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# TEN YEARS OF EU MEMBERSHIP – BENEFITS FOR SLOVAK REGIONS

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## **Abstract**

The article defines and characterizes the challenges and changes in regional policy after ten years of membership of Slovak republic in the European Union. It analyses and compares the aims, measures and benefits of EU regional policy towards given regions Trnava and Nitra. The article compares the approaches of Trnava and Nitra regions towards EU structural funds and how they used this opportunity for their development.

## **Key words**

regional policy, Trnava, Nitra, structural funds.

## 1. Introduction

Although the EU is one of the richest parts of the world, it suffers from significant inter-regional and inter-state differences in the level of prosperity. The wealthiest member state, Luxembourg, is seven times richer than Romania and Bulgaria, which are the poorest members of EU-28 countries. Economic, social and territorial cohesion, or also known as cohesion and regional policy focuses on reducing economic and social disparities between EU regions, aiming to contribute to building the EU internal market.

The basic unit for the discussion is "the region" and its problems. Region, unlike the state, shows the natural result of differences between regions. It has

such cross-border as national content, and for crossborder is considered the region whose specificity goes beyond national borders and applies either to large groups of people with common ethnic features or geographically defined area or zone made up of the economic, military or other criteria.

Regional disparities within the EU cause a number of factors such as the long-term disadvantages caused by geographical distance or sparsely populated; recent social and economic changes; enduring legacy of the former centrally planned economies, or a combination of these and other factors. The result of this unfavourable condition is often manifested by social deprivation, poor quality of schools,

higher unemployment and inadequate infrastructure. The main goal of regional policy then is the full potential use of individual regions; improving competitiveness and employment through investment at regional level in areas with high growth potential and added value for the EU as a whole and as quickly closing the gap with the EU average in countries that joined the EU since 2004.

And such a country is Slovakia. Although existing differences in economic and social development of individual regions arose there in the past they intensified after the changes in key economic sectors. These regional disparities need to be addressed and therefore this area falls within the priorities of the regional policy of the Government. Regional development is carried out through the Regional Operational Programmes (ROP), which are linked to EU Structural Funds and designed to increase the availability and quality of civic infrastructure and facilities in the regions of the EU Convergence objective, where encompasses all regions of Slovakia except Bratislava. Eligible applicants the grant under the ROP are local governments, regions, founders of pre-school, primary and secondary schools, social service facilities etc.

For the purpose of studying the issue in presented study the authors will focus mainly on the development of regional policy after Slovakia's accession to the EU, i.e. the Programming period 2004–2006 and 2007-2013. The aim of this paper is to compare and find out what goals and tools are selected and used in Nitra and Trnava Regions, as their purpose and effective use. In examining the issue, we used a method of analysis and comparison. Furthermore, we used the method of induction, by which we examined various facts that led to the general conclusion. Within the comparative method, we encountered several problems in terms of methodological approach because the regions selected for study purposes are not working with the same methodological approach evaluating their activities. This led to difficulties in identifying indicators suitable for use in comparative methods. At the same time many relevant sources at European level ranks Nitra and Trnava regions into a single unit and refers to them as the region of Western Slovakia (SK02) with a very similar development and it is therefore difficult at this stage to do a comparative study. For our analyse, presented in this study, we were using the method of evaluating the statistical data, which are drawn mainly from the Statistical Office of the Slovak Republic and official documents in both regions. We also analysed the material provided by the examined self-governing regions such as annual reports, analyses and possible future cooperation, and the National Development Plan (Národný rozvojový plan, 2003).

## 2. EU regional policy

EU regional policy is aimed at promoting rural regions and regions suffering from the loss of heavy industry. It developed into one of the most important policies to ensure the EU's competitiveness in the global economy. It reflects the principle of solidarity within the EU where the richer countries contribute to the development of poorer countries and regions. It aims to support regions that do not reach 75% of the average level of EU GDP per capita, regions with social problems and damaged environment. Its financial instruments and initiatives there are basically from the beginning of integration. In 1958 creation of the European Social Fund, followed by the European Agricultural Guarantee and Guarantee Fund and in 1975 was founded the European Regional Development Fund (ERDF). Cohesion policy was created in the 70s of the 20th century, following the accession countries with less developed economies and strong regional disparities as the United Kingdom, Denmark and Ireland to the former European Communities (EC). Legal bases for an integrated regional policy brought the Single European Act in 1986. Economic and social cohesion has become one of the objectives of the EC and as its basic principles were introduced: the principle of concentration, programming, partnership (complementarity) and additionality. An important impulse for its development was the entry of Greece, Spain and Portugal to the European Community and approved the plan for the creation of the single market. The Maastricht Treaty introduced new instruments – the Cohesion Fund, the institutions – Committee of the Regions and principles – subsidiarity. Subsequently, the budget for regional policy funds increased to a third of the EU budget. Since 2000, cohesion policy influences the Lisbon Strategy and the planned enlargement of the EU in 2004. Eastern enlargement to 10 new member states of the EU population has increased by a fifth, but the GDP by only 5 percent. The average GDP of the new Member States did not reach half the EU average and that all are entitled to apply for support from the Structural Funds and the Cohesion Fund (Brhlíková, 2013).

