ECONOMIC SITUATION IN EASTERN SLOVAKIA AND TRANSCARPATHIAN UKRAINE

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Abstract

In this communication we discuss the economic situation in Eastern Slovakia, based on official data and on own surveys in the region of Rožňava, as well as our results concerning the economic situation in Uzhgorod region, Ukrainian Transcarpathia.

The results regarding Rožňava region show that the majority of the participants have a concern about the high unemployment and the little industrial development in the region. Due to the few job opportunities, young people emigrate to other regions in Slovakia and abroad. Similar is the situation in Transcarpathia, where the emigration trend is higher, compared to the Rožňava region, due to the bad economic situation. Thus, although improving in the recent years, the economy in both regions is still behing the average of the EU and Europe.

Introduction

Comparative studies between the Eastern part of Slovakia and Ukrainian Transcarpathia reported for 2015 a very similar natural increase (about 2,9 %) in both regions, as well as a similar net migration (about -2 ‰). For the same year, the reported unemployment rate in Prešov and Košice regions was 15,5% and 14,4%, respectively, while in Transcarpathia it was lower -10,5%.

The research of the recent economic and social transformations of Ukraine in general and in particular those from Transcarpathia mainly concern the high migration flows. This is especially observed towards the Czech and Slovak Republics, Poland and Hungary, due to their geographic situation and proximity, as well as to their ethnic and historical evolution.

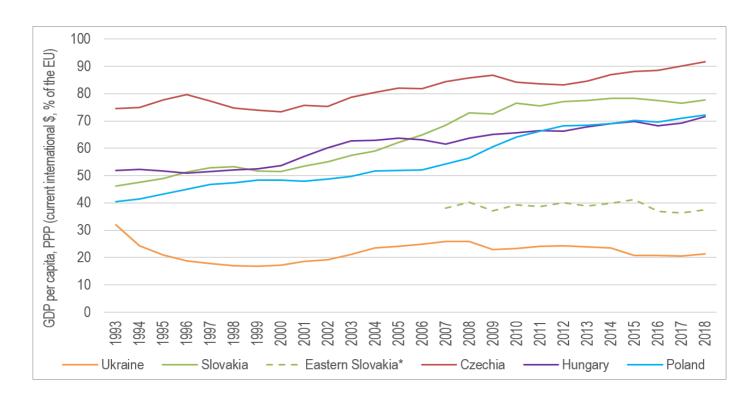
Although the number of the Ukrainian immigrants in Slovakia is lower, compared to its neighbouring countries, there are some recent ascending trends of this phenomenon due to geographical proximity, linguistic closeness and cultural similarity.



1. Economic situation in Eastern Slovakia

After the adoption of the last reforms, Slovakia experienced temporal economic decline followed by significant growth. Slovakia's performance started to catch up with Western European economies.

Development of economic performance of Visegrad countries and Ukraine expressed as GDP per capita PPP percentage of the EU. Source: World Bank (2020)



However Slovakia suffers from huge regional disparities with a specific pattern dividing the country into developed western and north-western Slovakia and lagging southern and south-eastern Slovakia.

Eastern Slovakia is less developed in terms of regional income, employment and wage. The income, corresponding to 2017 for the Slovak Republic in average is 764,55 euros. For the region of Bratislava it is 1010,08 euros, for West and Central Slovakia - 769,91 and 723,80 euros, respectively, while for Eastern Slovakia it is 694,72 euros.

This results in continuously increasing internal migration loss of Eastern Slovakia in favour of western regions and particularly Bratislava and considerable outflow of human capital from the region. The only exception is the Košice functional urban region which has a positive migration balance of young people and university graduates, despite general migration loss.

