POSSIBILITIES AND LIMITATIONS OF DEVELOPMENT OF THE SOUTH-WESTERN SLOVAKIA

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The goal of the study is to present a multidimensional view at the region of south-western Slovakia; to map the situation in this region as compared to the average development in Slovak republic as well as to the situation in other regions, and to determine both strong and weak characteristics of the region. The study evaluates the possibilities of development as well as the risks existing in the region in their close relationship with expected macro-economic development and its likely impact on the region.

Main functions of the study:

- informative function - it gives an all round information on natural characteristics, soil and climate, economic, social, cultural, and other features of the studied region

- analytic function - it inspects and compares characteristics of the studied region with average characteristics in Slovak republic as a whole, as well as with other counties and regions of Slovakia. It relates also these characteristics to the *present*, and above all to the *expected* economic and social situation in Slovak republic.

- programming function - it gives basic and general recommendations for particular subjects who influence, or potentially influence, the development of the region.

A mistake most frequently made in information, analytic, and programming studies is the proposal of overly ambicious and stimulating ideas and developmental plans which are not based on real organisational and economic (financing) possibilities. This study tries to avoid such a mistake also by including a macro-economic part dealing mainly with macro-economic analysis and prediction of expected impact of the developing situation in the regions, particularly in the region described in this study.

The study has been ordered by CIVITAS Foundation located in Kolárovo. It can be used by foreign investors, donators, partners at the governmental, regional, and non-governmental level, as well as by domestic subjects - particularly communities, towns, and regions within studied territory, and their local elected bodies and governments.

The studied region includes counties of Dunajská Streda, Galanta, Komárno, Nové Zámky, and Levice. It is a comparatively homogenous region and we will call it south-western region of Slovakia - in spite of the fact that it is more the south of south-western Slovakia, as this name is usually used for a larger territory covering also the counties of Bratislava, Bratislava-Lands, Trnava, and Nitra. Another term used in our study - "studied territory" - also refers to our five south-south-western counties.

I. ECONOMIC AND SOCIAL DEVELOPMENT IN SLOVAK REPUBLIC AFTER 1989 AND ITS INFLUENCE ON SOUTH-WESTERN SLOVAKIA

After the fall of communism in 1989 necessary changes called for by transformation of communist economy into a normal market economy characterised by competition and private property has been started in CSFR, and within it also in Slovakia. Preparations have been made during the 1990 and in 1991 a transformation of economy has been started based largely on liberalisation of prices, restrictive monetary and budget policy, introduction of internal convertibility of currency, liberalisation of foreign trade, and both fast and large-scale privatisation.

Slovakia inherited - after decades of communism - a heavy and ineffective structure of industry with majority of its products not being fit for competition on normal markets, and agriculture based on mass production designed to acquire self-sufficiency in food articles at any price.

After the January 1., 1991, the onset of transformation brought an increase of prices after they have been liberalised and also a loss of former foreign markets, and it caused a decline of internal and external demand and increased economic problems of numerous producers and companies. The problems have been made even worse by increased competition from outside at the domestic market - the growth of this competition has been stimulated by introduced internal convertibility and resulting significant liberalisation of imports.

In agriculture, as in all other areas, the subsidies have been cut which led also to worsened situation of many producers. We can sum up that **after the start of reform hard, criterial economic conditions have been established with the main goal to achieve a change in behaviour of micro-economic subjects**. A change which would mean more rational behaviour in form of decreased production costs, better quality of products, and in fighting for confidence and interest of customers.

This kind of process is inevitable in all post-communist countries, and in all of them it is accompanied by a temporary economic and social decline. This decline can not be avoided, as it is only a payment of an old debt, paying the bill for living at the cost of future. This could be said about the economic and social life in every communist society.

After the reform has been started, a fast temporary growth of prices followed. It was quickly stopped however, after the prices hit the limits of demand. The inflation in SR in the year 1991 reached 61,2%, the major part of inflation growth being reached during the first four months of the year; during the rest of the year the inflation growth has been very slow. The industrial production in SR decreased in 1991, as compared to the 1990, by 24,7%, the construction industry even by 33,6%, and decrease in agricultural production was similar - in the year 1991 23% less pigs were bought out in comparison to the year 1990, 22,5% less cattle, 24,1% less poultry, and 20,3% less milk. Consumer prices grew in 1991 by 48,3% - other than food products prices grew by 66,4% , while food products got 30,6% more expensive. In the same time the prices of agricultural and farming products increased in 1991, as compared to 1989, only by 4,8%. This is one of the basic reasons for agriculture remaining behind - wich has a particularly negative influence in regions with more than average ratio af agricultural production in overall economic activity. The unemployment in 1991 reached 11,8%.

1992 brings into economy of SR partial stabilisation of situation and first signs of economic revival, particularly as a result of ongoing adaptation of enterprise to the new,

tough, criterial conditions. The inflation in 1992 reached 10%. Although the industrial production decreased by another 13,7%, and the volume of cross agricultural production by 11,9%, the volume of construction activities already grows (by 10%), the decline in transportation is stopped, the volume of takings in shops increases too, and so do exports. A positive trend is registered also in unemployment - which decreased to 10,4% (in comparison to 11,8% at the end of 1991). The level of prices in agricultural production increased in comparison with the year 1991 by 6,5%, which means that the prices of inputs into agriculture grew faster than prices of agricultural production developed.

1993 is characterised by a slowdown of reform, particularly because of the stop of privatisation, and because of the split of CSFR. This caused an interruption of positive tendencies in revival of economy an micro-structural adaptation. The inflation increased (25,6% in 1993), the industrial production decreased by 17,1%, and decrease is registered also in branches of industry which could achieve a growth in 1992 and gave signals of revival of the whole economy. The construction goes down by 23,8%, cargo transportation by 31,4%, exports decrease by 5,4%, and the growth of sales in shops is also stopped. Agriculture decreases by 8,1%. The unemployment starts to increase considerably, and reaches 14,4% by the end of 1993.

The first half of the 1994 brought some, even if only comparative, stabilisation. The inflation in the first half of the year reaches 4,1%, the unemployment 14,1% which is about the same as toward the end of 1993. The construction business further declines (by 11,3%), and slightly (by 4,5%) grows the production of industry in comparison to the same period of the previous year. The transportation of goods further decreases (by 9,5%), and also the number of licensed traders is smaller.

Among the **most serious systemic problems of the transformation of economy in SR** are:

- very **slow privatisation**, which causes slow and insufficient adaptation and restructuralisation of companies and enterprises

- **slow influx of foreign investments** (in comparison to what would be needed, and also in comparison to the level of neighbouring post-communist countries, it is absolutely insufficient) without which the financially demanding restructuring and creation of new jobs is not possible

- **shortage of domestic credit and investment resources**, mainly because large part of credit resources is bound by large budget deficit of the state

Those and some further problems lead then within regions to the increase of problems and insolvency of numerous enterprises, to the increase of unemployment, to inhibition of investments and construction activities, to virtually killing conditions especially for small trade and enterprise, to inability to create new jobs, and so on.

Economic and social conditions of communities, towns, and regions depend to the large extent on incomes and expenditures of local budgets. In connection with the deterioration of economic situation, and with problems of economic transformation, significant changes occurred in this area during last years and caused above all a decrease of incomes in local budgets. The data are in the table No.1

Table No.1
Structure of local budget incomes - in millions of Kčs (Sk)

Year	Incomes together	in it	
		Own	Subvences from SB
1988	46 642	23 474	23 168
1989	50 619	32 315	18 304
1990	53 235	34 273	18 962
1991	16 175	8 214	7 961
1992	20 627	18 242	2 385
1993	11 100	9 600	1 600

Data in the table show an evident **decrease of local budgets income**, when e.g. in the 1991 the overall incomes of local budgets decreased, in comparison to the year 1990, to only 30%, and in the year 1993 even to only 20,8%. In the year 1992 this ratio increased to 39%, what proves the already mentioned reality of improving economic situation a revitalisation of economy in 1992. Since 1991 decreased significantly the subsidies of local budgets from the state budget, however in the year 1993 decreased significantly in addition also own local incomes. It was caused, among other reasons, by the new taxation system introduced after the January 1., 1993. According to this new taxation system are the sources of incomes of local budgets following:

- share on the tax gain from incomes of persons from dependent activities (salaries)
- local duties
- real estate tax
- gains from the property of community (town)

All these generally spread diseases of Slovak economy are present also in the region of south-western Slovakia. However, there are also some specific factors we shall return to later, in the final part of this study, after we have analysed the natural conditions, the climate, the infrastructure, the demographic and economic features and conditions of the studied region.

II. BASIC CHARACTERISTICS OF THE REGION

The studied region of five south-western Slovakia counties (Dunajská Streda, Galanta, Komárno, Nové Zámky, Levice) has size of 6 059 square kilometres. It is 12,4% of the whole Slovak republic. The share of single counties varies from 2,0% (county of Galanta) to 3,2% (Levice).

The population of the whole studied region is 636 412 which is 11,9% of the whole Slovak republic population. The share of studied counties on the whole Slovak population ranges from 2,0% (Komárno) to 2,9%)Nové Zámky). The data for single counties and for the whole region are listed in the table No.2

Table No.2
Population and size of the region

Measure	DS	GA	KN	LV	NZ	region
population	110 480	142 846	109 167	120 970	152 949	636 412
relative share	2,1%	2,7%	2,0%	2,3%	2,9%	11,9%
size in sq.km	1 075	986	1 100	1 551	1 347	6 059
relative share	2,2%	2,0%	2,2%	3,2%	2,7%	12,4%

III. SITUATION, NATURAL CONDITIONS, SOIL, CLIMATE, AND ECOLOGICAL CONDITIONS

1. SITUATION

The studied region is located at the south of south-western Slovakia. **The territory is very homogenous according to various criteria, particularly its ethnic composition, prevailing character of economic activities, soil and climate, the shape of country surface , finding-places of natural riches, and so on.**

According to the prevailing shape of the country surface we can divide the region approximately into three parts. **Dunajská Streda and Komárno counties together with souhern part of Galanta county and the west of Nové Zámky county is at the Danubian lowlands (Podunajská nížina).** It has a monotonnous flat surface with only small height differences. It is made of river sediments and some parts are of layers of sands brought in the distant past by winds, and it is the driest and warmest part of Slovak republic (and of former Czechoslovakia too). The temperature averages over 20 degrees Celsius in June, minus 1 to 2 degrees of Celsius in January and it rains only 550 millimeters of rain in a year. The water from the territory flows to and is supplied by rivers Váh, Nitra, and Žitava, which flow into the Danube. There are large reserves of underground water here. At the places with deep underground waters the soil is black ("chernozem" - extremely fertile) and along the rivers there are warp-soils and meadow-soils. Original waterside flat-plain foerests are replaced by flat-plain meadows and fields, the forests survived only along the Danube river. Žitný ostrov (Rye, or Corn island) is since 1978 a protected water reserve area.

The northern part of Galanta county, northern and south-eastern parts of Nové Zámky county, and southern and central part of Levice county are situated at the Danubian hill-country (Podunajská pahorkatina). The territory has hilly character, and the climate is rather warm (minus 1 to minus 4 degrees of Celsius average in January, 18 - 20 dg.of Celsius in July, 600 -700 millimetres of rain in a year). The area has large supplies of underground waters and there are also sources of warm and cold spring-water. Soil cover is mostly of warp- and meadow-soils, brown-earth and black-soil. Original forests survived only in form of oak groves.

The northern part of Levice county is in Štiavnické mountains (Štiavnické vrchy). Most of this territory has a moderate warm climate, only the tops of mountains are in colder climatic zone. The temperature averages in January minus 3 to minus 4 degrees of Celsius, in July 17 to 18 degrees of Celsius, and it falls 650 to 800 millimetres of rain yearly. Prevailing are brown-soils with widely spread oak and beech forests which are interrupted by islands of meadows, pastures, and fields. Since 1979 are Štiavnické mountains a protected area.

