

NO. 4.
DEVELOPMENT
PERSPECTIVES OF THE
CARPATHIAN BASIN
MACROREGION – THE CASE
OF SLOVAKIA AND HUNGARY

by
András Kovács

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1.

INTRODUCTION

(*András Kovács¹*)

The countries in Central and Eastern Europe are facing new challenges after the turn of the Millennium. They have to find the right direction in a world, where never seen effects influence their long-term prosperity (globalisation, regionalisation). (*Simai, 2004*).

After the successful change of regime, democratisation, EU and NATO integration, the states of the region have got new questions to answer, and these might oppose the efforts of some new nation states. Although the border barriers between the countries collapsed in the past decades (CEFTA agreement, EU membership, etc.); Hungary, Slovakia, Slovenia joined the EU, and the states of the region² share a common history, there are few signs of cooperation among the people and the regions of the emerging democracies.

Besides the ‘western’ orientation the countries of Central and Eastern Europe often ignore the possible advantages deriving from the neighbourhood and cross-border development on national and subnational level too. The most powerful representatives of cross-border activities can be found in the business sector, the transnational companies (TNCs) settled in the region are building their strategies in the spirit of ‘borderless Europe’ (transnational procurement, forwarding, and selling, cross-border employee commuting).

This one-sided cooperation structure (the capital-led development and the lack of cross-border policy and strategy in the affected regions and states) may result in the lagging behind of these countries inside the EU and in the global competition too, and can cause considerable social tension inside and between the borderlands of different countries (lack of harmonization in the infrastructure development, problems of the increasing depopulation in the borderlands, unemployment, environmental problems and protection).

In this study I will emphasise the importance of the establishment of a transnational macroregion in the Carpathian Basin which may contribute in the future to the faster and more equal development of the participants. The Carpathian Basin Macroregion would have multiple tasks: economic development, social cohesion, coordination in environmental protection, paradiplomacy, etc. At one level the macroregion would represent the interests of the regions (NUTS 2, NUTS 3) internationally (EU commission, Parliament), and would accelerate and facilitate the common work among each other at the other. With the analysis of the economic, regional and state administrative relationships between Slovakia and Hungary I would like to stress on the opportunities and difficulties of the common work and development.

¹ Assitant research fellow, Research Institute of J. Selye University, kovacs.andras@selyeuni.sk

² Hungary, Slovakia, Romania, Serbia, Ukraine, Croatia

2.

MACROREGIONS IN THE EU – A SHORT OVERVIEW

With the permanent enlargement process of the European Community the problems of spatial disparities have become one of the most important questions inside the EU. In order to counterbalance the disadvantages of people living in backward areas, the Communities established the Regional Development Fund. The main task of the organisation lies in the diminishing of regional differences, and the securing of social cohesion (1975).

The total budget of regional expenditures in the EU reaches 308 billion Euro between 2007 and 2013, which is 1/3 of the total budget of the Community. Although the role of the regional policy is becoming more and more important inside the EU (the budget of the Regional Development Fund was only 64 billion ECU between 1989-1995 for the 12 members), neither the total budget of the Union, nor the share of regional expenditures will assure the social cohesion and catching-up of the underdeveloped regions. The member states do not seem to be willing to increase their budgetary contributions from 1,27% of the GDP in the future either, whose multiple effect can harm the socio-economic cohesion and the EU's position in the global economic competition too. (Kengyel, 2004.)

In the enlarging European space new perspectives of spatial development are required. Among the most important directions of developments we can mention the new macrospatial structures in the Community, which were introduced in

the paper titled Europe 2000+ in 1994. (*European Commission, 1994*) These cross-border macrospaces may result in a faster, more effective and spatially balanced growth of the whole Union.

The spatial development in the 21st century is dominated by different kinds of space forming processes, such as globalisation, regionalisation, localisation, segregation, etc. (*Nemes-Nagy, 1997*) After the turn of the Millennium trends such as urbanisation, deindustrialisation, ageing population, the clustering of industry, increasing demand for energy, environmental extremities, etc., are becoming more and more important by the spatial planning inside the EU as well as in the world. (*Horváth, 2003*) The new spatial structure has got a network-like character, where the success of a city or region is determined by the hierarchical position inside the network. To the most dominant success factors in the net belongs the competitiveness of the society. (*Enyedi, 2004*)

Considering the above mentioned processes, the European Commission prepared a paper titled Europe 2000+, in which it wanted to lay down the most dominant development directions of the EU after 2000 adjusting to the goals of sustainable development and social cohesion. Europe 2000+ deals with topics such as water resource management, trans-European networks, industrial clusters, etc.

