

# ***CARPATHIAN EUROREGION***

**INTERREGIONAL ASSOCIATION**

Hungarian Department

Working Committee on Regional Development

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## **THE STRATEGIC DEVELOPMENT PROGRAMME OF THE CARPATHIAN EUROREGION FOR 2007-2013 PERIOD**

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## 1. SITUATION ANALYSIS\*

In the countries belonging to the Carpathian Euroregion the uneven regional development and its consequence, the regional crisis is not only a problem for geographers, economists and sociologists but the governments of the participating countries and the leaders of the county and settlement levels also became concerned about it. Uneven regional growth is understood similarly both by the researchers and the politicians: the positive results of market economy are concentrated into a few “privileged places”, into the centres, while the disadvantages are left behind in the regions without relative production advantages, that is in the peripheries.

The peripheries are characterised by socially regressive processes which further deepen regional crisis. The entire area of the Carpathian Euroregion – concerning all member countries – is a periphery from a social and economic point of view.

It may be established in general that these border regions did not count as regions to be developed in the decades before the 1990s. Following the change of regime, the competitive position of the core regions of these countries strengthened and their transition to the market economy may be regarded successful since even their adaptability was more intensive than that of the peripheries. Thus, the marginality and peripherality of the regions belonging to the Carpathian Euroregion increased. Their social and economic backwardness – as opposed to the development of the core regions – accelerated in the past years.

In the past decades, the socio-economic lagging behind of the regions forming the Carpathian Euroregion became more accentuated within the peripheralised East Central Europe. One of the most important breaking out points for the lagging behind regions of the euroregion is the diminishment of the dividing role of the state borders and the strengthening of the external relations along the borders.

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\* The present situation analysis is based on the formerly published more detailed situation analysis of the carpathian Euroregion Interregional association (SÜLI-ZAKAR, I. 2003: A Kárpátok Eurorégió Interregionális Szövetség tíz éve. – Debreceni Egyetem, Kossuth Egyetemi Kiadója, Debrecen, 421p)

The aims of the establishment of the Carpathian Euroregion were to provide a proper organisational framework for the members in the co-ordination of cross-border co-operations, to promote a more rapid regional and economic development and – of course – to create good neighbourly relations between the stakeholders.

Besides the extreme political factions supporting the rigid dividing role of the state borders, the differences between the customs, financial and fiscal systems and the financial institutional networks also mean serious problems. Nowadays, those institutions are still missing which would support cross-border investments in the forms of loans.

The varying economic conditions within the region and the resulting varied economic development also contributed to the deficiencies of cross-border co-operations. This is especially obvious in the case of the cross-border trade relations where co-operation is impeded by the lack of border stations, weak financial systems and bureaucracy. In addition to these, the development of the “services” related to the international relations also shows basic differences between the countries of the region. State centralisation meant primary barrier in many Western European countries as well in the creation of cross-border co-operations and from this aspect the countries of Central and Eastern Europe may be regarded strongly centralised. This means a fundamental problem in building cross-border co-operations because the local governments largely depend on the governmental bodies.

Despite of the arising problems, we think that the activities of the Carpathian Euroregion may grant a breaking-out for the regions concerned and may constitute a serious help in the solution of the existing minority problems (e.g. problems of minority education) as well. Of course, the “survival” of the Carpathian Euroregion largely depends on how this interregional association exploits and dynamises the available resources (natural, economic and – above all – human resources) and how it can bring together the different interests in the co-operation.

In the past eleven years – which are called a declarative stage by many – the legal and organisational frameworks were created for the co-operation within the Carpathian Euroregion Interregional Association following its foundation on 14 February 1993 in Debrecen. During its operation, the Euroregional Council and the Working Committees give evidence of more and more professionalism. Nowadays, the personal, organisational, financing and foreign political conditions – which are indispensable for a successful operation – are ready for the successful management of the oncoming substantial stage when the forces may be concentrated on more fundamental tasks.

## **1.1. Geographical location**

The Carpathians lending its name for the euroregion surrounds the Carpathian Basin in a huge 1500 km long curve from Western Slovakia (Dévényi pass) to South-Eastern Romania (the Iron Gates along the Lower Danube). The areas forming the Carpathian Euroregion mainly belong to the North-Eastern Carpathians but in the west the euroregion stretches as far as the High Tatras in the North-Western Carpathians and in the southeast it includes considerable parts of the Eastern Carpathians such as the Harghita and the Csíki Alps.

The area of the euroregion contains considerable inner regions of the Carpathian Basin as well, like the North Eastern Great Plain, Szilágyság, the northern arc of the Transylvanian Mezőség and some of the Bihar Mountains stretching as far as the Királyhágó.

The mountainous areas belonging to the Carpathian Euroregion are made up of a series of beautiful mountains. They start with the High Tatra in the west (highest peak: Gerlahfalvi peak – 2655 m), and the Tatra is linked to the low Eastern Beskides by the Lőcsei mountains, the Csergő and the Sadecky-Beskides. The Duklai pass can be found in the central part of this range of mountains which is only 502 m high and constitutes one of the most important

crossings of the euroregion. (The lower lying northern side of the Eastern Beskides in Poland is called Bieszczady Mountains). The Uzsoki saddle (889 m) and the Vereckei saddle (839 m) are situated between the Eastern Beskides and the also extensive Máramarosi Alps. The Eastern Carpathians starts at the Borsai saddle (1413 m). There are gorgeous gigantic mountains here as well such as the Radnai Alps (highest peak: High Pietrosz 2303 m), the Borgói Mountains, the Kelemen Alps, the Besztercei Alps, the Gyergyói Alps, the Csiki Alps and the Harghita.

South of the main range there is a spectacular inner wreath of mountains whose members are the following: the Slovakian Erzgebirge, in Hungary the Mátra Mountains, Bükk Mountains, Aggtelek carst, and the Zemplén Mountains continued in Slovakia by the Szalánci Mountains and the Vihorlát, in Ukraine the Szinyák, the Borló, the Nagyszőlősi Mountains and the Avas Mountains which leads us to Romania with the Kőhát, Gutin and Lápos. These beautiful mountainous landscapes are awaiting the prosperity of tourism. The almost undisturbed nature, the spectacular sight, the abundance of snow in the wintertime, the kind and hospitable people (preserving their particular vernacular cultures) all await a considerable amount of tourists since it is the “industry of peace” and here the greatest opportunities lie in the development of tourism.

From the regions outside the wreath of the Carpathians the most important ones are the southern part of the Sandomierz Plain, the western edge of the Podolian table-land leaning against the Máramarosi Alps and the Suceava Hills in Moldova and the Jijia Basin nearby Botoşani. Thus, mainly the extensive areas of the North Eastern Carpathians constitute the Carpathian Euroregion but it also extends to the hilly regions north and south and includes the northeastern part the Great Plain as well.

It is only the geopolitical division of the region that exceeds the morphological division. In Europe which is highly divided by political borders it is only the area of the small Benelux states which have more borders per square kilometre than this region.

In the beginning of 1993, the founding self-governments of four countries decided to harmonise the development of their common border regions. The founding members included the following regions: Hungary – Borsod-Abaúj-Zemplén, Szabolcs-Szatmár-Bereg, Heves, Hajdú-Bihar counties, in addition to four cities with county rights namely Miskolc, Nyíregyháza, Eger and Debrecen; Poland – the voivodships of Krosno and Przemyśl; Slovakia – the members of the “Carpathian Alliance”, that is, the cities and districts of Bardejov, Humenné, Mihalovce, Medzilaborce, Trebisov and Vrannov; Ukraine – the Transcarpathian oblast.

After the establishment, the following regions joined the Carpathian Euroregion: Hungary - Jász-Nagykun-Szolnok county; Poland – the voivodships of Rzeszow and Tarnow; Slovakia – the cities of Kosice and Presov; Ukraine – Ivano-Frankivs’k, Tsernovc and Lviv (Lemberg) oblasts; Romania – Satu Mare and Maramures counties. The Slovakian self-governments, however, were not allowed to be active participants in the work of the euroregion during the Meciar government. The admission of the Romanian counties also happened among contradictory circumstances under the Iliescu government. Initially, the two applicant counties participated in the work of the organisation only as observers but at the end of 1993 the Council of the Carpathian Euroregion accepted the official application of Satu Mare and Maramures counties and thus they became full members. The Romanian government, however, soon declared this step annulled and thus these counties were also forced to return to the observer status.

In the beginning of 1997, following the elections in Romania, Satu Mare and Maramures counties became full members again and four new Romanian counties (Bihar, Salaj, Botosani and Suceava) also applied for membership to the interregional association.



Figure 1: Geographical area of the Carpathian Euroregion

Table 1: The area and number of population in the member self-governments of the Carpathian Euroregion<sup>1</sup> (1 January 2003)

Number	Member regions	Area (km <sup>2</sup> )	Number of population (thousand people)
	Poland	17926	2112
1.	Województwo Podkarpackie	17926	2112
	Hungary	28639	2616
1.	Borsod-Abaúj-Zemplén county	7247	746
2.	Hajdú-Bihar county	6211	550
3.	Heves county	3637	328
4.	Jász-Nagykun-Szolnok county	5607	420
5.	Szabolcs-Szatmár-Bereg county	5937	572
	Romania	42281	3351
1.	Bihar county	7544	634
2.	Botoșani county	4986	462
3.	Harghita county	6610	344
4.	Maramures county	6304	540
5.	Suceava county	8555	709
6.	Sat Mare county	4418	398
7.	Salaj county	3864	264
	Slovakia	15746	1543
1.	Presov kraj	6753	763
2.	Kosice kraj	8993	780
	Ukraine	56600	6429
1.	Tsernovtsi oblast	8100	938
2.	Ivano-Frankivs'k oblast	13900	1464
3.	Transcarpathian oblast	12860	1288
4.	Lviv (Lemberg) oblast	21800	2739
	Total:	161192	16051

<sup>1</sup> There are many administrative units within the Carpathian Euroregion which suffer from bigger and smaller changes now and then. In our Table compiled in 2000 the area of the Interregional Association was 161 135 km<sup>2</sup> and the number of population was 15 948 468. It is almost impossible to harmonise the statistical databases of the five countries – even at certain moments.

In 1999 the new Slovakian government also agreed to the membership application of the two eastern regions (Kosice and Presov). Thus, today the area of the Carpathian Euroregion is over 160.000 km<sup>2</sup> (Figure 1) and the number of population living here is around 16 million with a population density of 98.9 person/km<sup>2</sup> (Table 1).

As the above information show the Carpathian Euroregion Interregional Association established in 1993 includes the neighbouring border regions of Poland, Slovakia, Hungary, Ukraine and Romania. The Carpathian Euroregion is the first “clear” euroregional initiative in East Central Europe since it is founded only by border regions of post socialist countries.

## 1.2. Geopolitical history of the region

It is well known that the area of the Carpathian Euroregion used to belong to two states in the Middle Ages: the northern territories to the Polish Kingdom and the southern areas to the Hungarian Kingdom. From the end of the eighteenth century, however, - following the re-division of Poland – the entire area became part of the Habsburg Empire until the end of the Second World War. The area (Northeastern Hungary and Galitia) was the most underdeveloped region within the empire during the Habsburg period. Nevertheless, the civil transformation processes started here also during the decades of the Austro-Hungarian Monarchy (1867-1918) and the economic life and the infrastructure achieved considerable developments. The construction of the railway network was especially a significant step which formed a unified network on the area of the present Carpathian Euroregion corresponding to the needs of the empire. After the First World War, the area was divided between Poland, Czechoslovakia and Hungary. Following the Second World War, the Soviet Union also received considerable (Ukrainian) territories. Between 1945 and the 1990s the region became one of the most intensively protected areas in Europe. At the same time, it was also the most divided by state borders. The border regions of the five countries could hardly get access to development funds.

In the past years, the western political analysers claimed that the rigid dividing role of state borders will soon disappear in the eastern parts of Central Europe as a consequence of the Central European changes and the democratic processes.

We think that it is worth to have a systematic look at the history of this region since “... one of the peculiarities and distinguishing marks of the Carpathian Euroregion is its history and the exceptional changeability of its political geography ...” (ILLÉS, IVÁN).

The first known inhabitants of the region in the Ancient Times were the karpes whose name may be detected in the name of the wreath of the Carpathians. The Sarmatas, Dacians, Celts, various Germanic tribes (Vandals, Goths, Gepids), Huns, Avars and Slavs either used to live on the area or passed through it. It is known that by the end of the first millennium the area of the present euroregion was the tribal land of the “White Croats” although population density must have been really low here because the three early state formations – the Kiev Russ, the Polish and the Hungarian Kingdoms – which were organised at the edge of the area, regarded this huge (ancient) forestry as a march-land and deserted border-lands. It was only during the tenth and eleventh centuries when the Polish Kingdom extended its power to the north, the Grand Duchy of Kiev to the east and the Hungarian Kingdom to south of the peaks of the Carpathians. Christianity was taken over from Byzantium in the State of Kiev and from Rome in the two Kingdoms which resulted in the formation of a dividing line between the two cultures.



The Grand Duchy of Kiev disintegrated into a weak alliance between loosely connected principalities. The westernmost of them was the Principality of Halics. In the twelfth century, Halics united with the neighbouring Principality of Volhínia and it marked the beginning of the Kingdom of Halics-Volhínia (in the history of Hungary it is better known as Halics-Ladoméria). The Polish and Hungarian rulers often laid claims to this land referring to kinship and often led military campaigns and occupied the region to enforce their demands.

The Tartar invasion resulted in a terrible devastation in all three states and only Halics became the tributary of the Tartars. Then, in the fourteenth century, the Polish Kingdom annexed this state for many centuries while a new state – the Moldavian Principality – was born in the southeastern part of the region. The Polish and the Hungarian Kingdoms have been competing for this principality as well but finally in the fifteenth century it became part of the Turkish Empire.

As a consequence of the continuous Turkish military expeditions, the Hungarian Kingdom fell into three pieces. The tripartition took place on the area of the present Carpathian Euroregion. The parts of Hungary under Turkish rule lay west of Debrecen (the city paying taxes to three rulers), the remains of the Hungarian Kingdom fell into the hands of the Habsburgs in the north of Debrecen, while the Transylvanian Principality east of it became the tributary of the Turks.

In 1686 a significant change occurred in the political geographical situation of the region: after the driving out of the Turks both Hungary and Transylvania became parts of the Habsburg Empire. A hundred years had not yet passed when – and with the first division of Poland in 1772 – South Poland was also annexed by the Austrian Empire. The Habsburgs claimed Galitia (officially Galitia[-Halics] and Ladoméria Kingdom) as the successors of the kings of the Arpad dynasty. In 1774 when Austria got hold of Bukovina from the Turks actually the entire area of the Carpathian Euroregion got into the hands of one authority (except for Botoşani county).

Between 1774 and 1918 (precisely for 144 years) it was really one state formation – the Habsburg Empire – ruling over the present territory of the Carpathian Euroregion but the legal status of the certain regions was different within the empire. The Kingdom of Galitia and Ladoméria, the Principality of Bukovina and the Grand Duchy of Transylvania enjoyed a relatively extensive autonomy but the Hungarian Kingdom was regarded as a separate state within the empire. From the Compromise of 1867, that is, from the birth of the Austro-Hungarian Empire, Transylvania already belonged to the Hungarian Kingdom (one of the countries of the dualist monarchy) and the areas on the two sides of the Carpathians were more separated. Galitia and Bukovina, as the lands of the Austrian crown, were still the direct properties of Vienna.

The geopolitical ordeals of the region characterising the twentieth century started with the peace treaties closing the First World War. Although the Poles and Romanians could unite within the frames of independent states and the Slovaks – though with a Czech dominance – could establish their own state but the Ukrainians were divided between four (Soviet Union, Poland, Romania and Czechoslovakia) and the Hungarians between five countries.

The isolation of the small states started at that time and the new borders cut all those economic relations which were created during the years of the Monarchy. The new borders cut gravitation zones and transportation links and thus the formation of external (border) peripheries started in the border regions. It must be admitted, however, that despite of the above statements the borders were much more impermeable in the interwar period than after 1945.

After 1938, following the First and Second Vienna Awards, an extremely stormy period began again. Slovakia became an independent state but the southern parts of the former Czechoslovakia – with Hungarian population – were returned to Hungary. Transcarpathia was

occupied by the Hungarian army and was annexed by Hungary. Poland was attacked by the Nazi German Empire which later shared it with the Soviet Union. The Soviet Union obtained Northern Bukovina from Romania and Hungary got hold of Northern Transylvania. After the attack of the Soviet Union and the German occupation of the Ukrainian territories Galitia became one of the provinces of the Nazi Polish Government-General. The majority of the almost one and a half million Jews of the region were killed in concentration camps.

In the year of 1944 the Red Army occupied the area of the present Carpathian Euroregion – at the expense of Hungary – and the territorial integrity of Romania and Czechoslovakia were restored. At the same time Northern Bukovina, Transcarpathia and the areas east of the German-Soviet demarcation line on the area of the interwar period Poland were annexed by the Soviet Union. Following the war, there were ethnic purgings and deportations in many regions and a protracted guerrilla warfare began in South East Poland and in Western Ukraine.

As a result of the modifications of the borders after the Second World War, the Ukrainians were reunited in one country – in the Soviet Union – while some of the Poles and Romanians got into a minority position and the dividedness of the Hungarians lasted – between five countries (seven countries after the disintegration of Yugoslavia). The borders became almost impermeable, although all countries belonged to the same political-military (Warsaw Pact) and economic (Comecon) systems. In the countries led by communist governments – propagating internationalism – the oppression and assimilation of the nationalities continued.

