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Fakulta sociálno-ekonomických vzťahov,
Trenčianska univerzita Alexandra Dubčeka v Trenčíne

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„CLIL“ PRINCIPLES, SKILLS AND SUPPORT STRATEGIES

Princípy, zručnosti a podporné stratégie CLIL

Simona BARBORÁKOVÁ

Abstract

The increasing need to improve skills in communicating science, art and technology in an international global society leads to implementation of CLIL into many higher education study programmes. At present, this approach is being adopted in European higher education in the fields of economics, business, law, engineering, medicine and humanities. The paper deals with basic principles and skills needed for CLIL and explores the strategies that can be applied to support subject and language learning. In final part it reports on the results of qualitative research carried out on a group of five teachers who use CLIL in their teaching. Interviews were used to collect data regarding the effects of CLIL, then the strongest and weakest aspects of this method are analyzed and finally the article discusses the impact of CLIL on teachers' professional development.

Key words

Skills, competences, curriculum, support strategies, content and language integrated learning (CLIL).

JEL Classification: A 29, Y 90

Introduction

English is the language of global business, communication and technology, so it is important to prepare the students to be able to compete in today's international labour market by improving their English skills. (Barboráková, 2011). One way of improving them is by using the CLIL method which is experiencing huge interest in Europe. The benefits of CLIL may be seen in terms of cultural awareness, internationalization, language competence, preparation for both study and working life, and increased motivation.

We are constantly being told that the future of education resides in a new emphasis on skills and competences. The European Commission has published a list of key competences for lifelong learning, and curriculum planners are expected to incorporate these ideas across subject areas. This is good for CLIL (Content and Language Integrated Learning), because it is already functioning along these lines.

A CLIL lesson is not a language lesson neither it is a subject lesson in a foreign language. According to the 4Cs curriculum (Coyle, 1999), a successful CLIL lesson should combine elements of the following:

- Content – progression in knowledge, skills and understanding related to specific elements of a defined curriculum

- Communication – using language to learn whilst learning to use language
- Cognition – developing thinking skills which link concept formation (abstract and concrete), understanding and language
- Culture – exposure to alternative perspectives and shared understandings, which deepen awareness of otherness and self.

Methodological framework

An important role for the success of CLIL programs plays methodology and teaching. These include active approaches, proper strategies and techniques, as well as appropriate material and varied activities. Teachers have to choose the right activity, the most involving strategy or material to catch the students' attention and to make CLIL work. For this reason, in our article we focused on teachers experienced in CLIL to fully understand what makes CLIL successful and what the basic devices are that bring about a balance between language and content. They were five teachers of university who have 3 and more years' experience in using this approach. Our research was based on the assumption that these teachers can represent a valuable source of information regarding the effects of the CLIL approach. We were not only interested in the positive dimension of CLIL, we also wanted to find out what limits its development. The main objective of the

paper is to reveal the benefits and drawbacks of CLIL method according to the observations of experienced CLIL teachers.

To collect the impressions and the viewpoints of the teachers involved in this research we used the method of interview where we discussed their reflection on their CLIL experience, collaboration with other teachers, CLIL materials and methodology.

1. CLIL definitions implications

Content and Language Integrated Learning (CLIL) refers to a method of subject teaching in which students learn in a foreign language. There are lots of definitions of this acronym to be found on the Internet and each of these represents a distinct but significant aspect of CLIL. The simplest definition of all, stated by the European Commission says that in CLIL pupils learn a subject through the medium of a foreign language. Further, it adds that CLIL “provides exposure to the language without requiring extra time in the curriculum”. Since the European Council Resolution in 1995 told us that “all EU citizens, by the time they leave compulsory schooling, should be able to speak two languages other than the mother tongue”, through CLIL the students learn the subject concepts and skills and alongside increase contact time with the foreign language. More detailed description is the one by David Marsh (2001) where he states that “CLIL refers to situations where subjects, or parts of subjects, are taught through a foreign language with dual-focused aims, namely the learning of content, and the simultaneous learning of a foreign language.” Even more challenging is the suggestion of David Graddol (2006) who wrote that CLIL is “an approach to bilingual education in which both curriculum content (such as science or geography) and English are taught together. It differs from simple English-medium education in that the learner is not necessarily expected to have the English proficiency required to cope with the subject before beginning study.” Graddol suggests that a powerful element of CLIL is its role in the improvement of language skills, and that students do not necessarily need a particularly high level of English. It is the role of teachers to adjust their methodology so that the students can understand the content. They would have to think of other means such as tasks, groupwork, etc. which would result in an increase of the skill-based focus of the learning. This approach would also have to be reflected in the educational materials or textbooks. Another quotation that extends the scope of CLIL yet further says that CLIL is about “installing a ‘hunger to learn’ in the student. It gives opportunity for him/her to think about and develop how he/she communicates in general, even in the first language.” (Marsh, Marsland, Stenberg,

2001) This definition implies the motivating factor of CLIL method and views language as a vehicle, not simply as an entity in itself. Contemporary linguists and methodologists view English not so much as a language but as a core skill. This crucial observation lies at the heart of the educational and social changes that have taken place since the development of the Internet and globalization. In this way English becomes a subject that students learn in order to do something else.

2. Advantages and disadvantages of using CLIL

The main advantage is that the approach is topic focused and that the students learn the language through the content. When the content is interesting and relevant to their other studies, they may be more motivated. By using topics they are familiar with or they have recently studied in their mother tongue, students will be able to learn more as they will already know a lot of the content and context. This ‘top-down’ approach, using existing knowledge, contextual clues and overall meaning is faster and more useful way of learning than a ‘bottom-up’ approach.

One of the things that English language teachers often consider to be a disadvantage is the lack of background knowledge of the subject. But the question is: “Does the teacher need to know everything?” Our practice has shown that there is enough room in the teaching/learning process for the teacher to learn as he/she teaches, and sometimes for the students to teach the teacher. Teachers do not have to be experts in a particular subject or topic to use a CLIL worksheet. Sometimes the best lessons are those when teachers are exploring things together with their students.

3. Skills for CLIL

John Clegg (2009) suggests that learners working in a L2 need three kinds of language and learning skills:

- **Basic language skills.** These include listening, speaking, reading and writing on a range of topics, making appropriate and accurate use of the language at the level of spelling, grammar, vocabulary, function and discourse. Students learn these skills in their foreign language lessons, implicitly in L2 subject lessons and outside school though the media and in communities where the language is used. We need to admit that not all the students in CLIL programmes master these skills well. They may

have difficulty following all the details of what a subject teacher says, they may not be able to talk in groups in L2 without help, they may find it hard to write sentences without making grammatical mistakes or may read subject textbooks less efficiently than in the L1.

- **Academic language skills.** These cover what Jim Cummins (1979) calls cognitive academic language proficiency or CALP. It requires learners to do the kind of listening, speaking, reading and writing which learners do within subjects. When we take listening, students have to understand teachers talking in the plenary classroom or to their presentations, take notes as they listen, respond to their teachers' questions and prompts. In addition they have to listen to their peers discussing in small groups. When talking about reading, students have to read handouts, subject textbooks with the texts full of paragraphing, numbering, and headings, usually supported by clarifying visuals (charts, diagrams, photographs, etc.). They have to search for information in reference books and on the Internet, needing the skills of using tables of contents, indexes, key words, skimming and scanning. They need to distinguish central from peripheral information and to take notes. In writing, the students have to construct formal sentences accurately, to use a vocabulary specific to learning, to organize the sentences into paragraphs, using headings and numbering. Finally, they will need to speak. It means they will need to respond to teachers' questions, contribute to discussions, make and support points, agree or disagree with others' points, direct the conversation to some conclusion and report on it in the classroom.

CALP skills transfer from one language to another. For example, if you can scan a text in one language, you will naturally be able to scan a text in another language. Thus a learner with good learning skills in the L1 will transfer them fairly easily to the L2.

- **Metacognitive skills.** They are important organizers of all of the tasks that we perform. They enable planning, setting goals, initiating work, sustaining future-oriented problem solving activities, monitoring and managing progress on tasks to detect and correct errors, and keeping track of the effect of one's behaviour on others. They are CLIL-specific, because the students need to ask the teacher to explain and repeat, to be able to look up words, to pre-read texts before a lesson, or to plan, draft and revise writing tasks.

4. Support strategies

As CLIL method becomes used more often, the teachers gradually become skilled at anticipating language barriers and they gradually accumulate the new strategies which they need for providing language support. Now we would like to mention some support strategies for each skill.

- **Support strategies for listening.** To help learners listen, teachers teach or highlight new vocabulary. They help students to understand them or follow them in a text by using visuals, or they explain, give examples, and summarize more than they would do in L1. Listening activities may include listening and filling in a table, labeling a picture / diagram / map / chart / graph, identifying location / speakers / places, labeling the stages of a process / instructions / sequences of a text, filling in the gaps in a text.
- **Support strategies for speaking.** To help learners speak in a class, teachers adjust their questions, prompt, provide vocabulary, or they may allow some L1 responses. To help them talk in groups, they provide learners with key words to use, talking frames, sentence starters, or they ask students to use their L1 when discussing but their L2 when reporting. Typical speaking activities include: question loops – questions and answers, terms and definitions, halves of sentences, information gap activities, class surveys using questionnaires, presenting information from a visual.
- **Support strategies for reading.** To help learners read, teachers may check if they understand key vocabulary before they read; they may provide them with pre-reading questions, or reading support tasks, such as filling in a chart, labeling a diagram, taking notes on specific information (dates, figures)etc.
- **Support strategies for writing.** To help learners write, teachers can offer support providing a vocabulary list, sentence starters or writing frames. Students can be asked to write their own reports, essays, projects.

It is necessary for CLIL teachers to learn a specific pattern of teaching CLIL. They need to acquire a new set of language-supportive task types, use various forms of interaction and know when and when to encourage the learners to use L1. These strategies are familiar to the subject teachers who are experienced in working in L2. It requires training and a careful lesson planning.

5. Research results

The interview appeared to be the most feasible instrument to get the personal observations of experienced CLIL teachers. They were two men and three women with a full time contract. They declare that they possess a high competence in using the English language having the B2 or C1 certificates. Three of them are also specialists in certain fields (technology or economics). Two of them are solely English language teachers. All the teachers have at least 3 years' experience in using the CLIL method. In the interview, we discussed their reflection on their CLIL experience, collaboration with other teachers, CLIL materials and methodology.

5.1. *The perspective on CLIL from experienced teachers: Reflection*

To reflect on teachers' CLIL experience we have obtained significant information and impressions. Some teachers used expressions such as "At the beginning I used to...but now I am convinced that..." or "In the past I believed that...but now I'm realizing that...". These sentences mean that the teachers now have a different approach to CLIL than they used to have at the beginning of their experience. This change is very important to understand what teachers thought about CLIL when they started using it and what caused them to change their views. At the beginning they had to face a series of obstacles and restrictions and gradually they learned to cope with them and created necessary conditions to overcome them. At first they had problems with the lack of specific CLIL materials, in most cases they had to create their own and new ones, they had problems with collaboration with other colleagues and underestimated accurate planning of the task to establish a balance between language and content. Most teachers emphasized the importance of being flexible, collaborative and creative when using CLIL. All the teachers pointed out the benefits that CLIL provides to the cognitive dimension. Some teachers also mentioned that CLIL is an opportunity to improve linguistic and social dimension.

5.2. *The perspective on CLIL from experienced teachers: Collaboration*

Collaboration is one of the conditions that ensures the success of CLIL. Some teachers registered an increase in collaboration with their colleagues while others blame their colleagues for being passive, even reluctant. The possible reasons for this situation are the number of working hours and the workload. Some

teachers feel that the real barrier for their colleagues is the lack of knowledge of the target language. For this reason they feel incapable of helping.

5.3. *The perspective on CLIL from experienced teachers: Materials*

All teachers reported as the main obstacle for the development of CLIL the lack of available materials. Therefore, help from other colleagues is wished a lot. As a result, they must be designed by teachers themselves using web resources and authentic texts. One of the teachers asserts that authentic texts need to be adapted both for the language and for the content to suit the level of the class.

5.4. *The perspective on CLIL from experienced teachers: Methodology*

All the teachers using CLIL approach emphasized the importance to use real objects or lots of images, pictures, photographs in CLIL classes, especially to present new words. According to them, the most successful activities are those which require active participation of students. All the teachers stress the importance of oral communication in teaching, but it is vital to add other activities such as reading and matching, filling tables, finishing incomplete sentences to develop writing skills, or activities that imply making predictions, hypothesizing, collecting and comparing data to develop thinking skills. From the perspective of language and content also other specific strategies such as repeating, reformulating or summarizing might be adopted. Three teachers claim that in a CLIL context the emphasis should be on the fluency, clearness and explicitness of the output rather than on the accuracy. Important point here to make is to create a real, comfortable and safe environment where the students can feel free to express themselves without any anxiety. Most teachers' experience is that these initial feelings of fear gradually disappear and students become more and more confident in the new environment. Teachers are convinced that CLIL motivates students to learn content because they are learning in a more involving and interesting way. This is because students feel that the language they use has a concrete goal.

Conclusions

The experienced CLIL teachers admitted having some problems in their teaching experience, such as the lack of materials available, the absence of

collaboration with other colleagues, or having difficulties in integrating content and language, and creating an authentic setting in the classroom. Although these problems are reported and discussed by the teachers, their overall impression of CLIL is positive. Some teachers would welcome systematic training and it requires creating national or international virtual environment where CLIL teachers

could meet, exchange their ideas and materials. In their opinion the methodological innovations, creation of new practices would help teachers to become more flexible and it would also change their methodology and the way of organizing their traditional classes.

