

# **SLOVAK – UKRAINIAN CROSSBORDER REGION AND MANAGEMENT OF CROSSBORDER COOPERATION**

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**Abstract:** In regions presented on a political-administrative level there are various cooperative ties. They take place on a local, regional, as well as state and sub-national level. The level of regional development in cross border territory has been affected by political-administrative restrictions between the neighboring states. These barriers can be mitigated by creating cooperative networks on the level of regional players on both sides of the border. In our paper we deal with the Slovak-Ukrainian cross border region. It is a territory, in which the state border is a barrier of cross border cooperation due to administrative, legislative and politically different environment. The project implemented in this region entitled Through communication towards prosperity of the Slovak-Ukrainian cross border region is supported by the funds of the Norwegian Financial Mechanism. The project is implemented by the University of St. Cyril and Methodius in Trnava in cooperation with partners - National University in Uzhgorod, Regional Development Agency in Svidník, Regional Development Agency in Rachov and Slovak Agency for Development of Investments and Trade. Research activities related to searching for possibilities for improving cross border cooperation and management of cross border activities are also part of the project. Analysis of the territory and a survey in the eligible cross border territory has been carried. Results of the regional analysis and the research of regional stakeholders opinion were used in the creation of a joint strategy for the management of cross border activities. This confirms the justification of assumptions that it is desirable to create conditions in the Slovak-Ukrainian cross border region for uniting regional partners on both sides of the border, for the purpose of better communication when generating cross border project proposals using the potential of the territory.

**Keywords:** Slovak-Ukrainian cross border region, cross border cooperation of regions, regional development strategy.

## **1. INTRODUCTION**

Regions are not some “ready phenomenon“. They are formed due to the activity of various processes and actors. Except for economic processes, integration processes have also an individual meaning. These processes can be caused by functional activity of differentiated system or by cooperation activity, which leads to the implementation of certain goals [4].

Planning of development of the regions, formulating desired developmental trends in various sectors of regional and local economy leads to the process of active application of methods of developmental territories, respectively regional development management. In a broader context, on regional and national scale, we can discuss the use of tools of regional policy, which should lead to regional competitiveness. In regions defined on a political-administrative level there are various cooperation ties. In territorial units in border locations there are also cross border ties. Here there are cross border relationships on various bases and ranks. The success-rate of policy of regional development in the cross border region is usually affected also by a mutual interaction of regional actors. In this context the cross border regions can be viewed as territorial units, under which various governing mechanisms and innovative concepts can be integrated and thus achieve synergistic developmental effects.

A relatively short state border of Slovakia and Ukraine (98 km) is the outer border of the EU. Slovakia is also part of the Schengen territory and it is one of the EU member states, which adopted the conditions for building the third stage of the economic and monetary union introduced in the EU member states and thus became part of the Euro Zone. Therefore the Slovak - Ukraine cross border region, in terms of geopolitical and economic context, has significantly limited developmental possibilities especially in terms of cross border economic relationships. Despite this crossborder relationships between the citizens in this region and governments on both sides of the border can be described as above the average. They are based on mutual historic experience, cultural awareness and language proximity, last but not least also on an effort for joint presentation of the region with a high potential for tourism development.

These are also reason why the issue of the Slovak Ukraine cross border region is dealt with in many studies and projects on a theoretical as well as application level. Despite differences in the economic and geopolitical affiliation of the Slovak and Ukrainian part of the cross border region, cross border activities are the focus of support programs of cross border cooperation financed not only from the EU resources, but the Norwegian Financial Mechanism as well. This fact is also an argument that calls for joint cross border coordination of project plans and intensifying communication on the level of universities, regional and local government and non-profit organizations on both sides of the border.

## **2. REGIONAL GEOGRAPHIC CHARACTERISTIC OF THE SLOVAK UKRAINIAN CROSS BORDER REGION**

We defined the Slovak-Ukrainian cross border region based on the criteria of territorial entitlement set by the notice issued based on the EEP grants and Norway for the area of cross border cooperation support. It is administratively defined territory formed at the Slovak side by the Prešov and Košice self-governing region and on the Ukrainian side the entitled region for use of grant aid is the Transcarpathian region (see Fig.1).