The extremely severe geopolitical heritage and history of the Carpathian Euroregion in the twentieth century may be illustrated through an example from Transcarpathia: an old man being born – let's say – in Szolyva (Svaljava)<sup>2</sup> situated along the Latorca River who had never left the town since his day of birth might have belonged to at least seven or even eight states, state formations or military- authoritative centres during his life. That is, a person who was born in Szolyva before 1918 came to this world on the area on the Hungarian Kingdom belonging to the Austro-Hungarian Empire and was registered as Hungarian. As an infant, he became the citizen of the Hungarian People's Republic led by Károlyi and later of the Hungarian Soviet Republic. Nevertheless, between 14 and 23 January 1919 he lived on the area occupied by the military formations of the Western Ukrainian Republic. From 4 June 1920, following the proclamation of the Peace Treaty of Trianon, he became a Czechoslovakian citizen and as a small child lived in the province called Ruszinszko. In 1939 he was the inhabitant of the Ruszka-Krajna Republic – which lasted for one day only – and then between 1939 and 1944 he lived in the autonomous province of the Hungarian Kingdom – with no king – named Transcarpathia. Between 1944 and 1947, the Soviet military authority took care of him and from 1947 he became the inhabitant of the Transcarpathian oblast of the Ukrainian Soviet Socialist Republic. As an adult he was the resident of the Soviet Union. When he finally became the citizen of the independent Ukraine in 1992, he was already an old man.

The change of regime did not demand victims on the area of the Carpathian Euroregion as it did in the Balkans but also resulted in considerable political geographic changes. The Warsaw Pact and the Comecon ceased to exist and the countries of the region became multiparty democracies. The local and regional communities could start their way of creating self-governments which became considerable factors in some countries. Czechoslovakia split into two and the Soviet Union collapsed. These were followed by the

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<sup>2</sup> Due to the ethnic and historic variability the settlements in the euregion have usually three or even four names.

appearance of new political actors within the Carpathian Basin in the nineties: the independent Slovakia and the sovereign Ukraine. A considerable part of the political leaders of both new nation states thought that the time has come for the building of the nation which required collection of inner energy, construction of identities, strengthening of the position of the national language. This process may be best promoted with the strengthening of the dividing functions of the state borders and those who encouraged it perhaps had not even noticed that most of the borders had been already “etherised” in the rest of Europe.

### **1.3. Economy before the change of regime and the peculiarities of the transition period**

The areas belonging to the Carpathian Euroregion are peripheries in their own countries both from a social and economic point of view. Most of these regions suffer from environmental problems, lack of infrastructure, unemployment, problems of economic co-operations and political, psychological and socio-cultural problems. Besides all these (and, of course, partly as a consequence of all the above difficulties) the creation of cross-border development programmes and the effective operation of partnerships come up against difficulties. The situation is further complicated by the preconditions of the use of the various EU funds: these usually require integrated programmes planned for a longer period although the majority of the programmes in these regions are sector specific and are not planned for more than one or two years.

The regional structure of the area is being transformed very slowly. Some of its elements – such as the settlement system – may change over centuries while other components – like the infrastructural-communicational network – change in decades. Despite of these general arguments there were relatively rapid changes in the state of the economy, in the urban gravitation zones, in the employment and regional mobility of the population on the area of the Carpathian Euroregion during the years after the foundation.

It may be established that the past ten-twelve years brought such fundamental socio-economic changes for the eastern part of Central Europe that their regional imprints may be seen even today. These changes suddenly brought to the surface some hidden regional processes which have been forming for a long time. The new phenomena may be explained by two groups of reasons:

- increase in the ratio of the private sphere, the beginning of market economy and the direct relationship between the economic actors and the international economy (i.e. the economic impacts of the transition),
- the spatial processes of the past twenty years (characterising the developed economies) also appeared and started in East Central Europe as well; this second group of reasons is of special importance though not much attention has been paid to it yet.

In the past decades the backwardness of the regions belonging to the peripheralising Carpathian Euroregion became more and more accentuated. We are convinced that one of the most important breaking-out points for the Carpathian Euroregion is the diminishment of the dividing role of the borders and the strengthening of the cross-border foreign relations.

The economic transformation process and recession following the transition – or starting even prior to it – in the Carpathian Euroregion caused a serious shock for all member countries. The industrial and agricultural production declined, unemployment appeared and became large-scale, inflation accelerated and the income gaps became wider. The countries – and within them the smaller and bigger regions – adapted themselves to the new situation in

different ways and in the thus developed competitive situation the formerly prospering regions and production lines got into crisis.

It may be stated in general terms that the regions belonging to the Carpathian Euroregion became the losers of the differentiation processes within their own countries. In the transforming East Central Europe the countries are on different stages of the socio-economic transition and consequently the regions of the Carpathian Euroregion are also at different levels of the transition which make them difficult to be compared and to be analysed together.

The generally felt economic recession, of course, happened at different times in the member countries and the reasons for the recession also varied. The collapse of the Comecon, the ceasing of the former foreign trade relations and of course the shock accompanying the political transition could be felt in all countries and were even dominant in some cases. Nevertheless, several local peculiarities and national or local bad decisions in economic policy also interfered with the deepening of the crisis accompanying the transition.

The economic recession first appeared in Poland and in Hungary and the further regression of production was also the first to appear in these countries. In the other three countries the hesitations around the privatisation processes prolonged the interval of the transition.

At the same time, it may be established that the regions belonging to the Carpathian Euroregion were less affected by the industrial recession of the nineties due to their lower industrialisation level. Nevertheless, there are some sporadically spread heavy metal industrial districts (with obsolete structures) which constitute exceptions from the above statement. The agricultural areas constituting most of the euregion used to be backward earlier too and the further deterioration of their situation was intensified by sales problems resulting from the mass of unemployed “returning home” as a consequence of industrial recession and general pauperisation.

In the socialist decade, the full-scale employment was a political objective and a basic social achievement. Therefore, the unemployment “rushing on” the society in the nineties had shocking effects. The situation was further worsened – besides the “infixated” fallacies resulting from the former political teachings – by the fact that the countries concerned were not prepared for the handling of the out-bursting unemployment neither ideologically, financially nor institutionally. Society needed many years to “digest” the unemployment level and the creation of an employment network by the public administration also took a long time.

The society destroying effect of unemployment – and it is shown by the surveys carried out on the area of the Carpathian Euroregion – was considerably blunted by the “social agriculture” which was of primary importance on the area of the Carpathian Euroregion in the nineties (and in the rural regions of the transformation countries in general). This phenomenon did not have any outstanding or remarkable economic results because it mostly meant autarchy but its social impact was significant (although it is not yet appreciated by the sociologists of the region – in our opinion – in accordance of its significance).

The dramatic shrinkage of the market and income producing ability of agriculture on the area of the Carpathian Euroregion is especially dangerous for the inhabitants of the typical rural regions. For them, the size of production and sale is neither a theoretical nor a budget issue but – lacking any other alternative forms of living – is a matter of life and death.

Due to the physical geographic conditions of the euregion, the share of the agricultural areas in the five countries – because of the mountains of the region – is smaller than its share from the total area. Only Hungary is an exception from this correlation where the extent of lowlands is relatively high. The reverse means, of course, that the ratio of forests and pastures is much higher from the total area in the Carpathian Euroregion than anywhere else.

On the whole, 62.2% of the total area of the five countries and 53.9% of the Carpathian Euroregion is an agricultural area. The ratio of the agricultural areas is the highest in Hungary from among the five countries (65.8%) but it even exceeds the national average when we compare it with the ratio in the regions belonging to the Carpathian Euroregion (68.5%). Ukraine is the second with regard to the ratio of agricultural areas (63.9%) but the area belonging to the Carpathian Euroregion – because of the mountains there – differs from it a great deal (50.6%). It is followed by Romania (62.3%) where this ratio is also considerably smaller within the Carpathian Euroregion (55.7%). The national average in Poland is 59.7% while in the regions belonging to the Carpathian Euroregion it is only 55.2%. Finally, the ratio of Slovakia is the smallest where due to its mountainous character the area of agricultural areas is low on the national level (49.9%) as well as in the East Slovakian Region (that is, the totalised value for the Kosice and Presov kraj) which does not even reach it (45.4%).

The euregion is characterised by low ratios with regard to the arable land as well which is also the consequence of the relief conditions. The Carpathian Euroregion occupies 12.8% of the total area of the five countries but its share in arable lands is only 9.4%. Consequently, the ratio of grasslands (meadows, pastures) is higher in all member countries within the Carpathian Euroregion than in the other parts of the countries. Even so, in some countries (Ukraine, Hungary, Slovakia) the ratios of gardens, orchards and vineyards are also higher.

It may be stated about all countries that the ratio of the agrarian population per square kilometre is higher in the regions belonging to the Carpathian Euroregion than the national averages. The structure of the population and wage earners is “the most agrarian” in its character in the euregion with respect to all member countries. It is in loose connection with the lower level of industrialisation as well as with the insufficient development level of the services and the low employment of the tertiary sectors. The interconnection is true for all countries and it especially sharply manifests itself in Ukraine and Poland. In Ukraine, 14.6% of the total population live on the area of the Carpathian Euroregion but 22.9% of those employed in agriculture work here. In Poland, the respective ratios are 7.9% and 13.1%. In Romania, the difference is relatively significant in the respective values (12.6 and 16.4%) while in the case of Hungary and Slovakia the difference is not that remarkable. On the whole, 12.2% of the total population of the five countries live in the euregion providing 18.3% of the total number of the agrarian population of the five countries. Thus, despite of the less favourable geographic endowments, disproportionally more people earn their subsidies from agriculture.

It results in a very important correlation, namely that the share of the region from the agrarian population is not only much higher than that of the total population but also from the agricultural areas and arable lands. Thus, the arable land supply of the agrarian wage earners is much more unfavourable than anywhere else. The more intensive farming in some member regions – as opposed to the national average – does not help too much on the disadvantageous position of the land supply.

The labour force/arable land ratio is shifted to the advantage of the labour force in comparison with the national averages in all countries except for Hungary. It is even more convincing if we take into account the quality of the arable lands as well and in this case Hungary cease to be an exception perhaps, just like it is not an exception in the relation of the arable land/agrarian population ratio either.

The contrast is especially sharp between the shares in the arable land (9.4%) and the agrarian population (18.3%) – which is the double. This means that there is a considerable relative agrarian over-population in the Carpathian Euroregion. Its shares are, of course, differentiated in the various countries: the contrast is the most remarkable in Ukraine (arable land: 8%; agrarian population: 22.9%) but the Polish differences are also very high (6.6% and

13.1% respectively). Consequently one of the biggest problems of the entire region is the agrarian over-population.

As a consequence of the disadvantageous physical geographic and soil endowments, the lower ratio of arable land, and the less developed technical level of agricultural production as opposed to other parts of the countries, the production value per one hectare of agricultural area is much below the national averages. Thus, the share of the area of the euregion in the national agrarian production is quite below its share in agricultural areas. The intensity of agricultural production is considerably below the national average so the area belonging to the euregion may be regarded as less developed not only from the aspect of industry but agriculture as well. There are, of course, significant differences in the extent of backwardness between the intensity of agrarian production by countries. The share of the Carpathian Euroregion in the agrarian population of the member countries is high above its share in the value of agrarian production: that is, the level of agrarian productivity is below the national averages in each country. This is partly the result of the agrarian over-population and partly the sign of the socio-economic backwardness.

With regard to agricultural productivity, all euregion member regions are below the national averages but the extent of lagging behind is the highest in Poland and Ukraine and the extent of agrarian over-population is also the highest in these two countries. The share of agricultural areas per one agricultural wage earner is 12.5 hectares in the Hungarian member countries, 10.5 hectares in the Slovakian krajs, 5.3 hectares in the Romanian counties, 3.2 hectares in the Ukrainian oblasts and only 2.3 hectares in the Polish Subcarpathian Region.

The forced collectivisation was successfully avoided in Poland after 1949 and thus the continuity of the small-scale farming could be assured. The rural regions of South East Poland, however, were dominated by strong pecuniary, denominational and ethnic dividedness even after the war.

The ratio of arable lands is very low in the southern – mountainous – part of the Polish member region. Nevertheless, the ratio of arable lands in the northern – basin – part exceeds the national average. Following the Second World War, a considerable group of Ruthenians were moved from the mountainous areas all over Poland. State farms were established on the lands of the Ruthenians under strip cultivation which are today qualified as pastures but are not really in use. Wheat, rye and barley are grown in the central part of the region and cattle are bred. In the northern part of the region, most of the arable lands are dominated by rye and potato. The private farms lacking capital are hardly able to invest: 7% of the Polish agricultural areas belong to the euregion and 13.1% of the agrarian population lives here but only 6.7% of the agricultural investments take place here (the ratio of investments per one hectare of agricultural areas hardly exceeds the half of the national average).

The land cultivating knowledge of the peasants living in the Ukrainian oblasts belonging to the Carpathian Euroregion (the former Western Ukraine), and especially their relation (motivation) to the land is much more favourable than the Ukrainian average. It may be actually explained by the fact that these areas used to belong to Poland during the times of “elimination of the kulaks” of the Stalin era and thus the land-owners avoided liquidation between 1928 and 1933. The labour force supply of agriculture is the highest in the Transcarpathian oblasts from among the Ukrainian members of the euregion. In the western part of Ukraine the farmers have high productivity values per hectare with a maximum amount invested in human resources but in spite of this the production value per one agricultural worker, i.e. the productivity, is the lowest here all over Ukraine. This demonstrates certain limits like the lack of land and the more severe natural endowments cannot be compensated with surplus work. In the Transcarpathian Region, the production value per one agricultural worker is the lowest while the ratios of fruit, vegetable and grape

production are the highest within Ukraine. The main reasons for the failure are the small sizes of lands per farmers and the lack of capital (loan).

Land privatisation started in Ukraine with a several years delay but it is doubtful whether the absolutely impoverished rural population is able to start private farming.

In East Slovakia there is not such a depressing agrarian over-population like in the neighbouring Polish and Ukrainian regions. The more advantageous labour force/land ratio offer a large scope for higher levels of technical developments but on the whole, there is a more extensive land cultivation process taking place here than in the western part of the country. Besides, despite of the relatively favourable geographic endowments (East Slovakian Plain), the production value per hectare is half of the relevant value of West Slovakia. The northern and northeastern mountain districts are the parts of Slovakia with the lowest agricultural yield where the peripheral situation, lack of markets and human factors only strengthen the consequences of the poor natural conditions.

The Romanian counties of the Carpathian Euroregion are also characterised by a self-supporting agriculture with a low technical level. On the hilly-mountainous areas (North Partium, North Moldavia) the high production values per hectare is achieved by very high live labour input. The agrarian labour force surplus is remarkable in Romania as well especially in North Moldavia and South Bukovina. The private sector became dominant in the Romanian agriculture only a couple of years ago and their supplies of capital are very low.

In the Hungarian agriculture, family farming used to have an important role even in the past decades. This promoted the preservation of the peasant traditions through the survival of the household family plots exploiting family labour and undertaking market competition.

As one of the impacts of the transformation of the Hungarian agriculture, the relatively high land areas per agricultural wage earners may provide grounds for the rise. The situation of the Hungarian counties within the Carpathian Euroregion is the most favourable from this aspect, too. The evolution of the support system and the improvement of the marketing situation may bring forth the recovery of agriculture here. (The agriculture of Northeast Hungary, at the same time, may expect the closest internal competition in the fights for the markets.)

The present agriculture in the group of countries constituting the Carpathian Euroregion is in a special transition phase and shows a very heterogeneous picture:

- Large-scale agriculture is a sector consuming its past, equipment and capital. There is hardly any chance of raising its apparatus to a compatible level again.
- The household family plots are into an effective farming economy. Their leaders are entrepreneurs with important connections many of who use the machineries and buildings inherited from the socialist period. Their future depends on whether they will be able to modernise their equipments and whether they will be able to find funds for their developments and secure markets for their goods.
- The family farms carry on many-branched and more and more intensive farming. A considerable part of them evolved from household farms and deal with greenhouse farming, growing of fruits and vegetables, animal breeding. They are not as capital sensitive as the previous group but depend more and more on the market conditions and subsidisation policies.
- Compensation brought about the establishment of hundred thousands and millions of small-scale farms (mainly with an auxiliary function) in all countries which are actually hardly able to produce goods. Their income producing abilities are extremely small and their importance lies in self-supply. They have undoubtedly

- performed a great service with providing temporary modest incomes and occupation for the rural population otherwise condemned to unemployment. They have rather blighted prospects and it is uncertain how long they will be able to survive.

Nowadays, the transformation of the economies of the Carpathian Euroregion happens among circumstances created by a deepened regional crisis. The “falling behind” of the region from the core regions of their own countries is an essential characteristic of the regional crisis. In the counties of the Carpathian Euroregion, the transformation of economy is accompanied by severe unemployment problems. One can hardly find a settlement on the area of the euregion where the unemployment rate does not reach the double of the national averages in each country. Thus, the voivodships, counties and oblasts here have been among the first ones in the ranking with regard to the unemployment rate.

In the past few years, the rural population of the Carpathian Euroregion had to endure a series of unpleasant (external and negative) impacts – like a dumping – which made life drastically more difficult. The dismissals due to the decrease in the production of the large-scale industry built on the eastern export, the liquidation of business domiciles with obsolete equipments in the countryside and the rapidly growing rate of unemployment had distinguished roles in this process. As a consequence of the economic and political crisis in the large scale farms the rural social guarding net became more and more pulled apart which used to be not negligible stabilising factors in some countries until the early nineties (for example, through the sideline activities).

In the past few years, we were trying to study – applying socio-geographic methods – the situation and behaviour of the groups of people (forced back to the villages) who were classified as useless by the cities and by the “socialist” industry on the area of the Carpathian Euroregion. In our work, we could rely mainly on the “soft” methods because of the deficiencies of the statistical data. During the interviews, our first and shocking experience was formed by the changed attitudes, bitterness and apathy of the rural population. We thought even in the beginning of the research that the agricultural activities do not offer final solution for the employment problems on the area of the euregion. At the same time, we were surprised by the rapid spread of the family farms, the intensification of self-supply which is also shown by the fact that there is no adequate effective demand for the agricultural products in the different countries.