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SUMMARY

Princípy, zručnosti a podporné stratégie CLIL*Simona Barboráková*

Európska komisia publikovala zoznam kľúčových kompetencií potrebných pre celoživotné vzdelávanie a od tvorcov učebných plánov sa vyžaduje preniesť tieto požiadavky do jednotlivých predmetov. Tieto požiadavky napĺňa metóda CLIL, ktorá predstavuje vzdelávací prístup zameraný na jazykové i odborné vzdelávanie v jednom. Tento prístup sa stal silným nástrojom a motivačnou silou v procese vzdelávania a ponúka prirodzené prostredie pre jazykové vzdelávanie a zároveň vzdelávanie v odbore. CLIL vedie študentov k tomu, aby vnímali svoje štúdium v globálnom kontexte, aby prekročili hranice svojho jazyka a kultúry a tak sa stali bilingválnymi až multilingválnymi profesionálmi vo svojich odboroch. Hlavnou výhodou tejto metódy je to, že je orientovaná na obsah, čo zvyšuje motiváciu študentov. Ak je totiž téma pre nich zaujímavá, pretože sa vzťahuje k ich odboru, sú s ňou oboznámení v materinskej reči, budú schopní sa naučiť ešte viac. Tento prístup „zhora nadol“, čiže využitie existujúcich vedomostí, kontextu a významov je rýchlejší a užitočnejší než naopak. Učiaci sa potrebujú získať tri druhy jazykových zručností, ktoré zahŕňajú základné jazykové zručnosti (počúvanie, hovorenie, čítanie a písanie), akademické jazykové zručnosti, ktoré tvorí využitie základných jazykových zručností vrámci vysokoškolského štúdia (napr. schopnosť viesť diskusiu, robiť si poznámky, prezentovať, vyhľadávať informácie, formulovať vety do odstavcov apod.). Tieto zručnosti sa dajú automaticky preniesť z jedného jazyka do druhého. Tretí druh zručností tvoria metakognitívne a sú akýmsi plánovačom všetkého, čo vykonávame. Umožňujú nám plánovať, stanovovať ciele, riešiť problémy, odhaliť a opraviť chyby a práve tieto sú špecifické pre CLIL. Keďže sa metóda CLIL stáva stále bežnejšou, učitelia sú školení na predvídanie jazykových bariér a predstavujú nové podporné stratégie jazykovej výučby. Na podporu jazykových zručností môžu využiť aktivity ako vyplňanie tabuliek, popis obrázka, mapy, diagramu, grafu, štádií procesu, aktivity na dopĺňanie informácií, dotazníky na prieskumy, prezentácie informácií z vizuálnych pomôcok, písanie referátov, esejí a projektov. V záverečnej časti sme priniesli výsledky kvalitatívneho výskumu, ktorý sme uskutočnili formou osobného rozhovoru s piatimi učiteľmi využívajúcimi metódu CLIL pri ich vyučovaní. Na základe svojich skúseností komentovali celkový dojem z používania tejto metódy, v čom vidia jej pozitíva a negatíva, ako vnímajú spoluprácu s inými kolegami, odkiaľ čerpajú materiály k výučbe a v čom spočíva metodika výučby. Záverom konštatujeme, že i keď učitelia priznávajú problémy ako nedostatok vhodných materiálov, nedostatočnú spoluprácu s inými učiteľmi, odborníkmi v problematike a ich nedostatočné jazykové zručnosti alebo problémy s integrovaním a prepojením jazykovej a obsahovej stránky, ich celkový dojem z využívania metódy je pozitívny. Vidia v nej možnosť naučiť sa pružnejšie reagovať a zmeniť svoju metodiku aj pri plánovaní svojich tradičných hodín.

JEL Classification: A 29, Y 90

PARTNERSHIP COOPERATION OF MUNICIPAL GOVERNMENT IN TREŇČÍN REGION

Partnerská spolupráca obecnej samosprávy v Trenčianskom kraji

Beáta ADAMKOVIČOVÁ, Hana SKOVAJSOVÁ

Abstract

Partnership cooperation of all actors who enter into the development on the municipality territory has also become an important element of our local strategy development, which applies to economically developed countries. The paper is aimed at assessing the partnership cooperation by the representatives of municipal and city members. The theoretical part is focused on goals of partnerships and meaning for the region, functions, advantages and disadvantages of partnerships. The paper also evaluates partnership cooperation of municipal government in Trenčín region.

Key words

partnership, municipality, municipal government, representatives of municipal and city members, development of the municipality.

JEL Classification: R 58

Introduction

Partnership collaboration plays an important role in regional development. Its importance is also enshrined in the principles of structural policy of the European Union (specifically principle of partnership). The aim of partnership collaboration is to gain benefit for all involved stakeholders regarding the development of the territory. (Kordoš, Janský, 2011)

Success of partnerships depends on the active participation of all stakeholders based on mutual trust, respect, understanding, communication, common approach to problems dealing with. Thus partnership is a progressive and dynamic element of the territory development that allows all stakeholders to take part, not only in public policy, but also beyond. Therefore, the ability to cooperate with other partners becomes a necessary requirement for representatives of institutions and organizations within the entire spectrum of civil society.

The aim of the article is to provide an overview of previously published views on the issues regarding the partnership collaboration and to evaluate the results of the partnership collaboration research focused on representatives of the municipal and urban bodies in order to obtain information within the status of partnership collaboration at local and regional level.

By writing this paper the theoretical knowledge was drawn from the national and foreign literature having been available. Practical knowledge has been obtained by questionnaire surveys in combination with a controlled interview in 135 representatives of

municipal and urban bodies located in the municipalities and towns of Trenčín region.

Particular questions were focused on the following issues:

- if inquired respondents take the partnership development as a necessary condition,
- what is the reason to initiate partnership by municipality,
- with what partners municipality wants to create the partnerships,
- with what subjects the municipality has already created partnerships and
- what are the biggest obstacles in terms of partnerships creation.

Partnership collaboration, goals and importance for regional development, functions, advantages and disadvantages of partnerships

The process of public administration decentralization, the transfer of competences to the regional level along with the transfer of responsibility for local development has brought a series of changes that require a change in behavior of entities located in the region. It has also brought new strategies that lead to stimulation of coordination and cooperation in regional policy. The basic principle of regional policy is the partnership principle, which is based on mutual cooperation among actors in problems solving at all levels, e.g. local, regional, national and transnational.

Authors define and understand the partnership in many different ways. Definitions and characteristics of partnerships collaboration have been formed gradually after successful or unsuccessful experience in the creation, implementation and partnership cooperation activities. Partnership is often seen as a voluntary coalition of entities and individuals. It is all about relationships, respecting certain rules and principles, cooperation and searching for solutions based on mutual agreement when a close cooperation is expected.

The partnerships is understood as a voluntary grouping of entities and individuals sharing resources, commitment and motivation to achieve the change in social, economic or environmental conditions of a well-defined geographic territory (Biderman et al., 2004).

According to Falťan (2001) partnership is a relationship, which must respect the certain principles and rules that nobody, being involved, cannot feel like a burden, or even a threat for their own identity. It is based on a voluntary basis and should meet the requirement of mutual benefit.

Hamalová (2007) understands the partnership as cooperation and searching for solutions based on mutual agreement, which specify the functions of specific roles of the partners and describes common goals, integrates different interests and aims towards the results from which all partners will benefit. The partnership then allows the partners to deal with the mutual problems which cannot be resolved by the individual actors themselves.

The partnership principle (Belajová, 2005) “requires close cooperation between the European Commission and equivalent bodies at the national level, respectively, at the regional level, as well as between those – recipients of aid (regions, municipalities, private entities) for which funds are intended to support regional and local development.”

Successful partnerships are the result of a process of building mutual trust and finding common approaches to the same common challenges. Partnerships are not created accidentally; it takes time and effort to get on position of good prospects and success. Growing and maintaining a partnership requires energy and engagement (Papcunová, 2007).

The key aspects of a successful partnership can be considered as follows: common goal (should be clearly defined, realistic and achievable), constructive acting (based on trust and mutual respects), communication proper, open, and regular), and abilities (new techniques and management skills).

While creating partnership collaboration, it is important to have following stakeholders being involved: public sector (government, local government,

and public service corporations), private sector (entrepreneurs and companies), non-profit sector (associations, foundations, charitable organizations, civil, professional and interest associations), schools, universities, research institutions, and churches, foreign and international organizations.

The most important goal of the partnership is to get benefit for all stakeholders within the development of the territory. Partnership can only be developed through active participation of all members and their effectiveness must be based on mutual communication, trust, respect and understanding among entities forming the partnership. Other goals of partnership collaboration can be considered as follows:

- governance improvement – on one hand it helps to eliminate gaps in the transmission of information on the progress of results, on the other hand it removes conflicts between the necessity to promote national programs and the options for localities and regions to use them,
- to achieve greater efficiency of public programs – through promoting the priorities and areas that need to be addressed,
- stimulation of endogenous resources – using their own (local) resources, e.g. material, non-material, financial, non-financial, technical, technological, human, ...),
- to achieve a higher degree of community coherence – the prerequisite of close and permanent cooperation leads to the strengthening of mutual trust, relations deepening and broadening.

The effectiveness of the region is particularly difficult to be expressed in the activities and services that have non-market character. If, in general, the effects of public administration are understood as relationships inputs (costs) and outputs, then the impact of the partnership collaboration on economic and social development can be assessed through:

- revenues that come into the municipal budget,
- creating jobs positions and increasing the employment rate,
- outputs – evaluated according to the form of partnership – number of activities, number of people asking for medical help, amount of social benefits, number of people receiving these benefits, social assistance benefits, etc.),
- costs (expenses) that partner (organization) has to put to secure certain type of services, or certain outcomes of partnership and cooperation.

According to Papcunová (2007) as basic functions of partnership can be considered the following aspects: it contributes to improve the

ability of region to draw funds from the European Union - structural funds; it increases the capacity of regions to prepare and implement good development projects by means of involving inhabitants in planning and decision-making at the local and regional level; it promotes the participation of inhabitants in governance to improve their civic confidence; it merges sectors in the community and maintains communication among them; it provides alternative methods and tools to achieve the aims of the community.

Buček (2008) has generally described the following advantages and disadvantages of partnership collaboration. As advantages he considers: the allocation of costs (or costs saving), obtaining or improving know-how, superior product (output product), more financial resources, the possibility of higher profit (or lower lost), better negotiating power against other subjects of market, better customer satisfaction (customer relationship management), as well as the possibility of long-term cooperation. Disadvantages (respectively risks) of partnership collaboration according to him are the following aspects:

- all participating entities do not always cooperatively impend their progress and reputable target,
- long duration of cooperation,
- large number of participating entities involved in developing plans, too difficult maintenance of the partnership process,
- so called quasi-partnerships (based on speculation on the prospect of profit using non-standard processes running on the edge of moral principles and legislative changes), and
- conflict of interests.

Results

The first question in the questionnaire was whether inquired representatives of the municipal and urban bodies consider the develop partnerships as an essential prerequisite for the development of the municipality. The result shows that the majority representatives of

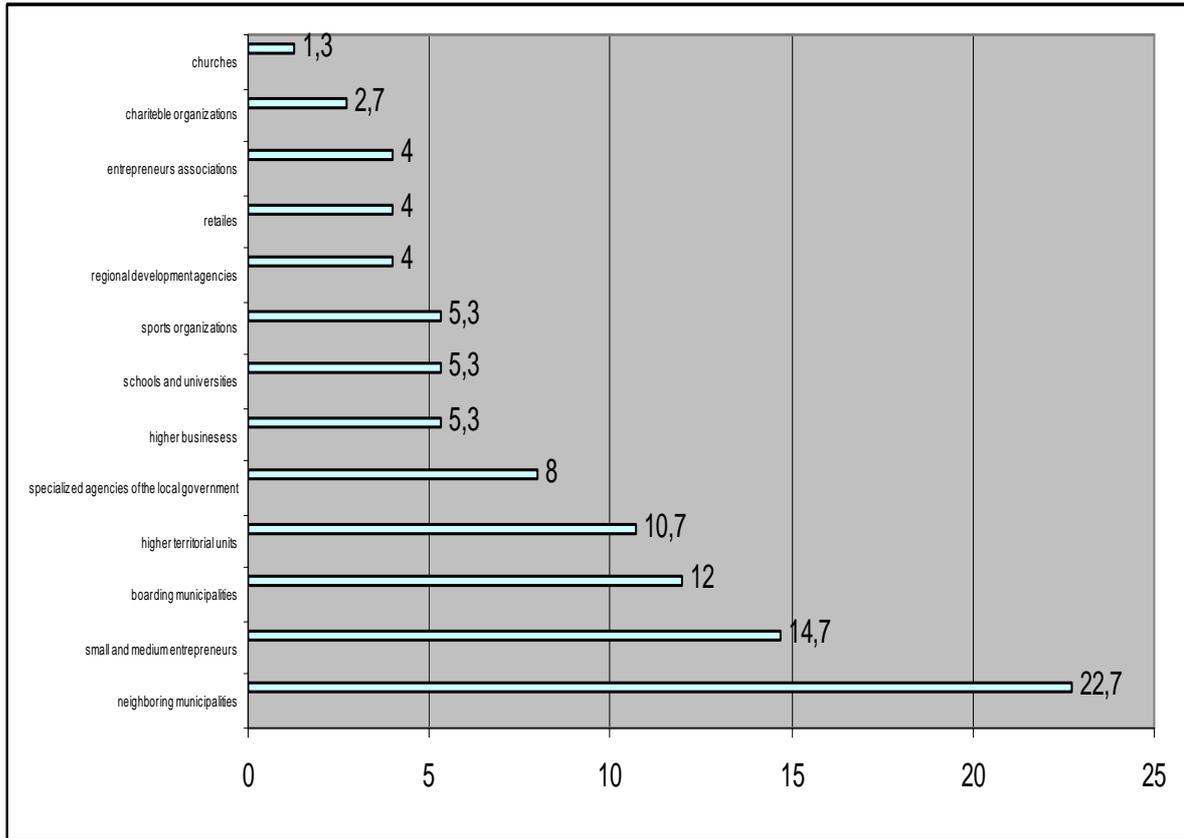
the municipal and urban bodies (91 %) consider the development of partnerships as a necessary condition for the development of the municipality. Only a small number of them (9 %) said that they did not consider the development of partnerships as a necessary condition for the development of the municipality.

The second question was what reason can be seen by the representatives of the municipal and urban bodies to initiate partnerships. The majority of representatives reported: the possibility of a better use of internal material, financial and human resources (20 %) and the development of mutually beneficial cooperation within the private and public sector (17,3 %). Other reasons that the representatives of the municipal and urban bodies reported were such as: higher success of projects financed from the EU funds (12 %) and an employment increase (8 %). The results show that one of the possible reasons might be the increasing attractiveness of the municipality for external domestic and foreign investments (6,7 %). As less important reasons are considered, by inquired representatives, the quality of life improvement of municipality residents (5,3 %), mutual partners communication improvement (4 %), involvement of potential partners in the municipality development (4 %), the municipality's democratic management development (4%) and assumption to perform tasks that were delegated to the municipality within the decentralization (4 %). The smallest reason to initiate partnership collaboration by the municipality is, according to representatives, the developing goals coordination by both the public and private subjects (2,7 %) and to gain experience and know-how from other partners (2,7).