Four of the five counties (only Galanta county not) are at the border with Hungary, and it gives the whole region - if the trade, economic, and other relationships with Hungary become more intensive - remarkable perspectives. Of significant advantage for the region could be also the closeness of Austria, and particularly its situation close to the Wienna - Bratislava - Budapest triangle.

The rivers Danube and to some extent Váh could be also a significant development factor. The importance of being situated on the shore of Danube grew further by opening of the Danube - Rein - Mohan channel, and it will become even more valuable when the Danube

- Odra - Labe channel is finished. Also the Gabčíkovo dam could work as an important developmental impulse, especially if it fulfils recreational and tourist functions.

2. NATURAL RESOURCES AND MINERAL RICHES

The studied area of south-western Slovakia is, in comparison to the rest of Slovakia, **very poor in mineral riches**. It is determined by geological structure and relief of the territory

The only mineral riches of the **Dunajská Streda** county are gravel and sand, of which 15 beds are registered. One of them is not used, and there is no plan to use it, the mining in two of them is being inhibited and will be stopped soon, one layer is being inspected and there is no decision so far about its exploitation, and 11 layers are of local importance only.

In **Komárno** county there is only one locally used bed of **gravel and sand**, one bed of **building stone** is being inspected as well, as one of **brick-making clay** and two beds of **decoration stone** - one with full mining and enough reserves and one where the mining has been stopped.

Galanta county has also only resources of **gravel and sand**. There are nine beds of it in the county, three are used and has enough reserves, four are used only for local purposes, and two are not used.

Nové Zámky county got one bed of **brown coal**, which is not mined and not intended to be used for mining, 6 beds of **gravel and sand** of which are 4 used only for local needs and the rest is not used at all. Nové Zámky county has also 5 beds of **brick-making clay**. One of them is used and has enough reserves, one is already closed and one will be so soon. Two of them are used for local needs.

Levice county has one not used (and not planned to be used) bed of **lignite**, one used bed of **heat-resistant clay** of local importance only, and one unused bed of **non-heat-resistant ceramic clay**. There are also three beds of **gravel and sand** - one of them not used, and two used for local needs only. Of greater importance are three beds of **building stone**. It is mined in two of them and the reserves are sufficient, one is presently not used - but considered to be used. In Levice county there are also 5 beds of **brick-making clay**, one with developed mining and sufficient reserves, one being gradually inhibited, one already closed, and two being inspected at the mining possibilities.

The studied region has the richest natural resources in underground waters. The reserves of underground water in Danubian low-lands are usable up to 24 000 litres per second, which is almost two thirds of all usable resources of underground waters in SLovakia. It is evident that these reserves are of international importance.

The region is rich on geo-thermal energy sources, which may become very important in the future. The sources of it could be found in all five counties. Their exploitation might require large investments, however, the running costs are very low, and the usage is clean from environmental point of view. This could mean large possibilities particularly in the middle and long-time perspective.

The region as a whole has very little of forests and woods, which is determined both by situation and geological relief of it, and by very intensive large-scale farming. Galanta county has the smallest area covered by forests - only 3 902 ha - 4% of the soil cover of the county. Most forests are in Levice county (29 008 ha, which is 18,7% of the soil cover of the county). The average for all five counties is 11 434 ha, which is about 8,6% of the whole surface of the region, while average acreage calculated for all counties of Slovak republic is about 40,5% of forest-covered surface. The exact numbers are shown in the table No.3

Table No.3
Acreage of forest-covered land in south-western Slovakian counties

county	acreage in ha	c
DS	7 040	6,5
GA	3 902	4,0
KN	6 880	6,2
LV	29 008	18,7
NZ	10 339	7,7
a	11 434	8,6
b	55 167	40,5

commentary:
a - average of the whole region
b - average for SR
c - share of forest-covered land in the acreage of the county

Soil

Along with the underground water is the largest natural wealth of the region its very good and fertile agricultural soil. The above table showing the acreage of forests illustrates that the agricultural land covers major part of the whole studied area. It is confirmed also in the table No.4 which shows the share of agricultural and arable land in the whole area of the county and region, and compares it with the average of the whole Slovakia.

Table No.4
Share of agricultural and arable land in the acreage of counties and region

County	Land together in ha	Share in the acreage of

			county in %	
	Agricult	Arable	Agricult.	Arable
DS	83 021	75 033	77,2	69,7
GA	83 208	78 413	84,3	79,5
KN	85 619	75 026	77,8	68,2
LV	112 776	93 829	72,7	60,4
NZ	107 376	94 042	79,7	69,8
Ŕegion av.	94 400	83 269	77,9	68,7
SR av.	63 750	39 722	49,4	30,7

Even more important than the acreage of the soil is its quality. **The quality of the soil is highest in Dunajská Streda and Galanta counties**, where the major part of it rates in third to seventh production-economic group (PEG). These counties are followed by Komárno and Nové Zámky with prevailing soil in 8 - 12 PEG, and Levice with soil rating mostly in 13 - 17 PEG. In the rating list of the whole Slovakia is the position of studied counties as follows: 1. Galanta, 2. Dunajská Streda, 3. Nové Zámky, 4. Komárno 8.Levice. This positioning shows that **the region of south-western Slovakia has the best soil in the Slovak republic**.

Potential for development of tourism

Potential of the region for development of tourism is determined largely by presence of so called recreational areas. These are exactly outlined functional areas, of which Slovakia has almost 1 000. It is the percentual share of recreational areas on which the evaluation of the potential for development of tourism of the particular territory is based.

According to the presence of recreational areas belongs the studied area of south-western Slovakia to the territory with the **lowest share of recreational areas**. The counties of south-western SLovakia are even at the last five places of the rating list for the whole Slovakia (Nové Zámky 0,19%, Levice 0,18%, Komárno 0,17%, Dunajská Streda 0,15%, Galanta 0,10%). The largest share of recreational areas is in mountanious parts of the country - for example county Žiar nad Hronom has 15,47%, and county Liptovský Mikuláš 13,2%. It is evident that the low share of recreational areas in the south-western Slovakia region is pre-determined by objectively existing limitations of natural character.

Another measure used to evaluate the recreational potential of a territory is the share of recreational areas in the whole acreage expressed in percents. Also according to this measure belongs the region of south-western Slovakia to areas with the lowest share - where the Danubian area has 10,4% and area of Levice has 4,8%.

Considering natural conditions for tourism is in this region most important the zone of Danube and very rich occurrence of geo-thermal springs. The Gabčíkovo dam offers broad possibilities to develop water sports, summer recreation, and all activities connected to it. Such a development is however dependent upon building up a necessary infrastructure.

There are many **thermal bathing places** in the area which make use of the r**ich occurrence of geo-thermal springs** (Čalovo, Dunajská Streda, Komárno, Patince, Levice, Santovka, Šamorín, Štúrovo). This bathing places build a basis for various kinds of recreational activities, and they have a tremendous importance in a territory otherwise poor in recreational potential. Rich sources of geo-thermal energy are also promising for the future possibilities of the development of tourism, particularly in summertime. Out of 43 thermal bathing places in Slovak republic 22 are located in the region of south-western Slovakia.

Among historical and cultural objects from the past it is necessary to mention the anti-Turkish fortress in Komárno, which was declared a national cultural heritage. There is also the Danubian museum in Komárno, two castles and a church in Dunajská Streda, renaissance castle in Galanta, and a baroque church and Franciscan monastery in Nové Zámky.

3.ECOLOGICAL CONDITIONS OF THE REGION

From the ecological point of view the region could be divided into three parts - counties Dunajská Streda and Galanta, then Komárno and Nové Zámky, and the third part - county of Levice. Counties of Dunajská Streda and Galanta are in area with high threat of the soil erosion. There is also high threat to the soil and vegetation through emissions and strong pollution of surface waters. Generally it is an area with very low ecological stability.

The area of Komárno and Nové Zámky has a low threat to the soil and vegetation through emissions, but strongly polluted surface waters and generally low degree of ecological stability.

Area of Levice has low degree of threat to the soil and vegetation through emissions, middle degree of pollution of surface waters and generally low degree of ecological stability.

The whole region is threatened by the soil erosion, and has also generally good dispersion conditions.

The situation of the region has several advantages as well as disadvantages.

As **advantages** we could list:

- warm climate
- the situation of the region (all counties but Galanta are directly neighbouring with Hungary)
- exploitable rivers (Danube, Váh)
- region has lowest demands of energy for the heating of houses
- high quality of soil
- geo-thermal springs
- sources of underground water
- sources of gravel, sand, and brick-making clay
- the relief of the country without obstacles to directions of transportation and buildings

The **disadvantages** are:

- relatively low natural potential of the development of tourism
- very limited occurrence of mineral riches
- low share of areas covered by forests
- very dry climate
- low ecological stability of the region

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The potential of development of any territory, region, or state, depends to the large extent upon the quantity and quality of its infrastructure. Technical infrastructure, transportation infrastructure, information and social infrastructure - all are immensely demanding both in investment and in time. An underdeveloped or backward infrastructure leads often to fatal consequences. Particularly sensitive is this area in countries in period of economic decline and suffering under shortage of investment resources - a kind of vicious circle could emerge. Country (area, region) needs to invest money into infrastructure to create conditions for economic revival, however, because the revival is not coming, there is no chance to invest into infrastructure. The economy of Slovak republic is actually in similar situation. Therefore is the level of infrastructure a very important criterion.

It is generally true that in all areas of infrastructure development is Slovak republic significantly delayed in comparison to developed western countries, and in most parameters stays behind also in comparison to the Czech republic. The following text brings an analysis of the infrastructure in south-western Slovakia region as compared to the average level in Slovak republic.

1. TECHNICAL INFRASTRUCTURE

Electricity

The production of electrical energy is distributed rather irregularly across the territory of Slovak republic. Largest steam-powered power stations are located in counties of Prievidza (Nováky power station) and Trebišov (Vojany power station), hydro-electric power stations are build on river Orava and river Váh, and nuclear power plant is in Jaslovské Bohunice (Trnava county). This shows that up until lately the only producers of electric energy in the region of south-western Slovakia have been power stations in factories like JCP Štúrovo, Duslo Šaľa (chemistry), Niklová huta Sereď (nickel foundry), Levitex Levice, and Juhocukor Dunajská Streda, which produced in the year 1990 14,2% of all electricity produced in factory power stations in Slovak republic.

The situation has changed lately, after the hydro-electric power station in Gabčíkovo has been started, and it will change even more dramatically after the nuclear power station in Mochovce (Levice county) is finished. It will make the south-western region of Slovakia to an important producer and supplier of electric energy.

Of course is the whole territory of Slovakia supplied with electricity, so it is saturated when the supplying network is considered. However, it is interesting to **compare the consumption of electric energy in kWh per capita** in the region, single counties, and the average consumption in Slovak republic. Exact data are listed in the table VI.1 (in appendices) and they show that the average electricity consumption per capita is in the region higher than Slovak average (5 500 versus 4 500 kWh per capita). Above Slovak average is the consumption of electricity in Dunajská Streda and Galanta counties, below it in the rest of region. Extremely high was the consumption of electricity in the year 1990 in Dunajská Streda county (14 000 kWh per capita) - among the highest in SLovakia. Also the consumption of energy in households in the region is considerably above the average of Slovakia (1 280 versus 900 kWh per capita), and the Slovak average is exceeded in all counties - with exception of Nové Zámky where it is average. The Dunajská Streda county showed the overall highest electricity consumption in households in the year 1990. This top position is evidently determined by intensive farming activities, particularly by growing vegetables in greenhouses - which is extremely energy-consuming.

Gas consumption

As we got no direct data on gas supply for single counties or region, we had to use data on consumption of earth-gas directly proportional to the level of gas supply for the whole territory. However, the level of gas supply is not quite directly proportional to the per capita consumption of gas in households. We could therefore conclude that the **gas supply of the south-western region of Slovakia is above the average of Slovak republic**, as the per capita consumption is 61% over the Slovak average. It is necessary to add, however, that the higher consumption is probably caused by intensive greenhouse farming in households, and doesn't necessarily mean larger number of gas connections per 1000 households. The highest gas consumption is measured in Komárno and Galanta counties. The data are in the table IV.1 in appendices.