From the end of the past century the area of the present Carpathian Euroregion was abundant in labour force. Only some industrial and mining districts were exceptions from it. The cities of the region had inner labour resources until the beginning of the eighties and thus their attraction of labour force only intensified in the previous decade. Those who were looking for work in the region, therefore, mainly found jobs in the far away cities and industrial plants which is one of the reasons for the considerable migration loss. At the same time, however, many undertook long-distance commuting as well and thus the majority of the long-distance commuters originated from the counties of the euregion. Out-migration and long distance commuting intensified especially after 1960.

By the beginning and middle of the eighties, full employment could be “ensured” in the euregion: thanks to the obsolete heavy industrial mammoth factories of the formerly “prospering” industrial regions which by now turned to “rust zones”, mines trading at a disadvantage and the out-of-date home industries (“kócerájok”) of the market towns and villages.

At the end of the eighties, due to the drastic decrease in the number of constructions and investments first the unskilled long-distance commuters were stricken by the dismissals then their ratio grew among the dailies as well. Besides the large-scale heavy industries, the



home industries created by “rural industrialisation” and the co-operative production sidelines went broke and dismissed their mainly rural workers.

On the area of the Carpathian Euroregion the rate of unemployment exceeds 30% in many districts even today. Some of the unemployment, of course, is of structural nature here as well so the difference derives from the qualification of the labour force and the demands of new work places. At the same time, there is a great danger that the unskilled unemployed with low cultural level (who constitute quite a large amount of the unemployed) will be ousted from the labour market and will get to the social periphery for good. A regionally rather differentiated picture is hidden behind the regional averages concerning the unemployment and unemployment means the same problem everywhere by no means.

As a result of the transformation and crisis of the economy, the industry – just like in the recent past – will be a labour force emitter in the future as well and the considerable labour force admission of the tertiary sector has to be waited for years even. (This expected boom will primarily affect the younger and more qualified layers who are more apt to be re-trained.) Nevertheless, we realised during our researches conducted on the area of the Carpathian Euroregion that the widening of the scope of agricultural activities and mainly its structural rearrangement considerably eased the unfavourable socio-economic impacts of the rapidly growing unemployment.

The almost 2500 questionnaires filled in by the inhabitants of the villages on the area of the Carpathian Euroregion at the end of the nineties, convinced us – above all – that the increase in the number of the family farms is mainly induced by constraint and thus the majority of them may be regarded as “involuntary ventures”. In parallel with the reduction (elimination) of the wages in industry, the self-supplying role of family farms increased and so did their many-branched nature.

The family farms were listed into three categories on the basis of the answers given to our questions:

- a) In the case of the *auxiliary farms*, a higher proportion of the family income (>75%) comes from “external” employment, the farm serves totally or to a great extent (>75%) the needs of self-supply. Farming is done by the members of the family exclusively “after the working hours” (or as pensioners or perhaps unemployed).
- b) Those were regarded *part-time family farms* where the shares of the income from employment and from the family farm represent almost the same weight within the total income (and both exceed 25%). The basic aim of the farm is self-supply but the role of production of goods for the market is also significant (25-75%). The farm means full employment for one person (can be a pensioner, housewife or unemployed) and the rest of the family helps on a regular basis. Non family members are also often employed during the work peaks. The product structure of the family farm is diverse.
- c) Those farms are understood by *family ventures* in which the private economy constituted the primary or exclusive source of income earning (>75%). It is a venture-oriented activity based on family wealth and labour force. There may be hired workers as well (not too often) especially during work peaks. The role of self-supply is very low (<25%). One of the parents or an older child might have other working places as well but the farm means full working hours for at least one or two adults. Specialisation reaches a higher level: the products for self-support and for the markets are separated. It may happen during production that the most modern procedures and technologies are applied but in the case of the products for self-supply the traditional elements dominate.

The reduction in the income from external employment and external sources, of course, had an inductive impact on the ventures. This mainly meant that many auxiliary farms on the area of the Carpathian Euroregion transformed into part-time family farms, and some part-time family farms became family ventures.

The family farms included in the survey were usually lacking capital and were established on own savings almost exclusively, while only a few relied on private loans or loans from relatives and a negligible part based its start on bank loan. They hardly knew anything about corporate loans or resumption loans and the only related stories were about unpleasant experiences of friends. The surveyed family farms mostly dealt with animal breeding. A higher proportion of family farms concentrating on crop production occurred in certain agricultural areas of the counties with lowlands and hilly regions (crop, corn, grape, fruit, and vegetables).

The family farms usually produce traditional goods applying traditional methods. The experiences about the introduction of new plant or animal species are unfavourable. The reasons for the failure – in our opinion – were being late and defencelessness. Our experiences were that the innovation chain broke on the area of the region meaning that the innovation centres do not diffuse the necessary information into the peripheries.

The rural population of the region is overcome by social, political and economic uncertainty which generated introversion and instinctive defence in the people. Apart from this, most of the interviewees have hopes in the future of family farms, although their arguments are not too convincing (e.g. there will always be a need for agricultural products; one needs to work; at least the family will not starve to death). Our interviewees think that the rural (peasant) lifestyle provide (and has provided so far) the most secure protection against the “external” unfavourable effects. Those who have been employed in urban areas in large-scale industry for 15-20 years also set the re-establishment of autarchic peasantry as a goal for themselves. They think self-supply as a durable basis and an exclusive realistic strategy for subsistence.

The “reorganisation” of the traditional peasant communities resulted in the flow back and re-integration of considerable masses into the agrarian society. This also meant that the family relations became stronger because most of the new agricultural ventures were based on family support (loans, shares of breeding animals, voluntary co-operative work (*kaláka*) work, regular help from the parents on pension, etc.). Man can implant himself into the agricultural production processes relatively easily with the help of relatives and friends and this provides a realistic way out in the villages of the region. The crisis solidified old village traditions. The restoration of the subsistence peasant farms is the only realistic objective for many.

The larger the family farm is, the more tinged the future predicted by the interviewee. In the future, the prosperity of the agricultural market will bring about remarkable enlargements in the production on those family farms which already have a considerable size of commodity production. For they have capacities to be developed and enlarged experience in purchase and sales – a capital to be invested – and such a human behaviour and scale of values which had not been alienated from agriculture.

The interviewees providing in merito answers named counselling on market sales and economic management on the first place as preconditions of the prosperity of agricultural ventures. The second most often mentioned demand was on information concerning engineering and technology related to production. The third place was occupied by the counselling on plant protection and veterinary hygiene, the fourth was the technical advice on financial issues. The latter reflects the fact that the agricultural “enterprises” of the past years came into being with a minimal capital investment. They also reveal that the family farms – with new investments – do not yet wish to intensify their production.

Our survey and the interviews afterwards convinced us that the agricultural activity called family farming is not a homogeneous phenomenon. It ranges from the full-scale self-supplying farms with incidental selling on the market to the expressly commodity producing modern ventures.

The transformation of the rural regions on the area of the Carpathian Euroregion happens basically in the same way in all countries. Concerning its socio-economic impact, however, this process induces bigger changes in the region (due to the dominant weight of agriculture here) than in the core areas of the participating countries. It is a basic problem that the agriculture of the region – in our opinion – did not lose but is temporarily forced to miss a significant part of its domestic market. Thus, the real loss of market is the result of the insolvency of the markets within the country – meaning primarily the population.

The present structure of operation, of course, is only a starting state. Depending on the market, profitability and financing possibilities and the concentration of the ventures – in our opinion – is an unstoppable process. Of course, it will be all commanded by the market competitiveness and this will require concentration into competitive sizes of production. Nowadays, the agriculture of the euroregion is dominated by private property. The agrarian population, however, is socially divided and full of tensions. Progress is impeded by the lack of the land market, the low land prices and the high proportion of owners physically detached from the land.

The high number of new agrarian entrepreneurs may be also explained by the fact that the rapid employment rearrangement of the past decades was neither total nor perfect. The retention of the rural dwellings, the cultivation of family relationships and the presence “second (agrarian) economy” for ensuring significant rounding out of earnings – because of the modest and insufficient industrial incomes – kept alive a semi-peasant state into which it was easy to “return” after becoming useless in industry.

In our opinion, it is possible that a rapid concentration will start in the near future in the family farms on the area of the Carpathian Euroregion. Hopefully it will coincide with the labour power demands of the other – mainly tertiary – economic sectors. For in this case it may be taken for granted that the majority of the agrarian entrepreneurs in the villages will leave the agricultural activity which provides only low living standards and stagnation. Naturally, there are considerable differences between the various countries by the intensity of agricultural production.

The new challenges set by the fetching headway of the agrarian market will not be properly answered by the present peasant inclusion areas but the market-oriented family ventures which have been living in symbiosis with the large-scale farms. In the future, the family ventures based on family work and with narrow profiles may be the basis for agricultural production. There is a need for a flexible and uninterrupted transition, mainly because of the character of agricultural production which demands certain continuity due to the security of supply as well. The rise, spread and acceptance of innovations have a real compel in the market economies. Our survey convinced us that a wide enough social layer in the villages of the region is ready for the acceptance of new agricultural activities, new organisations, knowledges and technologies and this are not achieved through the restoration of the peasant mentality or earthliness.

It has remained a fundamental question from the aspect of the rural transformation of the euregion whether the multifunctional development of rural regions can be achieved in the participating countries. From this point of view, the reserves of rural tourism are the largest since the natural conditions are excellent on the area of the Northeast Carpathians. This part of the Carpathians could even be the skiing paradise Europe – only if, of course, the indispensable infrastructure were constructed.

In our opinion, there is a great need for the intensification of the production structure for the development of the rural regions on the area of the Carpathian Euroregion. In addition to this, it would be also important if the rural population were able to get access to considerable auxiliary earnings besides agriculture.

The unfavourable political processes and relations may set serious barriers to the economic development. Now, however, we are in such a peculiar and irreproducible situation when the relations between the border regions may change essentially and their co-operation may rely on a completely different and new basis.

There is an opportunity for the active interconnection of the peripheral regions and for a new co-operation form, the development of cross-border regional integrations. The basis for this interregional co-operation is provided by the political and economic transformation processes of the early nineties. The change of regime and the stronger links with Western Europe raised the hope of founding cross-border co-operations in our region too and thus created chances for the adaptation of the Western European experiences.

## **1.4. Present geopolitical situation of East Central Europe**

As Iván Illés wrote about the Carpathian Euroregion concerning the voivodships, krajs, counties and oblasts: „...its history, demographic, ethnic and religious specialities – more or less – differ from the other regions of the participating countries. Nevertheless, their social structures are also different: the ratio of the rural population is higher while that of the urban population is lower. All regions may be regarded as peripheries within their own countries. On the basis of this, it would be surprising if their political thinking and electoral characteristics were not different from those of the other regions in the respective countries. And really: there are remarkable deviations everywhere in the electoral results and party preferences... One thing is common in them. The relation to the political principles and attitudes is always more unanimous, obvious and sometimes more extreme than anywhere else in the country. The population of the Carpathian Region always took a stronger stand either in the acceptance or rejection of communism, or in the acceptance or rejection of the national absoluteness than the other parts of the country. And it is this attitude and behaviour that connects them” (ILLÉS, IVÁN).

The strong presence of the peasant folk traditions, the underdeveloped urbanisation, the traditional religious bonds and the strong traditions of the left-wing (mainly rural and not urban vernacular) movements within the national political formula stress the conservative – Christian – national characteristics in the regions of the Carpathian Euroregion. It is not contradicted by the fact that the electoral results often express the dissatisfaction with the social situation and not only the support of the historic traditions (or in some cases being against them). (The deviation from the national average in the election results are variegated by the strong presence of the Hungarian minority parties – especially in Romania and Slovakia – organised on a nationalistic basis.)

The current political peculiarities of the Carpathian Euroregion demonstrate that “...the combination of the social-cultural-ethnic problems within the region finally led to the fact that the role of the various collectivist theories and ideologies (socialistic, national, religious) is bigger in the region than in any other regions of the participating countries. The concrete historic-political situation determines the nature of it. In addition to this, the dominant ideology may be accompanied with a contradictory behaviour as well. The common denominator in these is that the civic behaviour proclaiming an open and liberal society in this region could not evolve as much as in the more developed regions or even in the more advantageous regions of the member countries. This factor cannot be neglected by any social or economic policies appearing in the region.” (ILLÉS, IVÁN).

The present (and future) geopolitical situation on the area of the Carpathian Euroregion is further complicated by the different status of the member countries with regard to their EU accession.

The next group of the mutual elements of the vision of the future are raised by the international economic relations. The “re-orienting *and* re-orientation” of the economic relations from the east to the west may result in ambivalent consequences within the region. It is a well-known fact that although the primary targets of the western working capital are Budapest, Bratislava, Warsaw and West Poland but beyond these the foreign capital investments usually “stop” at the Danube, Vagh and Vistula rivers. In parallel with the EU accession of Poland, Slovakia and Hungary, the capital attracting ability of the euregion may considerably increase.

A lot had been done in most of the East Central European countries for operating the society and economy on the basis of the European system of values, for the creation of their organisational and institutional systems in the past fourteen years. The regional relations and interregional co-operations play an essential role in these processes.

Thus, the Central and Eastern European changes in 1989-90 constituted a milestone in the history of the countries of the Carpathian Euroregion which opened up new opportunities for cross-border co-operations. The rapid increase in the number of euregions in the region was mostly the result of the encouragement of the European Union and its prospective supports. However, – while several examples could be listed for the success of these initiatives – the initial impulse was followed by coming to a sudden stop in many cases which was accompanied by the lack of results. The main reason for the recoiling is usually the insecure financial background which often results from co-ordination.

Despite all these, there was a considerable step taken forward on the area of the Carpathian Euroregion Interregional Association with regard to cross-border co-operations. The step forward is partly due to the fact that the common goals were drafted in these regions for the joint representation in various fields of life. These include the infrastructure (improving traffic, transport and communication conditions), opening of new border stations and the elaboration of cross-border programmes. The cross-border (partly pan-European) alliances play a special role in this process and later the financing possibilities provided by EU funds will be important as well (INTERREG most of all) – especially after the accession.

## **1.5. Balance of the co-operation until now**

Drawing the balance of the euregional co-operation so far, it may be established that there are really significant results in many areas. Taking into consideration the experiences of the western regional co-operations, nevertheless, it is not surprising that the explicitly economic results are not yet considerable. Although the expectations in the region are enormous – in the beginning many thought the euregion to be a new international organisation replacing the Comecon –, for a long time the actors of economic life were busy with getting to know each other and mapping the risk factors in the partner countries.

Nevertheless, all those personal contacts and relations are of special importance which actually paved the way for the creation of the euregion. It is more especially true for the actors of business life. Though the available statistics does not show it but it may be rendered probable that many foreign investments were made on the initiation of the entrepreneurs in the region in each other's countries – based on the local knowledge and good neighbourly relations. In the past few years, there were several international fairs in the region related to the Carpathian Euroregion. The co-operation agreement signed by the representatives of the

Chambers of Regional Economy of the five countries in 1993 most definitely promotes economic development whose aim is to deepen the relations between the enterprises.

The evolvement of the economic relations – trade, transport, tourism – of the region defined as the Carpathian Euroregion greatly depends on the solution of the problem of crossing the borders which initially used to be serious physical barriers. In accordance with it, one of the most important initial practice-related objectives was to initiate the opening of new border stations and the modernisation of the existing ones. Remarkable results were achieved in this field. Following the proposals of the experts of the euregion a large number of border stations were opened in the past years.

There were numerous initiatives for the creation of special economic zones and duty-free zones (e.g. creation of Chop-Interport duty-free zone). A Slovakian-Ukrainian-Hungarian Small Border Economic Sub-region was formed. The main objective of the sub-region with Mihalovce and Uzhgorod as its centres is the promotion of the entrepreneurial co-operations.

The biggest result of the co-operations in the field of tourism and ecology is the East Carpathian Biosphere Reserve realised within the framework of the UNESCO programme. There is also a joint programme for the improvement of the water quality in the environs of Uzhgorod. The most remarkable result of the work within the euroregion is the three editions of the tourist map of the Carpathian Euroregion. The ecotourist values and potentials of the Euroregion are acknowledged even by international tourist experts.

There were serious achievements in the fields of the educational and cultural co-operations. Several joint research projects were started as a result of the meeting of the university rectors of the region in Kosice in the spring of 1994.

The Hungarian-Slovakian-Ukrainian cross-border police co-operation started to fight against organised crime, trafficking in drugs and illegal immigration. Sport is also one of the most important areas of joint activities (children's sport, sport events for the disabled, folk games etc.).

The – mostly international – conferences with various topics, study-tours abroad, children's drawing competitions, art exhibitions and businessmen meetings have to be listed among the most remarkable activities of the euregion.

However, the co-operation did not fulfil the expected mission despite of the above listed results. The primary reason for this, obviously, is caused by the financing problems. The euregion – mainly from 1996 – has been always struggling with financial problems. The fate of most of the ideas and projects depended on the lack of investors who would finance them. It is a very serious problem that the organisation – apart from a very short period – is practically operated without an independent budget.

The above named significant organisational changes were in vain due to the financing problems since the new structure is not able to produce effective results without a common budget enabling policy making. It is also a problem that the Council still only contains local politicians – and mainly self-governmental leaders – and continuity is often interrupted by the frequent personnel changes. It would be important to involve entrepreneurs, research institutions and other civil organisations into the main body of the euregion. The promotion of the PR activities in the euregion is unavoidable which is at present totally missing.