Partnerships creation is a very important stimulus for the municipality, because it may imply better and more efficient work results usage, strengthening of all partners, strengthening of professional capacity as well as a joint fund-raising from a wider range of sources.

Graph number 1 shows, with what kinds of stakeholders the municipality has already created the partnerships.

Graph number 1: Partnerships created by the municipality (%)



Source: own processing

Inquired representatives of city and municipal authorities said that partnerships mostly were formed with neighboring municipalities. From other subjects, there have been made partnership with, can be specified such as small and medium entrepreneurs, bordering municipalities, regional authorities and specialized agencies of local government. They have formed the partnerships with large companies, schools and universities, sports organizations and other

organizations of leisure activities, regional development agencies, retail chains, and business associations. The smallest number of inquired representatives said that they had made partnerships with charitable organizations and churches.

The important issue of making partnerships is to achieve particular goals. The table number 1 shows the intended goals of general partnerships.

Table number 1: The goals of general partnerships (%)

Creation of joint projects funded by the municipality	29
Creation of joint projects funded by the regional authorities	21
Creation of joint projects funded by EU funds	42
Cooperation by creation and implementation the programs of economic and social development of the municipality (city)	27
Exchange of information and know-how among all partners	14
Common training activities	13
Cooperation between the city / municipality, schools and businesses	29

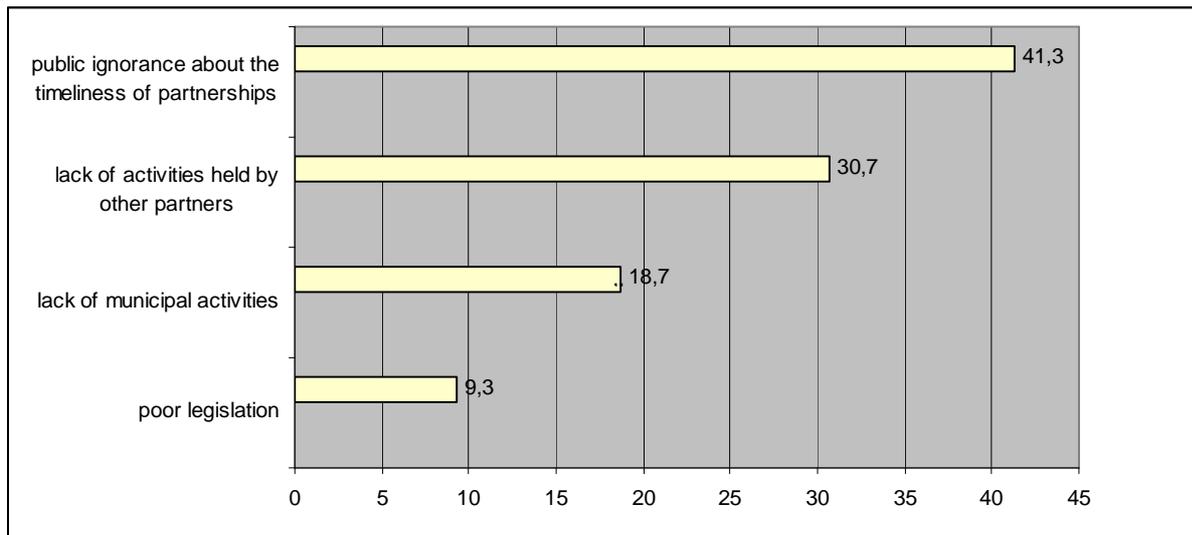
Source: own processing

The results show that the majority of inquired representatives considered the joint ventures projects development being financed from the EU funds as the most important goal of partnerships. As a further important goal has been mentioned the joint projects creation being financed by the municipality. It should be noticed that inquired representatives understand the cooperation as an important source of raising resources. From other potential goals we can identify the cooperation between cities/municipalities, schools and businesses and also the cooperation within creation

and implementation of economic a social development programs in the municipality/city. The smallest number of inquired representatives mentioned that the purpose of the general partnerships is the exchange of information and know-how between all partners and the joint training activities.

Inquired representatives also answered the next question: what are the barriers to establish the partnership. The results are shown in graph number 2.

Graph number 2: Obstacles by creation the partnership (%)



Source: own processing

Inquired representatives of the municipal and local government considered as the most important obstacle that the public does not have enough information that says how partnership creation is important and relevant. As an additional obstacle they reported the lack of activities from the side of other partners and the lack of municipal activities. As the least important obstacle, being considered by interviewed representatives, is poor legislation.

Conclusion

The evaluation of the questionnaire survey in combination with controlled interview, selected for the representatives of the municipal and urban bodies of Trenčín region, has showed the following results:

Inquired representatives of Trenčín region considered the development of the partnership collaboration as a necessary condition within the municipality development.

The most important reason for initiating the partnerships collaboration in Trenčín region is a better

use of internal material, financial and human resources. Other reasons are: the development of mutually beneficial cooperation between private and public sector, higher success rate precondition of programs financed from the EU funds and the condition creation for ambitious development programs realization.

Municipal and urban authority representatives indicate that the most entities, with which the municipality has created the partnership, are the neighboring municipalities, small and medium entrepreneurs, bordering municipalities, higher territorial units and specialized agencies of local government.

Inquired representatives mentioned that the most important partnership goals of Trenčín region there are: the mutual projects creation being financed from the municipality and the ongoing collaboration among municipality/city, schools and businesses.

According to inquired representatives the fact is that the public does not have any proper information saying how partnership creation is important and current – it is a major obstacle of creating

partnerships. The lack of activities held by other partners and the lack of municipal activities have been identified as further obstacles.

As a summary we can say that partnership cooperation in Trenčín region can be considered as an important factor of social and economic development. Results of the questionnaire survey in combination with a controlled interview, implemented by representatives of municipal and city members, showed that representatives consider the partnership cooperation development as a necessary precondition of community development. The most important incentive for the partnerships creation is better use of internal material, financial and human resources. Another reason is the mutually beneficial cooperation development of private and public sectors and likely more successful projects financed from EU funds.

Inquired representatives of municipal and city authorities also indicated that most partnerships are established with neighboring municipalities, small and medium enterprises, border municipalities and also with VÚC – Regional Authorities. The most important goal of the partnership, inquired

representatives considers, the creation of joint projects funded by the EU. Other possible goals of partnerships are common projects creation financed by the municipality, cooperation between the municipality/city, schools and businesses, as well as cooperation on the basis of economic and social development creation and realization. The greatest deficiency is lack of information on the timeliness of public partnerships. In Trenčín region the partnership cooperation is under-utilized, therefore it is important to enhance and consolidate the cooperation as the results could be effectively reflected in the regional development.

The active partnership collaboration is an important social and economic development factor for Trenčín region. In the region there are several entities interested in regional development. Therefore they should be synchronized for the purpose of their activities to be beneficial for the regional development particularly by means of partnership collaboration. Even though not all the possibilities of cooperation are sufficiently developed, we see huge potential for Trenčín region development currently in partnership collaboration.

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SUMMARY

Partnerská spolupráca obecnej samosprávy v Trenčianskom kraji

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Partnerskú spoluprácu v Trenčianskom kraji možno považovať za dôležitý faktor sociálno-ekonomického rozvoja. Výsledky dotazníkového prieskumu v kombinácii s riadeným rozhovorom realizovaných prostredníctvom predstaviteľov obecných a mestských zastupiteľských orgánov ukázali, že oslovení predstavitelia pokladajú rozvoj partnerskej spolupráce za nevyhnutný predpoklad rozvoja obce. Najdôležitejším podnetom pre tvorbu partnerstiev je predovšetkým lepšie využitie vnútorných materiálnych, finančných a ľudských zdrojov. Ďalším dôvodom je rozvoj vzájomne prospešnej spolupráce subjektov súkromného a verejného sektora a predpoklad vyššej úspešnosti projektov financovaných z fondov EÚ. Oslovení predstavitelia obecných a mestských zastupiteľských orgánov taktiež uviedli, že najviac partnerstiev majú vytvorených so susediacimi obcami, s malými a strednými podnikateľmi, s prihraničnými obcami a aj s VÚC. Za najvýznamnejší cieľ partnerskej spolupráce považujú oslovení predstavitelia tvorbu spoločných projektov financovaných z EÚ. Ako ďalšie možné ciele partnerstiev považujú tvorbu spoločných projektov financovaných obcou, spoluprácu medzi obcou/mestom, školami a podnikmi ako aj spoluprácu na tvorbe a realizácii hospodárskeho a sociálneho rozvoja obce/mesta. Najväčší nedostatok vidia v neinformovanosti verejnosti o aktuálnosti vzniku partnerstiev. V Trenčianskom kraji je partnerská spolupráca nedostatočne využitá, preto je dôležité túto spoluprácu skvalitňovať a upevňovať, aby sa výsledky mohli efektívnejšie odzrkadliť pri rozvoji kraja.

JEL Classification: R 58

REGIONAL DISPARITIES BETWEEN DISTRICTS IN THE SLOVAK REPUBLIC

Regionálne rozdiely medzi okresmi Slovenskej republiky

Eva GRMANOVÁ

Abstract

The objective of this paper is to characterise the state and dynamics of regional disparities in the SR focusing on changes in similarities between districts in the SR based on indicators such as the average nominal monthly wage of employees, the available number of job applicants, the rate of registered unemployment - in the years 2008 and 2010. From multivariate research techniques we used the method of analysis by which similarities between districts in 2008 and 2010 were detected on the basis of selected indicators.

Key words

Interregional disparities, regional policy, regional development, cluster analysis.

JEL Classification: R 58

Introduction

The definition of regional disparities, which includes a description of the concept, objectives, tasks and options of the analysis is addressed in a number of scientific sources. Regional disparities are in narrow context with regional policy and regional development. All three terms are in close relationship and are subject to each other. The focus of regional policy is the reduction of interregional disparities, as well as the economic and social development of regions. "Regional development is determined by regional policy in the framework of their competencies and opportunities that follow the objectives, strategies of development of the society, development of social and economic relations by using human capital resources, human potential, skills and competencies." (Habánik, Koišová, 2011, p. 107)

One of the main objectives of regional policy is the reduction of regional disparities. The Government of the SR has formulated this objective in several documents. On 12th May 2010 the Government of the SR adopted the National Strategy of Regional Development of the Slovak Republic, which was discussed and approved by the Decree No. 296/2010. "In Slovakia regional policy of coherence (cohesion policy) has been for a long time presented as one of the priorities and is included in the Manifesto of the Government of the Slovak Republic. One of its basic objectives is the equalization of regional disparities." (The National Strategy for Regional Development of the Slovak Republic, 2010, p.12) It follows that the main direction of regional policy is thus the reduction of regional disparities.

"Regional disparities are understood as inequalities or quantitative differences mainly in economic efficiency, lower utilization of production possibilities, available resources and internal potential between the territorial and administrative units..." (Habánik, Koišová, 2011, p. 84) A part of the analysis of regional disparities is the characteristics of the state of economic and social indicators in each region and also the characteristics of their dynamic. An essential part of the analyses is finding the reasons and consequences of these disparities, as well as finding the possibilities for their equalization. The originally planned goals of rapid reduction of regional disparities due to inflow of foreign capital did not reach the expected effect. "Investors are mostly avoiding underdeveloped regions, which are equipped with a weaker infrastructure." (Ivanová, 2010, p. 23)

The results achieved

In the process of convergence of regions, as well as in the growth of the economic potential of the state, the most important component is human resources. The importance of developing human potential is formulated in the cohesion policy of the EU and elaborated in a number of Regulations of the European Parliament and the Government of the SR. Cohesion policy of the EU is based in "the Lisbon Strategy, which focuses on key priorities: growth and employment in order to increase Europe's competitiveness, while it must rely on knowledge, innovation and human resources." (Habánik, Koišová, 2010, p. 105) Since there is no unified,

aggregate indicator by which it would be possible to evaluate and compare the state and dynamics of human resources and evaluate the environment characterizing their development, several indicators are used, by which their state and dynamics, as well as their interdependencies are monitored.

From the indicators characterizing the state of human resources in the regions and the environment enabling their formation, it is necessary to choose indicators characterizing the efficiency of economy and indicators characterizing the social environment. In our analysis the main subjects are districts in the Slovak Republic. National statistics do not publish data on GDP in the districts. It is a part of disposable income and directly copies the efficiency of economy. Therefore, in order to characterise the efficiency of economy in the districts we chose as the indicator the nominal monthly wage of employees. The average nominal monthly wage is an important indicator. It is part of disposable income and directly follows the efficiency of the economy. The social level of regions can be characterized by indicators such as the average available number of job applicants and the rate of registered unemployment. Our analysis was based on the values of analyzed indicators in the years 2008 and 2010.

In the analysis of regional disparities it is important to monitor the state of indicators at two levels independently and also to focus on the evaluation of their state of interconnection. This is possible by methods of multicriterial decision making and multivariate research techniques. Last but not least, it is important to monitor the dynamics of development. From multivariate research techniques we will use the method of cluster analysis by which it is possible to determine similarities between the subjects on the basis of selected indicators. The results of the cluster analysis are clusters of subjects with the most similar values. The clusters are designed so that differences in values of the analyzed subjects between the clusters are the largest possible. The similarity between the subjects is mostly detected by the Euclidean distance. The matrix of the Euclidean distance expressed in all combinations of subjects allows to assess the largest, respectively the smallest similarity between the subjects. For clarity the clusters of subjects together with the Euclidean distance are shown graphically in the dendrogram. The subjects shown in the chart are the most similar, if the Euclidean distance between them is the smallest. Using the cluster analysis is possible with help of the software Statistica. After entering the values a very important part of the method is standardization of the data entered. Standardized data have arithmetic mean zero and standard deviation one. The result of the analysis is a matrix of the Euclidean distance and a graphical representation in the dendrogram, which

clearly shows the division of subjects into clusters and the Euclidean distance between subjects and clusters. A part of the analysis is subsequent characterization of individual clusters.