With its area of 8 973 km<sup>2</sup> the Prešov region represents 18,3 % of the area of the state and it is the second largest in Slovakia. Relief of the region is rugged. The largest areas of the region are units of External Carpathians. There are several large and small protected areas, of which in terms of size and significance the largest is the Tatra National Park and Pieniny National Park. Natural beauties of the region and suitable climatic conditions create favorable conditions for the development of tourism. A fifth of the accommodation facilities of the SR

are concentrated here, approx. 700 thousand visitors annually use the services. Within the region the most visited regions are the High Tatras and the Bardejov, Kežmarok, Prešov a Stará Ľubovňa counties. With population of 819 977 the Prešov region is the largest in the Slovak republic. Its share on the total population of Slovakia is 15,1 %. Population density of 91 inhabitants / km<sup>2</sup> is the second lowest value and it is one-fifth lower than the average population density in the Slovak Republic. The region is administratively split into 13 counties. The administrative, economic, cultural and social center of the region is Prešov, third largest city in Slovakia in terms of population (90 349 inhabitants as of 31.12.2014). Industry in the region is without major focus on a specific production sector. Metalworking, woodworking, food, electro-technical, chemical, textile and clothing industry have important representation here. There are more than 16 thousand companies operating in the region, focused on the creation of profit and 55,5 thousand privately enterprising natural persons (small trade licensees, including natural persons enterprising based on other than the small trade license law). They focus their activity especially in the sector of construction, trade and industrial production. Based on the number of employees 95 % of the companies fall in the small enterprise category. A broad network of preschool facilities and primary schools represents education. From universities there are the Prešov University with eight faculties, International Business College ISM Slovakia, Faculty of Manufacturing Technologies belonging to the Technical University in Košice and the Institute of Social Sciences and Medicine P. P. Gojdič belonging to the College of Health and Social Work of St. Alžbeta in Bratislava. Network of health care facilities is supplemented by sought out curative and preventive facilities for respiratory diseases and diseases of the digestive and circulatory system. There are cultural and historical monuments of European significance in the region, specifically in city centers of Levoča, Prešov, Bardejov, Poprad and Kežmarok.

With an area of 6 755 km<sup>2</sup> the Košice region lies in the south-east of the Slovak Republic and represents 13,8 % of its territory. There are 4 large protected areas in the Košice region. Forests cover two fifths of the area of the territory, mostly in the forested county of Slovakia - Gelnica, almost three quarters. The highest point of the territory is Mount Stolica, 1476 m above sea level in the mountains Slovak Rudohorie. In terms of population it is the second largest and in terms of area the fourth largest in Slovakia. The region is the most densely population region with 117,7 inhabitants/km<sup>2</sup>. The administrative, economic and cultural center of the region is the Košice city (population of 239 797), which is the second largest city in Slovakia. The Košice region has 440 municipalities, of which 17 have the status of a town. The Košice region is one of the regions with a high, almost one-quarter representation of population with other than Slovak nationality. The Košice basin is one of the most promising areas in terms of using geothermal energy. There are energy, metallic and nonmetallic resources in the region. Iron and silver ore are the most important ones from the metallic resources. There are also important resources of magnetite, rock salt, talc and gypsum. As of 31.12.2013 there were 66 thousand organizational subjects in the counties of the region. Small enterprises with less than 19 employees represented the most populous group with 87,1 %. Business activities were focused especially in the sectors of business, scientific, professional and technical activities, industry and construction. In terms of share on gross domestic product of the SR (11,4 % in 2011) and existing economic basis, the region is one of the most important regions of the Slovak Republic. Core economic sectors are industry (metallurgy, engineering, food, electronics, mining, construction materials, fuel and energy), construction and agriculture. Food production is also important. There is a developed network of trade, services, financial institutions, health and social facilities, scientific and cultural establishments. Higher education is concentrated in Košice, where there are 4 universities (University of P. J. Šafárik, Technical University, University of Veterinary Medicine and private College of Security Management). Students can also study at the Business Economy

Faculty of the Economic University of Bratislava, Theology Faculty of the Catholic University of Ružomberok, or the Faculty of Slovak Agricultural University of Nitra. In Košice there is the Constitutional Court of the SR and Office of the President of the SR.