The efficiency of the co-operation within the Carpathian Euroregion is further worsened by the fact that the participating regions are at different levels of development and their decision making systems are strongly centralised. This makes co-operation within the euroregion very difficult since it would require decisions brought by the levels of counties, krajs, oblasts and voivodships. A further barrier is set by the great variances in the level of infrastructure and the development of the roads, railway networks and communication systems. Economic co-operation is also impeded by the differing customs and tax regulations and that there are no banks which could handle the accounts and transactions within the

euregion and grant loans and credit guarantees for the development of cross-border economic co-operations.

Anyway, the Western European experiences based on several decades of co-operation demonstrate that the regions participating in cross-border co-operations got closer to each other and contributed to the socio-economic development of the regions concerned relying on the exploitation of the advantages of the euroregional co-operation.

The creation of the proper structure for the co-operations – including the organisational and financial issues as well – is a very problematic and time-consuming task. The situation of the Carpathian Euroregion is much more complex than that of the Western European euregions. It is even more complex than the ones along the western borders of Poland and Hungary. Nevertheless, it is also true that the expectations from the euregions in our region are too high.

In the first years, it was the economic sphere that demonstrated that the Euroregion stood its place as an interregional organisation in the various fields of regional co-operations. Many cities of the Carpathian Euroregion host international exhibitions and fairs where the organisers asked for permission of the use of the name and logo of the Carpathian Euroregion. These international programmes provided grounds for the widening of the business relations of the exhibitors and businessmen.

Many of the international exhibitions and fairs became regular since some of them are organised annually, e.g. the KONTAKT in Krosno, the FARMER EXPO in Debrecen, the FAIR IN AGRIA in Eger, the COPUS EXPO in Slovakia – just to mention some of the most important ones. The most frequent accompanying programmes of the exhibitions and fairs are businessmen meetings, sports and cultural programmes.

Besides the international exhibitions and fairs, there have been many conferences so far. One of the most important ones was held in Sanok in October 1993 about the role of the private and civil sphere in cross-border co-operations. Businessmen conferences were held in Miskolc in the summer of 1994 and in Debrecen in December 1995 which were attended by the representatives of the chambers of commerce and industry within the region, of the funds for the promotion of enterprises and of the private sphere. These programmes were supported partly by the local governments and partly by the Institute for East-West Studies and the Council of Europe.

As a consequence of the more and more initiatives and programmes, the preparation of a Calendar of Events for the Carpathian Euroregion was among the plans of the Secretariat many times. It was first prepared by the Hungarian partners in 1994 then again in 1995. With the help of this, the potential attendants were given a concise picture of the economic, cultural and sport programmes in the region which made it easier for them to check in on time.

The creation of more humane conditions of border crossing between the member countries was one of the most important issues at the creation of the Carpathian Euroregion which aimed at prompt possible solution. Dr. Pál Virágh, the Secretariat General in those days, sent a letter to the foreign ministers of the five countries and asked for giving priority to the opening of new border stations and the modernisation of the old ones on the area of the Carpathian Euroregion.

Among many other things, it was this initiative that enabled the inauguration and modernisation of border stations between the member countries along the Slovakian-Polish, Polish-Ukrainian and Slovakian-Hungarian borders. It was the Carpathian Euroregion that initiated the renovation of the Tisza Bridge at Záhony and it also had a special role in the construction of the new camion terminal inaugurated in 1996. Following the “restitution” of the Romanian counties, new border stations were opened on our initiatives along the Hungarian-Romanian border as well.

The Foundation for the Development of the Carpathian Euroregion established by the supports of the IEWS and the Mott Foundation is taken as regarded milestone in the history of the Euroregion. It was registered in Kosice at the end of 1994. Its current name is Carpathian Foundation and it provides technical assistance and certain amounts of financial supports for the self-governments and civil organisations on the geographic area of the Carpathian Euroregion. Its objectives include the encouragement and support of local activities and initiatives for the acceleration of the development of the euregion.

## **1.6. The most significant cross-border social relations in the Carpathian Euroregion**

In the nineties, after the democratic changes in the Central European countries, cross-border co-operations became important from a political perspective as well. Regional co-operations promote the evolution of the Europe of Regions and the etherisation of borders. Nevertheless, they also limit the sovereignties of the nation states for the sake of international integration.

The international relations of the Carpathian Euroregion show an encouraging development. In 1994 it formed a connection with the representatives of the Euregio Maas-Rhine. Those invitations through which the representatives of the region could introduce the Carpathian Euroregion at the conferences and annual meetings of the Council of Europe in Ljubljana and of the Association of European Border Regions in Triest, Timisoara, Rhein and other cities meant the international acknowledgement of the organisation.

The Carpathian Euroregion had remarkable achievements not only in the field of economy but also in the scientific and cultural fields. The leaders of higher education created a really well functioning forum called “Rectors’ Alliance” which unites the rectors within the Euroregion. The leaders of the universities and colleges within the region agreed that the regional higher education centres should not follow the capitals but they could create such cross-border regional role in higher education for which the capital “is neither able nor suitable”. A need which had been actually often emphasised earlier by the experts of regional education researchers.

The Carpathian Euroregion has achieved many encouraging results in the field of social relations since its establishment. Of course, the Carpathian Euroregion could register even more significant successes if it overcame the factors impeding its development which are primarily political problems and they are rooted in former centuries. This explains above all why the Slovakian self-governments were only associated members and why the Romanian self-governments were only in an observer status for years after 1993.

The social and economic success of the Carpathian Euroregion largely depends on how this interregional association exploits and dynamises the available resources (natural, economic and – above all – human resources) and how it can bring together the different interests in the co-operation. Cross-border co-operations in the higher education – both educationally and culturally – are enabled by the already started “de-etatism” which significantly reduces governmental intervention in the management of the universities. The governments manage their education and cultural policies by financing instead of administrative interventions and this makes it possible to develop regional education and cultural policies.

The autonomy of higher education institutions has an important role in the formation of cross-border co-operations. The knowledge and registration of these processes are very important and instructive since they presumably pave the way for the closing-up of the participating institutions for a wider European co-operation. For the promotion of the EU



harmonisation processes we need to be aware of the strategies of closing-up, the problems of the participating institutions and the tactics which lead to the solution of these problems. Universities and colleges play a distinguished role in the regional co-operations because science is almost always international. In the past few years such universities and colleges built relationships which are situated in the same regions but on the other sides of the borders (for example, Debrecen-Oradea, Nyíregyháza-Beregovo, Miskolc-Kosice, Rzeszów-Lviv).

The importance of the international scientific and higher education co-operation programmes may be also supported by the fact that these relations may mean survival for the intelligentsia on the two sides of the borders without moving to and settling down in the neighbouring country. Today, the professional training and extension training have more and more importance since the development level of a country is highly influenced by the quality and variegation of education. The social and cultural co-operations and exchanges of experience between the countries greatly promote it.

The international relations of the Carpathian Euroregion also show an encouraging development. In February 1994, the intercommunication started with the representatives of the Euregio Maas-Rhine who got an insight into the everyday life of the member countries during a short visit. The shooting of a film by the ART STUDIO (Brussels) was of primary importance from the aspect of the positive image-building of the Carpathian Euroregion. It showed the results and problems of the Carpathian Euroregion to Western Europe.

It is of fundamental importance, from the aspect of social relations, that the Carpathian Euroregion has organised numerous conferences and fairs which “brought together” the international representatives and this contributed to the strengthening of the mutual cross-border relations and the exploration of the possibilities for co-operation. The high number of guest performances, exhibitions and study-tours organised by the Working Committee on Culture and Education promote the improvement of interethnic relations. The majority of the cross-border social co-operations, however, are still at the initial stage and therefore they are not really effective in the formation of the Europe of Regions. Several examples demonstrate that the aim of the CBC activity of certain institutions and establishments at the moment is to break out from the minority situation or to assist the institution in its survival.

### **1.7. Joint representation: the relationships between the Carpathian Euroregion and the institutions and organisations of the EU (Euregio Maas-Rhine, AEBR)**

The western institutions supporting co-operation within the Carpathian Euroregion in the past and at present as well may be grouped into three categories: 1. IEWS with a distinguished role, seated in New York, 2. institutions and tender forms related to the EU, 3. other international, American, Japanese, etc. organisations and funds.

The creation of the euregion probably would have been postponed without the efficient assistance of the IEWS. In the realisation of the idea, the Institute took an active part for many years not only via counselling and financing but also in the concrete work. It created a post for a so-called “representative” in each country who got involved in the basic organisational works and in the co-ordination of projects. After a few years of very active collaboration, however, the IEWS thought that the euregion needs to stand on its own feet and therefore it started to reduce its participation which has been actually terminated by today. The final decision was induced by the bankruptcy of the Ukrainian bank which was responsible for the money of the euregion. As a consequence of this, it established a separate institution called Foundation for the Development of the Carpathian Euroregion seated in

Kosice whose operational area geographically corresponds to that of the Carpathian Euroregion. The two organisations in the past few years functioned in parallel – but neither co-operating nor rivalling – with each other on the same geographic area. It must be noted, however, that the Foundation wishes to – and is able to – ease the problems and difficulties of the region through its tenders. At the 30<sup>th</sup> meeting of the Council in Uzhgorod the leaders of the two organisations signed a Co-operation Agreement and from that time on the two organisations were aiming at a closer co-operation.

For the Carpathian Euroregion, it is of primary importance to co-operate with the European Union and to exploit the opportunities offered by it. The intensive interest of the EU is signed by the fact that in the beginning of 1994 a delegation arrived to the area of the Carpathian Euroregion from the Euregio Maas-Rhine. The significance of the event was that it was the first time when a Western European euregion started co-operation with an East Central European one. The most important Western European partner of the Carpathian Euroregion so far had been the Euregio Mass-Rhine named after the two very important European rivers: Maas and Rhine.

## **1.8. Factors promoting and impeding progress**

The infrastructural supply of the Carpathian Euroregion is backward and below the national averages except for the relatively developed railway networks which is a historic heritage and in some countries the relatively good quality of road networks. These – it seems – cannot be helped yet even if there is collaboration within the Carpathian Euroregion because of the lack of sources and – often accompanied with – the lack of experts.

Significant changes may be expected on the area of the Carpathian Euroregion in the economic situation partly as a result of the general economic prosperity of the participating countries and partly of the bigger role of the EU funds. The latter requires a more successful utilisation of the tendering opportunities and the EU membership of some of the countries may contribute to it. We are planning to analyse these options in detail in the near future.

Besides the political barriers, the differing (after all, however, uniformly unfavourable) economic, social and infrastructural conditions of the member countries also appear as factors slowing down co-operation and impeding progress. These are such negative factors that the Carpathian Euroregion cannot solve on its own but it may facilitate the work of the decision makers with constructive proposals. The varying economic conditions within the region and the different economic development resulting from them also contribute to the inadequacies of the cross-border co-operation.

On the basis of the information concerning the Carpathian Euroregion and its financial background we think that at present the only large-scale change in the financing questions may be expected from the European Union funds both in the mid and long term. The own resources of the self-governments are very narrow – even paying the membership fee causes problems – and the presence of other support forms is occasional and mainly related to smaller projects or depend on personal relations. According to experts, the rise may only be expected from the EU funds, although, however, the way leading to them is not easy either. The above described organisational changes would be necessary for the successful tendering activities, so there is a need for a professional permanent secretariat with qualified professional employees speaking the “EU language”. Now we are facing a *circulus vitiosus*. There is no professional secretariat without money but there is no satisfying tendering activity without a group of professional experts and this means that no money may be expected. Someone should risk the breaking out from this magic circle. It would be worth to scrutinise

the Polish model for the others too where they are trying to create a kind of a local budget with taking membership fees from the settlements that is from the lowest level of the co-operation. The involvement of external experts and employees (like experts from governmental organisations) into the tendering activities come into question as well as the employment of a paid tender writer and observer expert coming from there in the beginning.

Having a scarcity of financial sources, the primary condition for the operation of the Carpathian Euroregion would be the building of a rich and effective relationship system with the European Union and the maximum exploitation of the opportunities offered by the co-operation and the tenders. There has never been a shortage in interest and potential supporters. The West was a great patron of this East Central European co-operation form from the very beginning, inasmuch that – as it was seen – it played a significant role even in the creation of the Carpathian Euroregion – primarily through the IEWS and the Council of Europe. The Carpathian Euroregion – as a unique phenomenon in the East Central European region – was regarded as a model in the West. However, to change the sympathy and interest into financial support would need concrete and realisable projects – which may be handed in as tenders – and an organisation which is ready to renew itself.

The procurement of EU funds, however, does not only require the above listed preconditions but also the implementation of the tasks within the Carpathian Euroregion. As it was described in the previous chapters the precondition of the allotment of financial instruments is that the Euroregion has an integrated development concept for a multiannual period. However, a development programme of this kind has not been prepared yet for the euroregion.

It becomes obvious when preparing the strategic development programme that the EU funds are not enough in themselves to elaborate and implement the development programmes. The PHARE programme, for instance, also regarded self-supply obligatory from 1995 in certain projects. Consequently, without other resources (e.g. regularly paid member fees, self-governmental, governmental, foundation resources etc.) the different EU funds will not be available. Therefore, a common fund should be created as soon as possible which would provide the required self-supply for the expected INTERREG projects.

Even in the light of what is written above, the possibility of getting supports from outside the EU – like sponsorship – should not be neglected. This, however, requires such an intensive activity – including PR activity – as it did in the golden age of the co-operation, around 1994-95. At that time the co-operation had its own newsletter published in several languages and its logo could be seen at dozens of international fairs, professional meetings and other programmes. It must be admitted that unless a group of a large number of international experts (possibly from all five member countries) is employed to undertake the organising activity, the tendering and the management of the programmes as part of their job requirements, the above aims cannot be achieved.

## **1.9. Conclusions**

Our researches conducted in the member countries of the Carpathian Euroregion unfortunately confirmed us that this transnational organisation established eleven years ago “preceded its time” in the region. The copying and borrowing of the Western European models was not yet successful because of the unsettledness of the hosting conditions. The economic conditions are immature and temporary in our region. Lack of capital is usual which causes the gaining grounds of grey (or black) economy in the cross-border economic relations. Due to the peripheral economic position, the obsolete economies of the regions here cannot fulfil those

expectations which are essential for a successful European economic cross-border co-operation system.

From our survey it emerges that the five countries do not have yet the demand to develop their border regions through a common regional development policy together. According to our researches it is this attitude that impedes co-operation within the Carpathian euroregion both principally and politically. At the same time, this is the same factor that underlines the extremely important geopolitical importance of the Carpathian Euroregion which was emphasised by Mrs. Catherine Lalumiere in Debrecen in 1993 at the founding ceremony.

The prominent representatives of the socio-economic life and – often – of the self-governments do not yet feel the importance of innovations even in their own countries and they do not have yet developed a “receptor” for sensing innovations. In those regions, where there are examples for these (like in Eastern Hungary, Southeast Poland) they are only used for the development of their own regions or settlements. The participations at the professional meetings, the inter-university co-operations and especially the cultural and fine art co-operations play the most important role in the Carpathian Euroregion in transmitting innovations across the borders.

At present, the peculiarities, tasks and objectives of the working commissions and euregions constitute quite a disorganised mixture in the activities of the Carpathian Euroregion. Most of the failures and the sense of frustration mainly result from this. This realisation made the Hungarian National Side to hand in its “Proposal” at the 31<sup>st</sup> meeting of the Council in which it did not only redrafted the mission goals but also encouraged the transformation of the euregion into an “umbrella organisation”. A consciously conducted “profile clearing” and the making relations with the other euregions created in the region and the share of responsibilities together with them may help on this problem.

The union, informing, managing and tendering of the sub-regions could be one of the main tasks of the Carpathian Euroregion which could ensure the required frames with its networks, experiences and relationship systems obtained during the co-operation. The encouragement of the individual activities of the sub-regions and the provision of assistance for them are especially important.

Drawing the balance of the co-operation within the Carpathian Euroregion until now, it may be established that the so far passed eleven years proved to be not enough for the achievements of all those sublime goals which were set by the participants (the founding and the later joining members). It is included in every country analysis that the economic closing-up of the participating countries and the dissolution of their peripheral situation within their own countries had not happened yet. It is true that no miracles should be expected in few years and moreover this euroregional co-operation is still at its initial stage. The lessons of the Western European co-operations taught us that these kinds of results can only appear after many years of persistent work even among much more favourable circumstances than that of the Carpathian Euroregion.

The extrication from this severe socio-economic situation may be expected from the general prosperity of the East Central European countries, the accession to the European Union and from the enlargement of the EU funds. Of course, the latter requires a better and more successful exploitation of the tendering possibilities and this would be further influenced by the EU membership of certain participating countries.

Despite of the arising problems, we think that the activities of the Carpathian Euroregion may provide a realistic breaking out possibility for the economy of the region and it may even help to solve the existing ethnic-minority problems.

If the above goals are fulfilled then the Carpathian Euroregion International Association may as well be really a bridge in the Europe of Regions which connects the countries of the region and the macroregions of our continents and thus it may be an instrument for the successful socio-economic rise of the region.

## **2. REGIONAL DEVELOPMENT POTENTIALS IN THE CARPATHIAN EUROREGION**

The most important precondition for the success and efficiency of the regional policy is that those conditions are provided on the levels of politics and regional development which result in the welfare of the counties, microregions and settlements and the people living or working there. The role of these factors is especially important on those areas which are in a peripheral situation from the aspects of economic development and spread of capital and innovation, and/or have more disadvantageous endowments with regard to their economic and production potentials. (On the area of the Carpathian Euroregion, unfortunately, these two negative tendencies occur at the same time strengthening each other.)

In the economies of the EU states the current market and production regulations and their organisational and institutional systems developed during several decades. The “liberality” of the domestic markets within the member countries of the Carpathian Euroregion is less and less wanted by the stakeholders. The series of disappointments and deceits made the producers on the area of the Carpathian Euroregion sceptical and desperate. Unless this atmosphere is resolved there would not be improvement and the susceptibility to the novelties would prevail only limitedly in a narrow circle.