In the financial perspective for years 2007–2013 was allocated to cohesion policy 35.7% of the EU budget, which ranked it in the first place followed by promotion of agriculture. Three objectives were set:

<u>Convergence</u> – promotes growth and job creation in countries and regions with the lowest levels

of development. It concerns the NUTS 2 regions with a GDP per capita of less than 75% of the EU average. To this end it was allocated 81.5% of total funding and is financed by the ESF, ERDF and the Cohesion Fund.

Regional competitiveness and employment – to help the richer countries cope with economic and social changes and globalization and the transition to a knowledge-based society. This objective falls under the European Employment Strategy, which supports the creation of more and better jobs by adapting the workforce and investing in human resources. To this end it has been allocated 16% of all funds and is financed by the ERDF and ESF.

European territorial cooperation – continues the initiative INTERREG and promotes cross-border cooperation at local and regional projects, transnational cooperation to support integrated territorial development and interregional cooperation, and exchange of experience. It concerns the NUTS level 3 regions along the internal land borders and certain external borders, the NUTS level 3 regions along maritime borders with a maximum mutual distance of 150 km. ERDF funding is divided according to targets for cross-border and international cooperation.

A thematic channel of funds is directed to transport, human resources, sustainable development, research and development, innovation and information society (Brhlíková, 2013).

## 3. Regional policy in Slovakia

Differences in economic and social development of individual regions in Slovakia originated naturally already in the past, but intensified as a result of changes in key economic sectors, particularly in the second half of the 90s of the 20th century. In the years 1999–2001 the various program documents as the Integrated Plan of Regional and Social Development, the National Plan of Regional Development; regional and sectoral operational programs were prepared and approved. They formed the framework

for the disbursement of pre-accession funds PHARE, ISPA and SAPARD. In connection with EU accession and subsequent Slovakia's participation on regional policy it was necessary to develop a new set of programming documents, which are covered by the National Development Plan (NDP). This has become a basic program document for implementation of structural and regional policy in 2004-2006. Its key objectives are to increase competitiveness of underdeveloped regions and their performance while respecting the sustainability, reduce disparities in the level of GDP per capita compared to the EU average and functionality of regional policy in symbiosis with the economic priorities of Slovakia. Based on NDP Slovakia could then draw aid from the Structural Funds and the Cohesion Fund and initiatives INTER-REG and EQUAL.

In this regard based on the Government Resolution no. 157/2002 the modified classification of territorial statistical units was introduced as suggested by the EU's statistical office - Eurostat and the Statistical Office. The identification of the regions is based on the common system of classification of the Regions - Nomenclature of Territorial Units for Statistics (Nomenclature des Statistiques Uniteés Territoriales, abbreviated NUTS). The purpose of dividing Slovak Republic to NUTS is to ensure regional statistics are comparable on the same basis as in the European Union and the regions with different levels are included to the various structural policy objectives of the European Union. When defining NUTS it is based on the complementarity it refers higher units are formed by a number of whole lower units. It also takes into account the size of units in relation to the practice in force in the European Union. Current arrangements in Slovak Republic under this categorization are actually a return to the initial territorial systematization of Slovakia (see tab. 1).

The starting position of Slovak regions had substantive and systemic differences from the original EU countries. The material differences include low competitiveness of individual regions, unfavorable branch structure, and lack of innovative capacity of

Tab. 1. Valid Territorial Systematisation in Slovakia

Unit	Number	Territorial Unit			
NUTS I	1	Slovakia			
NUTS II	4	Bratislava region, Western Slovakia, Central Slovakia, Eastern Slovakia			
NUTS III	8	regions			
NUTS IV	79	Districts			
NUTS V	2883	Municipalities			

Source: Národný rozvojový plán, 2003, p. 14.

