

Lubica Falt'anová

THE DEVELOPMENT POTENTIAL OF RURAL COMMUNITIES OF SLOVAKIA

Summary

This research discusses processes in Slovakia, known as endogenous development, that have been related to general process of political and economical transformation in Slovakia since 1990s. The term *endogenous development* defines the growth of communities from inside, which is provided by local human, productive and natural resources and external support. The aim of this sociological research is to discuss development initiatives in selected rural communities of Veľká Ves, Málinec and Hradište. The research had been carried out in the period between 2004 and 2007.

Local initiatives in Slovakia are, in generally, performed by self-government bodies, *civic* initiative and local businesses. These subjects act either independently or in partial cooperation. Since 2000s, authorities and institutions, that are in charge of subsidies, grants and Euro-funds on behalf of communities, highlight the need for co-operation among all three subjects. Examples of these coordinative actions involving self-government, population and private sector already exist, although the self-government bodies – above all mayors – have been principal and, in most cases, the only initiators of these processes. This fact was acknowledged by interviewed mayors from the observed municipalities. From them, some important empirical information, related to the endogenous development of municipalities, were obtained. The ethnological research dealing with local initiatives and local development had already been carried out (Danglová *et al.* 2005).

On one hand, this research analyses local initiatives inside communities, and, on the other hand, it traces regional context of local development activities. The relation between communities and region has been defined by comparing basic attributes of their development.

RESEARCHED COMMUNITIES AND THEIR REGIONAL ADMINISTRATION

Villages Veľká Ves, Málinec and Hradište are situated in Poltár District. Poltár District is situated in the south of Central Slovakia. Administratively, the Poltár District belongs to Banská Bystrica Region. As for its area (505 km²), Poltár District belongs to the smallest ones and those ones with lowest population rate in Slovakia (23 666 inhabitants in 2001). There are 22 villages in Poltár District.

In most cases sociological researchers, dealing with regional development in Slovakia, use a method, in which districts are defined as regions. There exists an eight-grade scale for definition of the degree of development of regions/districts. The 1st grade is for the most advanced regions, while the 8th grade represents the lowest degree of development among regions. According to this scale, Poltár District, with its 7th grade, belongs to the least developed regions. Unsatisfactory rating is due to low economical efficiency, unfavourable social structure, poor population rate with prevailed number of small communities, high unemployment rate and migration trends. The quality of education and partly also the level of environmental infrastructure are considered poor. The only asset of Poltár District is its good position as for ecological aspect [Gajdoš 2005]. Poor situation of the region is multiplied by the fact that the Poltár District neighbours, Veľký Krtíš, Lučenec and Rimavská Sobota districts, are in similar social and economical situation.

Poltár District is considered a rural region. As there is no exact definition of country-side in Slovakia, researchers often refer to a mechanic method, according to which those villages are considered rural that have not been assigned the statute of corporate town. So the definition of rurality of regions depends on population rate of villages. In Poltár District, rural population represents 74% of all population. (In Slovakia, the percentage of rural population is 47.7). Rurality has been defined by OECD convention as follows: rural regions: more than 50% of population settles rural communities, semi-rural regions: 15–50% of all population settles rural communities, urban regions: less than 15% of the population lives in rural communities.

The reason for highlighting rural character of particular region is the endeavour to draw the attention to social and economic differences between rural regions and more developed localities in Slovakia. As for social and economic situation, the regional differentiation refers to the rural division of Slovakia. Rural regions, typical mainly in Central and Eastern Slovakia, lag behind semi-rural and urban ones of Western Slovakia. [Tvrdoňová 2006].

Contemporary countryside of Slovakia suffers by drawbacks, that represent common problems in term of demographic, social and economic processes in rural regions. „*Observing the processes of transformation in rural settle-*

ments, the unfavourable social and economic situation has arisen due to cut-backs in industrial production and steep decrease in agricultural employment. In the last decade of 20th century, some further problems emerged, such as job-related migration of young people, aging of population, community dwelling dilapidation in certain kinds of settlements". (National strategy for countryside development 2006)

Unfavourable trends are mirrored mainly in those small communities, that have lost their attractiveness to younger, productive generations. The migration of population and lowered natality rate are even more notable in communities with already decreased population. In some of them, decrease on population has become permanent problem, which, as seen by community representatives, could become a real danger to their persistence. Recently, a new category of communities has appeared, so called small and terminal communities. Their development is limited due to their separateness and reduced means of transportation. In Poltár District, 7 out of 22 spotted communities are terminal ones.