The main subjects of the analysis are 79 districts in the SR divided into eight regions - I. Bratislava region - 1. Bratislava I, 2. Bratislava II, 3. Bratislava III, 4. Bratislava IV, 5. Bratislava V, 6. Malacky, 7. Pezinok, 8. Senec; II. Trnava region - 9. Dunajská Streda, 10. Galanta, 11. Hlohovec, 12. Piešťany, 13. Senica, 14. Skalica, 15. Trnava; III. Trenčín region - 16. Bánovce nad Bebravou, 17. Ilava, 18. Myjava, 19. Nové Mesto nad Váhom, 20. Partizánske, 21. Považská Bystrica, 22. Prievidza, 23. Púchov, 24. Trenčín; IV. Nitra region - 25. Komárno, 26. Levice, 27. Nitra, 28. Nové Zámky, 29. Šaľa, 30. Topoľčany, 31. Zlaté Moravce; V. Žilina region - 32. Tvrdošín, 33. Žilina, 34. Bytča, 35. Čadca, 36. Dolný Kubín, 37. Kysucké Nové Mesto, 38. Liptovský Mikuláš, 39. Martin, 40. Námestovo, 41. Ružomberok, 42. Turčianske Teplice; VI. Banská Bystrica region - 43. Veľký Krtíš, 44. Zvolen, 45. Žarnovica, 46. Žiar nad Hronom, 47. Banská Bystrica, 48. Banská Štiavnica, 49. Brezno, 50. Detva, 51. Krupina, 52. Lučenec, 53. Poltár, 54. Revúca, 55. Rimavská Sobota; VII. Prešov region - 56. Stará Ľubovňa, 57. Stropkov, 58. Svidník, 59. Vranov nad Topľou, 60. Bardejov, 61. Humenné, 62. Kežmarok, 63. Levoča, 64. Medzilaborce, 65. Poprad, 66. Prešov, 67. Sabinov, 68. Snina; VIII. Košice region - 69. Spišská Nová Ves, 70. Trebišov, 71. Gelnica, 72. Košice I, 73. Košice II, 74. Košice III, 75. Košice IV, 76. countryside around Košice, 77. Michalovce, 78. Rožňava, 79. Sobrance. The listed numerical designation of the districts is also used in the dendrogram. The source of the data was the regional database of the Statistical Office of the Slovak Republic.

The main objective of our paper is to characterize the dynamics in the frame of regional disparities in districts of the SR focusing on changes in similarities between the districts on the basis of selected indicators, with help of multivariate research techniques - cluster analysis.

Analysis of similarities between districts on the basis of selected indicators

In the analysis we have focused on finding the following facts:

- I. on the specification of districts in which the values have the largest Euclidean distance and thus the most different values in the years 2008 and 2010

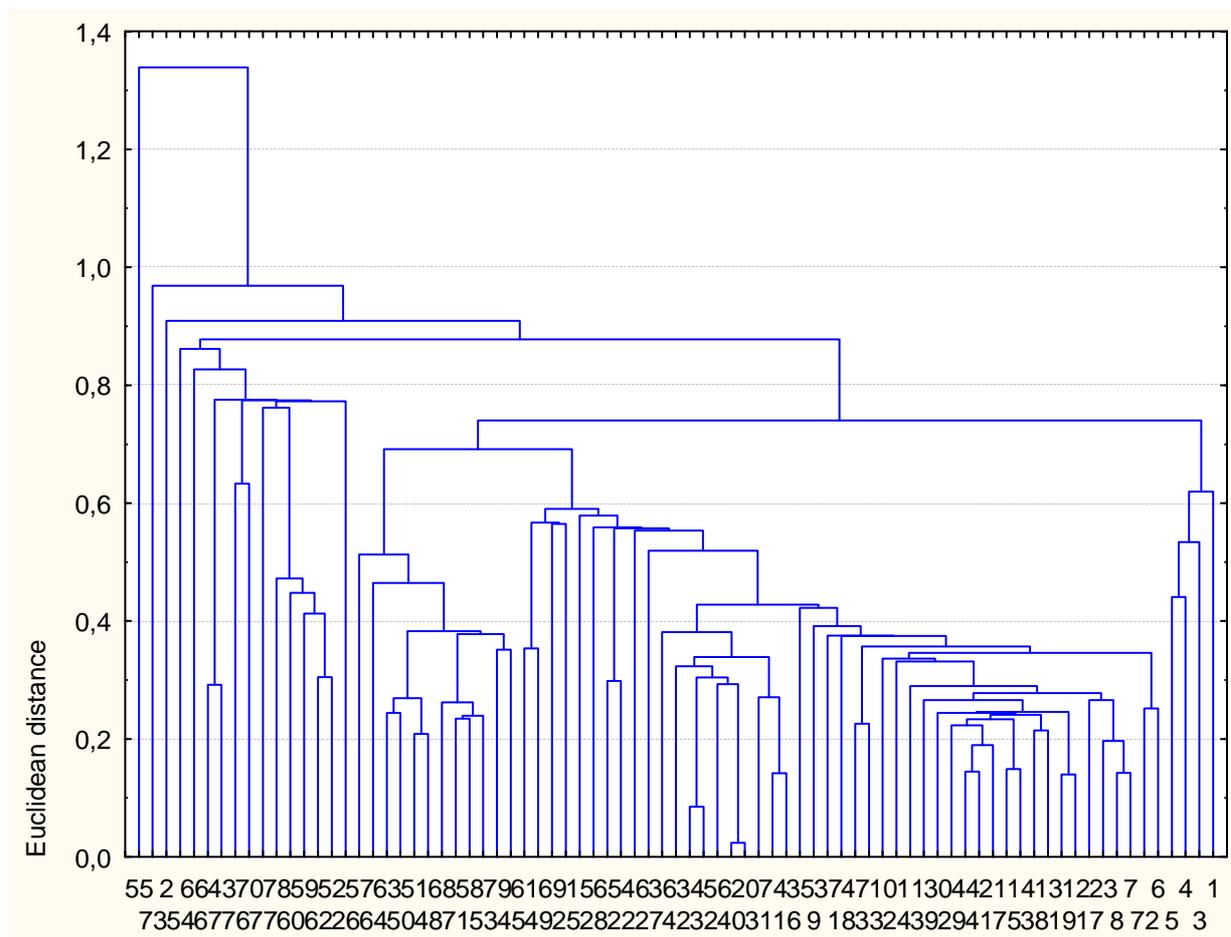
II. on the characterisation of clusters, into which districts of the SR are divided based on the Euclidean distance, and on identifying key factors

that affect the creation of clusters in the years 2008 and 2010

III. on the specification of dynamics of similarity in the years 2008 and 2010.

Chart 1

The dendrogram generated on ground of data from the year 2008



Source: own processing in Statistica

After creating a database of the data for the year 2008 and their standardization we used the method of cluster analysis. The dendrogram generated on ground of data from the year 2008 is in the chart 1.

In the year 2008, three districts had markedly different values and all other districts were divided into two clusters.

I. To the districts with a unique position in 2008 belonged the district Rimavská Sobota in the Banská Bystrica region. The district had very unfavourable values of the indicators analyzed. Its values and values of the district Bratislava II were the most different. The district Bratislava II reached the most favourable results. Significantly favourable results were achieved also in case of the district Košice II. These three districts had the most different values in comparison with other districts.

II. In 2008, the first cluster of districts with significantly unfavourable results was formed especially by the districts of the Prešov region, Košice region, Banská Bystrica region –the districts Revúca, Bardejov, Prešov, Vranov nad Topľou, Sabinov, Kežmarok, Veľký Krtíš, Lučenec, Stropkov, Trebišov, Michalovce, Rožňava, Medzilaborce, countryside around Košice. This cluster included also a district from the Nitra region – the district Lučenec. Districts Partizánske and Námestovo had the most similar values.

The rest of districts formed the second cluster. In the second cluster of districts a significant position was held by the districts of the Bratislava region - Bratislava I, III, IV, V. These districts have for a long time achieved the best results. Some results of the analysis are summarized in the table 1.

Table 1

districts with isolated values	Rimavská Sobota (unfavourable results)	Bratislava II (favourable results)	Košice II (favourable results)
districts with the least similarities	Rimavská Sobota, Bratislava II (Euclidean distance 7,79)		
districts with the most similarities	Partizánske Námestovo (Euclidean distance 0,02)		
clusters	1.cluster a district from the Prešov region, Košice region and Banská Bystrica region (*) (district with unfavourable results)	2.cluster rest of the districts	

Source: own processing

When processing the database for the year 2010, after standardisation we used the method of cluster analysis. The dendogram generated from the data for the year 2010 is in the chart 2.

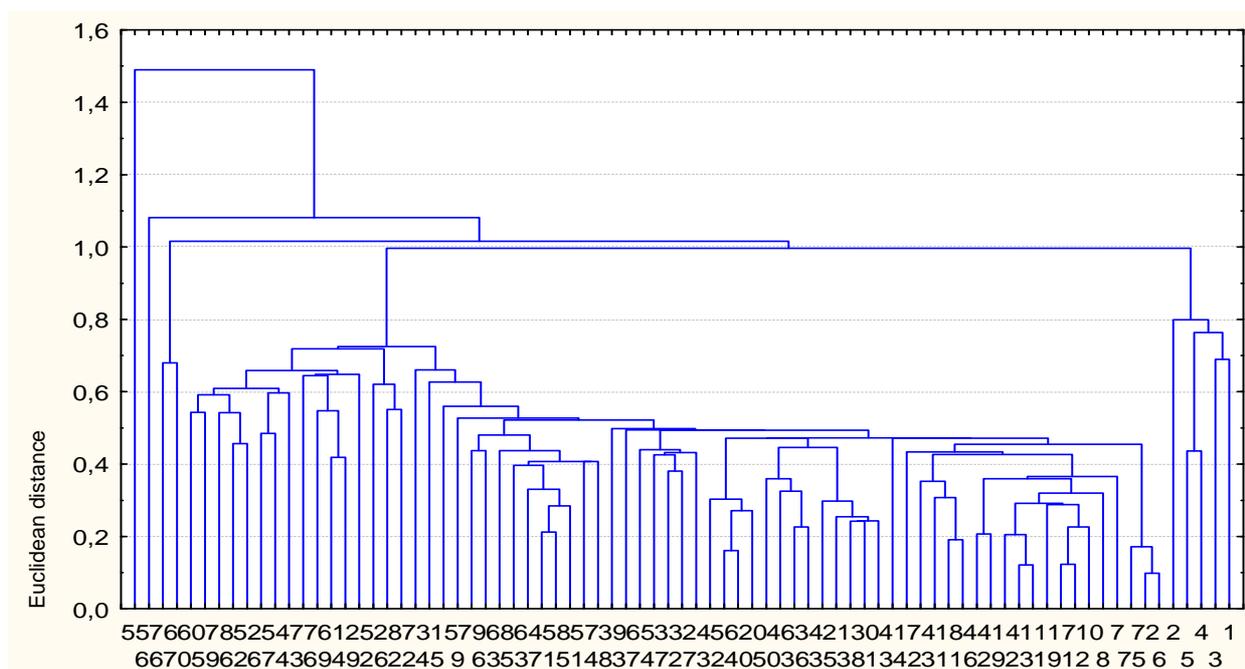
In 2010, two districts had markedly different values and all the other districts were divided into two clusters. The first cluster comprised the districts countryside around Košice and Trebišov. The second cluster comprised the rest of the districts.

I. There were markedly different values for the districts Rimavská Sobota and Prešov. Values in the indicators analyzed for the district Rimavská Sobota were the least similar to the other districts. As in the year 2008, it was again the district with

the most unfavourable results. Compared with 2008, the similarity of its indicators with other districts had not changed significantly. Thus, differences in the values of the indicators analyzed in comparison with the values in other districts were not reduced. In 2010, similarly to the district Rimavská Sobota, very little values similar to the values in other districts were detected in case of the district Prešov. The state of similarity got significantly worse in comparison with the previous year. The district Prešov reached significantly above-average values of the rate of registered unemployment and the number of job applicants.

Chart 2

The dendrogram generated on ground of data from the year 2010



Source: own processing in Statistica

II. Among the districts with significantly unfavourable results in 2010 belonged the districts countryside around Košice and Trebišov. In the year 2010, these two districts were a separate cluster in contrast to 2008, and were characterized by a large number of applicants for employment, high rate of registered unemployment and low average nominal gross wage.

The remaining districts formed the second cluster. A significant position among the districts of the second cluster was held by the districts of the Bratislava region - Bratislava I, II, IV, V. These districts have for a long time achieved the best results. Some results of the analysis are summarized in the table 2.

Table 2

districts with isolated values	Rimavská Sobota (unfavourable results)	Prešov (unfavourable results)	
districts with the least similarities	Rimavská Sobota, Bratislava I (Euclidean distance 7,73)		
districts with the most similarities	Košice I Malacky (Euclidean distance 0,10)		
clusters	1.cluster countryside around Košice, Trebišov (unfavourable results)	2.cluster rest of the districts	

Source: own processing

III. Comparison of the basic descriptive characteristics of the Euclidean distances expressed from the indicators from all combinations of subjects can be characterized by a number of conclusions:

- the district Rimavská Sobota had unfavourable results of the indicators analyzed and no significant changes were detected when comparing the years 2008 and 2010. In the year 2010, very few values of the indicators analyzed

in the district were similar to other districts. The analysis shows the need to focus on systematic solution of the situation in the district, which would reduce its differences with other districts in the SR.

- the districts in which the situation is getting worse and similarity of their indicators is decreasing include the district Prešov. A significant increase in the arithmetic mean and the maximum of the Euclidean distance in 2010 was detected. The disparity of this district compared to other districts is not reducing, it has the opposite trend. The district Prešov is therefore another district in which it is necessary to focus on systematic solution of the situation.
- in case of several districts in eastern Slovakia similarities raised between the years 2008 and 2010, i.e. differences were reduced. Districts in which the arithmetic mean and the maximum Euclidean distance were reduced include Vranov nad Topľou, Sabinov, Bardejov, Rožňava, countryside around Košice and more. This fact can be considered favourable.
- values in the districts of Bratislava differed significantly from those in other districts in the two years. All districts of Bratislava achieved significantly favourable results in both years. In 2008, the most different results were in the district Bratislava II, which had a prominent position among the districts of Bratislava. In 2010, the results of the district Bratislava I improved significantly and the difference between the district Bratislava II and the district Bratislava I was reduced.

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Conclusion

The aim of this paper was to characterize the state and dynamics in terms of regional disparities in Slovakia by using multivariate research techniques. We focused on changes in similarities among 79 districts in the Slovak Republic, based on the values of indicators such as the average nominal monthly wage, the number of available job applicants and the rate of registered unemployment in 2008 and in 2010.

The analysis showed that there is a need to focus on systematic solution of the unfavourable situation in the districts Rimavská Sobota and Prešov, which would lead to reducing the differences between the indicators analyzed in comparison with other districts in the SR. The situation in these districts has not improved. The trend in these districts is negative, respectively slightly deteriorating.