Among these one can find a theory about the macrospatial distribution of the European space. The space of the EU and the candidate states were divided into 8 trans-national macroregions (*Fig. 1*). Although the regions overlap more count-

ries, natural and economic spaces, we can consider them one unit, because the differences between two macroregions are larger than the differences inside one, despite the huge territory. By the theoretic construction of the macroregions (unified from NUTS 2 statistic regions) the basis of differentiation were the following factors: demographical relations, economic performance and sectoral characteristics, settlement network, infrastructural background, unemployment and structural problems, development potential. It is important to stress, that the aims of these types of cross-border cooperation have few similarities to the existing Euroregions. The Euroregions' activity aims a successful operative cooperation in the field of culture, social cohesion and environment protection with the

participation of local municipalities and NGOs. These regions often overlap a very huge area, but the cohesion power of them seems to be very weak, especially in Central and Eastern Europe, where there can not be traced a long-term tradition in regional self-governing. Contrary to Euroregions, the European macroregions might compose an optimal trans-national framework for long-term and strategic planning, coordination and controlling of spatial development including territories with similar natural, social and economic characteristics.

This macrospatial distribution of the European space is neither the only, nor a superior solution, just a possible option to discuss. (Terrassi, 2003) (Illès, 2002) (European Commission, 2001) The aim of the

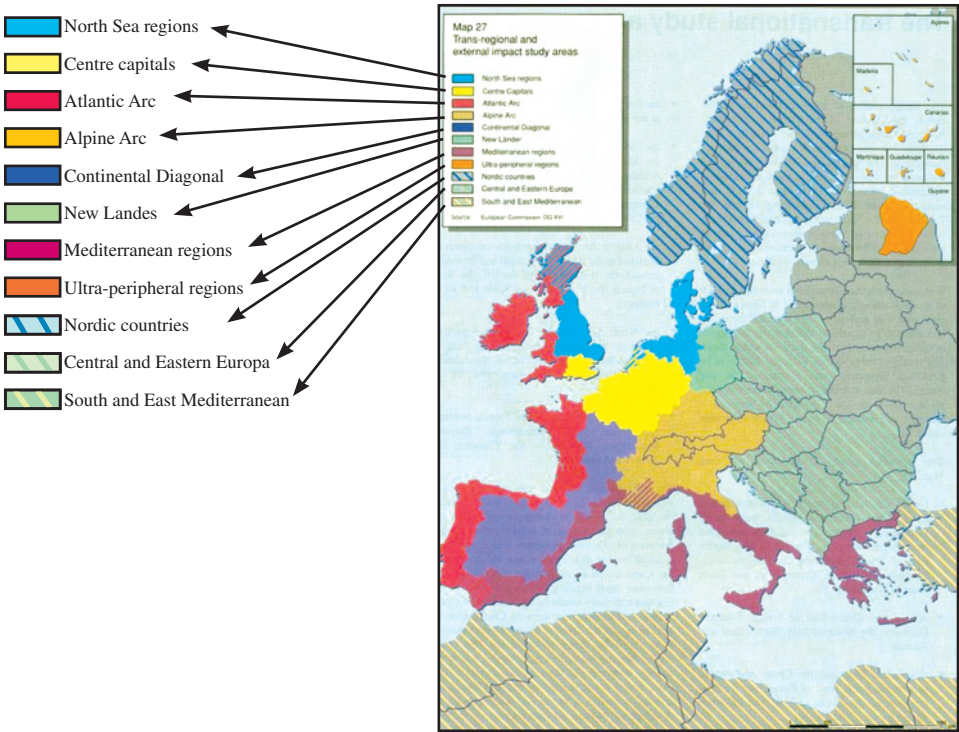


Fig. 1. The trans-national macroregions in Europe, Source: Europe 2000+

Commission was to stress the advantages of these kinds of development directions. The creation of this macrospatial structure is not included in the Commission's tasks, but understanding the disadvantages and handicaps coming from the over-centralised and anti-democratic structure of the EU, it wanted to open a new way against the bottom-up regional development. The Commission does not intend to integrate the macrospatial system into the NUTS territorial system or into other 'official' EU structures. With the establishment of them, the actors of subnational level (settlements, micro-, and mezoregions, regional development organisations, etc.) will be given a never returning opportunity for better self-governing, co-operating, economic and infrastructural development, and lobbying in international level in order to preserve the long-term advantages in the global competition. Although there are no existing macroregions in the EU, the regions of the 'old member states' seem to have notable advantages coming from the historic background and often the centurial tradition of regional self-governing in contrast to the regions of the new member states which are just being formed. The emerging democracies of Central and Eastern Europe (many of them became independent not long ago) have to learn the international cooperation not only on national, but on subnational level too. If these unitary nation states do not want to lag behind inside and outside the EU, and want to continue the cohesion and convergence, they have to set their mutual relationships on a new basis, facing the future and forgetting their previous real or unreal harms.

3.

HISTORICAL AND ECONOMIC BACKGROUND OF THE REGION

As it can be seen in Figure 1, the macrospatial division of the EU is disputable for more reasons. The whole space of Central and Eastern Europe composed one macroregion in the original document published in 1994, although these countries of Central and Eastern Europe differ from each other in several factors:

- The countries have different sizes, and internal settlement and regional structures.
- They stay on other level of economic development. (Czech Republic vs. Rumania)
- Today they have different positions in the EU-accession process. (There are member states, candidate states and future candidates among them.)
- The region overlaps a larger area compared to the others. That is why it should be divided into more parts.