Heat consumption

The average per capita heat consumption is lower in the region than the average of Slovak republic. This is determined mainly by moderate climate. In Dunajská Streda and Galanta counties is nevertheless the heat consumption above average, which is caused again by greenhouse farming. Exact data are in the table IV.1 in appendices.

Public water supply and canalisation

The water supply by public network is slightly under the average of SR (65,4% in comparison to 70,7% in the whole SR), while above average is it in Galanta (77,3%), while four other counties of the region are under the average. Also the share of communities with public water supply is in the region slightly under the Slovak average (57,8% versus 60%) - above average it is in Komárno and Galanta and under it in the rest.

The percentage of sewerage by public canalisation is significantly lower than Slovak average (33,2% versus 44,4%) - only Levice county comes almost near to the Slovak average.

The share of clean waste waters on the whole drain output is in the region just under the Slovak average (76,18% versus 81,1%), whereas Nové Zámky and Levice are above the average, and Levice markedly so (93,9% versus 81,1%).

The exact data on public water supply and canalisation are in the table IV.2 in appendices.

2. TRANSPORTATION INFRASTRUCTURE

Road infrastructure

There is significantly above average density of the road network in the south-western region of Slovakia. As the table No.5 shows, the average density of the road network is almost 15% above the Slovak average. The thinnest road network is in Komárno county, where it is exactly at the level of Slovak average. The highest density of roads is in Dunajská Streda county - almost 40% above the Slovak average.

Table No.5
The length and density of the road network - December 31, 1993

County	The length of roads in km December 31. 1993				Density of roads per sq. km
	I.Class	II.Class	III.Class	Together	
DS	49,4	146,6	351,2	547,2	0,509
GA	75,1	115,4	252,4	442,9	0,458
KN	87,2	82,4	231,1	400,7	0,364
LV	155,3	101,3	418	674,6	0,434
NZ	111,7	141,5	257,9	511,1	0,379
Region av.	95,74	117,44	302,12	515,3	0,426
SR av.				470,5	0,364

Railway infrastructure

The density of railway tracks in the studied region is slightly **above the average of Slovakia**, both in one-way and in two-way railway tracks. The highest density of railway tracks is in the Nové Zámky county, lowest in Dunajská Streda. (Exact data are in the table IV.3 in appendices.)

Waterway transportation, combined transportation, and its infrastructure

The region of south-western Slovakia has **very good conditions for this kind of transportation**. Through southern part of it flows the European river Danube, and there is also harbour city Komárno. In Komárno the river Váh flows into Danube, which, if Váh is made navigable, creates very favourable conditions for development of waterway and combined transportation.

The gradually reached navigability of Váh up to the town Žilina would mean revival of the economy along the river Váh, and change of significant part of transportation to more economical and ecological regime. Significant it is particularly because of the newly opened trans-european waterway Rhine - Mohan - Danube.

Waterway transportation possibilities along with comparatively dense railway and road networks secure for the region extraordinary conditions for the use of combined transportation means. Nowhere else in Slovakia are the conditions for combined transportation as favourable as in the region of south-western Slovakia.

In the year 1993 the European agreement on most important lines of international combined transportation and related objects (AGTC), where also Slovak republic is a member, became effective. The river Danube is among the lines in this treaty, along with following railway tracks in the studied territory of south-western Slovakia: Bratislava- Sereď - Nové Zámky - Štúrovo, and also Nové Zámky - Komárno with paces of reloading in Medveďovo, Sereď, Komárno, and Štúrovo.

Slovakia has so far **only one navigable river Danube in the length of 172 km**. Almost whole of this distance is within the studied territory of south-western Slovakia, in the counties Dunajská Streda and Komárno, where is also a harbour and shipbuilding-yard. Making of river Váh navigable is in preparation. An ultimate goal is to make navigable whole distance from Komárno to Žilina, which should become by the year 2005 a national waterway. The first stage - making river Váh navigable between Komárno and Sereď - should be finished before the end of this century, and is supposed to contribute significantly to the economic revival of the region.

Infrastructure of air transportation

There is single registered central airport of local importance in the region of south-western Slovakia - in Nové Zámky. It could serve the general air navigation and sport activities and is managed by Slovak national aeroclub.

Airports used by aeroplanes working in agriculture are in the region located in Dvory nad Žitavou, Chotín, Jasová, Pohronský Ruskov, Tekovský Hrádok, and Zemné.

3. COMMUNICATION AND INFORMATION INFRASTRUCTURE

Investments into telecommunications are recently among the most rapidly developing areas. It is the information infrastructure which is a necessary condition for dynamic and effective development of states, areas, and regions. Development in this area is in comparison to western countries very retarded - for example toward the end of the eighties were annual investments in telecommunications per capita only 5,5 USD, while in Hungary 11,6 USD, in Spain 38,2 USD, in Austria 88,0 USD, and in Switzerland even 169,8 USD.

Within the framework of information infrastructure the utmost importance belongs to the density and quality of telephone network. Considering the **number of telephone connections** is the region among the regions of Slovakia with an average equipment. Mechanical comparison of the number of telephone station, or of the number of telephone connections per capita is not quite correct because these data are significantly influenced by the type of settlements, and particularly by the ratio of urban and country inhabitancy. It could be said that best equipped with telephone connections is the Dunajská Streda county, where there is 10,6 inhabitants per one telephone station and also is the smallest number of unfulfilled applications for a telephone connection.

The most urgent shortage of telephone lines within the region is in the Komárno county. More exact data see in tables IV.4, IV.5, IV.6 in appendices.

4. SOCIAL INFRASTRUCTURE

Apartments

The major number of apartments in Slovak republic has been build after the year 1945 (86%). Presently there is 333 apartments per 1000 inhabitants in Slovakia, while in the Czech republic it is 360 apartments, and in developed countries 420 to 460 apartments per 1000 inhabitants. The highest quantitative level is in Bratislava with 376 apartments per 1000 inhabitants.

The apartments in south-western Slovakia are less than average in equipment (central heating, WC, bathroom), particularly in counties Levice and Nové Zámky. In the same time **are these counties highest in the quantity of apartments** - e.g. Levice 375, Nové Zámky 363, and Komárno 359 apartments per 1000 inhabitants.

Also considering the size of the living space per capita in square metres is the situation of the region better than average. (see table IV.7 in appendices)

Medical care

The best measure to describe the quantitative niveau of medical care is the number of hospital beds per 1000 inhabitants. According to this measure is the region as compared to the Slovak average (without Bratislava) slightly under it (6,72 versus 7), whereas above average is the Komárno county (7,1) and Galanta (7,6), just under the average Nové Zámky (6,7) and Levice (6,9), and deep under the average is in this respect Dunajská Streda (5,0).

Another important measure is the number of inhabitants per one physician job. Also according to this measure is the **niveau of medical care in the region slightly under the average** in comparison to the whole SR (again without Bratislava). In the region there is one physician job per 383,3 people, while in the whole SR it is 370,3 (without Bratislava). Better than the average is it in Levice, just under the average in Nové Zámky, Dunajská Streda, and Galanta, and the worst situation in this respect is in Komárno county (425 people per one physician job).

It is a slightly paradoxical situation, as the county Komárno is in the same time best in equipment with hospital beds, but is short of physicians.

In general we can conclude that the level of medical care is in the region as compared to the whole SR average or slightly under average. Exact data are in tables IV.8 and IV.9 in appendices.

Social security

Taking into account the number of people in retirement age per one place in nursing homes is the situation in four out of five studied counties better than the Slovak average. Anomaly is the situation in Nové Zámky county where the number of retired people per one place in a nursing home is twice the Slovak average (142 versus 70,7). More detailed and exact data are in the table IV.10 in appendices.

Summary of advantages and disadvantages of the regional infrastructure

Advantages:
- important producers of electric energy
- comparatively low consumption of heat
- comparatively high density of railways and roads
- very good condition for waterway and combined transportation with possibilities of further development
- very good conditions for increasing the number of border passages
- good surface relief and natural conditions to develop transportation infrastructure
- possibilities of connections to newly build and existing international railway and road networks
- comparatively good quantitative infrastructure of apartments
- the infrastructure is balanced - there is no significant staying behind the average of Slovakia in any of analysed aspects

Disadvantages:
- there are no significant disadvantages in comparison to the average development in Slovak republic, perhaps with an exception of low level of canalisation of the territory.

Different would be of course the comparison with developed western countries, or with the needs of development in infrastructure.

V. DEMOGRAPHIC STRUCTURE OF THE SOUTH-WESTERN SLOVAKIA

The most significant, and among other Slovak regions also unique feature of the region is **high percentage of ethnic Hungarians**.

According to the census in the year 1991, 567 305 of the citizens of Slovak republic, which is 10,8% of the whole population, declared their Hungarian ethnicity. 363 642 (64,1%) of them live in western Slovakia, and almost all of them in studied five counties of the south-western region. Noticeable number of ethnic Hungarians, outside of studied region in western Slovakia, is living only in Bratislava and its neighbourhood.

The ratio of ethnic Hungarians in studied region is 53,1%, whereas in single counties it is 87,2% in Dunajská Streda, 72,2% in Komárno, 42,8% in Galanta, 41,5% in Nové Zámky, and 31,6% in Levice.

As the table No.6 shows, the ratio of inhabitants of Hungarian ethnicity relatively grew during the period 1950 - 1970, while since the year 1980 it has been stabilised and even slightly declined. This decrease is caused largely by lower birth-rate in comparison to the counties with lower or no share of Hungarian population.

Table No.6
Regional distribution of ethnic Hungarian population in Slovak republic
(ratio to the whole population in %)

county	time period			
	1950	1970	1980	1991
Dunajská Streda	71,3	89,7	87,9	87,2
Galanta	38,3	46,7	44,4	42,8
Komárno	59,4	72,6	71,9	72,2
Levice	27,8	35,7	33,1	31,6
Nové Zámky	33,9	42,4	41,4	41,5
a	46,1	57,4	55,7	53,1
b	10,3	12,2	11,2	10,8

notice:
a - average in region
b - Slovak average

The average density of population is in the studied region only slightly lower than the average density in the Slovak republic (105 people per sq. km versus 108 people per sq. km). It is necessary to point out that the density of population in other Slovak regions is considerably limited by the country relief (particularly in mountainous areas) which does not apply to the south-western region. Therefore, given the present density of population, there are here favourable possibilities to broaden and increase settlements.

There is by 2,38% more women than men in Slovak republic. The biggest differences are in Levice county (3,9%), smallest in Dunajská Streda (1,42%). Absolute and relative numbers are in tables V.1, V.2 in appendices.

Population changes

Considering the natural movements of population (birth-rate and mortality) has the studied region an **above average mortality and significantly below average birth-rate**, which is expressed in lower than average numbers of natural population growth. Mortality - measured by number of deceased per 1000 inhabitants was in the year 1990 between 10,8 (DS, GA) and 13,1 (LV), while the Slovak average was 10,2. On the contrary, the birth-rate in the region as measured by number of born (alive) per 1000 inhabitants was in the year 1990 between 12,6 (LV) and 13,8 (DS), while the Slovakian average was 15,1. This led to a different development of natural growth of population - expressed in persons per 1000 inhabitants - which was in 1990 between 3,0 (DS) and minus 0,5 (LV), while the Slovakian average was 4,8. This trend went on in the beginning of the nineties, as the data of 1992 confirm. The average natural growth in 1992 in Slovakia was 4,0 per 1000 inhabitants, whereas in counties of south-western Slovakia it was only from 2,9 (DS) to minus 1,5 (NZ).

In connection with higher mortality in the region it is necessary to add that it is not due to worse health-state of the population or due to ecological conditions, or due to different life-style, but due to higher ratio of people in retirement age - caused mainly by a long-term lower birth-rate in the region.

Long-term differences in the birth-rate in particular counties lead then also to a different age-structure of the population. Dunajská Streda county is due to a long-term higher birth-rate a county with comparatively youngest population in the region (average age of 33,4), while in Levice, mainly due to lower birth-rate, is the average age the highest in region (36,1).