The districts of the Bratislava region have for a long time reached very favourable values of the analyzed indicators and thus differ significantly from districts in other regions of Slovakia. We can consider the fact of rising similarities in several districts in eastern Slovakia from 2008 to 2010, i.e. reduction in differences, as favourable. This is confirmed also by the analysis of regional disparities within the regions of Slovakia.

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SUMMARY

Regionálne rozdiely medzi okresmi Slovenskej republiky

Eva GRMANOVÁ

Cieľom nášho príspevku bolo použitím viacrozmerných prieskumných techník charakterizovať stav a dynamiku v rámci regionálnych disparít Slovenskej republiky. Zamerali sme sa na zmenu podobnosti sedemdesiatich deviatich okresov Slovenskej republiky, pričom sme vychádzali z hodnôt ukazovateľov priemerná nominálna mesačná mzda, disponibilný počet uchádzačov o zamestnanie a miera evidovanej nezamestnanosti v roku 2008 a v roku 2010.

Z analýzy vyplynulo, že je potrebné a sa zamerať na systematické riešenie nepriaznivej situácie v okresoch Rimavská Sobota a Prešov, ktoré by viedlo k zmenšeniu ich rozdielov v porovnaní s inými okresmi SR. Situácia v týchto okresoch sa z roku 2008 na rok 2010 nezlepšila. Trend v týchto okresoch je nepriaznivý, resp. mierne zhoršujúci. Okresy Bratislavského kraja dosahujú dlhodobo značne priaznivé hodnoty analyzovaných ukazovateľov a tým sa výrazne odlišujú od ostatných okresov v Slovenskej republiky. Za priaznivú možno považovať skutočnosť, že u viacerých okresov na východnom Slovensku došlo z roku 2008 na rok 2010 k zväčšovaniu podobnosti, teda k zmenšeniu rozdielov. Táto skutočnosť sa potvrdzuje aj pri analýze regionálnych disparít v rámci krajov Slovenskej republiky.

JEL Classification: R 58

CLUSTERS AND UNIVERSITIES

Klastre a univerzity

Katarína HAVIERNIKOVÁ, Mária IGAZOVÁ

Abstract

Successful regional policy depends on partnership between national, regional and local institutions, including universities providing citizens and institutions in a region with information and knowledge. The university dimension in regional development through involvement in the cluster is only part of the successful regional development. The other dimension is the nature and organization of the cluster. The paper aims at assessing university involvement in a clusters activity in Slovak regions and at role universities play in the process of regional development. The paper is the part of the internal grant of Faculty of social and economic relations called: The problems of measuring the effectiveness of clusters.

Key words

Cluster, cluster initiatives, the region, innovation, The Triple Helix Model, university, Location Quotient

JEL Classification: R11, C38

Introduction

A very important indicator of competitiveness improvement in every economy is innovation. The European Commission defines innovation as an open process, in which many different items - companies, customers, investors, universities, and other institutions cooperate in a complex way.

Innovation can have different forms. The process of innovation designing and disseminating information on innovation is of great importance also in regional development, in which innovation processes may take different forms, e.g. forms of products, technologies, management, etc. Within regional development some factors have impact on the above mentioned processes. Firstly it is important to know the details of social-economic structure operating in the region. Development of the region is influenced by sectors of production, services, development and institutions organized in the region. Their mutual cooperation and the sectors interconnection is reflected in cluster existence and their activities. Universities should play a very important role in cluster structures as cluster members have one mutual attitude towards innovation

To achieve the above mentioned condition it is necessary for universities to have scientific capacity that is able to meet cluster requirements. This is not one-way process. In regions where clusters operate there must be the "ability" of other cluster members to absorb the process of technology transfer towards companies from universities and at the same time

regional authorities are expected to create conditions for their development.

1 Theoretical solutions

1.1 Clusters definition

The issue of clusters creating has been discussed by many economists since the 19th century, e.g. Marshal: Principles of Economics (1890), Weber (1909), Hayek (1945), Nordhaus (1962), Olsson (1965) a Williamson (1985). The book "National Competitiveness" in 1990 by Michael E. Porter has become a turning point in the cluster conception. In his view companies and institutions geographically concentrated and interconnected are a drive in national, regional and local development [2, p. 2].

In 1998 in the journal Harvard Business review „Clusters and the New Economics Competitions“ Porter says that clusters are geographic concentrations of related industries that occur in particular fields. Clusters encompass an array of linked industries and other entities important to competition. They include, for example, suppliers of specialized inputs such as components, machinery, and services, and providers of specialized infrastructure. Clusters also often extend downstream to channels and customers and laterally to manufacturers of complementary products and to companies in industries related by skills,

technologies, or common inputs. Finally, many clusters include governmental and other institutions—such as universities, standards-setting agencies, think tanks, vocational training providers, and trade associations—that provide specialized training, education, information, research, and technical support [14, p. 34].

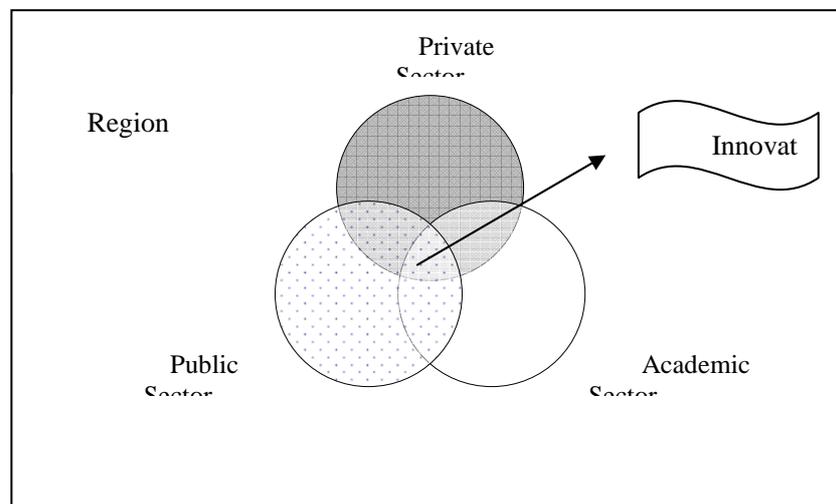
1.2 Cluster actors

Forming successful clusters needs tight cooperation of three sectors: the public sector, academic sector and the private one. In economic theories Triple Helix Model was named and designed

by Etzkowitz and Leydesdorff [4, p. 771] as a model of transformation process within the relations between universities, industries and government, public administration.

When a real and genuine cooperation exists within the cluster, the cluster has more opportunities to survive and to operate well. Forming and running a cluster needs funding. This triple model of university – industry – government relations can extend the opportunities to raise funds from the national public resources and European funds.

Fig. 1 – Innovation and cooperation of three sectors in a region. Source: Own source based on [3]



In regional economy institutions of different forms create conditions supporting regional development, especially those ones that support and activate research, development, innovation, knowledge, technology and capital transfer. [6, p.62-63] Universities belong to the group of local institutions contributing to innovations and supporting regional development.

Universities have been playing a key role in the knowledge-based economy; they are expected to play an active role in supporting technological change and innovation. However, the nature of their role in regional economic development is less well understood than is often presumed. While the presence of a leading research university is a critical asset for urban and regional economies, it is not sufficient in itself to stimulate strong regional economic growth because universities tend to be ‘catalysts’ of technological innovation rather than ‘drivers’ (Doutriaux,

2003; Wolfe, 2005a). [1, p. 1175].

2 Methodology, data and discussion

2.1 Methodology

To identify the subject localization more statistic methods are employed. The paper describes the analysis that is carried out by means of coefficient “Location Quotient – LQ”. The method of localization coefficient can be ranked to methods analyzing the vicinity of companies. The search is carried out by means of following data number of employees in the sector, sector classification of economic activities. The classification is compatible with the classification NACE and SIC [8, p. 126 - 127]. A calculation for LQ defines the relation:

Formula No.°1

$$LQ_i = \frac{z_i/z}{Z_i/Z}$$

Source: [8, p. 127], where

- LQ_i Localization coefficient for the branch, sector i
- z_i Number of employees in the branch, sector, in the region
- z Total number of employees working in the region
- Z_i Number of employees in branch/sector also at higher level
- Z Total number of employees at higher level

The value LQ higher than 1 shows the regional specialization, it means that the given branch employs people that have larger share in the regional labour force than they are at the level of region. The value LQ below 1 means reverse.

2.2 Data

In the Slovak Republic there are several dozens of clusters. However not all of them are active, or they do not present their activities because no information on their existence is available at present.

Following chapters analyze real data on clusters operating in Slovak regions. The text does not include analysis of e.g. Glass cluster, Cluster of tourist industry

Smolenice as no information on them was available at the time when the paper was in progress.

Table No. 1 includes information on Slovak clusters, the region the cluster is located in, date when the cluster was formed and whether the cluster is active (A) or no information about its activity is available (N). The table also includes brief information who initiated the formation of the cluster and how many members it has at present.

Assessing activities of a cluster whether it is working or not is based on details gained in a personal interview with cluster representatives or it can be based on the information published on clusters web sites. The original cluster members of Slovak plastic production – oriented cluster cannot be traced.

Tab. 1 - Cluster in Slovak regions. Source: Own processing.

Region	Cluster Title	Launched into operation	A/N	Establishing Members	Current members
Bratislava Region (BA)	Danube knowledge-oriented cluster	30/7/2010	A	University, municipality, private and non-public sector	University, municip., private and non-public sector
Trnava Region (TT)	Automotive cluster – Western Slovakia	7/12/2007	A	Self-governing region and municipality	Public admin., education system, enterprise, company, non-public sector
	Electro-technical cluster – Western Slovakia	23/5/.2008	A	Self-governing region and municipality	Public admin., private sector
	Energetic cluster	2/12/2009	A	Self-governing region and Union of municipalities	University, education system, enterprise, company, public and non-public sector
	Cluster for tourist industry – Western Slovakia	1/12/2008	N	Self-governing region and municipality	Public admin. cluster, Union for tourist industry and agencies
Trencin Region (TN)	-	-	-	-	-
Nitra Region (NR)	Slovak plastic production - oriented cluster	23/3/2009	N	No info available	University, education system, enterprise, company, public and non-public sector
Zilina Region (ZA)	Z@ict	30/6/2008	A	Private and academic sectors, public admin.	Private, academic sectors, public admin.
	Cluster Liptov tourism associations	8/8/2008	A	Public admin. and private sector	Public admin. , private sector
	Cluster Orava – tourism associations	5/8/2008	A	Public admin. and private sector	Public admin. , private sector
	Cluster Turiec – tourism associations	7/7/2009	A	Public admin. and private sector	Public and private sector
Banska Bystrica Region (BB)	1 st Slovak cluster in machine engineering	4/1/2008	A	University, public admin., company	University, municipality, enterprise, company, public admin.
	Balnea Cluster - tourism associations	6/6/2008	A	Public admin., national and private sector	Public sector, national and private sector
Presov Region (PO)	-	-	-	-	-
Kosice Region (KE)	BITERAP cluster	30/11/2004	N	Public admin. and private sector	Public admin. and private sector
	Cluster AT+R	14/7/2010	N	University, municipality, company, public admin.	University, private sector, public admin.
	Kosice IT Valley, association of legal entities.	6/3/2007	A	Private and academic sector and public admin.	Private and academic sector, public admin. and education system

In the Slovak republic there are these types of universities: public universities (established by law), state universities (which include military, police and medical universities), private universities (which are legal entities established in Slovakia, EU countries or countries that the EU signed the Agreement on the European Economic Area and Switzerland), foreign universities, which provide higher education in the Slovak Republic under the laws of the State of their establishment on the basis of granting of the authorization issued by the Ministry of Education, Science, Research and Sport of the Slovak Republic

According to the Statistical Office in 2010 there were in the Slovak Republic 33 universities with 125 faculties. According to the Ministry of Education there are four foreign universities in the Slovak republic

2.3 Discussion

The next part of our paper analyses universities involvement in the process of establishing a cluster and what universities participate in clusters operation.

Slovak clusters concentrated in regions can be divided into three groups: technological cluster initiatives, clusters of tourist industry and knowledge related clusters.

Cluster membership can be identified in 14 out of 15 clusters. Universities participated in creating five clusters, which is 35,71 %. The first cluster was formed "The cluster Kosice IT Valley (2007) in Kosice Region and it was followed by "The cluster 1st Slovak cluster in machine engineering" (2008) in the Region of Banska Bystrica.

The year 2008 was significant for clustering. In this year came in the Slovak Republic a total of seven clusters Another cluster with participation of university was located in the Zilina Region was Z@ict (2008).

In July 2010 a new clusters, one in the Kosice region was formed - Cluster AT+R (2010) and another one in Bratislava Region was formed - Danube knowledge-oriented cluster, which is ranked among the knowledge-oriented clusters in our analysis, because the cluster is determined to promote transformation towards regions based on knowledge and wisdom.

It was impossible to detect whether a university as a member participated in creating "The Slovak plastic production - oriented cluster" (Nitra Region). Processing the data for the paper we can conclude that at present a university is a cluster member, but it is not stated explicitly whether the cluster is operating.

It is clearly seen from the data given in the Tab.1 that at present there are more universities that have joint clusters: in the Trnava Region – "Automotive Cluster - Western Slovakia" – Slovak University of Technology, Faculty of Materials and Technology in Trnava, Cyril and Method University in Trnava) and "Energetic Cluster" with participation of Cyril and Method University in Trnava. In the Banska Bystrica Region there is "Slovak machine-engineering Cluster" – with the involvement of the Technical University in Zvolen.

3 Results

Applying the localization coefficient and taking into account only the number of people who are involved in science, the value of this coefficient has been calculated in Slovak regions. The data on the indicator "scientific and specialized employees" are offered by the Slovak Statistics Office and are processed up to the year 2008. Doing calculations we referred to regional data and the entire Slovakia is considered to be the higher level of administration.

As it is seen in the Table No.2 the value of the localization coefficient amounted more than 1 in the Bratislava, Presov and Kosice Region. The coefficient in the Zilina Region approaches the value 1. The table offers also information on the number of universities involved in clusters at present. The number of Slovak universities was not changed in 2010 if compared to the number of the year 2008. The number of universities includes number of public, national and private universities.