By the macrospatial division of Central and Eastern Europe we should consider antagonistic reasons which influence the future construction of these macrospace.

The mere economic analysis of forming the macroregion can be misleading, because of the open and hidden oppositions which can be found among the nations and states in more parts of Central and Eastern Europe. (Between the countries of the ex-Austro-Hungarian Monarchy, the ex-Yugoslavia) The repetitious redrawing of the state borders of the region resulted in a considerable tension from the ethnic renaissance in the

19th century. The peace treaties after the First World War (*Paris, 1919-1920*) planted these tensions into a new nation state form (national minorities can be traced by now in all countries of the region except the Czech Republic). However, not only the historical background, but the negative effects of the centralised state and economic development and international relations during the socialist era (radial connection with Moscow and the Soviet Union) hindered better activities of the countries in the field of economic and cultural cooperation, and state administration too. (*Perczel, 1996*) The complicated ways of keeping interregional (and cross-border) connection in that period is well demonstrated in *Fig. 2.*, where we can see the multiple interdependences between local and central levels and the dominant power of the state.

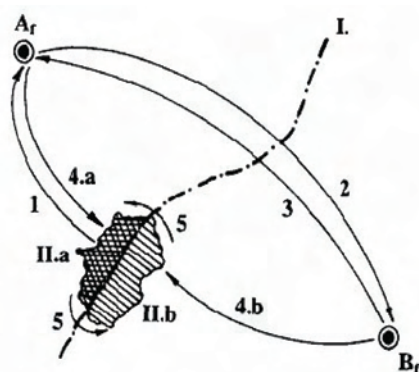
The above mentioned processes resulted in a very handicapped position for the transition states in Central and Eastern Europe in the early '90s. After the change of regime the countries of the region started to build up a new democracy, a new economic system and a new social network based on the 'western example', but the way to the suc-

cess was (and is) surrounded by economic crisis and social difficulties. During and after the years of structural crisis the question of interregional cooperations became secondary for the new democracies, which freed themselves from the oppressive power. Each of them was celebrating their new national sovereignty.

The countries of Central and Eastern Europe reached the desired independence, when other 'rules' started dominating the results of a new economic order (neo-liberalism):

- International organisations try to control and harmonise the international trade (WTO), capital flows (BIS), economic activity (OECD), regional cooperations (EU, NAFTA, ASEAN)
- TNCs (Trans-National Company) have been spreading all over the world, and dominating international trade and capital in- and outflows.
- Nation states have to participate in a global competition for capital, investments, labour force, etc.

These processes have been forcing the new democracies to give up a part of their newly



I.: state border;
II.a. 'A' country's border region;
II.b. 'B' country's border region;
A_f: capital of 'A' country;
B_f: capital of 'B' country;
1-5. the necessary steps for contact building;
5. usual contact building

Source: Tóth József, 1996.

Fig. 2. The centralised and not-centralised model of cross-border contact building

reached sovereignty. In the past 15 years the region's countries managed to carry out a more or less successful integration process to the world economy, and to the European regional integration (EU). To this success contributed more elements: the economic boom of the '90s, the region's 'bridge position' between the East and the West, the relatively well developed infrastructural background (in a wide sense), the overdemand coming from the shortage-economy of the past, etc.

Although the region's structural transformation can be considered as a successful process, one can find several difficulties in the economy and in the society too. Among them we can mention the low activity rate, the rather high unemployment rate, the depopulation of backward areas, the underdeveloped linear infrastructure in some regions, the inefficient financing of national SMEs, the problems of financing educational and health care institutes.

These problems are not specific to some regions of Central and Eastern Europe, the EU aimed to diminish similar problems inside the community with the establishment of the Regional Development Fund (1975). As full-right members, the countries of Central and Eastern Europe are entitled to these grants from the Community, and also have their own regional resources, however, these types of development carry several problems. For instance the total sum for financing is limited, so it does not provide a real solution for the depressed areas, while the top-down resource distribution is often not effective, ignores the local interests.

4. THE CARPATHIAN-BASIN MACROREGION

4.1. GEOGRAPHICAL ARGUMENTS

Before discussing the development perspectives of the Carpathian Basin Macroregion, I would like to draft its basic characteristics. This macroregion would be an inter-regional and cross-border cooperation inside the Carpathian Basin, over the national borders. The participants of the macroregion would not be national, but subnational organs and institutes (NUTS 2 or 3 regions and NGOs). The cooperation composes a framework for a more effective activity in field of economics, environmental protection, infrastructural development, social and cultural cohesion, etc. The macroregion would cover the space of Hungary and Slovakia (without the western borderland of Hungary and Slovakia including Bratislava, which region belongs to the Alpine Arc macroregion, especially from an economic point of view (*see Fig. 1.*), the western part of Romania (Transylvania), the northern part of Serbia, and Croatia (the whole space of the Carpathian Basin and the Carpathians). The Carpathian Basin and the Carpathians can be considered one of the most homogenous landscapes in Europe, which is a basic condition for the construction of the macroregion. (*Hevesi, 2001*)