In the Carpathian Euroregion where agriculture in a broad sense will be presumably a decisive element of development in the long run where the farming, processing of the vegetable and animal products and the services related to it will be of special importance from the aspect of the living standard of the inhabitants. Therefore, the seizure of these opportunities and sources is very important.

In the absence of conscious help on the governmental level and favourable economic-political environment, the regions forming the Carpathian Euroregion are not able to promote themselves from their present situation. Today, there is a “market nadir” in all sectors of agriculture (corn, meat, milk, vegetable, etc.). The markets of these traditional products are limited even at the best quality which presumably will not change in the near future. Agricultural overproduction sets serious problems in the European Union as well. A change of paradigms, therefore, is necessary in the economy which may be realised only with a large-scale re-training and with a successful development of human resources.

The Carpathian Euroregion is characterised by a chronic lack of capital and the past years even consumed the surplus resources and the last reserves of agriculture. Only such new ways would let us break with the present situation which are able to serve the living of the rural population in some form as well. An important pledge of the switching over to the new path are governmental assistance, disposal of the necessary information and creation of market security let it be either about semi-processed products from family farms, or change in the structure of joint companies into the direction of a work intensive activity, rural, medical, hunting, etc. tourism, goods produced with environment-friendly technologies or the related services.

On the basis of the above, the predictable realistic vision of future supported by the present processes – taking into consideration our EU-accession as well – must calculate with the relative (continuous) diminishment of the socio-economic weight of the agriculture and the activities related to it. In the social sphere, the primary breaking-out directive is tertiarisation but it is only possible with the enlargement of the specialised trainings and education.

The transformation of the economic structure – taking into account the considerable devaluation in the past decade – may only happen in parallel with the advance experienced on other areas of economy as well. Otherwise, the already present process of pauperisation may further strengthen and result in the total and final falling behind of the settlements and their inhabitants.

Consequently, the modernisation of economy and its gradual structural transformation have to be executed in parallel with each other and with the continuous consideration of the interconnections. At the same time, the ten years backwardness of the infrastructure must be recovered, the adjustment of the approach and mentality of the inhabitants to the expectations of the market economy must be achieved and the education level of the population and the widening of the knowledge also have to be solved. Thus, education has to fulfil an important role.

The overall execution of these tasks presupposes the elaboration (and then execution) of a complex strategic development programme based on a well-grounded and realistic situational analysis and prepared with the involvement of the inhabitants, economic actors, self-governments (and their institutions) and the civil sphere and relying on their active participation. The consideration of the EU regulations is very important partly because of our accession and partly because of the inclusion of the EU funds into the developments promoting the process of accession. This is true despite of the fact that the EU regulations mean difficult barriers. Nevertheless, getting acquainted with the barrier functions will help us to avoid the unforeseeable difficulties.

These barriers, however, do not only set bounds but also provide protection in the long term: for the EU regulations and procedures require (and enforce) strictly regulated market conditions which rules on the one hand defend the stakeholders from the market defencelessness and on the other hand continuously lead into the direction of productive-service-landscape sustaining activities which contribute to the improvement of the quality of life. That region which adopts itself to these external conditions shall choose the directed gradual transformation process and thus may avoid the later coming drastic changes accompanied by severe social tensions which are executed relatively quickly due to the external circumstances.

## **2.1. Shorts and Overs in the Carpathian Euroregion**

The analysis of the economic structure, demographic processes and the level of qualification in the Carpathian Euroregion revealed the shorts and overs in the region:

### **2.1.1. Shorts:**

- highly qualified population
- wooded area, forestry
- economic accessibility, good transportation
- developed infrastructure
- enterprises of solid capital
- production co-operatives
- accredited food processing industries
- abundant, wide-scale job opportunities
- full scale supply of training
- high income level
- command of foreign languages
- successful lobbying activities

*The strengthening of the deficiencies may result in the intensification of the lagging behind of the Carpathian Euroregion and thus*

- New and dynamic sectors do not come to stay without the presence of highly qualified population.
- The economy of the euregion may be severely influenced by the disadvantages affecting food processing in the lack of the proper preparation for the expected circumstances provided by the EU accession.
- If the international relations turn unfavourable then the geographic situation of the region might produce further disadvantages.
- The lack of positive changes in the transport situation of the wider environment of the region (national developments) may intensify the peripheral situation and may result in further disadvantages in the competition of getting access to investments and foreign direct capital.
- The erosion of the population and impoverishment may become irreversible in the seriously underdeveloped settlements and regions due to the slow decentralisation of the regional development funds (lack of available external and governmental development funds), the intensifying financial difficulties of the self-governments and the non-feasibility of the principle of additionality.
- The local and regional self-governments lacking capital and resources do not have the necessary self-power for the tenders.
- In the absence of a full-scale training and educational supply the enterprises providing higher income level do not settle down in the region.
- The EU integration of the euregion did not come to a success due to the lack of high-level foreign language competencies.

### **2.1.2. Overs:**

- willingness to co-operate
- transfer role
- beautiful natural landscape
- arable land
- nature conservation areas
- work culture
- demand for training
- social sensitivity
- youth intending to continue studying
- educational and training experiences



*The enhancement of surpluses increases the chances of the attempts for breaking out, including the following*

- Through the further intensification of the willingness to co-operate the lobby activities may improve in the euroregion.
- The strengthening of the transfer role may contribute to the intensification of the participation of the Carpathian Euroregion in the EU and in the cross-border co-operations.
- The spread of the sustainable development approach may increase the inclination of the settlements and settlement associations to execute joint environment-friendly infrastructural investments.
- The settlement of proprietorships, the transformation of the supports to agriculture and the strengthening of vertical integration may significantly contribute to the profitability of the food economy.
- The intensified protection of the sensitive nature conservation areas may add to the ecological potentials of the Carpathian Euroregion.
- The implementation of estate re-allocation, the authoritative registration of landuse and the target oriented support system would make possible the development of a radical arable land use, environment-friendly farming, re plotting, afforestation, wild-life management, fishery, etc. and would help the development of the EU-conform structure of the agriculture.
- The positive changes in the macroeconomic conditions may increase the willingness of the producers to co-operate (establishment and operation of engineering, product-centred co-operatives, secondary co-operatives and co-operative associations), and may significantly improve their market positions as well.
- The process of the EU-accession in the countries concerned, the accomplishment of regional policy, the EU and national funds for regional development and within it the development of infrastructure may considerably decrease the acute lack of capitals in the backward regions.
- As a consequence of the EU-accession of Hungary, Poland and Slovakia, the expected intensification of the Ukrainian and Romanian relations may contribute to the upgrading of the geographic location of the region, and thus this region may also become attractive for the foreign capital and tourism with the better utilisation of the comparative advantages and strengthening of international co-operations. Thus, the euregion must prepare for the transfer role.
- The educational level and susceptibility to innovations of the inhabitants may increase as a consequence of satisfying the needs for training.
- The local satisfaction of the educational and training needs on the local level may result in the staying of more young people who intend to participate in higher education.

### 3. SWOT ANALYSIS OF THE CARPATHIAN EUROREGION

The factors promoting and inhibiting progress had been examined, that is, the strengths and weaknesses as well as the opportunities and threats had been surveyed on the area of the Carpathian Euroregion which allowed the authors to prepare the SWOT analysis for the Carpathian Euroregion.

Following **the methodology of the SWOT analysis**, first an attempt is made to reveal those most important **factors** that determined the development of the region in the short and medium term. At the same time, the **strengths** and **weaknesses** of the social-economic-regional processes taking place in the region are evaluated then the opportunities and threats set by the external factors are discussed.

Although, smaller and bigger differences may be observed between the settlements of the Carpathian Euroregion with regard to certain factors but the **unity of the analysis** still has to be determined for the entire Carpathian Euroregion because the majority of the discussed factors characterise the entire area in general in spite of the inner differences. Therefore, the discussion of the separate countries and member counties are avoided – though the essential differences **within the euroregion** had been often supported by the findings.

For the above reasons, the consideration of the **strengths** differs from the practice of regional development inevitably because the positive characteristics and endowments of the region are relatively small in number and moderate in nature. Therefore, those **positive phenomena** and changes were also included and emphasised in this category which not yet characterise the region but whose presence may be exemplary and might constitute models for the potential transformation. The situational analysis of the regional development demonstrated that the regions of the Carpathian Euroregion **were forced to undertake a defensive strategy** after the change of regime.

In the future — at least in the mid-term — there is not much chance for the **realisation of the offensive strategy** because it would require **considerable development funds**.

**The strategic positions of the region strongly refer to the over-weight of traditional agriculture.** No essential development may be imagined in the region **without changing it.** **The changes mean the use and restructuring of the available resources.** **The transformation and diversification of the traditional production cultures and the distinguished development of human resources may mitigate the existing disadvantages.**

The economic structural adjustment, **the appearance of local products and the strengthening of tourism may provide such breaking-out opportunities that are supported at the present as well.** **At the same time,** in the absence of the rearrangement of the present situation, **the devaluation of the euroregion, the narrowing of the markets and the deterioration of the human and natural resources may further increase.**

The general (combined) SWOT analysis **is intended to give an answer to the question whether it is the transformation-oriented or the diversification-oriented strategy that is desirable (and foreseeably realisable) for the Carpathian Euroregion from among the strategic ways.**

The aim of the **SWOT analysis** is to collect the **inner positive** social-economic and physical endowments and **negative** phenomena of the Carpathian Euroregion. It also reveals the **inner determinants** and calls attention to the **external determining impacts.** The aim of the raising of attention is to **strengthen and utilise the positive factors**, and to mitigate – even defend – or cease the **negative** endowments and impacts.

Thus, the SWOT analysis substantiates the **strategic decisions** and may result in the formation of a **realistic vision for the future**. Accordingly, the categories of the general regional development SWOT are the following:

**Regional development strengths**  
(Positive inner determinants)

**Regional development weaknesses**  
(Negative inner determinants)

**Regional development opportunities**  
(Positive external determinants)

**Regional development threats**  
(Negative external determinants)

### 3.1. Regional development strengths

(inner and positive endowments and circumstances)

- 3.1.1. Favourable natural endowments: fertile soil, fresh air, clean environment.*
- 3.1.2. Variegated ecological conditions which are on the whole favourable for agricultural production, considerable nature conservation areas.*
- 3.1.3. Location along the regional spatial structural axis, regional airports.*
- 3.1.4. Good touristic endowments for thermal, hunting and cultural tourism.*
- 3.1.5. A considerable number of cheap relatively well qualified labour force.*
- 3.1.6. Developed secondary and tertiary education.*
- 3.1.7. Developed communal life, developing civil sphere, juvenile age structure.*
- 3.1.8. Traditions worth to be kept, high-standard cultural programmes.*
- 3.1.9. Favourable entrepreneurial behaviour, willingness to introduce innovations.*
- 3.1.10. Strong relationships between the member regions, good co-operation attitude, endeavouring at partnership.*
- 3.1.11. Built-out technical infrastructure.*
- 3.1.12. Good supply with higher education institutions, functioning university network.*
- 3.1.13. Varied natural and social endowments promoting diversified agricultural production.*
- 3.1.14. The majority of the means of production are in private property which is actually an important precondition for effective production.*
- 3.1.15. Developed (agricultural) business services, high quality agriculture at some places, existing food industrial vertical relations.*
- 3.1.16. Restructured and internationally competitive large-scale industrial works.*
- 3.1.17. Considerable production potential in the field of food economy, significant volumes of agricultural primary production (grain crops, corn, sugar-beet, potato, poultry, pig, sheep).*
- 3.1.18. Traditional food industry, unique specialties.*
- 3.1.19. Presence of professional centres and integration production with national importance.*
- 3.1.20. Ambitions at the recognition and application of the operational mechanisms of market economy.*
- 3.1.21. Growing interest towards the opportunities offered by the European Union, the proximity of the eastern markets is advantageous.*
- 3.1.22. The euroregion is a potential EU Objective area (nature conservation, environmental protection, rural development, ethnic groups in backward situation, educational infrastructure to be developed).*
- 3.1.23. The interregional organisation gains more and more acknowledgement and functions more and more successfully.*

## 3.2. Regional development weaknesses

(inner and negative endowments and circumstances)

- 3.2.1. Semi-peripheral situation within the national spatial structures, weak accessibility, poor internal revelation.*
- 3.2.2. Considerable excess water and drought endangering agricultural production and erosion endangerment.*
- 3.2.3. Appearance of unfavourable demographic processes, decreases in the number of inhabitants.*
- 3.2.4. Unemployment rate high above the national averages.*
- 3.2.5. Unfavourable employment structure low income producing ability of the rural population.*
- 3.2.6. Border crossings with low impermeability and irregular functioning.*
- 3.2.7. High number of forced entrepreneurs, low willingness to co-operate on the private level.*
- 3.2.8. Low income level and low level of consumption.*
- 3.2.9. Low concentration of capital, acute scarcity of capital, weak lobby activity.*
- 3.2.10. Low exploitation of the possibilities offered by transit circulation, bad quality of road networks, weak accessibility.*
- 3.2.11. Underdevelopment of tourism, small number of experts and professionals speaking foreign languages.*
- 3.2.12. Low-standard services.*
- 3.2.13. Mainly unsolved sewage and solid waste treatment, vulnerable natural environment.*
- 3.2.14. Lack of market information system, isolated producing-processing-trading interests.*
- 3.2.15. No laboratory background for quality security.*
- 3.2.16. The structure of production often does not take into consideration the ecological endowments.*
- 3.2.17. The quality-centred attitude fulfilling the requirements of the era and the expectation of the market is not properly acknowledged yet.*
- 3.2.18. The average size of family farms is non-viable in the long run, partitioned land properties are frequent.*
- 3.2.19. Amortised and technically obsolete stock of agricultural capital goods, rapidly deteriorating economic infrastructure.*
- 3.2.20. Worn-out self-supporting local development resources.*
- 3.2.21. Lack of financial resources for the necessary public expenditures.*
- 3.2.22. Considerable distance from the national and Western European economic centres.*
- 3.2.23. Lack of north-south transport connections.*

### 3.3. Regional development opportunities

(external and positive endowments and circumstances)

- 3.3.1. *Creation of a common marketing policy for the euregion, acceleration of image building, the organisation of market activities and sales security may improve.*
- 3.3.2. *Strengthening of external (domestic and foreign) relations, the chances of successful tendering for external funds may increase.*
- 3.3.3. *Harmonised development of infrastructure (sewage, solid waste storage, construction of cycle-paths).*
- 3.3.4. *Concerted development of human resources, raising of the educational-professional level.*
- 3.3.5. *Improvement of accessibility, development of the networks of public roads (motorway) and railway.*
- 3.3.6. *Better exploitation of the opportunities offered by the transit position, establishment of logistic centres.*
- 3.3.7. *Development of tourist information service.*
- 3.3.8. *Further development of communal services, strengthening of the self-governance and civil sphere.*
- 3.3.9. *Development of the regional flow of information, undertaking of gateway roles.*
- 3.3.10. *Raising of the standard of social security.*
- 3.3.11. *Integrated agriculture, successful market research, realisation of structural adjustment.*
- 3.3.12. *Domestication of intensive agricultural methods, creation of competitive agricultural production, dynamisation of food economy.*
- 3.3.13. *Development of afforestation-plot management.*
- 3.3.14. *More effective (environmental, touristic) utilisation of natural waters and the water world of the mountainous areas.*
- 3.3.15. *Introduction of new industrial branches, acquisition of domestic and foreign working capital, more rapid technical development.*
- 3.3.16. *Agricultural innovation activities may prosper.*
- 3.3.17. *Land property concentration may start, family economies become stabilised, and the joint agricultural enterprises strengthen.*
- 3.3.18. *The opportunities for the involvement of external (EU) sources increase, the infrastructure of education may advance and the international supports may grow.*
- 3.3.19. *The rural (built-in and natural) domicile environment may improve in appearance, rural life may become attractive.*
- 3.3.20. *The area of the Carpathian Euroregion – with proper developments – shall become a significant tourist region.*
- 3.3.21. *The positive attitude of the inhabitants towards co-operation and innovation.*
- 3.3.22. *The oncoming EU accession of the member countries.*
- 3.3.23. *Huge nearby markets.*

### 3.4. Regional development threats

(external and negative endowments and circumstances)

- 3.4.1. The falling behind of the Carpathian Euroregion from the centre regions of the member countries intensifies, the peripheral situation increases, marginalisation, segregation, the possibilities of the self-governments in the member regions are becoming limited.*
- 3.4.2. Intensification of isolation due to the deterioration of accessibility.*
- 3.4.3. The specific indicators of the economic capacities on the area of the Carpathian Euroregion are becoming lower and lower, the structure of production does not adapt itself to the ecological endowments and to the demands of the market.*
- 3.4.4. Some of the involuntary entrepreneurs go broke and the unemployment continues to increase, the internal market does not expand.*
- 3.4.5. The out-migration of the highly qualified layers accelerates, the decreasing and pauperisation of the number of population continues, the uncertainty of existence intensifies.*
- 3.4.6. Continuation of ageing of population.*
- 3.4.7. The ratio of marginal layers increases, criminality spreads.*
- 3.4.8. The capital inflow becomes moderate, the lack of capital determines the development of competitiveness, and the competition between the regions sharpens.*
- 3.4.9. The deterioration of the state of the public roads and the further loss of the role of railways continue.*
- 3.4.10. The modernisation of the network of long-distance roads on the area of the Carpathian Euroregion is cancelled.*
- 3.4.11. The pollution of the waters increases, droughts and floods continue to be threats.*
- 3.4.12. The acknowledgement of the Carpathian Euroregion remains unfavourable and no significant foreign capital arrives to the region.*
- 3.4.13. No success in accessing external funds, the technological innovations do not spread at the required pace.*
- 3.4.14. The local producers shall be ousted from the domestic markets unless their competitiveness improves at a proper pace.*
- 3.4.15. The advantages offered by the professional, scientific and integration centres are not exploited, the function of being an international bridge shall be lost.*
- 3.4.16. Vertical integration shall not develop, the lack of organisation in purchase and sales sustains.*
- 3.4.17. The aspects of nature conservation and environmental protection are not enforced.*
- 3.4.18. The member counties are at different stages of the integration process.*
- 3.4.19. Political, social and economic asymmetries.*
- 3.4.20. Minority problems and political tensions.*
- 3.4.21. A new type of "Iron Curtain" is formed between Eastern and Western Europe.*

## 4. VISIONS OF FUTURE, PERSPECTIVES, MISSION

The socio-economic rise of the Carpathian Euroregion and its closing up to the European standards (which may never mean being levelled) in the first place needs such a **common strategic policy** which would start the socio-economic prosperity here as well with creating rational short-term and long-term development concepts and the building out (national, local and EU) systems of regional preferences supporting the region.

