase in the level of all regions somewhere higher, lower elsewhere. Everywhere rose PPP GDP per capita in absolute terms. However, it is questionable how they affect regional development in the future economic and financial crisis that began to manifest itself in the second half of 2008.

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