4.2. HISTORICAL ARGUMENTS

The common history of the regions' countries means both advantages and disadvan-

tages for the future construction of the macroregion. The borders of the macroregion partly overlap the borderline of the historical Hungarian Kingdom. Still, this does not mean the 'redreaming' of the Kingdom on ethno-regional or any other basis. The purpose of the macroregion lies in better cooperations of the different, above mentioned fields, facilitating the building of new cross-border structures, agreements and institutes, especially on subnational level. The traces of the multicultural and multinational Austro-Hungarian Monarchy can be found in the road- and railway networks and settlement-networks, the effects of the Soviet-era can be observed in the state administration systems, in educational and scientific institutes, and in the health care systems even today. This cultural, economic, social heritage of the Hungarian Kingdom, the Austro-Hungarian Monarchy and the Soviet era provides a proper framework for the common activities in more fields.

4.3. ECONOMIC ARGUMENTS

As it was mentioned in the first part of the paper, the most important task of the macroregion would be the coordinated and mutually developed infrastructural and economic development policy. One can ignore, but it is obvious, that the economies of Central and Eastern Europe are converging not only to the world economy and to the EU's economy, but they are getting closer to each other, due to free trade and TNCs. Several examples representing the dispersion of TNCs in Central and Eastern Europe can be mentioned. Apart from the car factory cluster in North-Hungary (Esztergom, Győr) and West-Slovakia (Trnava, Žilina)

and the IT cluster in Komárom, in Budapest and Bratislava (IBM, GE, etc.) in bigger region centres and next to local universities (Košice, Szeged, Székesfehérvár, Oradea, Timisoara, etc.) business service and innovation centres are being established. Not only foreign TNCs are present in the region, but some Hungarian ones started their expansion in the neighbourhood, in Slovakia, Romania, Serbia, etc. (MOL, CBA, OTP, Magyar Telekom). Although the TNCs are the flagships of foreign investments, a lot of SMEs established new production or service units on the other side of the border. The above mentioned processes result in changes in many fields of the domestic economies. The intensifying competition, the new production methods, and structures, new products and services force the domestic participants to improve their competitiveness according to the expectations of the market. The newly settled companies redraw the income and employment characteristics of the selected region too, thus their influence reaches beyond the economic life, and has got an effect on social relationships as well (income disparities, customer habits, social sensitivity, standard of living, education, etc.).

The well performing macroregion would be able to accelerate the positive effects of world economic convergence, and to diminish the negative effects of it. The task of the macroregion would not be to rewrite the national development conception, but to discuss it on subnational level, to accord it with the local and regional programmes of the different participants. The macroregion would be effective in the following fields:

• *Environmental protection of borderlands*

With an integrated, cross-border agricultural plan the macroregion may reach numerous aims. On the one hand it can assure the more effective disaster prevention on the common water catchments area (cyanid pollution in River Tisza, forest destruction in Slovakia), and can contribute to the higher employment rate with a more effective (modern, cross-border) European application activity for the sustainable agriculture in the Carpathians and in the Carpathian Basin, especially in the depression regions (building up cross border tourist routes, the saving of natural resources, values, extensive animal breeding, village tourism, etc.) with the help of EU grants (EAGGF³, RDF⁴). A common financial, informational and technical fund may contribute to faster and more effective intervention, reconstruction and communication in case of a local disaster inside the macroregion.

• *Local and regional infrastructure development*

Although the infrastructure development belongs to the tasks of the states (linear infrastructure development: motorways, electric networks, pipelines, etc.), with the EU-membership more and more parts of this is transferring to the authority of the regional and local municipalities (subsidiary principle). The coordinated infrastructure development is a primary necessity on both sides of the border, in order to be able to serve the increased road- and railway traffic, especially at the meeting point of the more developed regions (South-West Slovakia and North-West Hungary). (*Hardi, 2005*) In these regions the further economic development may be backed by road reconstructions and buildings, common ferry and port development, establishment of regional airports, common operation of public transport (buses, railway networks), which, as a

UNIVERSITY CENTERS IN HUNGARY AND IN THE NEIGHBOURING COUNTRIES

■ >100 000 ■ 50 000 - 100 000 ● 20 000 - 50 000 ● 10 000 - 20 000 ■ 2000 - 10 000

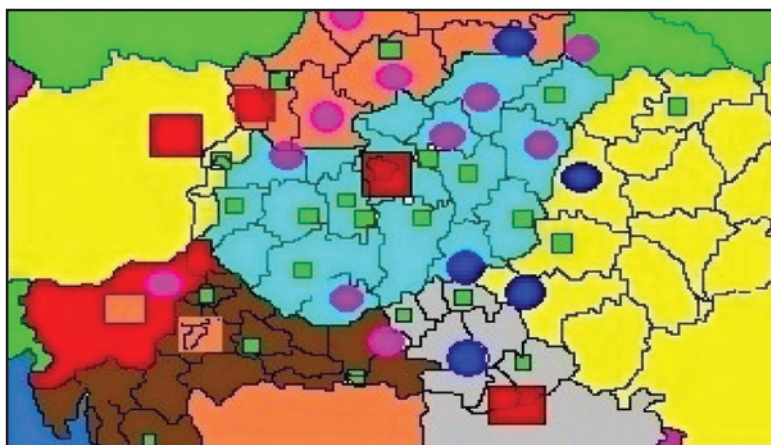


Fig. 3. Number of students at the universities in the Carpathian Basin
Source: Illés, 2006 (translated and partly reedited)