In **mortality of new-borns and infants is the region better off than the Slovak average**. The mortality of infants per 1000 born children was in the 1990 in the region lowest in Komárno (4,2), and worst in Levice (11,6), while the Slovak average was 12,1. In mortality of new-borns is lowest in the region in Komárno (2,1), highest in Galanta (7,7), the average for Slovakia was 8,4. In mortality of new-borns and infants were the results in all counties in the region better than the Slovak average.

The region of south-western Slovakia has a long-term **higher rate of divorces and abortions in comparison to the Slovakian average**. In the year 1990 has been the number of divorces per 100 weddings lower than the Slovak average (21,9) only in Dunajská Streda (20,7). In four other counties it was higher (highest in Komárno - 28,1). The average number of abortions in Slovakia per 100 born children was 69,9 in the year 1990. In Levice county it was 75,9 and in Komárno even 100,1.

Period 1991 - 1993 brought confirmation of the state of 1990, as the data in table No.7 show, where even the counties with extreme values kept their relative positions.

Table No.7
Population changes in %

Territory	Mean	Weddings	Divorces	Born	Abortions	Deceased

	pop.					
Dunajská Streda	110324	0,56%	0,18%	1,28%	0,97%	1,00%
Galanta	142664	0,54%	0,15%	1,21%	0,89%	1,03%
Komárno	109093	0,56%	0,20%	1,11%	1,15%	1,20%
Levice	120800	0,56%	0,18%	1,17%	0,89%	1,39%
Nové Zámky	152922	0,57%	0,17%	1,11%	0,88%	1,25%
Slovenská Republika	5318178	0,58%	0,15%	1,38%	0,86%	0,99%

Territory	Natural growth	Moved in	Moved out	Growth by mov.	Overall growth
Dunajská Streda	0,28%	0,69%	0,65%	0,05%	0,32%
Galanta	0,18%	0,97%	0,91%	0,06%	0,23%
Komárno	-0,09%	0,67%	0,61%	0,06%	-0,03%
Levice	-0,22%	1,12%	0,77%	0,34%	0,12%
Nové Zámky	-0,14%	0,81%	0,81%	-0,01%	-0,15%
Slovenská Republika	0,39%	0,17%	0,14%	0,03%	0,42%

Moving

In the year 1993 was the growth of population by people moving in 606 persons (the sum of those who moved in minus sum of those who moved out). Only Nové Zámky had a negative balance (saldo) (-8) of moving. Levice county reached a highly positive balance of moving (415), whereas in other counties it varied between 53 (Dunajská Streda) and 82 (Galanta). High growth in Levice is probably bound to people moving in because of the construction works at the nuclear power plant in Mochovce.

General changes in population are caused by combined consequences of natural changes and of the moving. In Komárno and Nové Zámky counties in the year 1993 the population decreased, while in all other counties of the region it increased. **The overall growth of population is positive in the region, but only slightly so, and lower than the growth of population in the whole Slovak republic.**

Education of the population

The education of the population in south-western Slovakia is comparable to the average of the whole Slovakia only at the level of secondary schools. Rather **high and significant disproportion exist in the number of people with basic and university education - there is 2,3% less university educated people in the region than the Slovak average.** This disproportion is more significant in men than in women - there is only 4,2% of university educated men in the region, which is by 2,74% less than the Slovak average.

2,78% of women in the he region has university education, which is by 1,88% less than the Slovak average.

Staying behind in the ratio of university educated population could be also illustrated at the sample of people with agricultural university training. Although the whole region is oriented to the large extent at the agricultural production, with an exception of Levice there is significantly lower share of people with agriculturally oriented university education than the Slovak average.

The comparison of counties shows the highest percentage of university educated people in Levice (4,03%), the lowest in Galanta (3,26%). The Slovak average is 5,82%.

At the same time there is a **significantly higher ratio of people with only basic education** in the region of south-western Slovakia - by 7,16% more than the average in Slovakia. The highest ratio of people with basic education is in Komárno county (37,19%), lowest in Galanta (34,61%). The Slovak average is 28,68%. Exact and complete data on the educational structure of region are in table V.3 in appendices.

Advantages and disadvantages of the demographic structure of population

Advantages:

- low density of population and lot of space to develop settlement
- low new-borns and infants mortality

Disadvantages:

- high mortality
- low birth-rate
- high divorce-rate
- high rate of abortions
- low ratio of university educated people
- high ratio of people with only basic education

VI. ECONOMIC POTENTIAL OF THE SOUTH-WESTERN SLOVAKIA REGION

The studied region of south-western Slovakia has **below average industrial potential and above average agricultural potential.** This is proved e.g. by the fact that the agriculture, forestry, and fishing employs in this region up to 20% of labour, whereas the average of Slovakia is 12%. The industry in the region employs 27%, and the average of Slovakia is 30%.

Within the industry there is more than average share of activities connected with the agriculture, mainly manufacturing of the food products.

Concerning the structure of the gross domestic product we could say that the region of south-western Slovakia is **below average in gross turn-over and gains in services in the year 1993.** The gross turn-over and the gains in services are in the region nly about half the average level of Slovakia. After calculating this measures for Slovakia without city of Bratislava the level of the region is about 74% to 85% of the average. Exact data are in the table No.8

Table No.8
Structure of GDP and gains in services

county	gross turn-over in millions of Sk	gains in services in thousands of Sk
DS	6 742	704 245
GA	10 981	729 650
KN	7 722	449 573
LV	9 356	513 048
NZ	10 308	805 943
a	9 022	640 492
b	16 855	1 239 552
c	12 164	745 068

notice:
a - average in region
b - average in Slovak republic
c - average in Slovak republic without Bratislava

An important factor which influences the economic potential of the region is how much has it of basic means, machines and equipment, and how much worn-out they are. Though the data we have are only as recent as 1990, we believe their validity is still good enough to get an evaluation - as during the years after 1990 there was rather an inhibition than any expansion of new investments.

The studied region of south-western Slovakia shows in the long run a **lower capacity of basic means and machinery in comparison to the average situation in the Slovak republic**. In the year 1990 it was in the region only 62% of basic means of the Slovak average, and the counties of Dunajská Streda and Komárno were under average of the region too. Machinery and equipment in the region was in 1990 at the level of 60% of the Slovak average, and again the lowest level was in Dunajská Streda (41% of the Slovak average) and in Komárno (37,5%). This situation is caused mainly by agricultural orientation of the region and therefore lower industrialisation.

Talking about the extent of how **worn-out** are basic means, machines, and equipment we can say that this region is about in **the same situation as the Slovak average**, worse is the situation in the county Galanta, better in Dunajská Streda and Komárno. Exact data are in the tables VI.1, VI.2, VI.3, VI.4 in appendices.

1. PROPERTY AND ORGANISATION STRUCTURE OF THE REGIONS ECONOMY

A. Comparison within the Slovak republic

By May 31, 1994 there were 4 782 enterprises in south-western region of Slovakia, which is about 15% of the total number in the whole Slovakia.

While until December 31, 1992 the number of enterprises and companies including the traders registered in business register grew in the counties of south-western Slovakia only by 1,3% (towards the end of 1993 it even decreased by 1,4%), the growth in the year 1994 reached 5,2 points. (See tables VI.5 and VI.6 in appendices).

The trend in number of **traders not registered in business register**, of private farmers and free traders, has been similar. 1992 brought growing number of small traders, the year 1993 and the first half of 1994 their decrease - and **decrease of the ratio of region within the Slovak republic.** (See table VI.6 in appendices).

The development in 1991 and in 1992, that is increase of the number of enterprises, is bound to the consequent transformation of ownership in Slovakia, with setting various forms of ownership equal, with gradual de-etatisation and privatisation started at the January 1, 1991.

In connection with the split of CSFR grew the level of insecurity about the future macro-economic, and nonetheless micro-economic environment. However, this influence could be evaluated as a short-term one.

Much more important influence at the development of the structure of enterprise in the 1993 came from the **stagnation of the privatisation process**. Only few selected companies have been privatised through direct sales, and this influenced the dynamics of development of the rest, moreover the postponing and delaying of privatisation only made them behave even less economically.

January 1, 1993 brought the new taxation system and the law No. 7/1993 on establishing of National insurance and financing of health, medical, and rent insurance. Some unclear questions about the amount and basic principles of the payments of insurance, overtaxation of enterprises, particularly of the small traders not registered in business register, caused the already mentioned decrease in number of traders in the region in 1993, and in the 1994 too.

Remarkable is also the trend of development of proportion between public and private enterprise in south-western Slovakia. Whereas by the end of 1992 we may speak about decreasing proportion of state and public enterprises and growing number of private enterprises and companies, **in the year 1993 the dynamics of ownership transformation stops. The share of public property in the whole of Slovakia decreased in the region only by 0,1 to 7,2% and the share of private property in SR even decreased by 1,7 points.**

Stagnating proportion of public property in south-western region of Slovakia could be explained by the end of the first wave of voucher privatisation in the year 1993 which brought very significant extent of transformation of public property into private one. As already mentioned above, in the year 1993 the standard methods of privatisation were given priority, which led to privatisation of only few selected companies in comparatively attractive branches of economy, mostly outside the studied territory of south-western Slovakia.

South-western Slovakia counties has a comparatively weak industrial basis.
During the industrialisation of Slovakia the industry developed:

- north-western region of SR: Považská Bystrica, Martin, Liptovský Mikuláš
- central region of SR: Banská Bystrica, Zvolen, Prievidza, Žiar nad Hronom
- western region of SR: Trenčín, Senica
- eastern region of SR: Košice, Humenné

Since the region of south-western Slovakia is not one with high concentration of industrial production, it is not of interest to the banking and financial subjects. It does not at its disposal attractive places suited to develop tourism and spa, and even the already slowed down privatisation process avoided the region. This is evidenced by the decreasing share of the region in the overall private property in Slovakia.

Table No. 9
Share of private property in south-western Slovakia in the SR

	1991	1992	1993	May 1994
share in %	10,6	12,1	10,4	10,3

B. Comparison of counties

After comparing the counties Dunajská Streda, Galanta, Komárno, Nové Zámky, and Levice in various forms of property, we can describe several identical characteristics. In all counties of the south-western Slovakia are most enterprises active in following branches:

Table No. 10

Number of enterprises according to particular branch in %

Branch of economy	DS	GA	KN	NZ	LV
number of all enterprises	**757**	**685**	**618**	**561**	**565**
trade, car repairs	55,2	44,1	50,5	46,5	41,6
industry	14,5	19,7	18,9	20,8	20,5
agriculture	8,5	7,5	8,4	11,1	11,0
construction	7,0	9,9	5,6	3,6	7,4

It is clear that after large economic changes following the year 1989 **most of the enterprise have been established in third sphere of economy** - in trade and car repairing, and light industry, which is to be considered as a positive sign of adaptation of micro-sphere to the market conditions.

The smaller share of the light industry is determined by irregular concentration of industry in the SR. However, thank to natural conditions; soil and climate, the agriculture has an significant position in the classification of economic activities.

The private property (3 013 enterprises) prevails over the public property (107) - the data are summed up for the whole region.

Table No. 11
The proportion of public and private property in the studied counties in %

county	public	private
Dunajská Streda	1,98	95,77
Galanta	2,77	95,47
Komárno	4,36	94,17
Nové Zámky	3,74	94,47
Levice	4,42	92,38

The table shows that the largest share of enterprises and companies in private property is in the Dunajská Streda county (95,77%), with consequently smallest number of enterprises publicly owned (+?98%). The smallest share of private property in enterprises is in the Levice county, however also here it is more than 90%.