Municipalities seen in context of microregions

Since 1990s, municipalities in Slovakia have been initiating establishment of community associations, known as microregions. Microregions have been and still are being established for the sake of provision certain services related to self-governing activities, and meeting some special needs of concerned municipalities. Nowadays, there are 266 microregions of communities, that are registered in Slovakia. After accomplishing original assignments, many of them have maintained formal character.

As the microregional associations are able to boost common activities of associated communities, it is useful to discuss microregions first. Veľká Ves comes under the microregional association Háj. Málinec and Hradište belong to microregion Hornohrad. To define the discussed microregions, we refer to the list of assets and negatives, published in *Plans of economical and social development of microregions* (Regional Development Law No.503/2001 places a duty of elaborating *Plans of economical and social development*). By reason of economic relief, communities have often cooperated with each other and used to assign the elaboration of sharing plans for development of communities. The assignment of elaboration of sharing plans often resulted in establishment of a microregional association. As for methods of gaining information on plan development, it is important that the plans were interactively discussed with local population. The following text details contemporary views of people from inside of communities and presents the opinions of community representatives.

Microregional association Háj was instituted in 2003 as a community association, to apply for financial resources to cover the elaboration of a plan for economic and social development. Considered drawbacks of the Háj microregion are transportation separateness, unsatisfactory technical infrastructure

(water-supply, sewing system), decreased population rate growth, increase in aging population, increase in job-related migration, warning level of unemployment, poor structure of accommodation facilities, ineffective demand of population, breakdown of agricultural co-operatives and agricultural businesses, unresolved proprietary relations, region not prepared to welcome investment from outside. Following assets of microregion Háj anticipate ways of its future development. Microregion is favourably conditioned for agriculture businesses, its countryside is suitable for travel business activities as well as rural tourism and agro-tourism. Háj is rich in mineral water resources, keeps tradition in hunting, some of the settlements have already developed a part of their infrastructure – the construction of gas distribution system. One can find here available manufacturing buildings and natural resources usable in production activities.

Microregion Hornohrad was established in 1999 to build a community retirement house – Social Integration Centre. The plan of economic and social development for the Hornohrad microregion was elaborated in 2003. The negatives count unfavourable demographic condition, lethargy among rural dwellers, lack of job in the microregion as well as surrounding districts, lack of public services, breakdown of agricultural plants, lack of wood manufacturing industry, poor business activities. Further drawbacks of the microregion the dwellers consider are: not accomplished sewing system, bad conditioned roads, unused and decayed buildings, unresolved proprietary relations and limited housing stock. The number of assets is lower than the number of drawbacks. Considered assets: the presence of water sources and rich water-supply (water reservoir Málinec), rich woodland supplies, suitable conditions for development of tourism. The fact that the Hornohrad microregion is rich in cultural and historical monuments and has been sufficiently provided with technical infrastructure (water-supply and gas distribution systems are applied in majority of settlements).

This short analysis implies that population in microregions suffers demographic and social problems. Some conditions in contemporary status quo can be considered favourable, for example relatively good technical and environmental infrastructures. As for endogenous development, it is obvious that the human, technical and natural resources, that could potentially be used to start rural tourism businesses, are wasted.

The Háj microregion is assembled of 5 villages (in parenthesis, population figures are given as to 2001): Kalinovo (3444), Breznička (795), Velká Ves (436), Pinciná (259), Nové Hony (205). The adjacent microregion, Hornohrad, totals for 7 villages: Cinobaňa (2399), Málinec (1461), Uhorské (577), Ozdín (356), Hradište (296), Rovňany (264), Krná (82).

Definition of settlements as for principal difficulties

The mayors defined principal problems resulting from unfavourable contemporary social, demographic and economic conditions of communities.

According to what mayor of Veľká Ves said, the constant decrease in population figure is the major problem of the community. Although the microregion *en bloc* was recorded as having moderate growth in population from 4017 to 4039 inhabitants in the period between 1991 and 2001, yet still, like in the entire Slovakia, it demographically stagnates. In Veľká Ves there was recorded the severest drop of population of all communities in the discussed region. In 2001, the number of inhabitants, compared to 1999, had been decreased by 44, which represents the decrease of 9%. This situation refers to poor natality and migration of young people. There is an attribute, called population index, which indicates the rate of population aging. The value of population index in Veľká Ves, 120%, is the highest one among all communities of the microregion, and mirrors the unfavourable ratio between the shrinking population of 0-14 age group and increase of population in the age group of 65 and more. (The average population index in Slovakia is 60.2%).