³ European Agricultural Guidance and Guarantee Fund

⁴ Regional Development Fund

result, can connect the internal peripheries into the circulation of the economy, and provide faster and more secure transportation of people and goods, etc. The East part of the Slovakian-Hungarian border, the whole Hungarian-Ukrainian, Hungarian-Romanian and Hungarian-Serbian border are the meeting points of economically depressed regions, where the positive effects of the transition process can hardly be felt. In this connection the common infrastructure development is the only way out from the lagging behind combined with the intensification of internal demand (reopening border stations, cross-border traffic services, etc.) (Tiner, 2005) (Baranyi et al., 2005) With a common strategy for developing the infrastructure the participants can save a lot of money and other resources, avoiding the

extra costs of non-coordinated, parallel and competitive development.

• R&D coordination

The research and development potential of a region determines its long-term success in the global competition. The dominant part of this potential can be found in the capitals of the countries (Budapest, Bratislava, Bucharest, etc.), and only few research institutes and research workers can be found next to the universities in the regional centres (Košice, Szeged, Debrecen, Oradea, Timisoara). (Tab. 1.) More intensive R&D activity and better cooperation between the private sector and universities and academic research institutes is needed. This could contribute to a more equal economic, and a more counterbalanced, polycentric city net-

Tab.1: R&D expenditures and personnel in some regions⁵ of the Carpathian Basin, 2004

NUTS 2 regions	Total		Business sector		Higher education sector	
	Total R&D expenditure (m Euro)	Total R&D personnel (person)	R&D expenditure in business sector (m Euro)	R&D personnel in business sector (person)	R&D expenditure in higher education (m Euro)	R&D personnel in higher education (person)
Central Hungary	463,689	27217	212,247	6037	81,582	12369
Central Transdanubia	42,995	2615	20,242	544	13,208	1720
North Hungary	18,791	2419	7,129	574	10,081	1746
Northern Great Plain	58,655	4810	25,169	584	26,75	3786
Southern Great Plain	47,27	5507	10,828	526	20,345	3794
Southern Transdanubia	22,94	4774	4,021	252	15,362	4208
Western Transdanubia	32,683	2273	16,963	353	9,95	1639
Central Slovakia	21,238	3652	14,642	1008	5,597	2463
East Slovakia	20,564	3804	8,77	610	5,697	2688
West Slovakia	46,474	4246	37,604	1767	3,648	2059
Central Romania	11,439	2508	10,836	2258 (2003)	0,286	1143
North-West Romania	8,027	2302	4,269	1114 (2003)	2,541	1304
West Romania	11,242	3315	6,203	995 (2003)	2,104	1975

Source: Eurostat, Internet database (<http://epp.eurostat.ec.europa.eu>)

⁵ In Serbia, Croatia and Ukraine there is no data available. In Slovenia there are no NUTS 2-level regions, the whole country composes a NUTS 1 and NUTS 2 region, but just the North-eastern part of the country would belong to the Carpathian Basin macroregion – so comparison is not possible.

work development. It is more and more important, because neither the other regions in the Carpathian Basin nor the neighbouring countries' capitals (Bratislava, Bucharest) can meet the R&D potential of Central Hungary (the capital Budapest). (R&D expenditure in Bratislava region: 85,7 m Euro, in Bucharest region: 138 m Euro – in Central Hungary: 463,6 m Euro⁴). This scatter endangers the long-term cohesion of the regions of the Carpathian Basin not only to the EU's average, but to the region's centre. One common platform (conferences, scholarships, exchange programmes) established by the macroregion may contribute to a better coordination of research activities, EU-applications and the utilisation of research fellowships. (*Fig. 3.*)

• *SME-support*

The 2/3 of all workers are employed by small and medium enterprises in the EU. Obviously, the macroregion will not be able to give financial aid or support to the SMEs besides the EU and national resources. The main task of the macroregion would be a kind of information service (in a form of an office and/or home page), which would provide data about the market, labour force, and potential partner conditions from the other sides of the border. This service can help the macroregion's enterprises seek markets and resources. The macroregion could organise conferences, issue publications about the different places and markets of the macroregion, thus providing opportunities to introduce their own special characters (enterprise establishment, legal circumstances, offices of state administration, etc.).

4.4. SOCIAL ARGUMENTS

Apart from the economic development the macroregion should deal with social problems too, because in some countries the border regions are far from the development centres and belong to the less developed parts. The potential aims of the macroregion can be determined in the followings: social cohesion (especially in the border areas), better coordination and monitoring of social expenditures (equal distribution of resources), interstate cooperation in health care, disaster protection.