In the Bratislava Region only three out of eleven universities are involved in clusters operation: Slovak University of Technology in Bratislava, Comenius University in Bratislava, University of economics and management in public administration in Bratislava

Tab. 2 Localization Coefficient, Clusters and Universities Relations in Slovakia. Source: Own processing and calculation based on data from the Statistical Office of the Slovak republic

Region	LQ	Number of clusters with the involvement of universities	Number of universities	Number of universities involved in the cluster
Bratislava Region	1,24	1	11	3
Trnava Region	0,80	2	4	3
Trencin Region	0,66	0	3	0
Nitra Region	0,84	1	3	1
Zilina Region	0,94	1	3	1
Banska Bystrica Region	0,87	1	3	1
Presov Region	1,09	0	2	0
Kosice Region	1,08	2	4	2

In Kosice Region two clusters with a university involvement are active; in this region 4 universities are located. The cluster AT+R comprises also Zilina University seated in Zilina and university of Technology in Kosice. This cluster seems not to be active. In the cluster IT Valley, association of legal entities. - University of Technology in Kosice and Pavol Jozef Safarik University in Kosice are involved.

It can be concluded that if a university can be networked to support regional development, the regional authorities must create cluster friendly surrounding so that university activities can have impact on regional development. Although universities “produce” specialists, regions ability to absorb them is very low and their capacity is not able to offer enough positions for all the university graduates. This can be proved by the fact that in the Presov Region where the localization coefficient value amounts more than 1 with the coexistence of two universities but no cluster is created in the region. On the other hand the Presov region is registered as the establishing member in the Cluster AT+R in the Kosice Region.

4 Conclusion

The substance of regional development is forming physical, human a social and institutional resources and

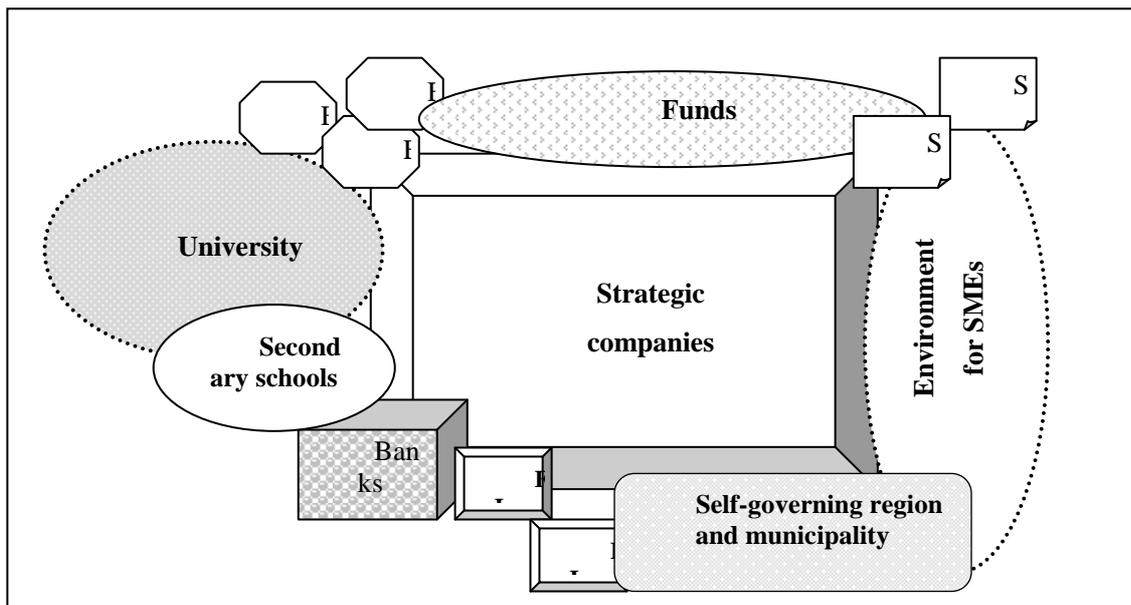
utilizing their benefits and advantages so that economic regional base can be created. [9, p. 55]

Innovation is a controlled process of generation, transmission and implementation of ideas into practical applications, which leads to higher quality of products, services and processes. Customer will appreciate it as a new added value and is willing to pay well for it. Therefore, the interests of business should be to increase the innovation performance of enterprises, which creates conditions for the innovation performance of the economy. [7, p. 99 - 100]

Universities can be a successful cluster member when their research and scientific activities are of a significant quality, when they take an active part in cluster activities, achieve and utilize knowledge and information on the region. These facts help universities adapt to new and changing conditions.

The following scheme (No.2) designs a new model of university and business surrounding partnership in a form of cluster network. The given design represents a potential partnership because although there are conditions for cluster creating, e.g. a group of companies, suppliers – contractors’ relations, universities and other institutions, it does not mean that the cluster is active, that it operates. To create and run a cluster confidence and social relations among the cluster members are inevitable.

Fig. 2 . The cluster model of networking. Source: Own processing



Legend: EP1 – EPn – enterprise with the production activity, S1 – Sn - service companies, FI – foreign investors

Clustering is not a simple process; but it is possible to be carried out. The most important fact in clustering is that cluster members take an active part in strategy design so that the entire cluster and also other cluster

members can benefit. It may lead to opening new positions and improving the welfare of citizens.

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SUMARRY

Klastre a univerzity

Katarína HAVIERNIKOVÁ, Mária IGAZOVÁ

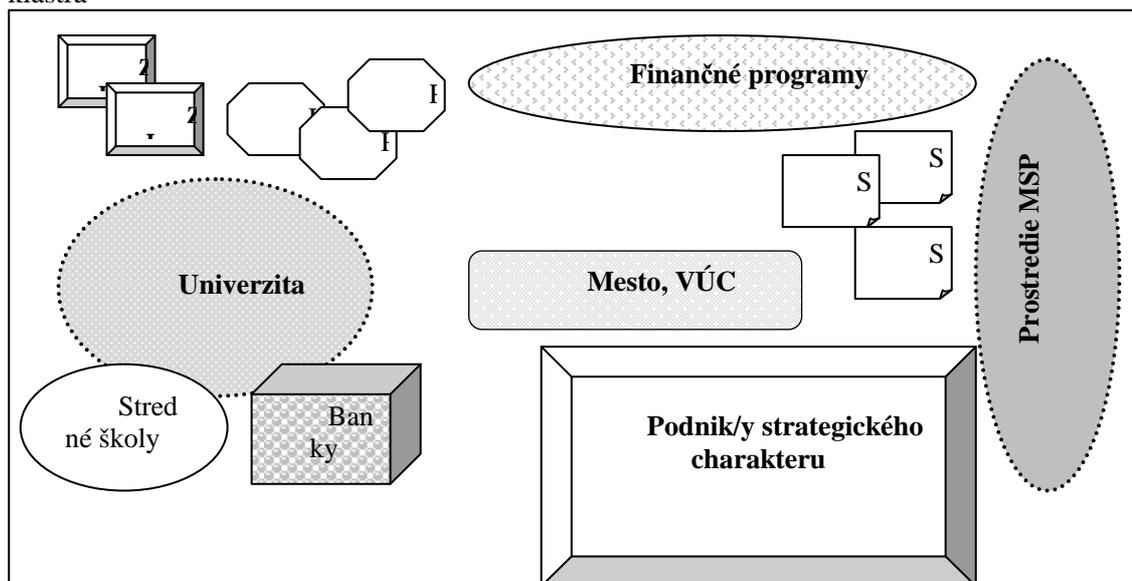
Podstatou regionálneho rozvoja je predovšetkým formovanie fyzických, ľudských, sociálnych a inštitucionálnych zdrojov a využívanie z nich plynúcich komparatívnych výhod k vytváraniu ekonomickej základne regiónu. [9, str. 55]

Aby univerzita mohla byť úspešným článkom klastra je potrebné, aby disponovala kvalitnou vedecko-výskumnou základňou, aktívne sa zapájala do činnosti klastra a disponovala adekvátnymi znalosťami o situácii v regióne a bola schopná sa tak adaptovať na nové, meniace sa podmienky.

V nasledujúcej schéme (č.2) je navrhnutý model prepojenia univerzitného prostredia s podnikateľským prostredím formou zosieťovania do klastra. Uvedený model, predstavuje potenciálne zapojenie, pretože ak aj existujú podmienky pre vytvorenie klastra – skupina podnikov, dodávateľsko-odberateľské vzťahy, univerzita a ďalšie inštitúcie, neznamená to, že klaster bude fungovať. Pre založenie a existenciu klastra je nevyhnutná aj dôvera jednotlivých partnerov a sociálne vzťahy medzi nimi.

Proces klastrovania nie je jednoduchý, ale nie je nemožný. Veľmi dôležité je, aby sa potenciálni účastníci aktívne zapájali do tvorby stratégií, ktoré by boli prínosom pre oblasť v ktorej pôsobia. Aktívnym zapojením získa nielen klaster ako celok, ale každý zúčastnený subjekt čo v konečnom dôsledku môže viesť k tvorbe pracovných miest a rastu blahobytu spoločnosti.

Schéma č. 2 Model prepojenia univerzitného prostredia s podnikateľským prostredím formou zosieťovania do klastra



Vysvetlivky: P₁ - P_n – podniky s výrobnou činnosťou, S₁ - S_n - podniky poskytujúce služby, , ZI – Zahraniční investori

JEL Classification: R11, C38

EU EMERGENCY MEASURES REGARDING THE DEBT CRISIS

Núdzové opatrenia EÚ týkajúce sa dlhovej krízy

Marcel KORDOŠ

Abstract

The paper deals with the European Monetary Union's (EMU) problematic issue regarding the debt crisis problem. The goal of this paper is by means of EU emergency measures tools analysis to figure out if there is any possible way how to get out of the debt circle in EMU. There are several EU emergency measures sketch out by the European Commission and European Central bank such as European Stability Mechanism (ESM) which consists of European Financial Stability Facility (EFSF) and European Financial Stabilization Mechanism (EFSM) that are supposed to restart the economic growth, diminished the unemployment level and save the Euro currency in the future. ESM serves as a "financial firewall" that can ensure that downstream nations and banking systems are protected by guaranteeing some or all of their obligations.

Key words

International economics, debt crisis, global economic recession, European stability mechanism, bailout.

JEL Classification: F 65, F 36, G 18

Introduction

From late 2009, fears of a sovereign debt crisis developed among investors concerning rising government debt levels across the globe together with a wave of downgrading of government debt of certain European states. Concerns intensified early 2010 and thereafter making it difficult or impossible for Greece, Ireland and Portugal to re-finance their debts. On 9 May 2010, Europe's Finance Ministers approved a rescue package worth €750 billion aimed at ensuring financial stability across Europe by creating the European Financial Stability Facility (EFSF). In October 2011 Eurozone leaders agreed on another package of measures designed to prevent the collapse of member economies. This included an agreement with banks to accept a 50% write-off of Greek debt owed to private creditors, increasing the EFSF to about €1 trillion, and requiring European banks to achieve 9% capitalization. To restore confidence in Europe, EU leaders also suggested to create a common fiscal union across the Eurozone with strict and enforceable rules embedded in the EU treaties. (<http://ekonomika.idnes.cz>)

The paper deals with the European Monetary Union's (EMU) problematic issue regarding the debt crisis problem. The goal of this paper is by means of EU emergency measures tools analysis to figure out if there is any possible way how to get out of the debt circle in EMU. The hypothesis is set that tools

proposed by the European Commission and European Central bank are supposed to restart the economic growth, diminished the unemployment level and save the Euro currency in the future. We will try to sketch out those predictions by means of several *methods used in this paper* such as analysis, synthesis, and prediction and so on.

1. Causes of the current debt crisis

The European sovereign debt crisis has been created by a combination of complex factors such as: the globalization of finance; easy credit conditions during the 2002-2008 period that encouraged high-risk lending and borrowing practices; international trade imbalances; real-estate bubbles that have since burst; slow growth economic conditions 2008 and after; fiscal policy choices related to government revenues and expenses; and approaches used by nations to bailout troubled banking industries and private bondholders, assuming private debt burdens or socializing losses.

One narrative describing the causes of the crisis begins with the significant increase in savings available for investment during the 2000-2007 period. During this time, the global pool of fixed income securities increased from approximately \$36 trillion in 2000 to \$70 trillion by 2007. This "Giant Pool of Money" increased as savings from high-growth developing nations entered global capital

markets. Investors searching for higher yields than those offered by U.S. Treasury bonds sought alternatives globally. The temptation offered by this readily available savings overwhelmed the policy and regulatory control mechanisms in country after country as global fixed income investors searched for yield, generating bubble after bubble across the globe. While these bubbles have burst causing asset prices (e.g., housing and commercial property) to decline, the liabilities owed to global investors remain at full price, generating questions regarding the solvency of governments and their banking systems. (<http://ec.europa.eu/eurostat>)

How each European country involved in this crisis borrowed and invested the money varies. For example, Ireland's banks lent the money to property developers, generating a massive property bubble. When the bubble burst, Ireland's government and taxpayers assumed private debts. In Greece, the government increased its commitments to public workers in the form of extremely generous pay and pension benefits. Iceland's banking system grew enormously, creating debts to global investors ("external debts") several times larger than its national GDP.

The interconnection in the global financial system means that if one nation defaults on its sovereign debt or enters into recession that places some of the external private debt at risk as well, the banking systems of creditor nations face losses. For example, in October 2011 Italian borrowers owed French banks \$366 billion. Should Italy be unable to finance itself, the French banking system and economy could come under significant pressure, which in turn would affect France's creditors and so on. This is referred to as financial contagion. Further creating interconnection is the concept of debt protection. Financial institutions enter into contracts called credit default swaps (CDS) that result in payment or receipt of funds should default occur on a particular debt instrument or security, such as a government bond. Since multiple CDS can be purchased on the same security, the value of money changing hands can be many times larger than the amount of debt itself. It is unclear what exposure each country's banking system has to CDS, which creates another type of uncertainty.

Some politicians, notably Angela Merkel, have sought to attribute some of the blame for the crisis to hedge funds and other speculators stating that "institutions bailed out with public funds are exploiting the budget crisis in Greece and elsewhere". Although some financial institutions clearly profited from the growing Greek government debt in the short run, there was a long lead up to the crisis.

Loss of confidence

Prior to development of the crisis it was assumed by both regulators and banks that sovereign debt from the Euro zone was safe. Banks had substantial holdings of bonds from weaker economies such as Greece which offered a small premium and seemingly were equally sound. As the crisis developed it became obvious that Greek, and possibly other countries', bonds offered substantially more risk. Contributing to lack of information about the risk of European sovereign debt was conflict of interest by banks that were earning substantial sums underwriting the bonds.