Concerning the current “road-junction” in the regional development of the regional self-governments belonging to the Carpathian Euroregion – in the function of the national regional policy and its guaranteed financial background – there are three ways. Consequently three development scenarios may be prepared:

- **Pessimist scenario:** it is of high probability that the socio-economic crisis in the Carpathian Euroregion will last for a longer period, the existing **core-periphery relations** become rigid and the socio-economic backwardness of the region sustains and becomes permanent in the long run (Scenario of lagging behind).
- **Realistic scenario:** the copying of the Western European models and the foreign capital inflow continue which enable a more significant expansion of innovations, the formation of real growing centres, the better exploitation of inner sources, the successful image-building and the elaboration of euroregional regional development programmes. The diffusion of development – even according to benevolent opinions – will be relatively slow and in fact it scarcely reaches the region in the next decade (except for some bigger towns). Accordingly, a **polarised development** will start with the further growth of the weight of some bigger towns with hardly diminishing regional disparities (Scenario of becoming mosaic-like).
- **Optimist scenario:** the chances for the realisation of this scenario are relatively small. It requires the weakening of the dividing role of national borders, a **very close socio-economic co-operation** between the regions on the two sides of the borders and a very rapid and full-scale prosperity of the Carpathian Euroregion. Its elements include the strengthening of the knowledge-based industry and food economy, upgrading of the roles of the transport and co-operation axis, balanced regional development, evolution of international integration tendencies resulting from a supposed rapid economic growth, achievement of considerable closing-up relying on regional solidarity and above all sustainable development in all areas (Scenario of balanced development).

On the basis of our researches providing proper grounds for regional and settlement development it was concluded that the probability of the “**scenario of mosaic-like development**” increased in the regions belonging to the Carpathian Euroregion as a result of the developments happening in the past years. Thus, this seems to be the realistic scenario. Some bigger towns (especially Debrecen, Kosiče, Prešov, Rzeszów, Lvov, Nyíregyháza, Baia Mare, Uzhgorod, etc.) can show almost spectacular results already. Nevertheless, the hope for realising the “optimist” scenario is still weak. This may be perhaps envisaged after the successful EU accession of the member countries.

On the basis of reviewing the co-operation of the **past eleven years** one cannot claim that the co-operation within the euroregion was absolutely unsuccessful. Apart from the stalling nature of the economic co-operation there are serious results in many areas. The personal relations within the region strengthened which mitigated the suspicions traditionally characterising the region, dissolved the prejudices and at the same time various forms of cultural, educational, art etc. co-operations were established and joint fairs and art exhibitions were organised. The Interregional Association has several tangible fruits so far in the fields of



cultural, interethnic and self-governmental co-operations. The process of establishing co-operations between the partner institutions – chambers, universities etc. – started.

The authors are convinced that in the future the CBC relations – and within these the euregions – will have an important role in the promotion of the EU integration of the East Central European countries. Therefore, such political and regional development objectives have to be set forth for the Carpathian Euroregion which promote integration and the successful socio-economic rise.

The Carpathian Euroregion has an **acknowledged mission** from almost the very beginning of its establishment: *“The improvement of the living standards of the inhabitants, maintenance of peace, creation of good neighbourly relations between the people living along the national borders, the diminishment of the dividing role of borders and the assurance of the permeability of borders”*. These missionary goals will be very important directives in the future as well but we think that the mission of the Carpathian Euroregion Interregional Association – keeping the above stated general objectives of Europe – needs to be complemented. The reason for this is partly the general peripheral situation of the member regions of the euregion within their own countries and partly that peculiar geopolitical situation that predestines the co-operation to be a bridge between the western and eastern parts of Europe. Therefore, the **mission** of the Carpathian Euroregion **should be complemented with the following**: *„promotion of the closing-up of the regions of the Carpathian Euroregion to the more developed regions of the participating countries and qualifying the euroregion to fulfil an international bridge role”*.

## **4.1. Proposed developments for the Carpathian Euroregion Interregional Association**

### **4.1.1. Organisational reforms**

- Promotion of integration through legal harmonisation,
- transformation of the Carpathian Euroregion into a legal entity so that it will have direct access to resources,
- establishment of a permanent management centre on the area of Hungary and/or Poland, Slovakia after the EU accession (supported by INTERREG),
- more intensive call of the attention of governmental organisations, perhaps access to governmental supports,
- diminishment of problems caused by the large territorial expansion, activation of the passive members,
- looking out for bottom-up initiatives, their collection and implementation,
- creation of a professional management which is able to elaborate projects,
- realisation of the monitoring of developments, elaboration of evaluation systems,
- strengthening of the coherence within the Carpathian Euroregion, formation of regional consciousness,
- intensification of the capacities of the working committees,
- establishment of regional information centres, increasing the awareness of the Carpathian Euroregion, intensification of PR activities,

- more efficient co-operation with the Carpathian Foundation,
- preparation of the calendar of events annually for the Carpathian Euroregion and the publication of the euroregional newsletter in five languages.

#### **4.1.2. Intensification of cross-border co-operations (CBC) on the regional and settlement levels**

- Revision of the regional development concept of the Carpathian Euroregion, adoption of the new development priorities,
- preparation of the operative programming and the sectoral strategies,
- security of financial resources for the public expenditures serving the needs of co-operation on the regional and self-governmental levels,
- endeavouring at hampering the creation of a new “Iron Curtain” (or Belgian Curtain) cutting the area of the Carpathian Euroregion into two after the setting up of the Schengen borders,
- impeachment of the further peripheralisation, improvement of the competitiveness of the border regions,
- further development of twin-settlement relations,
- increasing the number of sport and cultural programmes contributing to the preservation of traditions.

#### **4.1.3. Proposals for economic development**

- Establishment of innovation-oriented industrial parks and development of the related services,
- creation of logistical centres along the borders and development of the related services,
- foundation of joint technological incubator houses and innovation centres and development of the related services,
- formation of joint regional innovation transfer centres on the area of the Carpathian Euroregion and development of the related services,
- introduction of sub-programmes promoting the creation of regional clusters,
- assurance of the operation of a cluster management and the support of the related services,
- preparation of joint euroregional CBC economic development model programmes,
- operation of organisations responsible for the implementation of joint euroregional economic development model programmes,
- exchange of experiences related to the model programmes between the partner regions (partner microregions, partner settlements),
- revelation of a possible market and competitive common products,
- promotion of the access of the less known but competitive products into the markets,
- joint exploration and representation on the nearby Eastern European markets,
- exploitation of the opportunities offered by the strengthening transfer role after the introduction of the Schengen border,
- joint research for the possible solutions concerning mass unemployment,

- promotion of the development of the backward economic structure through joint programmes,
- compilation of a new statistical publication, activation of the working committee on statistics,
- continuous renewal of the databases on firms (establishment of still closer links with the economic chambers),
- continuation of the publication of investment opportunities, restart of the multilingual newsletter,
- organisation of conferences for entrepreneurs, businessmen meetings (organisation of thematic meetings for investing target groups),
- organisation of more exhibitions and fairs, joint representation at international professional fairs,
- strengthening of legal security, creation of a joint risk fund,
- operation of cross-border production lines, chains, industrial clusters,
- operation of a joint business service background (joint marketing and publicity activity),
- joint tourist marketing, development of cross-border co-operations in tourism.

#### **4.1.4. Development of infrastructure**

- Modernisation of the border crossings to fulfil the requirements of the Schengen norms, opening of new border stations,
- creation of regional electronic “gates” (portals) along the borders,
- support of the development of regional electronic model markets,
- joint development of secondary and higher education in accordance with the juvenile age structure,
- realisation of the attractive cultural and natural environment with the help of joint tourist marketing,
- joint development of the international service at the existing airports,
- improvement of the bad transportation facilities,
- improvement of accessibility (development of border crossings, construction of motorways, modernisation of railway),
- acquisition of EU supports for the construction of the TINA road in the north-south direction (Baltic Sea – Black Sea), the M3 motorway, V. Corridor and M49 speedway,
- achievement of quicker information flow, connection of the information-communication infrastructures,
- continuous refreshment and enlargement of the website of the Carpathian Euroregion, increasing of the number of available links,
- joint media representation in the regional radios and television networks.

#### **4.1.5. Strengthening of social-cultural scientific co-operations**

- Joint exploitation of the considerable human resources and joint representation at the external markets,
- further strengthening of the existing co-operations between the universities and colleges (creation of a secure fund for the operation of the Association of Carpathian Region Universities),
- intensification of the co-operation between the research institutions in the region,
- creation of R&D funds, joint utilisation of the R&D results,
- exploitation of the positive attitude of the population concerning co-operations and innovations,
- promotion of the social modernisation process with the help of organising conferences, workshops and meetings,
- joint strengthening of the self-governance and civil organisations since they play fundamental roles in the deepening of the co-operation,
- joint representation against the burdensome historic heritage,
- joint intervention in the fields of marginalisation and segregation,
- promotion of the integration of the Roma population,
- undertaking of the solution of minority problems,
- joint actions against the intensified prejudices,
- acquisition with the cultures of the nations and ethnic groups living in the region, development of interethnic relations.

#### **4.1.6. Intensification of co-operation in the fields of nature conservation and environmental protection**

- Consideration and joint protection of the substantial common natural resources,
- protection of the vulnerable natural environment with help from abroad, obtainment of supports,
- joint conservation of the catchment area of the River Tisza, further development of the “Living Tisza” programme, acquisition of EU funds,
- further development of the “Green Carpathians” programme, acquisition of EU funds,
- linking up of the nature conservation areas and green corridors, diminishment of the dividing functions of state borders,
- building out of a monitoring system for nature conservation and environmental protection, creation of a common database,
- harmonisation of the joint water storage networks and flood protection systems, raising the level of operation for the forecast system,
- joint development of the ecotourist potentials,
- joint treatment of waste management in the border regions.

## 5. REGIONAL DEVELOPMENT STRATEGIC PROGRAMME OF THE CARPATHIAN EUROREGION INTERREGIONAL ASSOCIATION

Before preparing the **strategic programme**, the basis formed by the natural endowments, economic capacities and existing human resources in the Carpathian Euroregion had to be defined and had to determine the ways which lead to **reasonably accessible objectives**. Accordingly, the best **had to be chosen** from among the following available strategic possibilities:

- **programmes supporting an offensive strategy,**
- **programmes supporting a diversified strategy,**
- **programmes supporting a transformation-oriented strategy,**
- **and programmes supporting a defensive strategy.**

The post-Fordist economies (in all of the developed market economies) follow the **transformation-oriented** strategy. For instance, in the EU it is represented by the **Structural Funds**. However, in the basically agriculture based euroregion whose development stopped in the industrialisation period (although changing from agriculture necessitates “transformation” as well) it is proposed to use the **diversified strategy**. This demands the re-interpretation of the natural, economic and human resources and requires the introduction of a **new type of regional development paradigm**.

The most important objective of the regional development concept of the **Carpathian Euroregion** is to improve the living standards of its inhabitants. This may be achieved through the sustainable development of the economic basis and the conservation of the natural and cultural resources and endowments. The promotion of the adoption, acquisition and local adaptation of the Community Achievements and the Common Agricultural Policy of the European Union may be set as a general objective. The **principles and priorities of the diversified regional development strategic programmes** are set forth in accordance with the above during the course of the present programme proposal.

The regional and local development strategic programme of the Carpathian Euroregion had been prepared to be compatible with the development procedures **accepted in the EU**. The outlined programmes contain such project proposals that are suitable to be supported by the **European Regional Development Fund**, the **European Social Fund** and especially by the **Community Initiatives**. Within these the **INTERREG**, the **EQUAL** (aiming at the elimination of discrimination and disparities) and the **LEADER+** (concentrating on the development of the backward rural regions) are the most important. Thus the proposed projects are destined to be successful when applying for the above EU funds. This may be primarily achieved with the creation of a strategic programme supporting a **diversified** strategy.

**Sustainable** development, above all, requires a high level of assurance of human resources. Human resources may be envisaged only if a proper political and educational **framework** is available. For the sake of this, the present **self-governmental** and **economic management** organisations on the area of the Carpathian Euroregion have to be made appropriate for the new challenges.

The intensification of the activities of the self-governments and of the reflation-oriented organisations and the **establishment of new organisations** are necessary. There is a need for the strengthening of the regional cross-border collaborations and for the intensification of lobby activities. A programme and project management besides an EU compatible monitoring have to be created to meet the requirements of the EU norms.

**The general requirements** include the strengthening of the national and international relations of the euroregion, the improvement of accessibility and an environmentalist (environmental conscious) development of the infrastructure. As part of the latter it is necessary to have an integrated development of a modern **telecommunication** network. Of course, as the basis of the development of human resources, it is essential to operate a highly qualified international education-training-retraining network to promote the prosperity of the euroregion.

## **5.1. Principles and priorities of the Strategic Programme**

### **5.1.1. Strategic principles**

The strategic aims may be achieved only with the consideration of the following **strategic principles**:

1. *Close partner relations – regional co-operations between the member regions, creation of a close regional collaboration.*

**(partnership)**

2. *Joint acquisition and coordinated use of external funds for the development of infrastructure and the improvement of the economy and the labour market situation.*

**(additionality)**

3. *Connecting points between the projects on the development of human resources and on the labour market, elaboration of cross-border operative settlement and regional development programmes.*

**(programming)**

4. *Adjustment to the EU programmes, assurance of the role of the euroregion to enforce its interests.*

**(subsidiarity)**

5. *Guarantee of the sustainability of the results of the developments, intensification of the local opportunities of economic development, education-training and employment.*

**(sustainability)**

### 5.1.2. Priorities

Our strategic objectives — *in our opinion* — may be achieved by the adoption of priorities based defined by the endowments.

**The regional development strategic programme of the Carpathian Euroregion serves the implementation of the development objectives through the enforcement of the following priorities:**

- Raising of the level of education within the Carpathian Euroregion;
- Increasing of the efficiency and competitiveness of economy, services and infrastructure within the Carpathian Euroregion and intensification of the employment and income raising roles of these sectors (industrial parks-entrepreneurial zones);
- Diversification of economic activities so that to increase the possibilities of income earning and the opportunities of employment, achievement of multi-functionality in the rural regions;
- Conservation of the environmental and natural values, creation of new working places in the fields of environmental protection and nature conservation;
- Preservation and rehabilitation of the cultural and built-up heritage, strengthening and development of the cultural traditions related to the landscape, intensification of protection of rural monuments;
- Development of human resources, support of local initiatives, raising of the standard of education and an extensive consideration of the demands of economic development in the course of the planning-development of education-training.

## 5.2. Strategic objectives of the regional development on the area of the Carpathian Euroregion Interregional Association

The strategic objectives set forth the outlining of such a **vision for the future** which includes the following:

- ❖ An income producing and efficient agriculture is created;
- ❖ It becomes possible to develop the industry of the euregion;
- ❖ High quality tourism comes to existence in the euroregion;
- ❖ It becomes possible to raise the standards of services and trade;
- ❖ The sustainability of human resources is realised;
- ❖ The level of education is raised;
- ❖ The competitive economy creates a favourable labour market situation;
- ❖ The unemployment rate decreases;
- ❖ The majority of the population will be able to reach a higher income level.

### 5.2.1. General conditions for the strategic objectives

The successful achievement of the above set strategic objectives may be only accomplished among the essential **basic conditions**. The most important of these are:

- Activation, development and acquisition of the present (regional and local) self-governmental and reflation-oriented organisations on the area of the Carpathian Euroregion, conformity with the new challenges
- Creation of euroregional co-operation, intensification of the lobby activity
- Programme and project management fulfilling the requirements of the EU norms, development of an EU compatible monitoring system
- Institutionalisation of the organisation of regional and rural development trainings
- Establishment of entrepreneurial zones
- Strengthening of the international relations of the Carpathian Euroregion
- Improvement of accessibility on the area of the Carpathian Euroregion
- Integrated development of modern telecommunication networks
- Environment-friendly (environment-conscious) development of the infrastructure
- High level operation of the educational-training network



### 5.3. The Structure and Parts of the Regional Development Strategy

In our opinion several development aims have to be adopted for the fulfilment of the socio-economic development mission of the Carpathian Euroregion. The priorities and the regional development objectives may be classified into eight development target groups or strategic programme packages. These are the following:

<i>Objective 1:</i>	Promotion of the euro-atlantic integration of the Ukraine;
<i>Objective 2:</i>	Harmonized development of the human resources;
<i>Objective 3:</i>	Improvement of the accessibility, development of the transportation links on the area of the Carpathian Euroregion and easing of the isolated transport-geographical situation (EU corridors, motorways, motor roads, regional airports);
<i>Objective 4:</i>	Creation of a competitive economic structure within the euroregion;
<i>Objective 5:</i>	Improvements in the fields of environmental protection and nature conservation;
<i>Objective 6:</i>	Complex development of tourism on the area of the Carpathian Euroregion;
<i>Objective 7:</i>	Development of health care, social and cultural environment;
<i>Objective 8:</i>	Further strengthening of the external relations and preparation for the adoption of the European Union supports.