Although there are rather large differences between the income levels of the people living in Romania and in Hungary or Slovakia, which can be traced especially in the border settlements (price differences, income differences), the problems of the economically backward regions are the same: high unemployment rates, low activity rates, ageing population, migration, depopulation, etc. One possible solution for these problems might be the implementation of the above mentioned economic goals (infrastructure development, environmental protection) with the high participation of local actors (local entrepreneurs, labour force) and with EU and state supports. The macroregion could facilitate the common development and represent the interest of local and regional participants against the will of the state and the TNCs (investors). We can mention the improvement of efficiency at the local and regional health care and emergency services as another possible task of the macroregion. One can consider the cooperation of towns Esztergom (Hungary) and Štúrovo (Slovakia) in the field

of health care as an exemplary initiative. Not just physicians and nurses from Slovakia work for the hospital in Esztergom, but after the agreement of the Hungarian National Health Insurance and the Slovak Sideria-Istota Health Insurance Company it is possible to treat Slovak citizens in a Hungarian hospital. In this way a patient must cover only 3-5 kilometres instead of more than 30 kilometres (the length of the road to the nearest Slovak hospital in Nové Zámky), which becomes very important in emergency situations.

4.5. MEMBERS, STRUCTURE, CHARACTERISTICS

The greatest hurdle in the establishment of the macroregion is the considerably weak spatial mezo level, which is characteristic for all countries of Central and Eastern Europe (CEE). The over-centralised state administration and resource distribution as the heritage of the Soviet-era, and the newly (after the change of regime) constituted local self-governments form the main elements of the public administration system. The regional administrative level, which would build up the basis of the macroregion, has a very heterogeneous character in the CEE countries, differ from each other in more fields: history, authority, financing, size and structure. The only common attribute of these regional systems is that they were not EU-compatible. By the construction of the NUTS-compatible systems in the newly joining countries the old structures composed the basis and starting point, they were unified and divided, so the new regional systems inherited the old ones' characters (institutional form, the

characteristics of labour force). That is why not only the establishment of a cross-border cooperation (for example the macroregion), but the acceptance of EU regional development grants often face obstacles (*Horváth, 2005*). The real regional reform means an evergreen topic in the CEE countries (especially in election periods), but there are just few leaps forward. (*Pálné Kovács, 2004*) (*Tariska, 2004*) (*Sekeresová, 2004*)

Without the detailed introduction of the spatial and administrative structure of the possible member areas (regions of Hungary, Slovakia, Romania, etc.) we can determine the following problems in connection with the establishment of the macroregion:

- Although the CEE countries have to build up an EU-conform administration system, they do not seem to have total commitment to the power distribution (subsidiary), and for giving up the former spatial administration system by establishing a new one. Slovakia, Hungary, Romania try to save the old structures in an EU-compatible form (strong central power, financial dependence of mezo level, central resource distribution, the new 'regions' partly conserve the borders of old mezo level-structures).
- The NUTS-structure of the CEE-countries show considerable differentiation from more points of view, such as space, authority, financial resources, etc. (The present Hungarian government plans to shape the administrative regions (NUTS 2 level) instead of the development regions, but in Slovakia this level serves just statistical purposes, and the regional development is realised in the NUTS 3 level in the so-called 'kraj'-s (district)). This may harm

the effective participation of the potential members: there are 8 NUTS 3 regions in Slovakia, 7 NUTS 2 regions in Hungary (and 19 + capital NUTS 3 regions) and 3 NUTS 2 (consisting of 16 NUTS 3 regions) in the Western part of Romania. The heterogeneity of this type carries inherent difficulties in the field of cooperation because of the various authorities. (*Horváth-Veress, 2003*)

- The other non-candidate states of the region (Serbia, Croatia) stay at the beginning of the construction of their own NUTS-systems, in this way their participation in a cross-border but subnational development alliance seems to be realistic only in the long run. (But they are not very much interested in cooperation inside the Carpathians and the Carpathian Basin either.)

- The heterogeneity and the low competences of the subnational level raise further questions in connection with the prosperity of the macroregion, which have to be discussed (and solved) in the future. This 'inequality' (financial resources, authority) harms the own interests of the participant regions, making the common work more difficult.

Considering the above described problems, we can say that the establishment of the macroregion inside the EU can only be reached after a long period, after a long learning process, for the following reasons:

- The circle of potential participants must be determined exactly, taking the sphere of interests into account. In this subnational, cross-border cooperation not just the lo-

cal or regional self-governments, but other NGOs may be interested: civil organisations, Euroregions, state administrative offices, etc.

- The efficiency of an organisation strongly depends on the own financial resources. The macroregion will be successful when the members can agree in continuous financing, which secures a considerable amount of money for the functioning, and for the realisation of the different kinds of common activities (contribution of the members, own incomes, EU grants).

- The organisation structure also belongs to the important questions in the case of the macroregion, because without a steady organisation it can not reach its aims, as we can see in some Euroregions. (*Kruppa, 2003*) In case of a macroregion a divisional organic structure can be effective. Here the different functions (environmental protection, infrastructure development, intercultural cooperation, etc.) are centred in a place which is in high relevance with the tasks to be performed. For example the centre for environmental protection might be next to River Tisza (cyanid pollution), or in the Carpathians (wood destruction). The task of the macroregion centre, which would hold the divisions together, would be restricted to coordination and to strategy determination.