The administrative territory of the Transcarpathian region has an area of 12 800 km<sup>2</sup> in Easter Carpathians bordering West of Ukraine. It is the only part of Ukraine, which borders with four states – Poland, Slovakia, Hungary and Romania. Mountains make up approx. 80 % of the territory of the Transcarpathian area and emerge from the south of the Pannonia plains to the summits of Easter Carpathians at the North of the region. The highest mountain of Ukraine Hoverla (2 061 m) in Čornohora is in the Easter border area. According to the census the population of the Transcarpathian area was about 1,2 million inhabitants actually. Ethnic Ukrainians make up majority of the population – 80,5 %, Hungarians are the most significant minority with 12,1 %. Population density is on average 100.2 people/km<sup>2</sup> and in this respect the Transcarpathian area is in the sixth place within Ukraine. In terms of administrative the Transcarpathian region consists of 13 counties. Population centers consist of 11 city settlements. Uzhgorod (118 000 inhabitants) is the administrative center of the area. Majority of the economically active population (38%) is employed in agriculture and forestry, 14 % in industrial production, 10 % in the field education, science and art, 5.5 % in transportation and telecommunication and he rest in medical and social services. The sector of construction, management of economy and state service employs about 3 % of economically active population. As for the industry composition, the main part consists of the wood processing industry (35%), food industry (26%), light industry (11%), engineering industry (9%) and construction (5%). In addition to industry, major part in the economy of the Transcarpathian area is tourism and recreation; there are sanatoriums, health resorts, tourist and recreational centers. The most significant institution of higher education is the Uzhgorod National University, Mukachevo Technological Institute and the Uzhgorod State Institute of Information Sciences, Economy and Law. There are research institutions in the Transcarpathian area, including the regional department of the Ukrainian National Academy of Sciences.

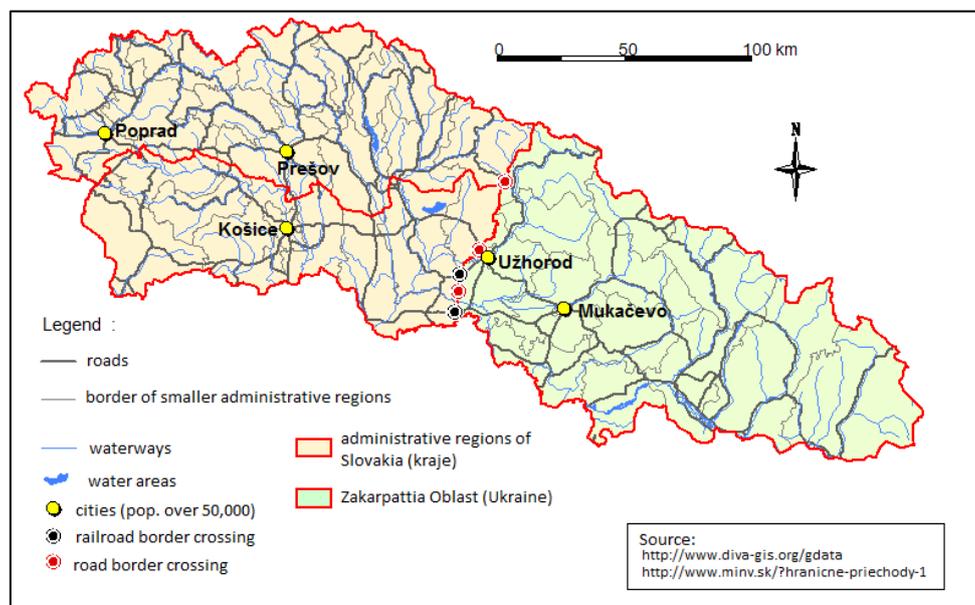


Figure 1. Slovakia - Ukrainian cross-border region

## 2. 1. COMPARISON OF SELECTED SOCIAL-ECONOMIC INDICATORS OF THE REGION

In terms of social-economic characteristics the Slovak-Ukrainian cross border region is very different (see Table 1. and Figure 2.).