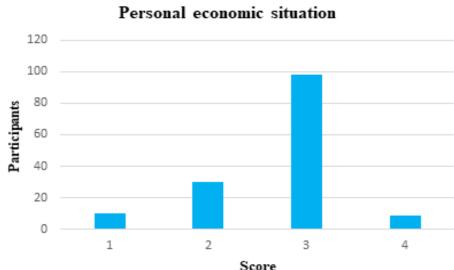
2. Economic situation perceived by the local population in Eastern Slovakia (Rožňava District)

The real economic situation in Eastern Slovakia has been researched in 2019 during a field trip to the Rožňava District (South-East Slovakia). The surveys with 145 participants (64 men and 81 women) showed that 19 from the 145 participants were unemployed, which gives a 13% of unemployment, a greater than the average unemployment rate for Eastern Slovakia (8.40%).

The participants perceived an improvement of the situation of the municipality, which is related to the increased number of services, the business development and the good neighbors' relations. However, more than 20 participants expressed their opinion that nothing was good in the actual situation of the settlement.

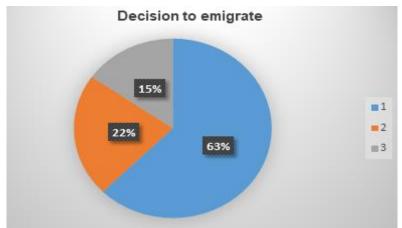
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Perception of personal (family) economic situation 1: very bad, 2: rather bad, 3: rather good, 4: very good.



Decision to emigrate: 1 - not willing to emigrate (63%), 2 - emigrate inside the country

(22%), 3 - emigrating abroad (15%).



The majority of the local population did not have plans to emigrate. However, the high unemployment rate among the young people pushes them to take the decision to move to another region within the country or to emigrate abroad.

3. Economic situation perceived by the local population in Ukrainian

Transcarpathia



During the field work in 2019, we have performed interviews with 20 participants from different ages, living in the Uzhgorod region and in the transportation hub of Mukachevo, both known by their economic development above the average of the region. The majority of the participants (70%) see their personal economic situation rather bad, while 25% see it rather good. At the two extremes are the 10% stating that it is very bad and 5% stating that it is very good. Similar is their opinion about the economic situation changed during the last 10 years.

Transcarpathia has been a place from where people have emigrated during a long time. Nowadays the emigration trend is even higher, but mostly towards the European Union. The most popular destinations for emigration are Hungary for the ethnic Hungarian Transcarpathians, the Czech Republic and to a lesser extend - Slovakia. According to the interviews, about half (52%) of the interviewed expressed their interest to emigrate into another European country, mainly Poland and Czech Republic. Target countries are also Germany and Russia.

4. Migration of Ukrainian nationals to Eastern Slovakia

Most cross-border migrations to Slovakia go to its western, more economically developed part with an understandable dominance of Bratislava. The total number of international migrants to Bratislava as registered by the SOSR exceeded 20,000 and contributed by over 17% to total international migration to Slovakia during the period 1996 – 2018. Košice, the second-largest city in Slovakia and major city of Eastern Slovakia, reached only less than 5 % proportion with fewer than 5,500 migrants. However, migrations from Ukraine shows a substantially different spatial pattern. From the other side, Eastern Slovakia is bordering with Polish and Hungarian regions with similar or even considerably lower GDP, which makes the Eastern part of Slovakia an attractive one for the Ukrainian immigrants and especially from those from Transcarpathia.

Our surveys with Ukrainians skilled immigrants working in Košice in 2019 show that participants have elected Slovakia to emigrate due to the geographic, cultural and linguistic proximity of the country to Ukraine. The majority of them feel well appreciated at their work and seem integrated. However, at the end of their scholarship or visit, they will look to find opportunities to continue their research in Central Europe or Slovakia.

Conclusions

Eastern Slovakia has lost more than 30,000 inhabitants due to predominantly domestic migration since the early 1990s. Hundreds of immigrants from Ukraine are far from being able to fully compensate for these losses. However, they show that greater openness to immigration from Ukraine can help mitigate the negative effects of depopulation in the region. Immigrants from Ukraine are featured by favourable professional and educational structure for the destination region looking for a decent work, which corresponds to their background. Thus, it is a chance to gain brains for a region suffering from brain drain, and so to maintain human capital as a factor necessary for the further economic development of Eastern Slovakia and contribute to the country's economic growth.

References

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