- The participants have to determine the exact fields of cooperation too, depending on the financial resources coming from the establishers. The main task of the macroregion would be the development of mezolevel cooperation (in the fields already introduced)

ignoring the state borders. It is important to emphasise that the macroregion's tasks would not cover those of the states' and other public administration organs'.

This type of development (cross-border but subnational) becomes more and more important in times when the central EU development strategy prioritises the macro-level developments, such as Helsinki corridors, high-speed railway networks, etc. (Puga, 2002) The macroregion may contribute to the faster catch-up of the backward regions, further development of industrial and other clusters, and the abolishment of internal peripheries, fostering the more equal development and the rapprochement in Central and Eastern Europe.

4.6. ALTERNATIVES

Of course, one can argue for other spatial distribution of Central and Eastern Europe. I will briefly introduce other possible macrospace, which may compose a homogenous region from other points of view.

Danube-macroregion:

In this case the River Danube and its water catchment area would form the macroregion. (European Commission, 1994) This region would involve a relatively large area from South-Germany to the Black Sea including economically developed and

backward areas too, thus forming a very heterogeneous area. The diversity of the participants would create numerous conflicts in the directions of development and the distribution of the resources (different levels of economic development, environmental protection, infrastructure, etc.).

Enlarged Alpine-arc and Balkan macroregions:

A widening development gap can be observed in the Carpathian Basin along the River Danube. On the West side of this line there are rapidly developing regions in Slovakia and in Hungary too, but on the East side the regions are lagging behind. This duality could form the basis of another macroregional structure, where the relatively developed 'Western' regions would join to the Alpine-arc macroregion (see Fig. 1), and the backward Hungarian, Slovakian, Romanian, Bulgarian regions, and later Serbia, Croatia, Montenegro, Albania, and Macedonia would establish the least developed macroregion of the EU. Macroregions formed this way would be coherent and homogenous, but the 'Balkan macroregion' would be unviable, because it would have no real central region and city which could take the leader position inside the region and assure the dispersion of innovations, information, and services towards the periphery. So the macroregion would stay 'Europe's backyard' for a very long time.

Tab. 2: The number of enterprises by sectors and branches in Slovakia, 1999-2005

Sector/Year	1998	1999	2000	2001	2002	2003	2004	2005
Public sector	1364	1196	1134	829	767	731	808	767
Private sector	58970	57137	59786	62038	58719	63689	73399	82943
Companies owned by foreigners	5381	5172	5754	6155	5680	6349	7524	8874
Joint ventures	5963	5460	5639	5720	5031	5338	5996	6443

Source: Statistical Office of the Slovak Republic

The relations between Hungary and Slovakia are very important for both countries, not just in the sense of the macroregion, but for other reasons too. Instead of enumerating the 'usual' historic and other arguments, let me point out the followings:

- Slovakia and Hungary are medium sized neighbouring countries, both joined the EU at the same time.
- The economic structures are similar from more points of view (overcentralised structure, strong Western dependence, dual economy).
- The regional disparities also have common characters (East-West inequality).
- Both countries are on the convergence path towards the EMU-membership.
- Hungary and Slovakia are the potential targets of FDI and venture capital. (*Tab. 2.*)
- Considerable capital and labour force in- and outflows can be observed between the two countries. (*Fig. 4.*)

The above introduced trends and processes further strengthen the unequal development, resulting in the well-known centrum-periphery effect in both countries. (*Brakman et. al., 2001*) To lessen the negative effects of this, different kinds of measures are needed in the developing (South-West Slovakia and North-West Hungary) and in the backward areas (South-East Slovakia and North-East Hungary), but similar in both countries' borderlands. In the follow-

ings I will highlight the main processes and future possibilities, making the previously introduced fields of cooperation more concrete.

The harmonised linear infrastructure development in the borderlands is becoming unavoidable, because of the permanently growing export-import volumes (*see Fig. 4.*), the increasing cross-border labourforce flow, and the very rare distribution of border crossing points. (*Tiner, 2005*) The macroregion would be able to coordinate the future road and bridge developments (planned new bridges over the Danube at Komárom-Komárno⁶; Esztergom-Štúrovo⁷) with local and regional interests in the building of crossings and connection roads. In spite of the increasing shopping (thousands of Slovakian citizens work in Hungarian industrial parks in Komárom, Esztergom and Győr and do their shopping there) and recreation tourism, the capabilities of cross-border public transport are very limited, the intensification and improvement of scheduled bus services (new, optimised lines) belong to the sphere of local and regional interests. The cross-border representation of different interests could belong to the framework of the macroregion. (For the importance of transport development in backward regions at the Slovakian-Hungarian borderline see Tiner, 2005.)