regions, monostructural economic base, and differentiated quality of human potential, low traffic access regions as a result of insufficient infrastructure facilities. The systemic differences may include lack of value criteria when designing development programs for individual regions, comprehensiveness and irrationality in the use of intra resource development, slow formation of institutions managing settlement and regional level (Národný rozvojový plán, 2003). Till 31.12.2004, in framework of the Structural Funds were submitted in Slovakia 4,978 applications for the NFC in total project value of 102.98 billion Slovak crowns. On the number of projects submitted, the proportion of the Nitra region was 17%, of Prešov region 16% of the Trnava region of 12%, of Žilina region 13%, Banská Bystrica region 15% of the Košice region 14% of Trenčín 10% Bratislava region 3% (Výročná správa o implementácii Rámca podpory Spoločenstva 2004–2006, p. 55). In terms of distribution of volumes of completed projects in the shortened programming period 2004-2006, i.e. after Slovakia joins the EU, the share of Banská Bystrica SGR 20% HTU Žilina 11%, 16% VÚC Nitra, Prešov SGR 12.5%, higher territorial units Košice 12%, 14% HTU Trnava, Trenčín HTU 12%, and the districts of Bratislava 2.5%. Nitra region submitted a total of 931 applications, while Trnava region only 644 applications (Výročná správa o implementácii Rámca podpory Spoločenstva 2004–2006, p. 58).

The current regional disparities are reflected particularly in the share of individual regions in the GDP, the extent of unemployment, the extent of foreign capital, the level of income in living standards, the dynamics of development of small and medium enterprises. The cause of these phenomena can be also different geographical, historical and socio-economic conditions.

The regions in Slovakia can be divided into three basic categories based on performance. The developed regions with diversified and relatively wide range of different types of industry and services with relatively high production of GDP per capita and relatively low unemployment are regional centers as Bratislava, Košice, Prešov, Banská Bystrica, Žilina, Trenčín, Nitra, Trnava. These are located on the main highways of Slovakia and attract a sufficient number of qualified workforce. The second category consists of regions with a relatively stable economy, located along the border with the Czech Republic and in the traditional regions Považie and Liptov. These regions are characterized by industrial tradition and relatively sufficient amount of own funds. Diversification of the economies of these regions is sufficient and creates suitable conditions for future development. The third category consists of regions affected

by structural problems mainly due to the decline of a particular type of industry (armaments, glass), which is related to high unemployment, particularly long-term, which is also a major problem in the fight against unemployment in Slovakia. This group includes also those areas of Eastern Slovakia and south of Slovakia, which are located outside regional centers and therefore are long term lagging in development (Národný rozvojový plán, 2003). Especially the last mentioned are priority areas in terms of regional development for EU structural funds.

It can be concluded that the existing regional disparities in Slovakia have a character of social inequalities that are influenced by a complex of potential (in particular human resources), infrastructure, lifestyle and positional tendencies. Differentiation is reflected in the social and demographic structure, the rate of unemployment, in terms of social dynamics and migration of the population. It turns out that the differences in living conditions, advantages and disadvantages of local or regional situations are a strong incentive of individual behavior. In the direction from Bratislava, which has a dominant position, further east there is a rising unemployment, more difficult conditions of regional economic development, worsening employment opportunities, and the jobs offer reduction and opportunities to obtain employment. Problem regions are considerably heterogeneous internally especially in the quality of its human resources, since in such a situation are areas with both progressive and regressive age structure of the population. Unemployment in these areas is well above the national average. Investment flows are very low and the average monthly wage is about 20% lower than the national average. The problems persist in the infrastructure and connection of certain areas to the communication (especially transport) infrastructures.

Basically, it can be concluded that the fundamental socio-spatial problems of Slovak regions are:

- existing strong polarization between the capital Bratislava and other regions in a series of key indicators for the standard of living and quality of life (e.g. GDP / capita, average wage, unemployment and others.);
- existing significant differences between districts within some regions in the GDP per capita and income per capita; in regions affected by the necessary extensive industrial restructuring (especially in special and extractive industries), but also in areas with greater focus on agriculture is high and still rising unemployment, failing to sufficiently quickly and efficiently implement the necessary structural changes;

- deepening diversity of rural areas which have a comparative disadvantage to the cities, local authorities in rural areas have unfavorable conditions for business, and there is an aging rural population;
- lagging economic level of border districts situated mainly on the southeastern and northeastern borders of the Slovak Republic;
- persistent lack of connection of these areas (and other areas) of Slovakia on the trans-European communication networks and capital, which significantly contributes to the lack of interest of investors, especially foreign, in these territories;
- the differences between the quality of human potential in Bratislava and other regional cities but also between groups of urban settlements, as well as between the city and village;
- different levels of the regional distribution of R&D, technological development, regional differences also in socio-demographic characteristics of human resources as well as the qualification level of the workforce (Národný rozvojový plán, 2003).

A special category are marginal regions, especially the regions of eastern and southern part of Slovakia. These regions are characterized by low economic performance, low standard of living, and a minimum share of investment (especially foreign), growth of long-term unemployed and socially dependent, low level of industrial development, services and modern infrastructure. An accompanying feature of these regions is also low level of education and a high proportion of at-risk groups (e.g. Roma).