The high proportion of private companies and enterprises and low of public property is determined by a large number of small private companies, prevailingly Ltd.´s. Much more informative than the simple proportion of private and public in the overall number of enterprises has the comparison of the ownership forms in so called companies of basic skeleton of industrial structure - that is in large industrial companies with more than 500 employees. The data are in the table No. 12

Table No. 12

Ownership forms in companies with over 500 employees

County	number of enterprises	in it		share of transformed in %	share of state owned in %
		transformed	state		
DS	3	3	0	100	0
GA	9	5	3	55,6	33,3
KN	6	5	1	83,3	16,7
LV	5	3	2	60	40
NZ	9	9	0	100	0
SR	**32**	**26**	**6**	**81,25**	**18,75**

The table shows that by June 30, 1994 there were 32 companies with over 500 employees, out of which 26 have been already transformed into stock companies, mostly with majority of private ownership, while 6 companies were still owned by state. In Dunajská Streda and Nové Zámky counties are already all larger companies privatised, or transformed. The smallest share of privatised larger companies is at the moment in Galanta county. Nevertheless according to this data we could conclude that **relative level of the transformation of large companies with over 500 employees (81,25%) is above the Slovak average (about 55%)**.

In private property in the studied region the largest share belongs to the domestic owners, followed by international (with share of foreign capital participation), foreign (with foreign capital participation only), and co-operative ownership.

An exception is the Levice county, where the list is led by domestic ownership, followed by foreign, and so on. The prevailing foreign ownership over international is caused by majority of the foreign owner in De Miclén s.c. Levice, and by comparatively low investments by other foreign investors, so the comparatively small investment of one foreign owner led to a leading position of the purely foreign ownership.

The share of enterprises in foreign and international ownership in the whole Slovak republic has been 17,8% by December 31, 1993, while share of the foreign and international property in the south-western region is only 7,7% - by 10,1 less.

It is necessary to point out that the influx of foreign investments into Slovakia is very unsatisfactory, moreover there are areas in the SR definitely below average in this respect (foreign investments) - and south-western Slovakia is among them..

The domestic market of SR is small, therefore Slovakia needs to become an export-oriented economy and attract above all export-oriented investors. Those, in contrast to investors interested only in domestic markets, have considerable freedom in choosing the place of their investments. Their decisions depend on the degree of economical and political stability, quality of infrastructure, qualification of labour, legal conditions, allocation of raw materials, and so on.

Slovakia is so far only in the period of creating of competitive enterprise environment which would fulfil above requirements. And alike Slovakia is less fit for competition in area of foreign investments, the south-western region is less fit for competition within Slovakia.

The first wave of voucher privatisation demonstrated already that domestic investors as well as privatisation funds showed the largest interest in state companies in branches like beer-brewery, hotels, banking, insurance, production and transportation of electric energy, of gas, and the foreign trade. Similarly the interest of foreign investors is concentrated at the comparatively most profitable branches of the Slovak industry - and their investments decisions are surely significantly influenced by entrepreneurial infrastructure of the region.

By the May 31, 1994 has been the foreign capital in the region concentrated in 495 companies - which means **8% share in the overall number of foreign and international companies in the Slovak republic**. Although - since the end of 1993 - 99 new companies with foreign capital participation have been founded, it is only growth by 0,3 points. (See table VI.6 in appendices).

This situation is related to the fact that foreign investments flow into other regions of Slovakia much faster than into south-western Slovakia. **The amount of foreign investment here by December 31, 1993 was only 1,2% of the whole sum invested by foreign investors in Slovak republic.**

Table No. 13
Foreign capital in studied counties by December 31, 1993

counties	**companies in SR**		**share in whole am.**	**order of counties**
	number of enterprises	foreign cap. in thousands . Sk	foreign cap. in %	
Dunajská Streda	114	15 262	0,1	27
Galanta	78	16 651	0,2	26
Komárno	89	12 754	0,1	28
Nové Zámky	69	66 522	0,6	13
Levice	46	23 998	0,2	21
region together	**396**	**135 187**	**1,2**	

The table shows that taking into account the amount of foreign investments are the counties of south-western Slovakia in the lower half of the list (with an exception of Nové Zámky).

The government of SR (at the March 30, 1993) announced a decree which changes conditions for taxpaying subjects to be freed of the income tax of legal subjects - also with the goal to make selected regions of SR more attractive to foreign investments.

According to this decree have the taxpayers (companies) **located in Dunajská Streda and Galanta a 100% tax vacations during the first two taxing periods - if they were established after January 1, 1993.** The taxpayers with at least 30% (or 1 million DM) share of foreign investment have to pay 20% less in two consecutive taxing periods - after having a 100% vacation in the first one.

This tax alleviation did not become a sufficient incentive for foreign investors. One year of tax vacations plus two years of lower payments wouldn't make a significant difference in middle- or long-term perspectives of profits from investments, particularly in companies manufacturing products and not being active in trade or third sphere.

This conclusion corresponds with following allocation of foreign investments into economic activities in south-western region of Slovakia:

- trade, car repair, consumer goods 66%
- manufacturing industry 17%

In all counties of south-western Slovakia are prevailing the following forms of entrepreneurial subjects:

- limited liability company (40%)
- traders registered in business register (11%)
- co-operatives (5%)
- stock company (2%)
- state enterprise (1,5%)

The largest share of limited liability companies in the region is determined by the fact that the majority of subjects, both domestic and foreign, have been established in trade and repairing activities. Therefore is this legal form, because of the amount of basic property, and because of the higher involvement of companions in the management and economic results of the company, the most frequented.

The region of south-western Slovakia is typical by comparatively **low share of the stock companies** (about 2%), concentrated mostly manufacturing industry. To explain it we could put forward several facts:

- in the region of south-western Slovakia are most numerous the small companies (84%), where the most frequent legal form is the limited liability company or a trader registered in business register
- the region is characterised by low industrial concentration, that is of middle and big industrial enterprises, which are most frequently turned into stock companies in the process of transformation
- up to 44% of middle-sized companies are active in the agriculture, that means state-owned farms, and most of them are in the foreseeable future hard to transform - because of their low attractiveness

The largest number of stock companies is in Komárno (2,6%), the smallest in Dunajská Streda (1,7%).

The share of state-owned enterprises is lowest in Dunajská Streda county (0,9%) and highest in Levice (1,9%), whereas the share of the limited liability companies is highest in Dunajská Streda (52%) and lowest in Levice (28,1%).

A significant group in this region are also traders not registered in the business register. In studied counties is about 13% of all non-registered private traders in Slovak republic. In this number is expresses also the fact that **31% of all private farmers in Slovakia are working in the region of south-western Slovakia**.

Table No. 14
Private traders not registered in business register

counties	traders not registered in business register			
	overall	in it		
	number	a	b	c
Dunajská Streda	8 208	6 860	8	1 340
Galanta	7 500	6 674	16	810
Komárno	6 225	5 058	40	1 127
Nové Zámky	7 409	6 188	62	1 159
Levice	6 563	5 153	42	1 368
number together	**35 905**	**29 933**	**168**	**5 804**

notice:
a - traders
b - free trades
c - private farmers

2. SIZE AND STRUCTURE OF LOCAL ENTERPRISES

A. Comparison within Slovak republic

Table No. 15
Number of enterprises according to their size in counties of south-western Slovakia

	small	medium	large
number of enterprises	2 684	466	27

notice: data of May 31, 1994

84% of enterprises in south-western Slovakia are small, that is up to 25 employees, 15% are medium - 25 to 500 employees, and negligible 0,8% are large companies, that is with over 500 employees.

The distribution of the quantity of small, medium, and large enterprises is identical with the distribution in the whole Slovak republic. By May 31, 1994 was the share of small enterprises in SR 85,2% in the overall number of 30 406, medium enterprises had share of 13,4% , and large 1,3%.

Because of transformation of ownership situation, and because of privatisation in the Slovak economy, the share of large enterprises has been significantly reduced since the year 1991. With the beginning of the second voucher privatisation wave, and thank to the novelisation of the bankruptcy and settlement law (No. 328/1991 in the diction of the NR SR law No. 122/1993), we can expect further decrease of the share of large companies in Slovak economy, and therefore also in the region of south-western Slovakia.

B. Comparison between counties

Comparing counties in size and structure of local enterprises we could detect several identical features.

1. The share of small enterprises in the region exceeds everywhere 80%, - in Dunajská Streda it is 89,4% - a maximum share (677 enterprises) in the region. The lowest share is in Levice - 80,7% (449 enterprises).

2. Mean share of medium-sized enterprises is about 15%. All counties are more or less on this level - with an exception of Dunajská Streda where it is 9,9%.

3. The share of large enterprises in south-western Slovakia is negligible - in three counties it is under 1%, in Komárno 1,1%, and in Nové Zámky 1,6%.

4. Another common feature is the distribution of companies according to their size in particular branches of economy.

Small enterprises are gathered in following branches:

- trading, repair of cars and of consumer goods - 55%
- industry, manufacturing industry - 17%

Small enterprises, because of their flexibility, innovativeness, and great adaptability, are usually established in trading, repairing, and small manufacturing industry. South-western Slovakia is, thank to its climate and soil conditions, an area suitable for food products manufacturing industry.

The third rank of importance belongs, to our knowledge, to construction enterprises. An exception is the Komárno county where the third rank belongs to transportation and storage business. Komárno is an important shipping transportation point at the Danube river, and its closeness to the Hungary predetermines this economic activity.

Medium enterprises prevail in branches:

- agriculture - 44%
- industry, manufacturing industry - 28%
- trading, repairing of cars and consumer goods - 10%

Dominant share of medium-sized enterprises in agriculture in the south-western region of Slovakia is a remnant of agricultural policy applied before 1989 - as the collectivisation and nationalisation created large state farms and farming co-operatives.

Public property has been set over other forms of ownership. So it was a positive thing to equalise all particular forms of ownership which makes possible the existence of private farmers who are able to compete with medium enterprises. (See the table No. 14)

It is our opinion that share of medium-sized enterprises in agriculture is in the region stressed by proportionally insufficient industrial structure of the region.

In the first half of 1994 are the enterprises of south-western region distributed in following branches:

- production of food products and drinks - 26%
- manufacturing of metal constructions, machines and equipment - 25%
- wood and cork industry - 8%
- manufacturing of furniture and similar industry - 8%
- textile industry - 6%
- manufacturing of rubber and plastic products - 5%

It makes no sense, given the negligible number of large enterprise, to analyse their distribution among particular branches of industry. (See tables VI.8, VI.9, VI.10, in appendices).

3. AGRICULTURE

As already mentioned, the region of south-western Slovakia has **strong agricultural orientation**. It is determined mainly by **natural and climatic conditions which are here best within Slovakia for agriculture.**

Presently is this orientation of the region particularly troublesome because of following reasons:

- agriculture belongs to most problematic areas of economy in the process of transformation. The result is the highest degree of losses and insolvency in this area.

- taxes and subventions applied in agriculture do not enable capitalisation of the favourable natural and climatic conditions of the region - which is expressed in the fact that the degree of debts and insolvency of agricultural enterprises here is not lower than in the rest of Slovakia, but paradoxically higher.

Agricultural orientation of the region means much more concentrated manifestation of above-mentioned problems than in other regions which significantly influences the general economic situation.

The region has the best quality of soil in Slovakia, as already mentioned in the part III.2 of this study. This determines also high intensity of agricultural production, as measured by gross agricultural production per 1 ha. According to this measure it was 130% of the Slovak average in the year 1990. The highest intensity of the agricultural production was measured in Dunajská Streda county - 174% of the Slovak average, lowest in Levice - 101,6% of the Slovak average. The Slovak ranking of counties according to intensity of agricultural production is following: Dunajská Streda (1), Galanta (3), Komárno (4), Nové Zámky (8), Levice (14). Exact data are in the table No. 16

Table No. 16
Gross agricultural production per 1 ha
(in stable prices of 1989 in Kčs)

county	period	
	1985	1990
DS	36 669	34 818
GA	29 010	26 274
KN	29 890	25 726
LV	22 419	20 264
NZ	25 701	23 092
a	28 738	26 035
b	19 474	19 933

notice:
a - average in region
b - average in Slovak republic

The region of south-western Slovakia is **oriented dominantly to growing of cereals**. The crop surfaces are between 208% (Komárno) and 280% (Nové Zámky) of the Slovak average. The average harvest per 1 ha in the region is about 113% (1992) or 108% (1993) of the average. In the year 1992 was the harvest above average in all five counties, in 1993 Levice and Nové Zámky were below average. Exact data are in the table No. 17.