The macroregion could play a very important role in developing tourism between the two countries. While Hungary is rich in summer tourism destinations (Lake Balaton, Lake Velencei, Lake Tisza, Lake Fertő, Hortobágy, etc.), Slovakia is an optimal winter holiday destination for Hungarians

⁶ In planning period

⁷ As the part of Helsinki V/C corridor

(skiing in the Carpathians, mountain tourist routes). The macroregion could assure a platform for enterprises in tourism for mutual partner and client seeking by organising conferences, meetings, fairs, but could give financial resources for regions interested in tourism (advertisement, port development on the River Danube, mutual holiday cheque acceptance, etc.). This gains more and more importance, because the extreme nationalist acts in both countries force a lot of tourists to find another destinations, which means considerable loss not only for the local entrepreneurs, but for the whole economy too. However, not only tourism hides opportunities for cooperation, the macroregion may help other SMEs in their international appearance, especially in the car and IT industry. The planned Helsinki V/C corridor will build up the direct connection between

the Hungarian and Slovakian car industry firms from Žilina (Kia), Púchov (Matador) and Trnava (PSA) across Esztergom (Suzuki), Tatabánya (Bridgestone, Asahi) and Győr (Audi, Rába) to Dunaújváros (Hankook). Alongside this corridor the macroregion could foster new enterprises to become a supplier or service partner for these firms, helping the TNCs' better implementation into the domestic economic system. Beyond the narrow economic cooperation, there are other spheres where the today's relations can be developed in the future, in order to improve the security and welfare of citizens and entrepreneurs. Among these one can mention environmental protection, flood protection, cooperation in emergency services, common development of regional airports, saving and popularisation of cultural heritage, cooperation in education and R&D.

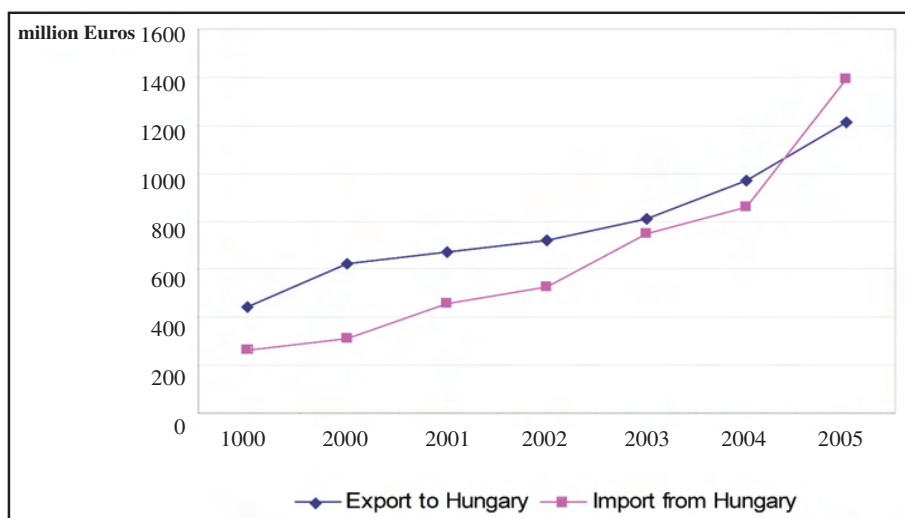


Fig. 4. The growth of export and import values between Slovakia and Hungary (million Euros)
Source: Hungarian Central Statistical Office

In this paper I provided a short overview about the macrospatial division of the EU, and I introduced a potential macroregion in the Carpathian Basin. The macroregion initiative means a new kind of cooperation on subnational level between the participants, which is a new form of collaboration in Central and Eastern Europe, where the over-centralised state administration is being axed nowadays, during the accession and convergence period. With this study I want to emphasise the importance of the spatial mezo level inside the Community, and the cooperation among the nations and regions in Central and Eastern Europe. The

macroregion would be just one tool in the common development, which could serve economic, social and cultural aims at the same time, but the basis of the good neighbourhood depends on other actors too: relation of governing parties, the communication style of mass media, the power of national radical movements, the utilisation of disposable EU resources, etc., influence the efforts for reconciliation substantially. The advantage of this macroregion lies in more reasons. It can assure mutual economic advantages securing the region's position in the global competition, but it also may help people belonging to other nationalities know and understand each other and fade away the painful memories of the previous times (*Tab. 3.*).

Tab. 3: SWOT analysis of the Carpathian Basin Macroregion

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> -Well determined geographical space -Common history (in the past century) -Similar centrum-periphery problems -Excellent 'bridge position' between East and West; North and South -Easily connectable infrastructural network 	<ul style="list-style-type: none"> -National conflicts -Weak spatial mezo level -Few traditions in self-governing and civil activities -Different authority and financing by the potential members -Overcentralised states
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> -More equal spatial development -More successful participation in EU applications -Fading national conflicts -Economic and social cohesion of backward areas -Forming fast developing, unified economic area from Poland to the Balkan 	<ul style="list-style-type: none"> -Spatial divergence – 'winner' and 'loser' regions -Increasing social tension in depressed regions (depopulation, ageing) -Steady national differences -Worsening positions in global competition

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Postal address

J. Selye University Research Institute
P. O. Box 54, 945 01 Komárno, Slovakia
www.selyeuni.sk
e-mail: izsakova.anita@selyeuni.sk

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