Slovakia tried to deal with the solution to these issues in the programming period 2007–2013. The Regional Policy of Slovakia was implemented in this period by the Regional Operational Programme (ROP)<sup>1</sup>, which aimed to increase the availability and quality of civic infrastructure and facilities in the regions. Although the Operational Programme was not directly aimed for supporting the business community it had to contribute to the stimulation of internal regional resources for the development of downstream business activities (SMEs) and increase the attractiveness for foreign investment, coinciding with the National Reform Programme in the area of business environment. ROP was approved by European Commission on September 24, 2007.

By Slovak Government Resolution no. 832/2006 the managing authority of ROP in Slovakia became the Ministry of Construction and Regional Development of Slovak Republic and its powers were passed to the Ministry of Agriculture and Rural Development

of Slovak Republic in 2010, except the coordination of the use of funds from the European Union. The total EU financial contribution to the regional operational program amounted to 1 445 000 000 EUR (Regionálny operačný program, 2008). Self-governing regions should carry out tasks in relation to the following measures ROP:

- Support and development of tourism infrastructure.
- Regeneration of settlements.
- Regional roads ensuring transport serviceability of the regions <sup>2</sup>.

# 4. Nitra and Trnava region and EU structural policy

Nitra and Trnava regions are neighboring areas. Nitra region as far as its area of 6 343.8 km<sup>2</sup> occupies 13% of the territory of the Slovak Republic. Trnava region with the area of 4 147 km<sup>2</sup> ranks the penultimate place in the framework of Slovak regions (occupies 8.5% of whole territory). Both regions are located in the southwestern part of Slovakia, but unless Trnava region forms a common border with the Czech Republic, Hungary and Austria, as Nitra region borders only with Hungary, the Trnava region favors in terms of cross-border cooperation. From a geographic point of view, both regions have similar, since these are mostly flat and lowland character of the landscape punctuated by hills. In both regions there are quality agricultural land and about the same climatic conditions. Both, therefore, in this context rank among the most productive agricultural centers of Slovak Republic. Both regions are rich in water resources occurrence - belong to the Danube Basin, as well as natural resources<sup>3</sup> and mineral resources but Trnava region compared to the Nitra region is richer in the occurrence of mineral resources 4.

<sup>&</sup>lt;sup>1</sup> See: http://www.ropka.sk/operacny-program/

<sup>&</sup>lt;sup>2</sup> Within the Slovak regions adherent to the Objective 1 has Banská Bystrica region the largest concern of road network (highways, roads I. – III. class and local communications) and the lowest one has Trnava region. On the other side, Trnava region has the largest concern on length of highways and Košice region the lowest one. See: Ministry of transport, post and telecommunication of Slovak Republic.

<sup>&</sup>lt;sup>3</sup> We can name thermal spa in Podhájska, Patince, Komárno, Poľný Kesov and Štúrovo – author´s note.

<sup>&</sup>lt;sup>4</sup> Mineral resources of Trnava region are represented by oil and gas in the north and by calcite, dolomite and gravel sand reserves in other parts of region. Mountain chain of Little Carpathians is rich on beech and oak wood. In Nitra region there are reserves of gravel sand, wall stone and brick raw material – author's note.

Region/year	2002	2003	2004	2005	2006	2007	2008	2009	2010
Bratislava	15 446.6	16 977.9	18 957.7	22 270.3	23 784.0	26 918.5	28 541.6	28 442.7	29 241.2
Trnava	6 844.1	7 874.2	8 852.0	9 895.6	12 427.0	13 675.3	14 196.7	12 928.1	13 633.7
Trenčín	6 254.9	6 946.3	7 770.6	8 081.4	9 536.8	10 502.7	11 220.5	10 265.0	10 744.5
Nitra	5 786.7	6 546.5	7 416.3	8 125.9	8 755.7	9 509.0	10 495.2	9 928.3	10 077.6
B. Bystrica	5 912.0	6 484.3	6 909.9	6 565.4	7 536.9	8 450.2	9 329.9	8 425.3	8 973.6
Žilina	5 591.9	6 037.7	6 792.8	7 536.8	8 270.2	9 553.2	10 790.2	10 037.7	10 746.4
Prešov	4 237.2	4 577.8	5 021.7	5 384.6	5 583.0	6 259.0	7 268.0	6 654.0	6 860.7
Košice	6 175.5	6 706.4	7 392.4	7 720.7	8 599.0	9 361.6	10 194.2	9 021.8	9 580.6
Slovakia	6 843.1	7 549.6	8 390.6	9 154.3	10 202.6	11 386.8	12 381.4	11 609.1	12 130.7

Tab. 2. Regional Gross domestic product per capita in EUR

Source: Regionálny hrubý domáci produkt na obyvateľa v Sk, Štatistický úrad Slovenskej republiky.