Table No. 17
The development of crop areas and harvests of cereals in 1992 - 1993

county	crop area in ha		index	harvest in tons per ha		index
	1992	1993	93/92	1992	1993	93/92
DS	46 420	50 856	109,6	5,88	5,15	87,6
GA	45 877	49 215	107,3	5,12	4,40	85,9
KN	43 377	45 745	105,5	4,84	4,03	83,2
LV	51 124	56 525	110,6	4,60	3,31	71,9
NZ	57 566	61 534	106,9	4,59	3,47	75,5
a	48 873	52 775	107,9	5,01	4,07	80,8
b	21 083	21 969	104,2	4,43	3,78	85,2

notice:
a - average in region
b - average in Slovak republic

By May 31, 1994 there have been in all 291 agricultural enterprises in the region, out of which 27,1% were small enterprises, 70,4% medium enterprises, and 2,4% large enterprises. Largest share of large enterprises is in Dunajská Streda county (4,7%), not a single one is in Levice. Exact data are in the table No. 18.

Table No. 18
Number and share of agricultural enterprises according to their size

county	number of enterprises	of it		
		small	medium	large
DS	64	45,3%	50,0%	4,7%
GA	51	23,5%	74,5%	2,0%
KO	52	21,2%	75,0%	3,8%
LV	62	14,5%	85,5%	0,0%
NZ	62	29,0%	69,4%	1,6%
a	58	27,1%	70,4%	2,4%

notice:
a - average in region

Taking into account the legal form - there is among agricultural enterprises largest share of co-operative farms (61%), followed by limited liability companies (18,9%), state enterprises (6,7%), persons registered in business registers (3,6%) and stock companies (2,0%). Complete data on agricultural enterprises according to their legal form are in the table VI.11 in appendices.

Beside legal persons and physical persons registered in business register is agricultural activity often perform by persons who are not registered in the business register.

In the year 1993 58% of enterprises worked in crop and vegetable production, 12,5% in animal farming, 27% combined both of them, and 2,5% did something else. The data show that **the agriculture of the region is strongly specialised on plant farming**. Exact and complete data are in the table in appendices. In spite of specialisation show **the measures of effectiveness and number of farm animals significantly higher effectiveness in comparison to the average values in Slovakia**. Average number of cattle in 1 county in the region exceeds Slovak average by 56,5% (1993) and average yield of milk was in the year 1993 by 15% higher than the Slovak average. Highest absolute number along with highest effectiveness of farm animals is within the region in Dunajská Streda county, lowest in Galanta. Lowest yield of milk is in Levice. Exact data are in the table VI.12 in appendices.

The outstanding natural and climatic conditions should actually predestine agricultural enterprises to reach extraordinary economic results. The analysis of those results shows however that the opposite is often true.

Table No. 19
Economic results in millions of Sk in agricultural production in years 1992, 1993

county	economic result	index	c

	1992	1993	93/92	1992	1993
DS	-342,5	-275,6	80,5	-4609,6	-3900,0
GA	-436,3	-399,5	77,8	-6124,4	-5139,0
KO	-371,5	-256,5	69,1	-5093,0	-3746,5
LV	-281,0	-222,3	79,1	-4252,1	-3582,4
NZ	-363,5	-247,9	68,2	-3977,9	-2878,5
a	-359,0	-280,4	74,9	-4811,4	-3849,3
b	-235,2	-163,4	69,4	-4576,2	-3174,7

notice:
a - average in region
b - average in Slovak republic
c - economic result per 1 ha of agr. surface

According to the data shown in the table No. 19, the **general economic results of agricultural enterprises both in the region and in Slovak average have been negative in the years 1992 and 1993**. Index of losses decreased in the year 1993 in comparison to the 1992. **Important is the fact that in the studied region are the losses in agricultural production higher than the Slovak average**. Average losses in one county of the region were by 52,6% in 1992 and even by 71,6% in 1993 higher than average losses in Slovakia. The overall losses decreased in Slovak average in the year 1993 by 30,6%, in the studied region however only by 25,1%.

The losses are higher not only in absolute numbers caused by generally higher share of agricultural production, they are higher also when expressed in relative values per 1 ha of agricultural area. The average relative losses in the region were in the year 1992 by 5,1% higher, and in 1993 even by 21,2% higher than the Slovak average. The highest losses have been registered in Galanta and Dunajská Streda, the lowest in Levice and Nové Zámky.

It is necessary to point out that this **situation is paradoxical and absurd as the absolute and also relative losses are significantly higher than average in a region with definitely best condition for agriculture. Moreover, the highest losses per 1 ha are registered in counties with the best quality of soil in Slovakia (Dunajská Streda and Galanta).** According to the official ranking of the soil quality belong first four ranks in Slovakia to counties Galanta (82,9 points), Dunajská Streda (80,6 points), Nové Zámky (74,5 points), Komárno (72,1). Levice ranks eight with 64,9 points and the Slovak average is 46,6 points. And exactly **in Galanta, that is in the county with the highest ranking of the soil quality in Slovakia, have been reached both in 1992 and 1993 highest losses per 1 ha**.

The above mentioned facts are caused to decisive extent by the applied system of subventions in agriculture and also by the land tax system.

Table No. 20
System subventions and land tax in 1994 in thousands of Sk

county	subventions together	land tax	net tax	sub. per 1 ha

DS	0	53 721	53 721	0
GA	0	46 991	46 991	0
KN	716	43 133	42 417	9
LV	45 221	46 843	1 622	431
NZ	1 273	58 987	57 714	12
a	9 442	49 935	40 493	90,4
b	92 894	16 157	-76 737	1574

notice:
a - average in region
b - average in Slovak republic

As the table No. 20 shows, the final economic result is decisively influenced mainly by large degree of differentiation in system subventions. More significant subventions are paid only to agricultural enterprises in Levice county. There are no subventions in counties of Dunajská Streda and Galanta, in Komárno and Nové Zámky their are almost nil (9 or 12 Sk/ha). Differences in land tax are determined by varying size of agricultural land, and also by varying share of different kinds of soil (arable land, grazing grounds, vineyards, and so on).

The bad economic situation of the agriculture is in SR a general state caused mainly by unsatisfactory adaptation of this branch to market conditions, but also by the type of economic policy in the area. **Comparatively worse situation in the economy of agricultural enterprises in the studied region however is caused to the large extent also by existing system of subventions which is discriminating and puts into disadvantage regions with better conditions for agricultural activities**. This conclusion is supported also by other measures - like profit share in production, subventions share in production, or productivity of work. (See the table VI.14, VI.15, in appendices).

The table shows also for example that, regardless of the fact that the productivity of work in Galanta county has been 20,5% higher in the year 1993 than the average in Slovakian agriculture, the agriculture made here 15% more losses than the Slovak average.

The worse situation of agriculture in the region is also evident according to measures of primary insolvency, where the average of this measure has been in the region (in 1993) by 46% higher than the Slovak average. This discrepancy shows increasing tendency. Exact and complete data on primary insolvency in agriculture are in the table VI.16 in appendices).

Average nominal wages in agriculture are in the region above the Slovak average, while this difference slightly decreased in the year 1993. Significantly higher nominal wages as compared to the average are only in Dunajská Streda county, and slightly higher in Galanta. In remaining three counties are the nominal wages even slightly below the Slovak average. Complete data are in the table VI.17 in appendices.

Trends of development in the agriculture of the region in 1994 in comparison to 1993

The centre of strategic studies together with the statistical office and county departments of regional development prepare regular monitorings of economic situation in regions. The informative value of this monitorings is however limited because the sample of monitored companies is not a representative one, and for some other reason too. The results of this monitoring in agriculture in the first half of 1994 are following:

The year 1994 brings in comparison to 1993 moderate elevation of gross agricultural production. To the large extent it is caused more by increase of buying prices of agricultural products, than by increase in production. Slight increase of production could be registered In counties of Galanta and Nové Zámky, and partly also in Dunajská Streda.

Trends of development in the counties

Out of 15 monitored enterprise in Nové Zámky county only 3 were solvent, and only those three did not feel threatened in their very existence.

In Dunajská Streda county only one out of 11 monitored enterprises was solvent, 5 enterprises expected increased production, and three felt threatened.

Out of 15 monitored enterprises in Galanta county 5 were insolvent, in three a decrease of production has been expected.

In Levice and Komárno counties there are no monitored data for single enterprises.

The general trend in agricultural area is the growing insolvency and decrease of employment in agriculture.

4. INDUSTRY

The industry of the south-western Slovakia **specialises in processing of agricultural products and manufacturing of food products and also in machinery and metal products**. In connection to the Gabčíkovo dam and to the construction of nuclear power plant in Mochovce the region becomes also an important producer of electric energy.

There were 611 industrial enterprises in studied region by June 30, 1994. Largest number of them (156) are enterprises manufacturing food products and drinks - 26%, then enterprises manufacturing machines and equipment - 13%, manufacturing of metal constructions and metal products - 12%, manufacturing of furniture - 8%, and manufacturing of textile products - 6%. Similar is the distribution of branches when analysed by counties. In Dunajská Streda is high share of publishing activity and printing industry, in Galanta wood processing and electrical machinery and equipment, and so on.

To analyse single branches of industry only by number of enterprises might be misrepresenting because the same value is given to the enterprise with 10 and to the enterprise with 2000 employees. It is therefore necessary to investigate the data on enterprises considering also their size. We will use the number of employees.

When the size of enterprises is considered the largest weight in the region belongs to the machinery industry, with 29,4% of all employees (May 31, 1994), followed by food industry with 19,4%, construction with 10%, wood, furniture, and chemistry with 9,4%, electrical equipment with 8,9%, textile and garment industry with 7,4%, and energy (electricity) with 5,7%.

The highest concentration is in the electrical equipment industry which is concentrated in the region in a single county (Nové Zámky) and energy producing industry (Levice). Very high is also the concentration of the chemical industry in Galanta county, machinery in Levice and Komárno, construction in Galanta and Dunajská Streda, and food industry in Nové Zámky, Levice, and Galanta.

Table No. 21
Number of employees in industrial branches in the region

Branch	Number of employees			Relative number in %
	overall	per county	per enterpr	
Food	7 152	1430,4	325	19,4
Construction	3 684	736,8	368,4	10
Chemistry	3 475	695	1737,5	9,4
Machinery	10 827	2165,4	1082,7	29,4
Wood and furniture	3 488	697,6	872	9,4
Textile and garment	2 746	549,2	915,3	7,4
Electrical equip.	3 300	660	1650	8,9
Energy	2 099	419,8	1049,5	5,7

Table No. 22
Share of counties in employment structure in branch

Branch	Share of counties in employment in the branch in %				
	in DS	in GA	in KN	in LV	in NZ
Food	18,3	22,3	8,1	22,7	28,5
Construction	30,5	33,4	18,5	0	17,5
Chemistry	0	90,5	0	0	9,5
Machinery	1,5	4	35,5	48,2	10,5
Wood and furniture	0	10	0	12,9	77
Textile and garment	0	19,6	0	80,4	0
Electrical equip.	0	0	0	0	100
Energy	0	0	0	100	0

The data in tables No. 21 and No. 22 show that highest average employment per one enterprise, that is the largest size have in the region companies in chemical industry, followed by electrical equipment companies, machinery, and energy. The lowest average employment per one company, that is the smallest size is in the food industry.