Table 1. Comparison of selected characteristics of the cross-border region

Characteristic / Territory	Prešov region	Košice region	Slovakia	Transcarpathian region	Ukraine
Area (km <sup>2</sup> )	8973	6755	49035	12777	603628
Population	819977	795565	5421349	1256 903	45426249
Population density (per km <sup>2</sup> )	91,4	117,8	110,6	97	75,5
Number of districts	13	11	79	13	490
Number of cities	23	17	138	30	1 344
Number of municipalities	665	440	2 890	579	28457
Net migration (‰)	-2,0	-0,2	0,6	-0,1	0,07
Natural increase (‰)	2,9	1,6	0,3	2,9	-3,5
Unemployment rate (%)	15,5	14,4	10,6	10,5	8,8
Average monthly salary (€)	636	758	824	209	279

Source: Statistical Office of the Slovak Republic, 2015 / Statistical office of UA, 2013; Own processing

There is also an obvious difference in size of residential settlement and size of regional levels of local governments. Slovakia has decentralized self-governing higher territorial units - regions, in Ukraine there are areas, which in terms of size can be compared with the level of Slovak regions at the NUTS II level. Major differences are in the creation of gross domestic product per capita (see Figure 2). Its value in the Slovak part of the region is significantly higher, despite the fact that Prešov and Košice region according to the evaluation of regional disparities achieved the worst position in the regional structure of Slovakia [7],[8]. Disadvantage of the Slovak regions is high level of unemployment when compared to the Transcarpathian region. Because Ukraine still has not solved reforms related to transition to market economy, the level of these values cannot be compared quite objectively.