There are 22 national nature reservations, 70 nature reservations, 45 natural monuments and 87 protected areas and one national natural monument. Both regions are rich in cultural and historical monuments, urban conservation, and folk architecture reservation. The city of Nitra in Slovakia is the town with the oldest written record from year 826. Both regions thus have something to offer in the development of regional tourism services (Nitriansky kraj – charakteristika regiónu, 2013; Trnavský kraj – charakteristika regiónu, 2013).

In the demographic comparison the Nitra region with its 689,564 inhabitants as of 31.12.2011 ranks the fourth place among the regions in the Slovak Republic, with a share of 12.8% of the nationwide total. From the total population 51.5% are women. With a population density of 111.1 inhabitants per km<sup>2</sup> is the fifth most populated province in the country. Nitra region has 354 municipalities, of which 15 have city status. 317,435 inhabitants lives in the cities, what is 46% of the total population. Trnava region has 555,509 inhabitants as of 31.12.2011 it is the smallest from all regions and its representation in the total population of Slovakia is 10.3%. The region is comprised of 251 municipalities, with a concentration of 6 villages in 100 km<sup>2</sup>. A significant concentration of population is in 16 municipalities with city status. 47.7% of the population is concentrated in the cities. Population density 134 inhabitants per km<sup>2</sup>, ranks the region to the second place compared to others regions. Both regions are affected by changes in demographic trends. In Nitra region the tendency of slowing down the reproduction of the population and decreasing natural population growth is more significant, in 2011, the natural population growth was – 907 (Nitriansky kraj – charakteristika regiónu, 2013; Trnavský kraj – charakteristika regiónu, 2013). Comparing the economic performance of both regions, Regional Gross domestic product (at current prices) in 2009 (see table 2), is in the Nitra region 7,009 million. EUR share on SR by 11.1%. Regional gross value added at current prices in 2009 reached 6,371 million. Euros with a share of 11.1% of the total for the Slovakia. Trnava region is one of the most productive agricultural regions (followed by Nitra region).

Based on the development of economic indicators in table. 2, we can conclude that the evolution of the GDP per capita in Slovakia is significantly regionally differentiated. In the last decade the regional disparities have deepen. In year 2010 the highest creation of GDP per capita was in the Bratislava region, which reached 241% national average. Except this region only Trnava region was above the average with (112%). In Trnava the economic situation especially in recent years greatly improved thanks to an increase in industrial production and gross production due to growth in production and supply of electricity, water and gas as well as the significant increase in prices of these commodities (Trnavský kraj – charakteristika regionu, 2013).

Both regions are the most important producers of crops such as wheat, barley, grain maize, edible peas, sugar beet, rape seed, sunflower seed for seed, oil bearing plants, grain legumes and grapes<sup>5</sup>. Following the primary agricultural production the production of foods (milk and dairy products, meat and meat products, sugar, confectionery and sparkling wines) is developed. Plant production is complemented by livestock production, with a significant share livestock, poultry and pigs (Nitriansky kraj – charakteristika regiónu, 2013; Trnavský kraj – charakteristika regiónu, 2013).

Types of industries in both regions is varied, but unevenly distributed territorially. Other core

<sup>&</sup>lt;sup>5</sup> Gross agricultural production of Nitra region presents 30.2% of Slovak production – author's note.

industries in the Nitra region include electrical machinery, food processing, chemical and rubber industries. The district Sala there are important chemical plant Duslo.a.s., which processes natural gas and produces nitrogen fertilizers and rubber chemicals. A significant proportion of the Trnava region is a manufacturer of computer, electronic and optical products and motor vehicles. The most important industrial undertaking active in the automotive industry in the Trnava region is PSA Peugeot Citroen (Hospodársky vývoj v regiónoch SR (analytická časť), 2013). Among the major sectors are also fabricated metal products production of machinery and equipment, production of chemicals and chemical products, production of basic metals, production of basic pharmaceutical products. The region has created a dense network of equipment wholesale and retail trade, repair of motor vehicles and motorcycles, which undertook to 31.12.2011 27.8% of the total number of enterprises aimed at generating profit and 20.4% of the number of entrepreneurs in the region (Trnavský kraj – charakteristika regiónu, 2013). In addition, legal entities aimed at generating profit undertook business in professional, scientific and technical activities, in manufacturing and in construction and natural persons in construction and manufacturing.