In 2004, the most serious problem in Málinec, i.e., the unemployment of 42 per cent, was caused by the execution of local agricultural co-operative in 2002 and following breakdown of local glassworks in 2003. Just for comparison: in 2004, the unemployment in Slovakia was 17.3%, in urban regions 7.3%, in rural regions 19.3%. In 2003, the unemployment in Poltár District was 22.3%.

Hradište is an example of a small and terminal settlement. Its major problem is considered low natality and migration of productive population. Shrinking population of 0-14 age group and increase of population in age group of 65 and more, result in alarming aging of population. In Krná, an adjacent small and terminal community, people face similar problems. Population index in Hradište, 211%, is the highest one of all communities in the discussed microregion. The second highest, Ips (209%), belongs to Krná.

Development activities in term of their local, microregional and regional levels

In research, development activities are specified with regard to public grants, state subsidies, project funds, Euro-funds and foundations. In fact, various indoor activities are backed by local self-governmental and sponsored financial sources. They are partly based on generosity of the population.

In term of engagement in gaining financial resources from outside, the mayors focus on local revenues and expenses, powers of self-governments and properties of communities. Upon the Municipal law issued by National Council of the Slovak Republic in 1990, self-government bodies of cities and municipalities started in 1991 their work after 40 years of vacancy. Self-governments took over duties related to community development. A separate law, enforced in 1991, defined circumstances of power and property transition from the state to self-governments. This process had been refined by issuing following decentralization laws, specifying further transition of powers and properties. The self-

governing duties include: housing, pre-school and school establishments, social establishments, polyclinics, culture, local roads, public transport, public areas, nature and environment protection, sewer system, municipal waste, territorial planning, local development, collection of local taxes and fees, certification of documents (Nižňanský, V. 2005: 16). Budgets of municipalities in Slovakia are drawn up from inner resources that come from local revenues (local taxes and fees), and from a share in state taxes. The financial resources from outside, the special-purpose subsidies – transfers from the state budget – and state funds subsidies were of big importance.

As for municipal budgets, the mayors point out that the regular expenses to cover provision of required municipal services take huge share proportion of regular municipal revenues. Municipal, cultural and social buildings (for example municipal office, cultural centre, cafeterias and refectories, school and pre-school buildings, shops and stores, polyclinics, social establishments, public toilets), technical establishments (sewer system, sewage tanks), lighting of public areas etc., all this is in the need of maintenance, renewal and provision of daily service. Málinec is a typical example of municipality with numerous facilities. Málinec, in the past an important and well known centre of employment opportunities with glassworks, woodcraft plant, water management business and agricultural cooperative, has until recently provided variety of services such as catering establishments, cafeterias, health care and shopping centres and other trade businesses, that kept at their disposal an adequate number of buildings. Nowadays, the municipality owns assets of 90 million Sk value, which implies huge financial burden related to their maintenance and services. Veľká Ves, on the contrary, has not developed any branched infrastructure related to public and business services. The Veľká Ves inhabitants make use of services, such as schools, shops, stores and health care facilities, that are available in the adjacent municipality of Kalinovo and in a 6 km distant Lučenec. In spite of this, expenses that are to be incurred for municipal utilities, public services and operating of municipal Office, are high enough to kill plans for municipal development backed by own resources. To illustrate the financial management of the Veľká Ves municipality, we present its final account balance. In 2003, the overall revenues of the municipality totalled 1,973,229 Sk. Salaries represented the highest expenses – up to 51%. Wages covering initiating operations (3% of all wage expenses) and nursing activities (22% of all wage expenses) are involved. In municipalities with school establishments, the salaries of school employees are also present in wages expense column. Operating costs such as power supply, gas, water-supply and phone expenses, represent the second highest expenditure – 6%. The residual expenses cover for example waste management, loan for waste dump provision, voluntary fire service, fuel expenses and maintenance of automobile and tractor, loan interest pay-off, stationeries, computers, maintenance of local roads, public lighting, cemetery and crematory. Credit balance

totals 63,058 Sk. Grant revenues totals 105,000 Sk. This example of municipal budget verifies what mayors of municipalities point out. The communities are self-governed in providing local services. These expenses take majority of budgetary sources and reduce the chance of savings for the sake of development activities. To cover development activities, they have to rely on grant projects, subsidies, loans or voluntaries. The development of communities is dependable on both the activity of municipal representatives who submit particular projects, and the project approval processes. Many projects that had been expensively elaborated, were not approved by approval commissions. Projects with no success in approval process were often submitted repeatedly.