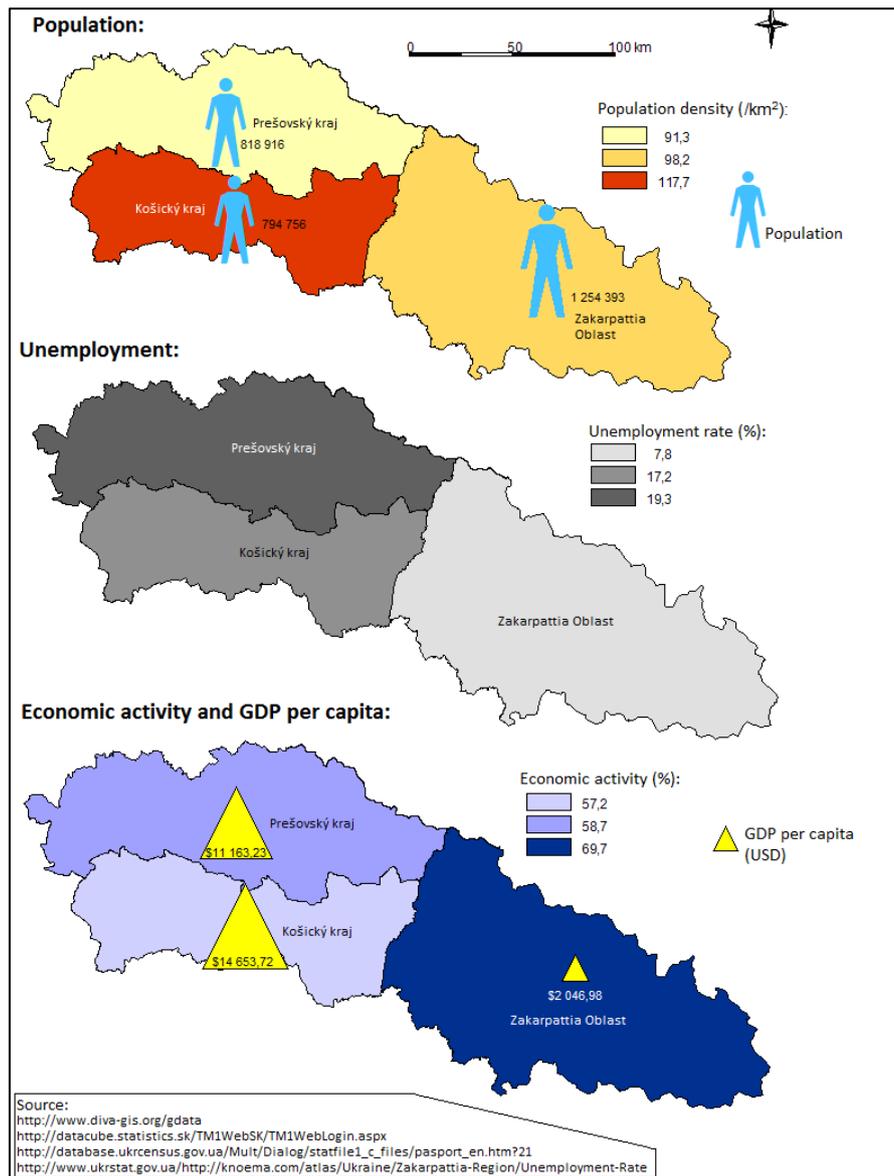


Figure 2. Selected socio-economic characteristics of the Slovak-Ukrainian Cross-border region to 31.12.2014

## 2.2. CROSS BORDER CONTEXT OF TERRITORIAL DEVELOPMENT

Regional policy of the European Union focuses on the change of social and economic situation of the regions with the goal to support their own endogenous potential. This applies also to cross border regions. In order to meet these goals, aspects of cross border territorial compatibility are very important in terms of possibilities of developing cross border relations, cooperation and generating joint cross border projects using the potential of the cross border region. They can be briefly summarized into areas of settlement and human resources, infrastructure of the territory and protection and planning of the country. Several professional studies are dealing with them. In analyses we have used information also from conceptual and strategic documents created based on regional and national levels [1], [2], [3].

In terms of creating conditions for the territorial development of the region, priority in the area of development of the settlement is its stabilization on the external border of the EU. It is necessary to use similar level of concentration of population and economic activities as are

used along the transportation corridor Vienna- Bratislava - Košice - Uzhgorod - L'vov. The settlement structure and its potential cross border relations require the creation of other border road and railway crossings and modernization of their technical equipment.

In contact with the joint Slovak-Ukrainian state border International Biosphere Reservation Eastern Carpathians has been announced. High-quality landscape potential of cross border territory with lot of natural resources requires the creation of conditions for effective joint action in the area of protection of nature and land and the creation of new bilateral cross border protected areas.

Planning of territorial development on both sides of the border should accent the still insufficiently appreciated recreational potential of the area of the preserved mountain landscape of Eastern Carpathians. It provides conditions for the implementation of activities aimed towards the development of ecotourism and cultural tourism. Even today the Carpathian Bike Route crossing the territory of five countries - Poland, Slovakia, Ukraine, Romania and Hungary is acquiring international significance.