According to the program of cross-border cooperation between Slovak Republic and Czech Republic Trnava region is one of the largest industrial agglomerations, contributing to higher employment and economic growth in the region. This fact is apparent, inter alia, from the favorable geographical

location of the border region near the capital, good infrastructure and the possibility of getting funds from a number of cross-border cooperation programs. Especially the last two mentioned factors - infrastructure development and cross-border cooperation and the associated tourism - are according to authors of the article supported by finance from EU funds for regional development and thus also contributed to the growth of the region. Nitra is behind Trnava region in industry because in its territory, except Duslo Šala there are no large industrial companies and the region has always had a rather agricultural character. Region drew EU funds especially in the development of road infrastructure and education, but failed to capitalize these investments in terms of generating direct investments and building industries and new jobs. The truth remains that most roads in the Nitra region are not connected to the main transport roads, which primarily affects the southern part of the region. Given the Nitra region higher unemployment and lower economic growth compared to the Trnava region and the population, real wages are lower. Nevertheless, both regions, drawing on their position near Bratislava and thanks to the spending of EU funds for infrastructure development are compared with the other regions of Slovakia to those more developed (Nitriansky kraj – charakteristika regiónu, 2013; Trnavský kraj – charakteristika regiónu, 2013). In terms of spending of EU funds according to the following studies of Conservative Institute M.R. Štefánika shown in figure 1 shows that the Trnava region has been more successful in spending of EU funds in comparison with

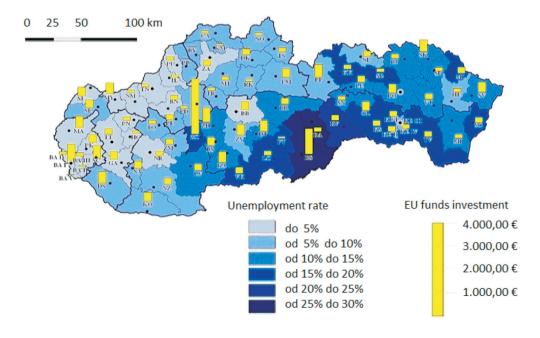


Fig. 1. Redistributing EU Funds in Slovakia to 31.5.2009

Source: Čerpanie štrukturálnych fondov, Kohézneho fondu a Európskeho fondu pre rybné hospodárstvo k 31.12.2013.

Nitra region, which was reflected in the growth of all economic and social indicators (Čerpanie štrukturálnych fondov, Kohézneho fondu a Európskeho fondu pre rybné hospodárstvo k 31.12.2013). On the other hand, the authors of the study indicate that the spending of EU funds don't contribute to balancing the regions, which is their main goal, and the largest recipients of investment in the Slovak Republic remain at low levels of development. The authors of this article agree with those postulates, but stresses the fact that the condition is mainly caused by the inefficiency of using investments from EU funds. Directly responsible for this are the recipients in the mentioned regions. The authors are inclined to the opinion that the effective use of EU funds in the Trnava region is an example of successful regional development support.

With respect to regional, respectively EU structural policies, both regions are eligible for Objective 1 – Convergence, which focuses on job creation at NUTS 2 level; as well as under the Objective 3 – European territorial cooperation, which aims to promote crossborder cooperation at local and regional projects on the NUTS 3, where both regions can act independently. Both regions as well as have the possibility to co-finance projects from the Cohesion Fund in areas such as environmental protection and development of infrastructure, especially the road network.

When comparing the transport infrastructure, we can conclude that both regions are well connected by roads, so important for both national and international transport. The territory of Nitra region crosses international main-line railways. In the town of Komárno is located an important river port on the Danube River, which is connected to European river highway Rhine - Main - Danube. The territory of the Nitra region is crossed by important pipes. The most important gas transit and interstate pipelines are the Družba and Adria. Also in the Trnava Region road, rail and water transport is well developed. But its extra advantage is that that it is passed with important road routes from Bratislava through Trnava to Žilina and from Hodonín through Trnava to Nitra. The rail transport is strongly represented in this region, since its passed by routes Bratislava – Žilina and electrified single track line Trnava - Galanta and Trnava - Kuty, which extends south railway line towards the Czech Republic. Importance is the track Bratislava – Galanta – Štúrovo. Construction of Gabčíkovo significantly improved navigation conditions on the Slovak section of the Danube (Hospodársky vývoj v regiónoch SR (analytická časť), 2013).