Furthermore, investors have doubts about the possibilities of policy makers to quickly contain the crisis. Since countries that use the Euro as their currency have fewer monetary policy choices (e.g., they cannot print money in their own currencies to pay debt holders), certain solutions require multi-national cooperation. Further, the European Central Bank has an inflation control mandate but not an employment mandate, as opposed to the U.S. Federal Reserve, which has a dual mandate. According to the Economist, the crisis "is as much political as economic" and the result of the fact that the euro area is not supported by the institutional paraphernalia (and mutual bonds of solidarity) of a state.

Evolution of the crisis

In the first weeks of 2010, there was renewed anxiety about excessive national debt. Frightened investors demanded higher interest rates from several governments with higher debt levels or deficits. This in turn makes it difficult for governments to finance further budget deficits and service existing high debt levels. Elected officials have focused on austerity measures (e.g., higher taxes and lower expenses) contributing to social unrest and significant debate among economists, many of whom advocate greater deficits when economies are struggling. Especially in countries where government budget deficits and sovereign debts have increased sharply, a crisis of confidence has emerged with the widening of bond yield spreads and risk insurance on credit default swaps between these countries and other EU member states, most importantly Germany.

2. EU emergency measures

There are several EU emergency measures sketch out by the European Commission and European Central bank such as European Stability Mechanism, European Financial Stability Facility and European Financial Stabilization Mechanism that are supposed to restart the economic growth,

diminished the unemployment level and save the Euro currency in the future.

European Stability Mechanism

The European Stability Mechanism (ESM) is a permanent rescue funding programme to succeed the temporary European Financial Stability Facility and European Financial Stabilization Mechanism in mid-2013.

On 16 December 2010 the European Council agreed a two line amendment to the EU Lisbon Treaty to allow for a permanent bail-out mechanism to be established including stronger sanctions. In March 2011, the European Parliament approved the treaty amendment after receiving assurances that the European Commission, rather than EU states, would play 'a central role' in running the ESM. According to this treaty, the ESM will be an intergovernmental organization under public international law and will be located in Luxembourg.

Such a mechanism serves as a "financial firewall." Instead of a default by one country rippling through the entire interconnected financial system, the firewall mechanism can ensure that downstream nations and banking systems are protected by guaranteeing some or all of their obligations. Then the single default can be managed while limiting financial contagion.

European Financial Stability Facility (EFSF)

On 9 May 2010, the 27 EU member states agreed to create the European Financial Stability Facility, a legal instrument aiming at preserving financial stability in Europe by providing financial assistance to Eurozone states in difficulty. The EFSF can issue bonds or other debt instruments on the market with the support of the German Debt Management Office to raise the funds needed to provide loans to Eurozone countries in financial troubles, recapitalize banks or buy sovereign debt. Emissions of bonds are backed by guarantees given by the euro area member states in proportion to their share in the paid-up capital of the European Central Bank. The €440 billion lending capacity of the Facility is jointly and severally guaranteed by the Eurozone countries' governments and may be combined with loans up to €60 billion from the European Financial Stabilization Mechanism (reliant on funds raised by the European Commission using the EU budget as collateral) and up to €250 billion from the International Monetary Fund (IMF) to obtain a financial safety net up to €750 billion.

On November 29, 2011 the member state finance ministers agreed to expand the EFSF by creating certificates that could guarantee up to 30% of new

issues from troubled euro-area governments and to create investment vehicles that would boost the EFSF's firepower to intervene in primary and secondary bond markets. (<http://ekonomika.idnes.cz>)

Now towards the reception by financial markets. Stocks surged worldwide after the EU announced the EFSF's creation. The Facility eased fears that the Greek debt crisis would spread, and this led to some stocks rising to the highest level in a year or more. The Euro made its biggest gain in 18 months, before falling to a new four-year low a week later. Shortly after the euro rose again as hedge funds and other short-term traders unwound short positions and carry trades in the currency. Commodity prices also rose following the announcement. The dollar Libor held at a nine-month high. Default swaps also fell. The VIX closed down a record almost 30%, after a record weekly rise the preceding week that prompted the bailout. The agreement is interpreted to allow the ECB to start buying government debt from the secondary market which is expected to reduce bond yields. As a result Greek bond yields fell sharply from over 10% to just over 5%. Asian bonds yields also fell with the EU bailout.

How is the usage of EFSF funds? The EFSF only raises funds after an aid request is made by a country. As of end of December 2011, it has been activated two times. In November 2010, it financed €17.7 billion of the total €67.5 billion rescue package for Ireland (the rest was loaned from individual European countries, the European Commission and the IMF). In May 2011 it contributed one third of the €78 billion package for Portugal in May 2011. In the future, it is planned to also shift the loan for Greece to the EFSF, which according to EU diplomats would amount to about €80 billion. This leaves the EFSF with €250 billion or an equivalent of €750 billion in leveraged firepower. According to German newspaper Sueddeutsche, this is more than enough to finance the debt rollovers of all flagging European countries until end of 2012, in case necessary. In 2013 the EFSF will be replaced by a permanent rescue funding program called European Stability Mechanism (ESM). It will be established once the ratification process of its treaty is completed. (<http://ekonomika.idnes.cz>)

European Financial Stabilization Mechanism (EFSM)

On 5 January 2011, the European Union created the European Financial Stabilization Mechanism (EFSM), an emergency funding program reliant upon funds raised on the financial markets and guaranteed by the European Commission using the budget of the European Union as collateral. It runs under the

supervision of the Commission and aims at preserving financial stability in Europe by providing financial assistance to EU member states in economic difficulty. The Commission fund, backed by all 27 European Union members, has the authority to raise up to €60 billion and is rated AAA by Fitch, Moody's and Standard & Poor's. Under the EFSM, the EU successfully placed in the capital markets a €5 billion issue of bonds as part of the financial support package agreed for Ireland, at a borrowing cost for the EFSM of 2.59%. Like the EFSF also the EFSM will be replaced by the permanent rescue funding program ESM, which is due to be launched in mid-2013. (<http://finweb.hnonline.sk>)

Regarding the Brussels agreement, on 26 October 2011, leaders of the 17 Eurozone countries met in Brussels and agreed on a 50% write-off of Greek sovereign debt held by banks, a fourfold increase (to about €1 trillion) in bail-out funds held under the European Financial Stability Facility, an increased mandatory level of 9% for bank capitalization within the EU and a set of commitments from Italy to take measures to reduce its national debt. Also pledged was €35 billion in "credit enhancement" to mitigate losses likely to be suffered by European banks. José Manuel Barroso characterised the package as a set of "exceptional measures for exceptional times". (<http://ec.europa.eu/eurostat>)

The package's acceptance was put into doubt on 31 October 2011 when Greek Prime Minister George Papandreou announced that a referendum would be held so that the Greek people would have the final say on the bailout, upsetting financial markets. On 3 November 2011 the promised Greek referendum on the bailout package was withdrawn by Prime Minister Papandreou.

ECB interventions

According to European Commission (<http://ec.europa.eu>) the European Central Bank (ECB) has taken a series of measures aimed at reducing volatility in the financial markets and at improving liquidity:

- First, it began open market operations buying government and private debt securities, reaching €200 billion by end of November 2011, though it simultaneously absorbed the same amount of liquidity to prevent a rise in inflation. If the ECB maintains its average rate of €11 billion additional purchases per week, it would reach €300 billion by mid-January, a level that Rabobank economist Elwin de Groot believes to be a "natural limit" the ECB can sterilize.

- Second, it announced two 3-month and one 6-month full allotment of Long Term Refinancing Operations (LTRO's).
- Thirdly, it reactivated the dollar swap lines with Federal Reserve support.

Subsequently, the member banks of the European System of Central Banks started buying government debt. The ECB has also changed its policy regarding the necessary credit rating for loan deposits. On 3 May 2010 the ECB announced it will accept as collateral all outstanding and new debt instruments issued or guaranteed by the Greek government, regardless of the nation's credit rating. The move took some pressure of Greek government bonds, which had just been downgraded to junk status, making it difficult for the government to raise money on capital markets.

In September, 2011, Jürgen Stark became the second German after Axel A. Weber to resign from the ECB Governing Council in 2011. Weber, the former Deutsche Bundesbank president, was once thought to be a likely successor to Jean-Claude Trichet as bank president. He and Stark were both thought to have resigned due to "unhappiness with the ECB's bond purchases, which critics say erode the bank's independence". Stark was "probably the most hawkish" member of the council when he resigned. Weber was replaced by his Bundesbank successor Jens Weidmann and "leaders in Berlin plan to push for a German successor to Stark as well, news reports said". (<http://finweb.hnonline.sk>)

Reform and Recovery

Slow GDP growth rates correspond to slower growth in tax revenues and higher safety net spending, increasing deficits and debt levels. Fareed Zakaria described the factors slowing growth in the Euro zone, writing in November 2011: "Europe's core problem [is] a lack of growth...Italy's economy has not grown for an entire decade. No debt restructuring will work if it stays stagnant for another decade...The fact is that Western economies - with high wages, generous middle-class subsidies and complex regulations and taxes - have become sclerotic. Now they face pressures from three fronts: demography (an aging population), technology (which has allowed companies to do much more with fewer people) and globalization (which has allowed manufacturing and services to locate across the world)." He advocated lower wages and steps to bring in more foreign capital investment.

Some progress has been already done. On 15 November 2011 the Lisbon Council published the Euro Plus Monitor 2011. According to the report most critical eurozone member countries are in the

process of rapid reforms. The authors note that "Many of those countries most in need to adjust [...] are now making the greatest progress towards restoring their fiscal balance and external competitiveness". Greece, Ireland and Spain are among the top five reformers and Portugal is ranked seventh among 17 countries included in the report. (<http://ec.europa.eu>)

Conclusion

There has been some criticism of the austerity measures implemented by most European countries to counter this debt crisis. Some argue that an abrupt return on financial policy is not a viable solution and predict the deflationary policies now being imposed on countries like Greece and Italy can extend and deepen its recession. Nouriel Roubini said the new credit available to indebted countries are not equivalent to an immediate revival of economic fortunes. He continues: "While the money is already available on the table, all that money is contingent on all these countries to make the fiscal adjustment and structural reforms". (<http://ec.europa.eu>)

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In addition to the arguments about whether or not austerity, rather than increased spending or frozen, is a solution macroeconomic, trade union leaders also argued that the population is being unfairly blamed for economic mismanagement mistakes of economists, investors and bankers. More than 23 million EU workers have become unemployed as a result of world economic crisis of 2007-2010, while thousands of bankers across the EU have become millionaires, despite collapse or nationalization (ultimately taxpayers) of institutions where they worked during the crisis, a fact that led many to call for further regulation of the banking sector by not only Europe but the whole world.

While the sovereign debt increases have been most pronounced in only a few Euro zone countries, they have become a perceived problem for the area as a whole. Nevertheless, the European currency has remained stable, trading even slightly higher against the Euro bloc's major trading partners than at the beginning of the crisis. The three most affected countries, Greece, Ireland and Portugal, collectively account for six percent of euro zone's gross domestic product.

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SUMMARY

Núdzové opatrenia EÚ týkajúce sa dlhovej krízy

Marcel KORDOŠ

Príspevok sa zaoberá problematikou dlhovej krízy týkajúcej sa Európskej monetárnej únie (EMÚ). Účelom článku je pomocou analýzy núdzových opatrení a nástrojov EÚ zistiť, či je k dispozícii spôsob ako dostať EMÚ z kruhu dlhovej krízy. Hypotéza je stanovená, že nástroje Európskej Komisie (EK) a Európskej centrálnej banky (ECB) sú schopné opätovne naštartovať ekonomický rast, znížiť nezamestnanosť a zachrániť európsku menu v budúcnosti.

Európska kríza vznikla ako dôsledok kombinácie komplexu faktorov ako globalizácia financií, uľahčená dostupnosť úverov začiatkom dekády, nerovnováha v medzinárodnom obchode, prasknutie bublín na trhu s nemovitosťami, nevhodné realizácie fiškálnych politík týkajúcich sa vládnych výdajov a príjmov a prístupy krajín odkúpiť problémové bankové spoločnosti a súkromných držiteľov predpokladajúce dlhové bremená a sociálne straty.

EK a ECB v rámci riešenia tejto situácie ponúkajú niekoľko núdzových opatrení a nástrojov ako Európsky stabilizačný mechanizmus (ESM) pozostávajúci z Fondu európskej finančnej stability (EFSF) a Európskeho finančného stabilizačného mechanizmu (EFSM), ktoré majú reštartovať ekonomický rast znížiť nezamestnanosť a zachrániť európsku menu v budúcnosti. ESM je permanentný záchranný fond fungujúci ako "finančný val" – miesto, aby sa neplnenie jednej krajiny reťazovo šíriло na celý prepojený finančný systém, obranný mechanizmus zaisťuje, že potápajúce sa krajiny a bankové systémy budú ochránené zárukami alebo svojimi dlhopismi. Potom toto jedno konkrétne neplnenie môže byť zvládnuté pred finančnou nákazou.

V máji 2010 27 štátov EÚ súhlasilo vytvoriť EFSF ako právny nástroj cielený zabezpečiť finančnú stabilitu v Európe poskytnutím finančnej pomoci štátom Eurozóny majúcimi ťažkosti. EFSF môže vydať na trh dlhopisy s podporou Úradu nemeckej dlhovej správy s cieľom získania prostriedkov, aby mohli poskytnúť pôžičky problémovým krajinám Eurozóny, rekapitalizovať banky alebo odkúpiť dlh. EFSF iba získava prostriedkov pre krajinu, ktorá požiada o pomoc, na rozdiel od EFSM, vytvoreného v januári 2011. Ide o núdzový fond závislý od získania prostriedkov na finančných trhoch so zárukou EK používajúc rozpočet EÚ ako peniaze založené ako záruka na opčnej burze (kolaterál). Beží pod dohľadom EK a je zameraný na zabezpečenie finančnej stability v Európe poskytnutím finančnej pomoci štátom EÚ v prípade finančných problémov.

Zatiaľ čo zvýšený dlh hlásili iba niektoré EMU krajiny, tie sa stali problémom videným pre EMU oblasť ako pre celok. Predsa len, európska mena zostáva zatiaľ stabilná, obchod s hlavnými blokmi sa mierne oživuje oproti predkrízovému stavu.