Table No. 23
Share of employees in branches in the county in %

Branch	Relative number of employees in branch in the county in %				
	in DS	in GA	in KN	in LV	in NZ
Food	50,2	21,8	11,4	14	20
Construction	43,1	16,8	13,3	0	6,3
Chemistry	0	43	0	0	3,2
Machinery	6,5	6	75,2	45	11,2
Wood and furniture	0	4,7	0	3,8	26,5
Textile and garment	0	7,3	0	19	0
Electrical equip.	0	0	0	0	32,5
Energy	0	0	0	18	0

The development of industry in the region has been in the years 1990 - 1993 similar to the development in the whole Slovak republic. In 1990 and in 1991 the industrial production decreased as well as the performance in construction and transportation of goods. The decline has been caused by both decreased internal demand (caused by liberalisation of prices and lower buying power), and by decreased external demand (the break-down of traditional markets, problems to find alternative markets). In the year 1992 brought already visible signals of economy revival, mainly in construction, but also in transportation and partly in industrial production. This revival was brought by adaptation of micro-economic sphere to changed conditions. This positive trend was interrupted in the year 1993, first of all by the split of CSFR and related factors, like shrinking of the market, monetary and administrative barriers of free trading, the shortage of credits, decrease of demand, and similar. Another reason for interruption of transformation, has been the slowing-down of the reform, and above all slowing-down of privatisation and decrease influx of foreign capital.

This development, as well as below average share of industry in the region is visible from data in the table No. 24

Table No. 24
Gross turn-over in industry

County	Gross turn-over in mil. of Sk in industry			Indexes	
	1991	1992	1993	92/91	93/92

DS	2 354	2 370	2 248	1,006797	0,948523
GA	7 473	8 554	7 341	1,144654	0,858195
KN	2 457	3 728	4 184	1,517298	1,122318
LV	5 412	6 054	5 148	1,118625	0,850347
NZ	7 187	7 520	6 273	1,046334	0,834176
Region av.	4 977	5 645	5 039	1,134349	0,892581
SR average	7 945	10 516	11 002	1,3236	1,046215
SR without BA	7 185	8 850	8 727	1,231733	0,986102

As the table No. 24 shows, the average gross turn-over in the region was in the years 1991 - 1993 in industry only 63% to 46% of the average in Slovak republic, what proves not only low, but further decreasing share of the region in the overall turn-over in industry. The data in the table further show that **within the region the strongest industrial basis is in Galanta and Nové Zámky counties, and neither these counties reach average level of Slovak republic**. The lowest industrial basis is in Dunajská Streda county.

Export and Import

In conditions of decreasing and very limited internal demand, the key role in economy of state, region, and counties is played by export performance, above all by export performance of industry. As we didn´t have access to the complete data about export and import in the studied region, we had to use accessible data about 177 exporters and 178 importers in the year 1993. The data are in the table No. 25

Table No. 25
Volume of import and export in thousands of Sk in counties in the year 1993

county	export	import	turn-over
Dunajská Streda	0	384 625	384 625
Galanta	956 035	490 580	1 446 615
Komárno	0	0	0
Levice	630 629	538 016	1 168 645
Nové Zámky	1 551 927	1 351 962	2 903 889
region together	3 138 591	2 765 183	5 903 774
a	1 046 197	691 296	1 475 944
b	2 635 607	2 930 716	5 012 861
c	2 021 600	1 539 440	3 225 600

notice:
a - average in region
b - average in Slovak republic
c - average in SR without Bratislava
0 - missing data

The table shows that not one of the more important importers or exporters is in Komárno county and there is also no important exporter in Dunajská Streda county. However, the Komárno example shows that this information is not very exact, because Slovak ship-yards in Komárno belong without any doubt to important exporters in Slovakia and are not listed mainly because they export their newly-build ships through foreign trade companies who operate from outside of the county and region. Nevertheless have the data sufficient informative value.

Average export per one county in the region was in the year 1993 only about one half of the Slovak average without Bratislava. It is necessary to use the average calculated without Bratislava, mainly because the data of Bratislava are multiplied by the fact that many foreign trade companies have their home offices here.

In connection with export performance it is necessary to point out that its importance for particular enterprises and region lies also in permanent decrease of domestic demand, which prevents expansion of producers oriented only at domestic market. In this respect it is also necessary to investigate structure of economy, as the various branches do differ in possibilities and chances to be successful in export.

An important measure is **the share of enterprises in liquidation**. By the June 30, 1994 were 128 enterprises set for liquidation by ministry of economy. Ten of them were in the region of south-western Slovakia. The largest of them, the nickel foundry in Sereď, used to have strong influence in the region. Overall number of enterprises set for liquidation in the region is below the Slovak average. This is given mainly by low concentration of industry in the region. The list of companies in liquidation is in appendices (table VI.18).

Taking into account the level of **average monthly wages** in companies with over 25 employees it is possible to conclude that the **level of wages in the region is below the Slovak average in all areas with an exception of co-operative farms**, where the average wages are highest in the region. As the data in the table No. 26 show, the differences are not significant, and it is possible to suppose that the Slovak average is overestimated by included data of Bratislava - where the average wages are significantly higher than in other regions of Slovakia.

Table No. 26
Average monthly wages in branches of economy in the first quarter of 1994

county	average monthly	branch						
		agricult forestry	of it coop. farms	industry	constr. trade	trade	educ.	health care

	wage							
Dun. Streda	4 996	5 189	5 315	4 572	5 133	5 096	4 565	4 748
Galanta	5 175	4 700	4 763	6 136	4 944	4 098	4 608	4 944
Komárno	4 571	3 938	3 998	5 066	4 253	4 454	4 363	4 824
Levice	4 788	4 105	4 059	5 248	5 223	4 244	4 204	5 036
Nové Zámky	4 593	4 146	4 055	4 685		4 539	4 313	4 951
a	4 825	4 416	4 438	5 141	4 888	4 486	4 411	4 901
b	5 406	4 452	4 308	5 677	5 347	4 918	4 722	5 053

Trade

The coverage of territory by grocery and other stores network is illustrated in the tables in appendices (tables VI.19, and VI.20)

From the data in the tables it is obvious that the level of store network and its density differs across the region and also by used criterion. The most truthful and synthetic measure which makes possible to evaluate quantity and to some extent also quality of the network is number of inhabitants per one employee in trade. According to this measure the **county with best coverage is Dunajská Streda and the worse is Galanta**, which goes both for the food stores and non-food stores.

Trends in development of industrial activities

Taking into account the actual (existing and expected) state of industrial production in the region is the situation in single counties as follows:

- in Galanta county the dynamics of industrial production is stabilised, indexes of gross turn-over growth, goods production, and employment, oscillate around 100 (96 - 104), whereas the industrial employment moderately grows, the production and gross turn-over slightly decreases.

- in Komárno all three followed measures decrease under 95
- in Nové Zámky county there is a significant increase of all measures

- in Levice and Dunajská Streda the gross turn-over and production of goods slightly increases or stays the same, the industrial employment decreases.

Using these three measures the counties of the region could be categorised into two types:

1, Regressive type of development - Galanta (growth of industrial employment and in the same time decrease of gross turn-over and of production of goods) and Komárno (decrease of all three measures)

2. Progressive type of development - counties of Nové Zámky, Levice, and Dunajská Streda

Advantages and disadvantages of the economic potential of the region

Advantages:

- high agricultural potential
- higher level of transformation in enterprises over 500 employees
- high share of food industry
- high harvests and high level of animal farming production

Disadvantages:

- low industrial potential
- low share of the economy of region in gross domestic product
- low level of basic equipment and machinery
- decrease of the share of private enterprise in the overall private enterprise of SR
- low influx of foreign capital
- low average capital and investment participation of foreign partners in foreign and international enterprises in region
- not only low, but decreasing share in gross industrial product
- low share of export oriented production
- low level of wages in comparison to the Slovak average
- high losses in agricultural production

Using the example of the food industry which is in our list ranked as one of advantages, we could see that it is not always a simple ranking, and that sometimes the same feature could be both advantage and disadvantage. The advantage of higher share of food industry is the fact that the decrease of demand is in food industry always less significant - simply because it is necessary to eat, and less necessary to buy a new coat. On the other hand the food industry has some disadvantages, among which one of the major ones is limited possibility to be successful in export, mainly due to various non-tariff limitations on the side of developed countries.

VII. STRUCTURE OF LABOUR MARKET, EMPLOYMENT AND UNEMPLOYMENT

The economic activity of population in the region, measured by the share of those who are working in the overall number of inhabitants, is slightly lower in comparison to the Slovak average (38,5% versus 40,6%). Within particular branches of economic activities is significantly lower the employment in industry (27% versus 30%) and significantly higher the employment in agriculture (20% versus 12%). Higher is also the employment in the trade, repairing, and in services (12% versus 10%), and lower in education (6% versus 9%), and so on. Exact data are shown in the table No. 27, more detailed in appendices - see table VII.21

Table No. 27
Employment in branches of economic activities

Branches of economic activities	SR	share in %	region together	share together in%
Agriculture, hunting, forestry, fishing	256 489	12%	48 770	20%
Industry	657 447	30%	66 271	27%
Construction	197 764	9%	22 705	9%
Trade, repair of cars and of consumer goods	227 251	10%	29 793	12%
Boarding and accommodation	28 273	1%	2 436	1%
Transportation, storage and communication	161 296	7%	16 393	7%
Monetary services and insurance	18 995	1%	1 496	1%
Real estate, lending of machinery, services to enterprises, research	150 767	7%	12 968	5%
Public administration, defence, social insurance	83 767	4%	6 826	3%
Schools	203 196	9%	15 733	6%
Health-care, veterinary medicine, social activities	127 899	6%	13 550	6%
Other public, social, and personal services	61 418	3%	7 826	3%
Number of working together	**2 174 562**	100%	**244 767**	100%

The highest employment in industry is in Levice county (33%), lowest in Dunajská Streda (17%). Highest employment in agriculture is on the contrary in Dunajská Streda (26%), while the lowest is in Nové Zámky and Galanta (17%). Complete data for counties are in the tables in appendices.

1. UNEMPLOYMENT

The unemployment in the Slovak republic raised in 1991, decreased in 1992, and raised again in 1993. This development further confirms the conclusion about revival of the Slovak economy during the year 1992, and about its stopping in the year 1993. Similar tendency of the development of unemployment was registered in whole region of south-western Slovakia and also in single counties. The only exception was the county of Komárno, where the unemployment wouldn't decrease in 1992 but increase. In all other counties the unemployment in 1992 decreased in comparison to 1991. Data on unemployment are in the table No. 28

Table No. 28
Unemployment in region and in SR - 1991 - 1992

county	Level of unemployment			
	1991	1992	1993	August 31, 1994
DS	17,4	16,3	20,4	20,4
GA	15,8	14,9	19,9	19,3
KN	10,2	12,7	21,7	22
LV	12	11,3	17,8	16,1
NZ	14,2	11,8	16,6	18,1
region average	13,9	13,4	19,3	19,2
SR average	11,8	10,3	14,4	14,4

s the table shows, the level of unemployment in the region has been permanently higher than the average unemployment in Slovakia. **During the studied period the differences between unemployment in region and average in Slovakia increased**. This difference has been 18% in 1991, 30% in 1992, and 34% in 1993. Only 1994 brought some stabilisation. However, regardless the fact that the difference stopped to grow, it is still very significant.

Worst is the situation in Komárno, where the unemployment level reached 22% which ranked the county at the eighth place among counties with highest unemployment in the Slovak republic. **Lowest unemployment (August 31, 1994) in the region is in Levice county (16,1%)**. Exact data and rankings for all counties in Slovak republic are listed in the tables in appendices (table VII.22).

In solving the problems of unemployment it is important not only its level but also what is the state in vacant jobs, and what is the ratio between number of vacant jobs and number of people looking for jobs. **Also when we take into account this measure is the situation in the region worse than the Slovak average.** Average share of vacant jobs in overall number of people looking for jobs in Slovak republic is about 3,2%, while in the studied south-western region it is only 1,6%. The best situation in this respect is in Levice county, where is this ratio better than the Slovak average (3,7%). Worst is the situation in Galanta county (0,4%) and Komárno (0,8%). Exact data are in the table No. 29.