Both regions are comparable to the analysis of data drawn from the Statistical Office of the Slovak Republic and in education, as in the whole territory of both regions is well established dense network of preschool and school facilities. In almost every major village is situated primary school providing compulsory education. In both regional capitals occupied by two universities – in Nitra is the Slovak University of Agriculture and Constantine the Philosopher University. In the town of Komarno seats Selye University. In Trnava it is the Trnava University and the University of Sss. Cyril and Methodius. Trnava guests also one faculty of Slovak Technical University – Faculty of Material Sciences. In addition, in the Trnava region, there are two private universities - the University in Sládkovičovo and the Central European University in Skalica (Nitriansky kraj – charakteristika regiónu, 2013; Trnavský kraj – charakteristika regiónu, 2013).

In the area of culture both regional capitals Nitra and Trnava have a long tradition. Nitra is deemed one of the most important centers of Slavic education, culture and the Christian life. The development of culture are going back to the early settlement of the ancient Slavs and continued in the first state formation Pribina Principality of Nitra and Great Moravia during the Middle Ages until modern times. The region has seven theaters, two galleries including branches and 307 public libraries, including branches. Attention deserves Andrej Bagar Theatre in Nitra, Nitra Museum and Nitra Gallery. In recent years, in addition to traditional agricultural exhibition AGROKOMPLEX, also fairs and exhibitions such as Automobile, Furniture and Living, International Engineering Fair, Lignumexpo and others are organized in Nitra. Theater tradition in the Trnava region represents Trnava Theatre. A significant role is the film art that promotes extensive network of permanent and natural cinemas. Historical and cultural monuments are exhibited in galleries and museums, most exhibits presents Western Slovakia Museum in Trnava. Educational activities provide cultural and educational institutions, leisure Art Ensemble and facilities on a special interest-educational activities (Nitriansky kraj – charakteristika regiónu, 2013; Trnavský kraj – charakteristika regiónu, 2013).

It follows that both regions have comparable resources and opportunities for regional development and the alleged facts constitute a great potential to develop tourism travel, which would ultimately lead to development in all areas of the regions. However, given the uneven distribution of the two regions, Nitra greater is faced with structural problems. If, in the Trnava region was achieved in September 2014 unemployment rate of 8.32%, in the Nitra region was up 11.30%. Trnava Region has the second lowest unemployment rate (9.81%) ranked after the Bratislava region (6.22%), as fig. 2 shows.

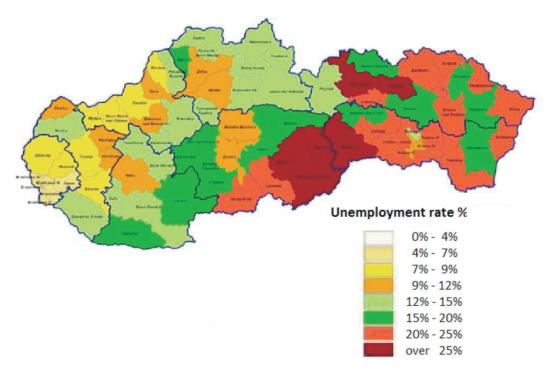


Fig. 2. The Registered Unemployment Rate in Slovakia to 30.6.2013. Source: Nezamestnanosť, 2013.

Thanks to the spending of EU funds, both regions improve innovation, which is confirmed by the Regional Innovation Scoreboard from 2014 (Hollanders, Es-Sadki, 2014), which both regions classified as a moderately developed regions. During the reporting period from the Slovak Republic into the EU progressed from underdeveloped regions in 2006 to slightly develop in 2008 a position have still maintained the economic growth to 2.5% in this area. From the Slovak Republic only Bratislava region shows full progress in the use of European support for innovation and thus ranked as the most advanced regions of the EU. It is not possible to compare the level of the monitored region since most evaluation reports of the European Commission classifies Trnava and Nitra, as mentioned above, in the category of Western Slovakia (SK02) and predicts a similar development on its entire territory. The data can be misleading especially in terms of assessing the Nitra region, because in this category it is a part of the Trenčín and Žilina region that are assessed as most industrialized areas of the Slovak Republic according to the Ministry of Agriculture and Regional Development.

The graph shows that the area of regional development is in second place in the spending of EU funds behind the health sector in the Slovak Republic in the overall disbursement rate of 70%. Of the total commitment of 2007–2013 in all 14 operational programs Slovakia exhausted the resources till 31.08.2013 at 44.63%. The level of spending over

50% of total commitments reached in 2007-2013 Operational Programme Health (80.88%), Regional Operational Programme (65.86%), OP Employment and Social Inclusion (56.80%), Operational Programme SR-CR 2007–2013 (56,22%) and the Operational Programme Fisheries (50.63%). In terms of spending of EU funds Slovak Republic lags globally, therefore the Committee on Regional Development of the European Parliament adopted in December 2013 amendment no. 1297/2013 which enables us together with Romania, the possibility for using the funds for a longer period (Výbor europarlamentu schválil Slovensku dlhšie čerpanie eurofondov, 2013).