### 2.3. MANAGEMENT OF THE INTEGRATED DEVELOPMENT OF THE CROSS BORDER REGION

Different quality of internal environments of Slovakia and Ukraine and also the fact that Ukraine is the only neighboring countries of the SR, which is outside of the integrated territory of joint rules and standards of the European Union, NATO and WTO represents a problem for establishing tighter and more permanent cross border relations and cooperation. Currently the SR as an EU member state has to start from the frame of policies and relations, which the EU applies towards Ukraine. Basic changes in the cross border relations between the SR and Ukraine in the area of foreign trade, further development of economic cooperation and operation of the regime of joint border and visa policy can happen especially after adjustment of relations between the EU and Ukraine. Since the introduction of the Schengen regime, the asymmetric visa regime is assessed by the Ukrainian side as the greatest obstacle of developing cross border cooperation. The cross border region is more and more perceived is part of two very different parts of regions from different state formations with deepening developmental disparities. The carrier element of bilateral Slovak-Ukrainian relations is continuing to be the cross border and regional cooperation with emphasis on the Transcarpathian area. However even here the mutual cross border cooperation thus far doesn't use the national or the regional potential, also due to the unfinished institutional basis, major overlapping of competences in individual institutions, non-coordination of activities and initiatives and also significant asymmetry of competences between the Slovak and Ukrainian institutions. Different level of development of border regions is not encouraging and not motivating the planning of mutually beneficial cross border cooperation. Paradoxically the economic situation in the bordering regions in Ukraine is a challenge for entrepreneurs from Slovakia, but the conditions of small enterprising are burdened with unbearable complications with bureaucracy, especially on the Ukrainian side. Practical impassibility of the border is another barrier, when the customs procedure is complicated and takes exceptionally long.

A major hurdle for the Ukrainian side, affecting the development of the Ukrainian-Slovak border cooperation the respondents in the survey, carried out by The Carpathian Development Institute [6] identified:

- low professional capacity of local (Ukrainian) authorities, which lack information on how to participate and ability to raise resources for implementation of the activities;

- lack of strong local non-governmental organizations that are able to independently initiate and implement cross border cooperation activities and also be able to obtain sufficient resources its functioning;
- lack of financial resources for the implementation of cross-border cooperation on the state level at the municipal level, which is caused not only by the very lack of resources, but also legislative conditions in the redistribution of local taxes;
- lack of structural, long-term support mechanisms for cross-border cooperation by the EU and by the government.

Regional and local initiatives and associations aim for improving conditions for the development of cross border cooperation under such conditions. Autonomous regions on the Slovak side of the cross border region do not have the possibility to coordinate cross border cooperation with their partners on the Ukrainian side. The main reason is that on the Ukrainian side they are incompatible in terms of competency, especially the autonomous institutions. This causes issues in communication especially among the cross border actors from the self-government and from the NGO sector. An individual problem is the different level of public administration in the border regions. For the Ukrainian conditions it is characteristic that on the regional level there are administrative units consisting of bodies of local state administration as well as bodies with the competence of local government. If in Slovakia a major part of the competences of the state administration has been delegated to local in regional governments, then in the Transcarpathian area the process of decentralization takes a long time and the effect of the state administration on local and regional development is dominant. In Ukraine there is still a centralized system of financing territorial self-governance, while local budgets are becoming more and more socially oriented. Under current economic conditions and under valid system of inter-budgetary relations, local government is more and more dependent on transfers from state budget. If the cross border cooperation in this region should be successfully started, then the Slovak-Ukraine border should not be viewed as two separate regions, but as one region split in two parts, which must learn to cooperate at all concerned levels [9].

If we want to understand the Slovak-Ukraine cross border region as a real entity and not a territorial unit included ad hoc, then it is necessary to solve also the management of the cross border cooperation.

Effectively managed cross border cooperation in clearly defined conditions and set competences is one of the key factors of development of the border region. It has to be based on already anchored traditions and partnerships of institutions and individualities, which jointly develop mutual cooperation, but it also must support the creation of new and innovative initiatives, partnerships and forms of cooperation.

Pursuant to the objectives of the above stated implemented project Through communication towards prosperity of the Slovak-Ukraine cross border region, we recommend to initiate the creation of a non-profit organization under the auspices of three autonomous regions: Prešov, Košice and the Transcarpathian region.

Such an association will create the conditions for networking of regional actors in the territories and to form the basis for implementation of joint cross-border initiatives and generating strategic projects for cross-border region as a whole.

Building on recommendations of expert teams [2], which participated on creating the strategy of development of the Slovak-Ukrainian region, activities of managing development projects should focus on coordination and joint planning of integrated regional development, modernization of border infrastructure, support of joint activities of regional parliaments and non-government organizations and support of communication strategy, education and consultation activities and exchange stays at universities.

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