In our opinion these development objectives span the main regional development tasks of the Carpathian Euroregion and are EU conform in a sense that they correspond to the objectives of the regional development policy of the European Union.

For the execution of the mission and priorities in the regional development of the Carpathian Euroregion the objectives have to be broken down into regional development programmes and then these adopted programmes have to be elaborated and made operational in details since the European regional development basically happens in the form of programme financing.

### 5.3.1. Objective 1: Promotion of the euro-atlantic integration of the Ukraine

The first objective results from the geostrategical situation of the Carpathian Euroregion, as helping on the euro-atlantic integration of the Ukraine will be the most important geopolitical task of the Euroregion in the following years. One of the most important target areas by the external border within the **European Regional Cooperation** is situated in the Carpathian Euroregion. The **Hungarian-Slovakian-Romanian-Ukrainian Programme of Cross-border Cooperation** is directed towards it, thus our goals in this development objective correspond to the objectives of the **European Neighbourhood and Partnership Instrument (ENPI)**. These are the promotion of the economic and social development, the joint solving of the common challenges, the effective and safe border protection and, finally, the improvement of people-to-people cooperations. It includes the following strategic programmes:

- 5.3.1.1. Economic and social development (improvement of business cooperations, cross-border tourism, development of rural areas, cooperations in the field of energetics, cross-border improvement of human resources)*
- 5.3.1.2. Common challenges (environmental protection, joint management of the natural resources, cross-border water management, recycling of waste materials, catastrophe protection, common health care development, struggling with the illegal immigration, smuggling people and organized crime)*
- 5.3.1.3. Effective and safe borders (improvement of the border protection and customs actions, easing the difficulties in the people's freedom of movement, development of the cross-border transportation infrastructure, improvement and standardization of the infrastructure of border crossing points)*
- 5.3.1.4. People-to-people cooperations (the support of the civilian society, local communities and self-governments, improvement of the network of the local communities, scientific, educational, cultural and social cooperations, exchange programmes, collaboration in the field of mass media)*

### 5.3.2. Objective 2: Harmonised development of human resources

**The second development objective** urges the harmonised development of *human resources*. This involves the intensification of the population keeping ability of the settlements, the improvement of the chances of subsistence, the harmonisation of the primary and secondary education with the demands of the labour market and with the needs of the economy, and the “harmonisation” of the higher education and R&D activities of the Carpathian Euroregion with the economy of the region. The elaboration of an active employment policy concept, the reformation of the retraining and extension training systems and the development of the system of trainings for entrepreneurs are also important tasks. It is necessary to organise joint self-governmental trainings on the area of the Carpathian Euroregion on the European norms. Besides, the reaching of the required employment level and its stabilisation on a high level are necessary. The raising of the educational-training standard and the assurance of the conditions for life-long learning also constitute significant parts of this objective.

Applicable **strategic programmes**:

*5.3.2.1. Intensification of the population keeping capacity of the settlements, improvement of the chances of subsistence;*

*5.3.2.2. Harmonisation of the primary and secondary education with the demand of the labour market and with the needs of the economy;*

*5.3.2.3. Strengthening of the co-operation between higher education and R&D activities of the Carpathian Euroregion and the economic relations of the region;*

*5.3.2.4. Elaboration of an active employment policy concept, creation of the retraining and extension training systems in accordance with the employment needs and development of the system of training for entrepreneurs;*

*5.3.2.5. Organisation of joint trainings for self-governments on the area of the euroregion with the consideration of the European norms and experiences;*

*5.3.2.6. Assurance of a wide-scale of working places through the diversified development of the economy and services;*

*5.3.2.7. More intensive support for the job creating investments;*

*5.3.2.8. Integration of individuals and social groups in a backward situation into the world of work;*

*5.3.2.9. Creation of human and technological background for telework;*

*5.3.2.10. Establishment of the educational basis for “life-long learning”, evening and irregular courses have to be placed onto new grounds.*

### **5.3.3. Objective 3: Improvement of the accessibility, development of the transportation links in the area of the Carpathian Euroregion and easing of the isolated transport-geopolitical situation (EU corridors, motorways, motor roads, regional airports)**

**The third development objective** focuses on the *development of the transportation links* on the area of the Carpathian Euroregion and on the easing of the isolated transport geographical situation. For the achievement of these, it is essential to modernise the existing border stations and to open new ones, to develop the main traffic roads, to construct motorways and speedways, to develop the railway network of the region, to create regional airports, to activate the regional impacts of air transport and to modernise the backward subordinate road networks all over the Euroregion. Electronic information flow has to be introduced on all areas of life: in the self-governmental work, education, economy and civil life as well.

Applicable **strategic programmes**:

*5.3.3.1. Improvement of accessibility;*

*5.3.3.2. Development of existing border stations and opening of new ones, elimination of factors impeding cross-border co-operations;*

*5.3.3.3. Development of the main traffic roads, construction of motorways and speedways;*

*5.3.3.4. Development of the railway network in the region;*

*5.3.3.5. Construction of regional airports, activation of the positive regional impacts of air transportation;*

*5.3.3.6. Modernisation of the backward subordinate road networks all over the Euroregion;*

*5.3.3.7. Full-scale implementation of the electronic information flow (“e-transportation”).*

#### **5.3.4. Objektiv 4: Creation of a competitive economic structure within the Euroregion**

**The fourth development objective** is to create a *competitive economic structure* in the Euroregion. For the accomplishment of this, it is essential to promote and accelerate the economic structural adjustment, to exploit the natural resources more efficiently, to spread the technological-technical innovations and to develop the related infrastructure, to develop and intensify the functioning of enterprises, to improve the operational conditions of ventures, to extend food economy with special attention to landuse, to improve the marketing activities, to develop the financial and business services, to encourage investments and to develop the economic and trade relations within the Carpathian Euroregion. It is necessary to have available human resources for the intensification of the economy and for the encouragement of investments. The strengthening of the effectiveness and competitiveness of production, the improvement of the quality of the products and the intensification of the export capacities may also be added here.

Applicable **strategic programmes**:

- 5.3.4.1. Promotion and acceleration of economic structural adjustment, more effective exploitation of natural resources;*
- 5.3.4.2. Development of scientific researches for the sake of a sustainable economy, strengthening of the existing scientific basis;*
- 5.3.4.3. Spreading of technological-technical innovations and development of the related infrastructure;*
- 5.3.4.4. Improvement of the conditions for the operation, development and intensification of enterprises;*
- 5.3.4.5. Creation of an economic system fitting the local natural endowments, development of a production line and landuse structure corresponding with the endowments of the landscape;*
- 5.3.4.6. Development of an integrated food economy with special attention to landscape management, application of alternative agricultural production forms (afforestation, creation of a new product structure) development of the agricultural infrastructure, production of renewing energy sources, such as bio-diesel, bio-briquette;*
- 5.3.4.7. Promotion of intensive production for the intensification of the supporting capacity, increasing of the added values, support of the local special products (agriculture, wood-working, handicraft);*
- 5.3.4.8. Intensification of export capacities and improvement of marketing activities;*
- 5.3.4.9. Development of financial-business services, encouragement of investments;*
- 5.3.4.10. Intensification of economic-trade relations in the Carpathian Euroregion.*

### **5.3.5. Objective 5: Improvement in the fields of environmental protection and nature conservation**

**The fifth development objective** summarises the most urgent tasks for *environmental protection and nature conservation*. Within this, special emphasis should be laid on the communal developments (sewage network, waste management) and on the support of agricultural programmes with care for the environment. This shall include the following: conservation of National Parks, Nature Conservation Areas and other protected values, protection of habitats, creation of green corridors, elaboration of environmental sub-programmes on the levels of counties and microregions, spread of an ecological approach and development of environment-friendly farming. The most concrete programme would be the extended development of the programmes of the Carpathian Euroregion concerning nature conservation and environmental protection (Living Tisza, Green Carpathians). In addition to the above, the preservation of natural resources and the diminishment of environmental loading are also of high importance.

Applicable **strategic programmes**:

- 5.3.5.1. Conservation of National Parks, nature conservation areas and other protected values, protection of habitats, creation of green corridors;*
- 5.3.5.2. Extensive transformation of the economies and landuse structures of the nature conservation areas and their buffer zones;*
- 5.3.5.3. Protection and conservation of natural waters and waterbases;*
- 5.3.5.4. Spread of an ecological approach and development of an environment-friendly economy, introduction of environment-friendly methods and technologies;*
- 5.3.5.5. Establishment and spreading of bio-farming;*
- 5.3.5.6. Withdrawal of lands which are not – or only partly – suitable for farming, restriction of tilling of arable lands, afforestation;*
- 5.3.5.7. Extended development of the nature conservation and environmental programmes of the Carpathian Euroregion (Living Tisza, Green Carpathians).*

### 5.3.6. Objective 6: Complex development of tourism on the area of the Carpathian Euroregion

**The sixth development objective** is the *complex development of tourism* on the area of the Carpathian Euroregion since tourism is the industry of future and peace which has an increasing role in the development of economy and the intensification of the welfare of the population. Within the framework of this strategic development objective, the following areas need to be focused on: demarcation and development of promoted recreation districts and holiday centres, exploitation of the cultural-architectural heritage and cultural resources in tourism, development of festival tourism, functional tourism and rural tourism (based on the peculiar endowments of the region), and of course the development of the high quality tourist services is indispensable for all the above (training, extension training, building-out of tourist and information networks). It is also necessary to concentrate on the enforcement of the multiplication impact of rural, mountain and health tourism.

Applicable **strategic programmes**:

- 5.3.6.1. Provision for the demarcation and development of recreation districts and holiday centres, the promoted development of festival towns;*
- 5.3.6.2. Exploitation of the cultural-architectural heritage and cultural resources in tourism;*
- 5.3.6.3. Development of health tourism based on the exploitation of thermal waters;*
- 5.3.6.4. Development of functional tourism;*
- 5.3.6.5. Development of rural (agro-eco) tourism based on the peculiarities of the region;*
- 5.3.6.6. Assurance of high quality services in rural tourism, development of trainings and marketing programmes, involvement of telecottages in re-trainings;*
- 5.3.6.7. Development of high quality tourist services (training, extension training, building-out of a tourist information network);*
- 5.3.6.8. Proposal of tourist programme packages (recreation, culture, traditions in productions, landscape endowments, ethnographic tourism);*
- 5.3.6.9. Developments aiming at the creation of balance between forestry, wild-life management and tourism, creation of conditions for tourism in accordance with the Wetland programme;*
- 5.3.6.10. Construction and modernisation of routes and roads applicable in tourism (routes for horse-riding tourism, cycle-paths, pedestrian paths, routes for water and hunting tourism);*
- 5.3.6.11. Developments in public security and security of property.*

### **5.3.7. Objective 7: Development of health care, social and cultural environment**

**The seventh development objective** invites projects for the development of *health care, social and cultural* areas. It means the improvement of the health state of the inhabitants, the modernisation of the health care system, the development of the regional basic network of social services, the re-weaving of the social net, the elaboration of an housing policy suiting the changed circumstances, and the provision for the development of cultural life, the reconstruction of the institution network of public education, the conservation of the traditions and the cultural heritage, the environmental protection on the settlements and the support of non-governmental organisations. The self-organising basis for the sustainable local society also has to be built out.

Applicable **strategic programmes**:

- 5.3.7.1. Improvement of the health state of the inhabitants, modernisation of the health care system;*
- 5.3.7.2. Implementation of the development of the regional basic network for social services and the re-weaving of the social net;*
- 5.3.7.3. Elaboration of a housing policy concept suiting the changed circumstances;*
- 5.3.7.4. Promotion of the development of the cultural life and the reconstruction of the institutional network of public education;*
- 5.3.7.5. Conservation and development of ethnographic traditions;*
- 5.3.7.6. Renovation of the built-up cultural heritage, support of the architectural solutions in accordance with the landscape;*
- 5.3.7.7. Revivification of local community initiatives and traditions, strengthening of integration and identity;*
- 5.3.7.8. Protection of the settlement environs, improvement of the quality of the domicile environment, creation of parks;*
- 5.3.7.9. Strengthening of civil organisations;*
- 5.3.7.10. Implanting the cultural heritage of the Carpathian Euroregion into the primary and secondary school education, building out of the conditions for rural tourism.*



### **5.3.8. Objective 8: Further strengthening of the external relations, preparation for the adoption of the EU supports**

**The eight development objective** concentrates on the strengthening of external *European relations*. As part of it, it is necessary for the euroregion to interweave the relations more closely with the European Union, the Council of Europe and the Association of European Border Regions (AEBR), to start and intensify bilateral relations with the other euregions (Euregio Maas-Rhine, Alps-Adriatic Working Community) and to prepare for the various funds of the European Union opening up after the accession.

Applicable **strategic programmes**:

*5.3.8.1. Interweaving of the relations more closely with the European Union, Council of Europe and Association of European Border Regions (AEBR);*

*5.3.8.2. Extended development of bilateral co-operations with the Euregio Maas-Rhine;*

*5.3.8.3. Introduction of a subject called “European Union studies” in the secondary schools, organisation of Centres for European Studies at the universities and colleges (with EU support);*

*5.3.8.4. Establishment of European Union Centres in the bigger towns;*

*5.3.8.5. “Creation” and operation of agents (lobby activists) promoting the interests of the euroregion in the EU centres (Brussels, Maastricht, Strasbourg, Vienna, etc.);*

*5.3.8.6. Establishment of centres to look for and write tenders and to provide monitoring with the involvement of professional experts, in a joint euroregional organisation and with joint maintenance.*

## **6. FINANCIAL AND PERSONAL CONDITIONS OF THE STRATEGIC DEVELOPMENTS, ALTERNATIVES OF IMPROVEMENT**

The achievement of the **encouragement of entrepreneurship and investments** and that of **the demanded levels of qualification and employment** constitute the basis for regional development in the Carpathian Euroregion. This effort is served by the **European Neighbourhood and Partnership Instrument (ENPI)**, a new supporting fund of the European Regional Cooperation. For us a favoured role within this will be played by the **Hungarian-Slovakian-Romanian-Ukrainian European Neighbourhood and Partnership Instrument Programme of Cross-border Cooperation 2007-2013**.

The arrangement of this Programme is based on the decree 1638/2006/EK of the European Parliament and Council from October 24, 2006 about the establishment of the **European Neighbourhood and Partnership Instrument** (hereafter: **ENPI**). The **ENPI** gives support for cooperation with the regions of the partner countries **by the external borders of the European Union**, which temporarily have to stay outside the EU. Hence, there will be opportunities for applications exclusively with the participation of a Ukrainian partner.

The elaboration of the programme is carried out under the leadership of the Joint Task Force workgroup. In this workgroup each participating country is represented by the delegates of the central government institutions and the NUTS III level territorial units (counties) involved in the programme, and due to the agreement between the attending countries the work of the group is coordinated by the Directing Authority and Joint Technical Secretariat set for the period after 2007.

The strategic objectives of the **Hungarian-Slovakian-Romanian-Ukrainian European Neighbourhood and Partnership Instrument Programme of Cross-border Cooperation** basically have to be in tune with the 4 aims fixed in the bill of the ENPI, which are the following:

### **Objective 1: Economic and social development**

- Priority 1.1: Development of rural areas
- Priority 1.2: Cross-border tourism and strengthening the regional identity
- Priority 1.3: Supporting the improvement of the business cooperations and the collaboration between the KKV's
- Priority 1.4: Cross-border improvement of human resources
- Priority 1.5: Cooperation in the field of energetics

### **Objective 2: Common challenges**

- Priority 2.1: Environmental protection and joint management of the natural resources
- Priority 2.2: Recycling of waste materials and water management
- Priority 2.3: Protection against disasters
- Priority 2.4: Development of health care and social developments
- Priority 2.5: Struggling with the illegal immigration, smuggling people and organized crime

**Objective 3: Effective and safe borders**

Priority 3.1: Improvement of the border protection and customs actions

Priority 3.2: Easing the administrative and institutional difficulties in the people's freedom of movement

Priority 3.3: Building and improvement of the cross-border transportation infrastructure

Priority 3.4: Building, development and standardization of the infrastructure and equipment of border crossing points

**Objective 4: People-to-people cooperations**

Priority 4.1: Educational and cultural exchange programmes

Priority 4.2: The support of the civilian society, local communities and self-governments