Nitra regional government (NSK) has registered 71 projects within the ROP, of which 23 were approved, representing a non-repayable grant totaling 26,442,401, 75 euros. The other two projects were prepared by the OP Information Society, the project "Digitalization services Nitra regional government" and the project "The most important archeological and historical monuments in museum collections of Nitra regional government". Within the OP Environment regional government implemented a project to improve air quality in the Nitra region on which 10 cleaning mechanisms for regional communications were bought. Other completed projects were funded from other sources of EU and Norwegian Financial Mechanism. In 2008, the Ministry of Construction and Regional Development has authorized Nitra regional government to implement three measures of the Regional Operational Programme to support the infrastructure of tourism, regeneration of settlements and regional roads. To carry out these tasks, regional government created the Intermediate Body under the Managing Authority for the Regional Operational Programme (IB / MA for ROP), which contracted and managed proper implementation of 129 approved projects of applicants from Nitra. Until the June 30, 2013 107 projects were completed. The total value of approved eligible expenditure is 98 689 703.37 euros (Nitriansky samosprávny kraj v 3. volebnom období 2009–2013, 2014). In the years 2010–2013 NSK spent on maintenance and repair of roads II. and III. Class 37 878 thousand euros from current funds and 13 876 thousand euros in capital expenditure, of which there were 9 899 thousand euros from the Regional Operational Programme. Overall, the total reconstructed or repaired roads in length of 129 km and 1 146.6 m<sup>2</sup> of bridges, of which from the ROP nearly 88 km of roads. In 2011, NSK has been settled - together with the town Stará Tura, as the best among all governments in the transparency and quality of obligatory disclosure agreements (Nitriansky samosprávny kraj v 3. volebnom období 2009-2013, 2014). Trnava regional government has no comparative report on implementation of regional programs with a summary of projects and finances amounts. The situation is comparable to the rest of Slovak regions, there the implementation of EU funds forms 80% of public investments to all areas.

#### 5. Conclusion

An analysis of the documents shows that the effective use of structural funds, which is a prerequisite for the development of regions is needed in the first place consistently and correctly define the most fundamental problems of the regions. On base of this analysis is then necessary to prepare a National Development Plan, which report shall contain the specific problems of each region. The problem is that the success of the application of regional policy in a very significant extent depends on political decision-making, which manifests itself mainly in Non-approval of individual projects, which are some applicants repeat successful, others not. Why do you think? Thus, a major problem is corruption.

Another problem is the overall set of funding, when you some regions, authorities, municipalities and other eligible applicants cannot afford to co-finance the project as envisaged principle of additionality – i.e. by taking part in the financing of 50% and 25% and 15%. The problem is also administrative complexity of a project. Often projects are scrapped because of banal misspellings. For these reasons Slovakia represents one of the EU countries with the lowest EU funds withdrawal (85,3%, by the EU-28 average of 88,3%), as fig. 3 shows to us.

According to presented study we have to conclude the Trnava region has been more successful in spending of EU funds in comparison with Nitra region, which was reflected in the growth of all

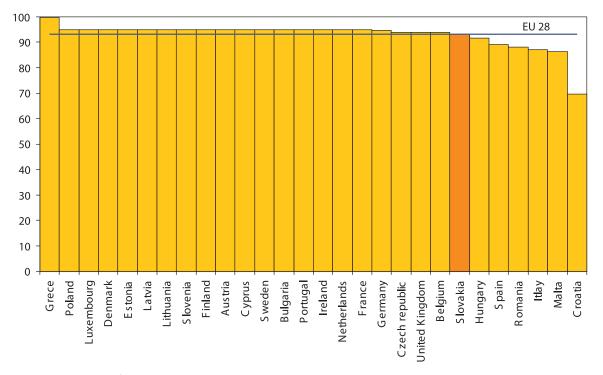


Fig. 3. Total Percentage of Available Funds paid Out by the Commission 2007–2013 Source: Cohesion Policy Data, 2016.

economic and social indicators. To better position and condition of Trnava region contributes also fact, that Trnava can withdrawal more cross-border projects and is closer to the capital city of Bratislava and the most developed core of Slovakia. On the other hand, the authors of the study indicate that the spending of EU funds don't contribute to balancing the regions, which is their main goal, and the largest recipients of investment in the Slovak Republic remain at low levels of development. The authors of this article agree with those postulates, but stresses the fact that the condition is mainly caused by the inefficiency of using investments from EU funds. Directly responsible for this are the recipients in the mentioned regions. The authors are inclined to the opinion that the effective use of EU funds in the Trnava region is an example of successful regional development support.

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