Table No. 29

Number of people looking for jobs and number of vacant jobs - August 31, 1994

County	Number of applicants	Number of vacant jobs	% of vacant jobs in number of applicants
DS	10031	240	2,4
GA	11442	47	0,4
KN	10500	84	0,8
LV	10411	384	3,7
NZ	12437	136	1,1
region avr.	10964,2	178,2	1,6
SR av.	9646,1	309,4	3,2

The above analysis showed that the **problem of unemployment is in the studied region much deeper and more serious than in the Slovak average**. It is caused by following reasons:

- **unfavourable structure of economy, and mainly**

- to large share of agriculture, where in general employment declined, while people who lost their jobs in agriculture have very often lowest education a comparatively high age
- which limits seriously the adaptation possibilities and chances at the labour market.

- low share of industry in which the decrease of employment wasn't so bad, and which itself means better possibilities of employment, mainly because the existence of several industrial enterprises makes possible to have many service activities, for example legal, financial, banking, transportation, and so on.

- **below average level of education of population, and mainly**

- low share of people with university education (2,3% less than the Slovak average)

- high share of people with only basic education (7,2% more than the Slovak average)

People with lower education have more difficulties with adaptation to changing conditions at the labour market, they are less flexible, and less capable of re qualification. If we realise that 64% of unemployed had only basic education, the correlation and consequences are obvious. A similar problem is also the situation of fresh school graduates, where it is harder to employ those with lower education. By August 31, 1994 up to 74% of unemployed applicants for a job - school graduates - finished only basic education.

Thinking about possibilities to resolve the problem of unemployment it is necessary to compare it level with the level of entrepreneurial activity because it gives us an overview about absorption abilities of the region, that is about ability of the private sphere to absorb free labour force. In this connection we measure and compare entrepreneurial activities (share of traders per 100 working people), unemployment and measure of absorption ability (difference between entrepreneurial activity and unemployment). The comparison of these data during the period 1992 - June 1994 is in the table No. 30

Table No. 30
Comparison of entrepreneurial activity, unemployment, and absorption ability

county	number of traders		entrep. activity		unempl.		absorp. ability	
	1992	June 1994	1992	June 1994	1992	June 1994	1992	June 1994
DS	7 715	8 222	17,4	16,7	16,3	20,3	1,1	-3,6
GA	9 781	7 544	17,6	12,7	14,9	19,5	2,7	-6,8
KO	7 110	6 284	15,0	13,2	12,7	21,8	2,3	-8,6
LV	7 180	6 753	11,8	10,7	11,8	15,8	0,0	-5,1
NZ	8 363	7 450	12,8	10,8	11,3	17,6	1,5	-6,8
a	8 030	7 251	14,9	12,8	13,4	19,0	1,5	-6,2
b	7 911	7386	16,5	11,0	9,0	14,1	7,5	-3,1

notice:
a - average in region
b - average in SR

The table shows that **entrepreneurial activity in the region is in the year 1994 higher than the Slovak average**, although in 1992 it was quite the opposite. This development in period 1992 - 1994 is caused by the fact that the number of traders in the region decreased less than in the Slovak average, and also because of the decrease in the number of active persons. In June 1994 only in Levice and Nové Zámky counties have been the entrepreneurial activities lower than the Slovak average, in other counties it was higher. In spite of comparatively favourable development of entrepreneurial activity the absorption ability of the economy of region does not develop positively. It is caused by fast increase of number of unemployed, faster than the Slovak average. This results in the absorption ability lower than average (-6,2 versus -3,1). The table shows also that in no county is the absorption ability a positive one (larger than 0). In the year 1992 there was a positive absorption ability in all counties of the region (in Levice it was 0). At the moment is the absorption ability worst in Komárno county and best in Dunajská Streda.

Trends in employment development

According to the monitored trends of development in most important companies in single counties are the actual trends in employment in 1994 following:

- in **Levice** county is in 14 monitored enterprises expected decrease of employees from 9105 in March 1994 to 8753 by the end of the year.

- in **Komárno** county they expect in 6 monitored enterprises with over 500 employees decrease from 5177 to 4885. Only one of monitored enterprises is solvent. The growth of production is expected in three of the companies, one will stay at about the same level of production.

- in **Galanta** county 7 out of 8 monitored companies expect growth of production volume, 6 are solvent: By the end of the year it is even expected that the employment grows from 6196 to 6263.

- in **Nové Zámky** is expected decrease of employees in 9 monitored companies by the end of the year from 9473 to 8422. Growth of production is expected in two companies, decrease in one, stagnation in the rest.

- three monitored companies in **Dunajská Streda** expect by the end of the year increase of number of employees from 724 to 877. One company expects decrease of production, two the stagnation.

It could be concluded that increase of employment in monitored important producers is expected only in counties Galanta and Dunajská Streda. In the remaining number a decrease of employment is expected. Besides also the expected growth is questionable because for example in Dunajská Streda it is accompanied by generally expected decrease of production.

Advantages and disadvantages of the region considering the employment and unemployment

Advantages:

- higher level of entrepreneurial activity in comparison to the Slovak average
- high share of people employed in machinery and metal industry
- high share of people employed in food industry

Disadvantages:

- high level of unemployment
- low number of vacant jobs
- low absorption ability of the economy
- high share of employed in agriculture
- high share of people (both employed and unemployed) with low education

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The solution of almost all problems of economic and social development of the studied region, and in the same time overcoming and solving of disadvantages and limitations (and capitalising of the advantages) - all those things depend in a decisive manner from **how fast, successful, and effective will be the progress of Slovak republic in economic and social transformation**. In the introduction to the study we have described briefly the procedure of transformation, and illustrated that since the year 1992 has been the promising progress of the reform considerably slowed-down, and that Slovak economy is in state of stagnation and deepening problems, although there are some moderate signs of revival.

The procedure of economic transformation is presently a process of which **the most insecure dimension is the political dimension**. Just because of the political instability, because of the victory (in elections 1994) of political parties which have no transparent and meaningful idea of economic policy and transformation, **it is presently very hard to predict any aspects of the development of economy**. The pace and direction of transformation depends above all on the clear will of political subjects to insist on effective and fast reform. Within the framework of the present situation of Slovak republic we can only express following expectations:

- **the minimal influx of foreign investment into SR will continue**. mainly because of unstable political situation and large influence of non-standard political parties
- **the problems of the budget deficit will get deeper**
- because of above mentioned conditions it will continue **the shortage of domestic and foreign credit and investment sources**
- **small progress in area of economy restructuring and therefore also in revival of economy**
- **limited possibilities of creating working possibilities and jobs**
- **moderate progress in area of privatisation and adaptation of micro-economic units**
- **continuing situation of very low local budgets**

From what was written it is clear that neither at the level of whole Slovakia, nor at the level of south-western Slovakia, is it realistic to expect in the next period (1 - 2 years) a significant change in comparison to the present state and present conditions. It means also that we can not expect a significant revival of the economy, the growth of investment activity, growth of internal demand, or improvement in the economic situation of communities, towns, and regions. **It means also very limited possibilities of actual actions and measures which would try to exploit development possibilities and comparative advantages of the south-western Slovakia region identified in this study**. And it means in the same time also limited possibilities to eliminate disadvantages which exist in the region, cause economic delay, and are also identified in this study.

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Taking into consideration everything said in the study, we may conclude that the **studied region of south-western Slovakia is a very homogenous region and is specific within Slovakia. It has several limitations and disadvantages, and also many advantages and positive conditions**. With some degree of simplification we can say that advantages are prevailingly connected to objective factors (situation, climate, soil, natural resources), while the disadvantages are largely results of long-term influences of economic and social processes (structure of economy, education, foreign capital). Between these two groups of conditions (given and created) there is a mutual relationship, where for example the structure of economy depends also on natural, soil and climatic conditions.

There are several tens of comparative advantages and disadvantages of the region listed in the study. Some of them are beyond any influence, others could be changed or used only in long-term perspective or with the use of tremendous investments, and by others the elimination of disadvantages or use of advantages could happen immediately, although within a limited range. In the following text we are going to analyse some of the most important features of the region and we shall propose actual measures. We shall keep the order of importance.

AGRICULTURE VERSUS INDUSTRY

More than once we have mentioned the high share of agriculture and low share of industry in the region. This structure is often described as unfavourable and according to the comparison of economical measures it surely looks like it also in our case. The agriculture is almost always and everywhere a less profitable branch than industry and in the case of south-western Slovakia is this objective handicap of agriculture enhanced by two additional subjective disadvantages.

First is the general disadvantage of agriculture caused by liberalisation of prices at the input side of agricultural production whereas the prices of agricultural products stayed regulated. This caused the opening of price-scissors between inputs and outputs of agriculture (119% versus 27,5%). This disproportion, along with insufficient and delayed transformation and adaptation of agricultural enterprises led to their mass insolvency and losses.

Second is the nonsensical system of subventions existing in the Slovak republic which causes that farming on the best soil leads to highest losses (see the part on agriculture).

Measures:

- **to demand the change of subvention system in agriculture**

The change in subvention system, which would end the discrimination of enterprises farming on the best soil, is necessary not only for those farms but also in general. It is only logical that the agricultural production should develop in a most dynamic manner just in the regions with best climate and soil. Discrimination of those who farm in this conditions leads to limited use of the best natural potential and - in the last consequence - to more expensive food not only in this region but in general.

- **to demand the liberalisation of buying prices of agricultural products**

- **to liberalise the restrictive law about protection of agricultural land** (307/1992) and decree of Slovak government on basic payments for taking out of agricultural land from the agricultural land fund (reserve). According to this law are payments for permanent removal of 1 ha of land from the fund so high (in the land of best quality it is 11,3 millions of Sk), that it makes the use of land for different purposes impossible, and limits also many related activities as well as possible restructuring of the economy of the region.

SITUATION, NATURAL CONDITIONS AND POTENTIAL FOR TOURISM

We have mentioned above that the studied region is from the point of view of natural conditions of the tourism development one of the poorest in Slovakia. It has in the same time some features which would make possible to intensify considerably the active tourism.

Measures:

- to demand **to open as many border passages with Hungary as possible and to intensify cross-border contacts of all kinds** (economic, cultural, business).

- **to exploit rich geo-thermal sources for economic purposes** (heating in green-house farming above all), **and also for recreational purposes** . It is even more important in territory otherwise so short of natural conditions for tourism.

- **to demand that the Váh is made navigable as soon as possible** - it revive the economy of the region tremendously

- **to use the recreational potential of the Gabčíkovo dam**

- **to stimulate the development of country tourism** mainly in connection with cyclo-tourism, water-tourism, and perhaps riding.

DEMOGRAPHIC POTENTIAL

The most significant shortcoming in this area, with direct and indirect consequences in economy and social are, is the lower educational level, and above all the lower share of people with university education and higher share of people with only basic education. Another disadvantage of the region is high divorce-rate and abortion-rate.

Measures:

- **increase quality and width of the Slovak language teaching**, because the lower share of university educated people might be caused by language handicap of students of Hungarian ethnicity

- **intensify sexual education in schools and also outside**, and increase the capacity and intensity of work of pre-marital and marital consulting centres.

ECONOMIC POTENTIAL AND UNEMPLOYMENT

Among most serious disadvantages of the region we have to mention low share of industry, low influx of foreign investments, low export performance, and high unemployment.

Measures:

- **active acquisition policy of local administrations**

- **creation of joint enterprises with foreign participation** and natural share from the side of communities and towns, mainly in area of tourism, storage economy and transportation

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The studied region of south-western Slovakia is a region with considerable potential possibilities. Their exploitation will depend to the large extent on the overall speed of economy revival, but also on the change of several unfavourable rules of economic life (mainly the system of subventions into agriculture). It will depend to the large extent also on flexibility and competence of local elected administrations, and people living in the region in general. They will determine if it will be possible to take advantage of some very favourable comparative advantages of the region and eliminate the shortcomings. Because of limitations given by existing macro-economic situation and also by according expectations, it is necessary to evaluate as the **most effective stimulation of economic development of the region an very active acquisition policy of formal and non-formal institutions and people from the region, oriented at the attraction of possible largest amount of foreign capital**. There are extraordinary conditions in the region in many areas, which could make such an acquisition policy much more successful then before.