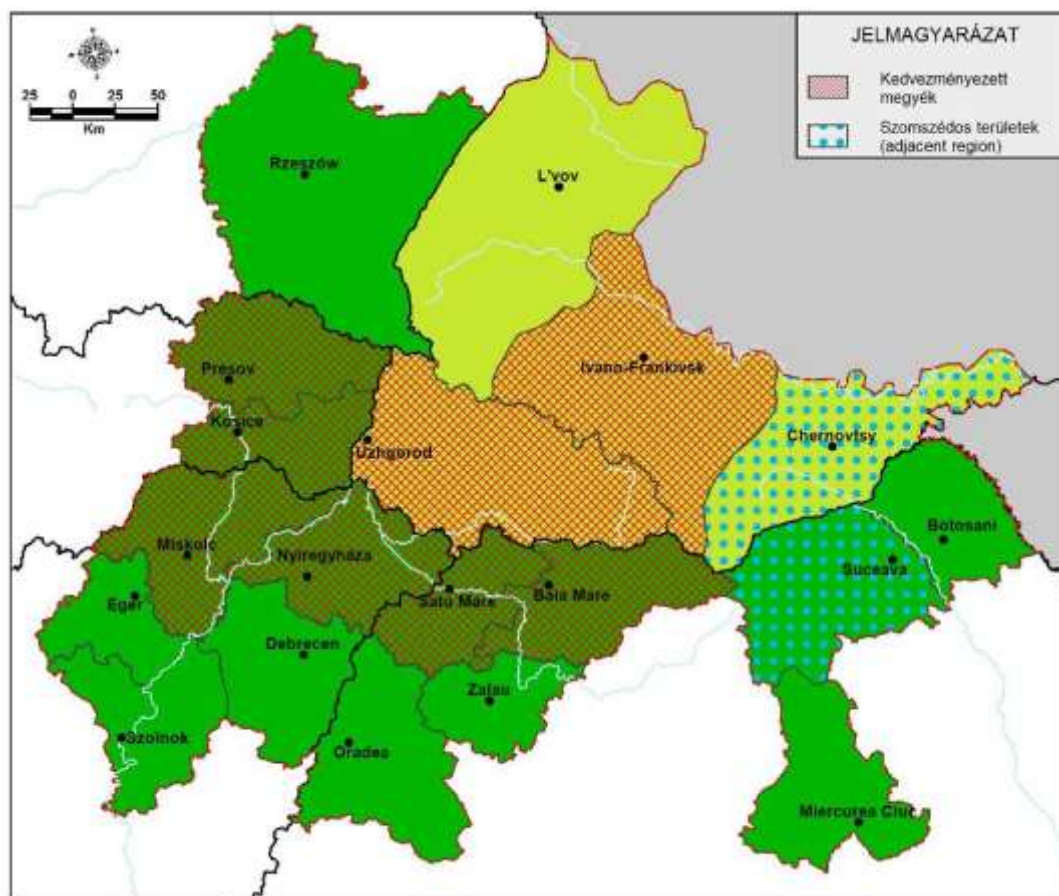
Priority 4.3: Sustainable development of the network of local communities

Priority 4.4: Scientific, educational, cultural and social cooperations

Priority 4.5: Collaboration in the field of mass media

The Hungarian-Slovakian-Romanian-Ukrainian European Neighbourhood and Partnership Instrument Programme of Cross-border Cooperation 2007-2013 **includes the following territorial units of NUTS III level** (*Figure 4*):

<b>Hungary:</b>	<b>Slovakia:</b>	<b>Romania:</b>	<b>Ukraine:</b>
Szabolcs-Szatmár-Bereg county Borsod-Abaúj-Zemplén county	Kosice kraj Presov kraj	Satu Mare county Maramures county Suceava county (as so called „adjacent region”) (maximum 20 per cent)	Transcarpathian oblast' Ivano-Frankivs'k oblast' Tchernovtsi oblast' (as so called „adjacent region”) (maximum 20 per cent)



*Figure 4. Territories of the Carpathian Euroregion helped by the Hungarian-Slovakian-Romanian-Ukrainian European Neighbourhood and Partnership Instrument Programme of Cross-border Cooperation*

The financing of the supported projects will be realized partly from the European Neighbourhood and Partnership Instrument and partly from the 10 per cent scaled national joint-sponsorship. In the three EU member states the probable governmental joint-sponsorship will come to 5 per cent and the own contribution of the beneficiary will be an additional 5 per cent, while in Ukraine, according to the plans, for lack of separated central budgetary sources the whole national joint-sponsorship, i. e. the 10 per cent will be provided by the beneficiary.

The prospective sum of the communal source available within the framework of the Programme (ENPI without the national joint-sponsorship) is 68.640 million euros. Out of this the amount of the Hungarian contribution will run to 23.353 million euros, while Slovakia separated 8.303 million and Romania 9.315 million from the available communal funds for the four sided programme. The European Committee provides 27.669 million euros from the ENPI to support the Ukrainian territories participating in the programme. After approving the programme the whole amount will be qualified as common source, i. e. no national funds will be separated within it.

## 6.1. Assurance of financial means

The **maintenance and development** related to reflation, encouragement of investments and education-training in the countries of the Carpathian Euroregion usually happens on the basis of the “principle of surplus”. This is inadmissible in the post-Fordist development stage since the development of human resources became a **strategic factor**, and as such it is regarded as a central issue. The local and regional self-governments are responsible for the assurance of the financial means of education and training in the social market economies. Hopefully, the **governmental** contribution to the financial matters shall increase considerably in the future and consequently the regional and local financing shall also increase.

The opportunities for the involvement of the **private capital** in the support of education and training in the Carpathian Euroregion should be found. This would widen the choices offered by education and training and would enable the creation of a new training structure.

In the **European Union**, much attention is paid to the development of the education and training facilities in the peripheral, and more especially, in the backward rural regions. The establishment and operation of education-training institutions and forms are supported for the creation of equal chances in the backward rural regions which would create equal opportunities for both individuals and social groups.

Consequently, the EU membership of Hungary, Poland and Slovakia, the educational-training networks and the initiatives for the reflation of ventures on the area of the Carpathian Euroregion get access to considerable **foreign** development funds and supports. The EU supports the promotion of cultural traditions and interethnic relations.

## 6.2. Personal conditions and endowments

The discussion of the personal conditions requires a **twofold** approach:

- first of all, the demands for training and investments rise among the inhabitants,
- secondly, the **pedagogues** taking part in the education and training processes, the cultural and community managers, and the national and foreign **investors and entrepreneurs** announce their expectations.

The **demographic** situation of the Carpathian Euroregion is essential from this aspect. Nevertheless, it had been demonstrated in the situation analysis that the demographic structure of the euroregion is not that distorted yet. There are adequate numbers of the young generation living in the euroregion who may get their professions in graduate education.

The **level of qualification** cannot be regarded optimal in the Carpathian Euroregion which means “great opportunities” for all forms of the extension training (regular, evening and irregular courses). It is the education level of the **Roma population** that is extremely low which is necessary to be developed for the required social integration as well. The **primary condition** for the socio-economic integration expected by the European Union is to raise the level of education.

Nowadays, “life-long learning” is evident for everyone in the developed world. The background for this, at present, is not yet ensured by the educational facilities on the entire

area of the euroregion. Nevertheless, there is a growing demand for it from the side of the population. The leaders and the educational-cultural institutions of the Carpathian Euroregion must endeavour at the satisfaction of **this righteous demand of the population.**

**The endowments are good** with regard to the professional and pedagogical aspects. The pedagogical work is high standard and open for further developments in the towns and villages of the Carpathian Euroregion. The pedagogues, however, must be made interested in financial terms as well so that they do not only attend extension courses in accordance with the new challenges but also undertake to provide a higher quality in the education and training on the area of the Carpathian Euroregion and thus constitute a proper professional background for the “life-long learning” trainings.

### 6.3. Information flow

From the aspect of the passing and further development of the strategic programme it would be very important **to establish a Regional Development Programme Office as soon as possible** with the co-operation of the regional self-governments, institutions and enterprises concerned. It would allow proper **information flow and follow-up of the projects** and management, and it would be also responsible for the monitoring activities related to the strategic programme. It would be necessary to involve all institutions in the **financing** of this office. This office could provide assistance even in the near future for the member self-governments in the writing and management of tenders and it **would unite** the joint educational-training activities of the euroregion.

For the promotion of the continuous flow of information it would be reasonable to publish an information bulletin for the Carpathian Euroregion (calendar of events) and a **quarterly** (newsletter) of the euroregion.

### 6.4. Financing

The implementation of the development ideas outlined in the strategic programme **may rely on three funds: local financial** means, national **governmental** supports and **foreign** funds.

In the case of the public tasks **own resources** may result from the local taxes set by the self-governments, other supports and sales of properties.

Unfortunately, the member self-governments of the Carpathian Euroregion **are unable to start bigger developments from their own resources** and in most of the cases they cannot provide the self-support required by the external funds – even among the most advantageous tendering conditions. Without it, however, they are excluded from the tenders.

Another problem is that the self-governments **cannot afford** to hire project managers and organisations. This problem would be solved partly if in the future the surplus financial instruments remaining from the developments were given advantage to the participation in tenders because in this way they could multiply their money. Euroregional co-operation **may provide further assistance** when the regional self-governments suffering from temporary problems are assisted by the partner regions from a jointly established fund.

The insufficiency of own resources usually sets problems for the investments of the **private sector** as well. Solution may be brought about not only by the application of loans but also by the organisation of joint ventures. The most problematic barrier in the co-operation between the ventures is that the entrepreneurs do not know each other and thus the co-

operation cannot even be started. It is also a problem that many entrepreneurs do not register themselves at the local governments so to avoid taxation.

For finding completion for the narrow own resources, both the county and local self-governments and the private enterprises **need to follow up closely** the tendering options and other opportunities for the involvement of other resources.

The **tendering system**, unfortunately, is still in its infancy on the area of the Carpathian Euroregion, and thus there is only a small income apart from the normative state supports (which are available for all self-governments anyway).

In spite of this, there are available state supports, investments, special credit facilities offered by certain banks (E-credit, 25% credit construction, KVP, MRP, Liquidation credit, Start credit, 1<sup>st</sup> and 2<sup>nd</sup> corporate loan etc.) and services for the financing corporate for entrepreneurs (loans, guarantees, counselling, leasing etc.) already. Due to the lack of funds at the self-governments, the banks only grant credits for the self-governments and entrepreneurs relying on personal contacts.

The most important **external funds** are the subsidies of the European Union. From 2004, three member countries of the Carpathian Euroregion may count on supports from the **Structural Funds** as well and a considerable fund shall open up within the Community Initiatives too — only if a proper programming system is introduced successfully. As a result of its situation, the Carpathian Euroregion may especially rely on supports from the **EQUAL and LEADER+** Community Initiatives for the development of education, training and employment.

The financing of the supported projects will be realized partly from the European Neighbourhood and Partnership Instrument and partly from the 10 per cent scaled national joint-sponsorship. In the three EU member states the probable governmental joint-sponsorship will come to 5 per cent and the own contribution of the beneficiary will be an additional 5 per cent, while in Ukraine, according to the plans, for lack of separated central budgetary sources the whole national joint-sponsorship, i. e. the 10 per cent will be provided by the beneficiary.

The prospective sum of the communal source available within the framework of the Programme (ENPI without the national joint-sponsorship) is 68.640 million euros. Out of this the amount of the Hungarian contribution will run to 23.353 million euros, while Slovakia separated 8.303 million and Romania 9.315 million from the available communal funds for the four sided programme. The European Committee provides 27.669 million euros from the ENPI to support the Ukrainian territories participating in the programme. After approving the programme the whole amount will be qualified as common source, i. e. no national funds will be separated within it.

## 6.5. Controlling-evaluating (monitoring) system

The implementation of the strategic programme **must be closely followed continuously and the feedback must be arranged for the possible deviations or problems**. It would be more expedient to create the latter in a way so that the remarks take a bottom-up direction and thus the necessary decisions and measures are brought on the lowest possible level. For the most efficient implementation of the **controlling**, it is necessary to set up a separate **Monitoring Committee** as well which would **follow the stages** of the **implementation** of the objectives set by the strategic programme.

In the course of **monitoring**, however, it might cause a fundamental problem that no operative programme has been prepared for the Carpathian Euroregion yet. Therefore, we

think it urgent to elaborate an operative development programme as soon as possible so that the changes brought about by the programme might be easily followed. This requires **co-operation** between the participating self-governments, schools and institutions listed in the programme.

The **strategic programme for the development of education, training and employment** on the area of the Carpathian Euroregion contains about 30 project proposals listed into five sub-categories.

The **fundamental aim of the programme** is to ensure such living and working conditions for the inhabitants on the area of the Carpathian Euroregion which convince them about the advantages of living and settling down in the region and provides long term prospects for the young generations as well. It is also an objective set forth that the co-operations and relations between the regional actors affected directly or indirectly by the implementation should be intensified and developed.

A further aim of the program is to prepare the inhabitants of the Carpathian Euroregion for the expected consequences of the **EU accession**. This affects the participants of the development of human infrastructure since the intensification of competitiveness is necessary as it is prescribed by the EU. It also concerns all inhabitants of the Carpathian Euroregion because the EU funds may be accessed **by complex plans and tenders** – resulting from the programming process. The prepared strategic programme **is set as an example** for all those regional actors who wish to get the mastery of the methods of preparing development plans.

## 6.6. Elaboration of operative programmes

Following the discussion and implementation of the **strategic programme** of the Carpathian Euroregion **a decision must be made** on the preparation of the operative programmes. The main development directives which are considered to be the most important by the leaders of the euroregion have to be selected from the sub-programmes and project proposals outlined in the strategic programme and a **priority ranking** needs to be established.

The next step would be the elaboration of the **operative programmes on the reflation of enterprises and encouragement of investments and on the training and employment** for the Carpathian Euroregion. This should be followed by the implementation of the projects. **Self-power** needs to be ensured for the projects and the **national and international** (EU) resources must be explored for the creation of the investment goods needed for the project financing.



## 7. CONCLUSIONS

**The regions with favourable economic and natural resources** which lie close to the core areas and regional axis and which are able to have a wide scale of communication with the centres and have labour forces satisfying the demands of the large companies **become renewed and gain new functions**. On the other side, **the backwardness of the hardly accessible regions lying at large distances** (due to the underdeveloped nature of transportation) **from the urban poles of development** with loose textures and less qualified population and less developed infrastructure which are dominated by agriculture **will increase** because the population cannot be ensured proper living circumstances.

In the **lagging behind regions**, partly as an answer to the globalisation processes having a negative impact on them and partly due to the unsuccessful interventions of the former direct state interventions, the **emphasising of the importance of locality** and the encouragement of **regional development** based on local initiation intensified. Of course, the role of local developments increased in the regions getting into the gravity scope of multinational capital as well. The latter ones combine the dangers resulting from globalisation, the protection against economic defencelessness and the **attraction of investors (image-building)** suiting the local endowments best **as the main objectives of regional development**.

In the backward regions, the task of local development is partly to create favourable conditions for the investors **through the development of the infrastructure and human resources**. Nevertheless, the demand for the development of the local entrepreneurial level is also formulated in these regions more precisely whose final aim is the satisfaction of the demand of the **domestic market**. **In the dynamic regions** the development of the local enterprises built on the demands of the domestic market appears in the form of the **easing of the economic defencelessness**, while in the backward regions it becomes the **main factor of the population keeping ability**.

The **transformation processes** following the East Central European transitions, of course, took place in different regional patterns in the countries affected – just as the starting stages were also marked by considerable differences. The **collapse of the post-socialist structure** was **the most devastating** where the unfavourable natural conditions, the low **output capacity of agriculture** and the **unemployment accompanying the structural crisis of industry** also **accelerated the demographic erosion of the local societies**.

A similarly deep crisis occurred in the regions **lacking industry** and **with segregated societies** and in the border regions in a peripheral situation because the large-scale production collapsed in a great part and the **ratio of small businesses rocketed**. All these were accompanied with an extensive shrivelling of the volume of production, **considerable loss of properties** and the employment capacity came down with a run. All things considered, therefore, due to the **economic and cultural traditions**, the natural endowments of the Carpathian Euroregion and the structural peculiarities of the changes occurring in the structure of operations and self-supply were much **more radical** in the Carpathian Euroregion than in the central regions of the member countries.

The **key issue** of the immediate future **in the Carpathian Euroregion** is that how efficient it will be in accelerating the transformation of the producers to become entrepreneurs who are able to produce high quality goods with the help of an **effective support system** (investment supports, support of the land purchase of farmers, vocational training etc.) which will mainly have to be formed in parallel with – but by all means separately from – the educational-training elements of the **environmental** and **social** supportive forms.

Severe future conflicts might be avoided by the leaders of the member countries of the Carpathian Euroregion if they set as a goal the **social evolution, environmental harmony and economic development** together with the development of human resources.

In the European Union – and in other developed regions of the world as well – it is a rather generally accepted notion that the **modern regional development** is based on the development of human resources. For the leaders of the Carpathian Euroregion, therefore, the **development of education and training** and the encouragement of investment and reflation of entrepreneurship might mean the basic breaking-out points and the support of the priorities related to it and the implementation of programmes might be of primary importance in the rise of the region.

The **Carpathian Euroregion Interregional Association** may have a decisive role in the acceptance and implementation of the operative programmes on reflation and encouragement of investment, and on education, training and employment which were already authorised with project management. The **member self-governments** of the euroregion must continue their active participation and co-operation.

We think that the Carpathian Euroregion still has to carry out considerable **lobby activities** to be able **to get access to most of the development funds** becoming available in East Central Europe.

It is essential to **create absolute consensus** between the member self-governments in relation to the proposals of the strategic programme. Regional development may only be successful in the Carpathian Euroregion if **co-ordination intensifies** between the partner self-governments.

It would be very important if there was an **operative regional and local development consultative group** within the Working Committee on Regional Development of the Carpathian Euroregion which would provide a forum for joint regional development and the **harmonisation of the marketing and management activities and monitoring** related to it.

• Major part of the improvements included in the Regional Development Strategy of the Carpathian Euroregion can be realized during the period 2007-2013 with the help of EU sources, by competing on the appropriate level. The european communal support aims at three main priorities: beside the convergence, the regional competitiveness and employment the third is the **european territorial cooperation**. The objective “european territorial cooperation” is directed towards strengthening

- the cross-border cooperation through common local and regional initiatives
- the trans-national cooperation through measures connected to the communal priorities, leading to the integrated territorial development
- the interregional cooperation and exchange of experience on the appropriate territorial level

One of the new supporting funds of the European Territorial Cooperation is the **European Neighbourhood and Partnership Instrument (ENPI)**, which serves the development and cooperation of the external borders with Ukraine and the borderside regions, mainly by means of the **Hungarian-Slovakian-Romanian-Ukrainian Programme of Cross-border Cooperation**. Territories supportable through this programme cover a remarkable part of the Carpathian Euroregion, so we can state, that this Programme of Cross-border Cooperation “was announced directly for us”. By its help and by joining our forces we can achieve spectacular results in the future.