Microregions Háj and Hornohrad are considered active. They are experienced in elaborating and realizing both individual and common projects based on intercommunal cooperation (Audit 2006). A part of the projects is elaborated and presented with aid of citizen associations and supportive institutions, such as Regional Development Agency in Lučenec, Centre of First Contact in Poltár and Kokava nad Rimavicou.

State funds in 1990s helped communities to build their technical infrastructure. The microregions gained financial support from the Environmental Fund. This struggle resulted in construction of gas distribution system in 4 municipalities of microregion Háj (including Veľká Ves) and 5 municipalities of microregion Hornohrad (including Málinec and Hradište). Till then, 90% of households in the regions were heated with wood chips due to constant rise in gas prices and unfavourable social situation of local population. In this period of time, the public water-supply systems were built in 6 municipalities of Hornohrad and 2 of Háj with support of state funds. There are 4 communities of Hornohrad region utilizing public sewing system and sewing tanks built from state funds to 2000. For comparison, as to 2003, 74.5% of communities out of the total number of 2883 communities in Slovakia, utilized public water-supply systems, while only 19.3% of communities was provided with sewing system. As for environmental point of view, it is important segregating waste in communities of microregions as well as the existence of Association for Construction of Solid Community Waste Dumps, associating 20 communities from Poltár District. As for inter-community co-operation in Slovakia, the associations dealing with solid waste disposal represent the most numerous groups of clients. Since 2000, the Association has provided its own waste dump. In 2007, the Association has managed grant and financial means to build up facility to segregate and recycle the plastic waste. In 1990s, the communities took advantage of applying for state funds in order to provide for housing construction. In 1994, the representatives of Málinec performed, with the support of state funds, the construction of 15 housing units.

Since 2000, the financial sources from Europe, Euro-funds, have been applied in Slovakia. In general, the Poltár District like other under-developed

districts, lag behind advanced regions in term of fund support in the period 2000 – 2006 (OZ VIPA 2006). There is lack of financial resources to cover communities renewal, accomplishing technical infrastructure, reconstruction of buildings and local roads. Unresolved proprietary relations slow down the utilization of European resources. Communities were successful mostly in projects from Fund of social development (EU) and various private foundations. Some projects realized self-helping. There are several examples:

– Field of improving the appearance of community environment as well as local architecture: for example, the garden house of Ecopolis Foundation in Hradište, was built up in the area of the former illegal waste dump.

– Services and the aid for inhabitants: For example, the Velká Ves community, with the aid of Citizens' Association and in co-operation with a local Office of Labour Management (there used support from Fund of social development - FSD), ran popular re-training courses for the sake of unemployed population. Utilizing approved project grants. Málinec community from FSD established communal cider plants, fruit drying facility, laundry, drying plant and ironing facility.

– Tourism: in the region there are good conditions for hiking tourism and cyclotourism. In Hornohrad, the hiking trail system has been built for recreational purposes without official financial support. A net of cycle paths was established in region – educational path for cyclists Lučenec – Poltár – Málinec. the projects were realized with the state support from the Neogradiensis region based in Lučenec.

– Culture and information technology: the Velká Ves community gained financial means from FSD for the purpose of re-building the former pre-school establishment and starting a new information centre (tele-house). This facility provides internet services of and reprographic services to satisfy the needs of local inhabitants.

In general, the communities' have struggled, either independently or in coordinated action with other communities, to exploit the maximum chances to apply for grants of all kinds, as well as to take advantage of all possible opportunities to make lives of their inhabitants more valuable. Although they are equipped with satisfactory technical infrastructures, communities do not carry out activities leading to overall regional development, such as rural tourism and agro-tourism implementation. Problems of social and demographic matters are still adverse. The social situation and employment rate are not going to be improved in the near future because of the lack of investments in Poltár District. The prospect of investments that would vitalise the productive activities in region, is considered crucial by community representatives and mayors.

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Lubica Faltánová, M.Sc., CSc.
Ústav etnológie SAV Bratislava, Slovensko
lubica.faltanova@savba.sk

Reviewer: Prof. Władysława Stola, Ph.D, Dr.Sc.