JEL Classification: F 65, F 36, G 18

NEW ECONOMY VERSUS CREATIVE INDUSTRY

Nová ekonomika verzus kreatívny priemysel

Emília KRAJŇÁKOVÁ, Sergej VOJTOVIČ

Abstract

This study is dedicated to an analysis of contents of such terms as "new economy" and "creative industry", which are already well known in the scientific and vocational communication. Furthermore it defines nature of those economic phenomena, which they mirror. Moreover common characteristics and differences between new economy and creative industry are being studied in order to determine the principles of evaluation and measuring of these economic phenomena. At the same time it is stressed that the measuring of efficiency of new economy and creative industry in the structure of other branches of economic production and their role in the GDP should be based on the creation of innovations and gained added value. Keywords: nova ekonomika, ľudský kapitál, tvorba inovácií, kreatívny priemysel, ukazovateli kreativity.

Key words:

new economy, human capital, creation of innovation, creative industry indicators of creativity.

JEL Classification: O15; O31.

Introduction

The result of scientific revolution, which took place in second half of 20th century, was accelerated course of all economic processes. This acceleration was influenced by the implementation of new knowledge into economic production. Gained and evolved knowledge begins to substitute material costs. At the end of 20th and in the beginning of 21st century we witnessed the world entering the informative revolution and the basics of the so called informative or knowledge society (economy) were created. The main indicators of knowledge production are: the transformation of knowledge and information into the key source of economic development, forming and developing of the IT goods and services market and the transformation of universities and scientific organizations into the main producing institutions of present society. Adequate technological changes contribute to this process - computer elaboration, storing and spreading of information. Computers and internet, which have made it all possible, are based on commercial networks and are run in the dialogue regime.

Above listed trends in the development of world economy and especially developed countries significantly differ from former economic processes, changed their nature, character and dynamics. These new and quite different productions, which importantly influenced and changed traditional industries, have

been named as information, network, internet, knowledge or new economy.

Theoretically, the definition of the new or knowledge economy is usually connected with the process of creation and elaboration of information. That is the reason why modern and developed society is also called information society. The Characterization of human capital as s human creative ability is usually taking place within the processes of creating and analyzing new information. On the other hand, the processes of management of human capital or human resources are not connected with the processes of creating and analyzing new information, but with the personal aspects of managing people in the organizations.

Later on, when the above mentioned terms and categories are becoming a part of scientific language and communication, the term creative industry is created and we can witness different typologies being made – not only of the producing companies, but of cities, regions, countries or particular social groups of population – according to the indicators of creativity. These criteria of creativity in the above listed typologies are being shifted to the following: indicators of internet use, books reading, and other cultural activities such as theater running, concerts, libraries, museum and so on. According to these criteria we can say that the culture, cultural education, public administration and publically financed art, informal associations like for instance

amateur groups, foundations, and associations are becoming the branches of creative industry. Advertising, marketing, media, film industry, internet, mobile phone, music industry, electronic publishing houses and printed media, video- and computer games, activities connected with the running of cultural facilities, libraries, exhibitions and so on belong here as well.

The question whether the processes like new economy and creative industrial are different or interconnected remains unanswered. Is the latter the part of or only one of many branches of new economy or is it a synonym for the term new economy? What are the criteria of new economy and creative industry are they substantially the same or are they different? How can the new economy be differentiated from the traditional one, or the creative industry from the traditional, uncreative? This study tries to determine the direction and basic approaches to the definition of these new processes, which would enable us to further study and define specific criteria of their determining, defining and evaluating. Therefore the main goal of this study is to determine the nature of such new social phenomena like new economy and creative industry, define their differences or connections with the intention to create the basis for evaluation of system of specific evaluating criteria and measuring of their economic efficiency. In order to achieve this goal following tasks have been defined:

- Specify the essence of new economy (production) and determine its differences from the traditional or "old" economy (production);
- Define the nature of creative industry and determine its differences from traditional ("uncreative") industry;
- Execute an analysis of the nature of new economy and creative industry and find out whether some common basic characteristics or qualities can be determined, which would enable us to justify and specify common criteria of defining, evaluating and measuring of economic efficiency of new economy and creative industry.

Research methods used in the study are: historical analysis of the process how the new economy and creative industry has been formed; theoretical analysis and comparison of conditions in which new and traditional economy have been created and developed; theoretical analysis and comparison of conditions in which creative industry have been created and developed.

Scientific originality of the article is:

- to determine and justify common elements of the nature of new economy and creative industry with the intention to elaborate a basis for determining

the criteria of their definition and evaluation within realistic economic processes.

Practical significance of the article is:

- elaborating and defining the criteria of defining and evaluating of new economy and creative industry in the realistic economic processes will enable us to measure their economic efficiency, their significance in the structure of economic production (for example in a region or in a country) and their influence on the total social and economic development.

1 Natures and significance of new economy

Significant changes within the economic production, on the labor market and within the employment, shifts in the consolidation of society, which took place in the last decades of 20th century, have been referred to as postindustrial society (post-industrial society, Bell, 1999; Galbraith, 1967) or the third wave according to Toflers (third wave, The Economy, 2006). Revolutionary changes in the economic processes happening during this period have been called innovation economy, electronic economy, knowledge economy, internet economy, network economy, digital economy or new economy.

Term "new economy" is often used in order to name these changes, which significantly influenced the structure of economic development factors and the rules according to which the former model of economy have been functioning (Bell, 1973; KEA, 2006). Most authors use the term "new economy" in order to name the fact that the knowledge is becoming the decisive capital, cost factor and the source of economic development (Drucker, 1994; Castells, 1996; Krajňáková, 2012). New economy is an economy of knowledge and ideas, where innovative thoughts and technologies fully integrated into services and goods are the key to the creation of new jobs and higher living standard.

The main quality of new economy is its nonindustrial nature and the fact that used production factors differ from those used in the industrial or other traditional production. Already gained information in the form of knowledge are further elaborated in the new economy and based on them (just like in the industrial production) a new product is being created – new information, which offers a possibility to find out how a new perfected product or service can be made (with lower costs, more efficient, safer, with reduced amount of needed material or using more affordable substitute, being produced in a shorter time and so on). Therefore we can say that information makes the production swifter, more efficient and perfected. Furthermore

this means that subsequently there exists also a traditional industrial production and other activities, which under the influence of information production also change their former qualities.

The most significant difference of new economy is its production factor or the source of production of new product. Main production factors in the industrial production are limited resources – land, labor, material and capital. Knowledge, which contains usable data, information, ideas, symbols, ideology and values, is main and also an unlimited resource, which can be used by more economic subjects at the same time. Main source of production of this factor is human ability to create, look for the new sense of ideas, reveal the unknown in the already existing processes – gain new knowledge. In order to create this knowledge, which can be used in other spheres of production and accepted by the knowledge market, one specific and irreplaceable resource is requested – human creativity. Innovations are made by human ability to accumulate knowledge and on this basis to create new knowledge, which can be used to perfect production, its management and so on. That is the reason why the importance of permanent education of employees is nowadays so stressed.

Even though it is said that information is an input factor in the new economy, this information is being used in a different way than in the industrial production. Information as a production input is not a subject to the machine execution, technologies or human labor. In the new economy it is being handled by man in the process of intellectual and creative work. Therefore man not only handles production inputs – information, but he is the input itself as well, inseparable quality of information. Without connection to the certain human being capable of handling this information it has no other significance or value.

In reality information as an input factor in new economy also have no other significance, because new information usable for innovative purposes in the other spheres of human activities are not being made by logic or mathematic combination of old knowledge or by their mechanical, physical or chemical elaboration. New knowledge can be created only by human ability and creativity. And for these purposes – for the development of human ability to create new knowledge, for education and forming of creative abilities – old information are inevitable.

The only one factor and capital employed in the process of manufacture is human creativity. The human capital is defined by very specific qualities that are not typical for material and financial capital like machines, technologies, funds etc. In a certain way human capital is complementary to the technology and production conditions. People and organizations can utilize their human capital best when conditions and equipment

enabling creative potential use are available. Computer programmers' qualifications cannot be used in a country where computers and software are not available. Physical capital thanks to the laws on decreasing yields is more profitable in a place where there is a shortage of the physical capital. Also in the past clever and creative people were born, but appropriate technology was not available, economic and social conditions did not allow to utilize people's knowledge and to establish new forms of economy where human potential, people's abilities and knowledge could be exploited as a resource for production.

We can conclude that human ability to gain knowledge and create innovations is a capital for production only under a condition if the knowledge and innovation have become the subject of buying and selling process and can be utilized in some other industries. Creativity of people as a human potential is not a sort of production capital and the base of new economy. Creativity becomes an industrial capital and lies in the core of new economy only if it is utilized in the process of innovations to be sold.

Clever and creative people found their jobs in some other industries, they manage them, coordinate, and with their abilities they cope with some difficulties, fulfil the tasks utilizing their creativity. Their creativity is utilized to manage the production smoothly so that material things and products can be manufactured. Selling the products they gain funds to cover the costs of manufacturing process, to remunerate the labour power including labour force creativity. New added value that is created in this manufacturing process is based on the product and the labour: manual, intellectual, creative, managing, etc. Similarly to product ranked into sectors also value created in a product belongs to one of the sectors – industry, agriculture or services.

Human capital an innovations are utilized in research institutions that work within the education system and research institutions funded by businesses and the national government. People employed in these institutions focus their activities on gaining knowledge and information. They aim at processing the information so that it can become utilized in industries. In this process creativity can form just a small part of innovations if we consider time, mental or intellectual consumption. Covering the costs spent on innovation creation, intellectual work remuneration is based on commercial price calculation for the innovations created. In this sort of industry "new" information as "added" value has its price because "new" equals "added".

It can be concluded that a feature of new economy is innovations creation (new knowledge, ideas, methods, technologies, finding new solutions,

etc) so that they can be sold and utilized in industries. So in this way innovations and new information have become a sort of goods subjected to the process of buying and selling. The price for a product includes also the price of the information needed in the manufacturing process.

Measuring new economy and measuring its relations towards other industries or towards creating GDP should be based upon a given principle that added value expressed in monetary units, in currency is sold at the market or it is included in the price of innovated product. The issue of the ratio for different types of labour spent on innovations creating or on added value created in the process of manufacturing and selling the product, should become irrelevant. Human creativity is the main resource for the product; it is its production capital. This fact defines other differences in new type of industry if compared it to some traditional industries, agriculture, services.

2 Creative industry and measuring its values

The term “creative industry” is formed and based on results of human activities analysing affiliated with expressed values – ethic, spiritual, symbolic, etc. (5; 4). Similar performances are defined with a high volume of creativity. The term creative industries encompasses a broader range of activities which include the cultural industries plus all cultural or artistic production, whether live or produced as an individual unit. In the European programme of culture in global world artistic production is considered to play the key role in cultural and creative industries. Cultural industries include underproductive assets – concerts, theatres, museums and mass reproduction of cultural products like books, films, audio records. The cultural heritage is presented in the form of running museums, libraries, archives, etc. And creative industry is meant to be a resource for innovations and includes designing, architecture, and advertisement (KEA, 2006; Kumar, 1978).

Cultural industry including art, culture and cultural heritage is a part of creative industries and is considered to be a subset of creative economy (Ddenatalr, Wasselll, 2006). Creative economy is defined as a set of three mutually connected parts. The first part involves forming creative clusters that are presented via commercial and no-commercial companies. The second part is creative labour based on creative personalities. The third part includes creative community that is a space where conditions for creative economy are set up. Similarly creative sector is defined and is a subset within a creative economy and is divided into commercial public and informal sector (Toffler, Tofflerova, 2001).

The commercial sector base is formed by creative labour force creating values in the field of culture, media, crafts and affiliated industries. Creative industries include marketing and advertisement, media, internet, mobile, music and film industries, electronic publishing, press, computer games, crafts, fashion and design, running museums, libraries and exhibitions and activities of different cultural and amateur agencies and unions (Kelly, 1998 Kráľová, 2012).

Creative industries as a part of creative economy carrying out a transfer of creative products belong to commercial field represented by creative and cultural industries but do not offer any possibilities how to develop basic principles and criteria and indicators for measuring creative industry, economy outside these industries and how to measure the ratio between them and GDP.

Most definitions of creative economy and creative industries deal with culture and art and were designed in the period of making them intensively very commercial. Wiesand and Söndermann emphasize that during many years the sector of culture as a commerce field and its role in employment rate has been underestimated (2005). The European Commission bases its attempt to define the relation between creative and cultural sectors on the above mentioned studies (Higgs, et al., 2008). The affiliation between technological, scientific and arte and economic creativity are emphasized in the Report by European Commission. On the other hand the principles of evaluating, assessing and measuring the value of human creativity in different industries are not developed in the report.

3 Discussion and result

Referring to the above mentioned facts, definitions of culture and art as branches of creative economy are useful and needed in the process of observing and researching trends in development of commercial and public sectors. Definitions of creative economy and creative industries are not employed in the field of science, research and development as fields where human creativity is employed as well. Creativity plays a key role in technological, economic and social development. In the last century a scientific discovery represented only a piece of interesting information and brought some knowledge but with no significance for technological or economic development. At the turn of 20th and 21st centuries most discoveries bring some economic effect resulting in labour productivity growth, costs reduction.

Neither the above mentioned studies nor the European Commission categories division can be a base for developing principles and indicators for economic evaluation and measuring real output of creative industries within economy and their ratio in creating GDP (KEA, 2006). Creative industries output cannot be measured by means of any indicators. A statistic framework for quantification of creative industries or ranking them among traditional industries would be very essential and effective. Creative industries cannot be defined at the level of organizations and they are not able to form professional associations (Janský, Havierníková, (2012; Kordoš, 2012; Woolman, 2011).

Our attention should be focused on the term "development", as in most small and medium manufacturers applied research and permanent creation of new products is hidden behind this term. Real innovations are made and are represented by new knowledge or new products that include the new information and knowledge. Production does not mean a repetitive activity with a mass product or a new unique product at its end. This can be illustrated by an example: In the department for development in the car producer Volkswagen two thousand people might be employed, it does not matter how many people and what activities they perform, the most important is the fact that they all participate in the innovation creation.

All the costs spent on innovations represent the operation costs, the costs spent on company operation. The yield, revenue and profit are the innovated product bearing a competitiveness benefit. This includes also many years of other workers' work producing cars, creating profit for the company and earning their own living. Real profit is a sum of money paid by a competitive company for the innovated product (new car model), in case it has not developed its own one.

We can conclude that a relevant feature of creative industries is creating innovations (new knowledge, idea, methods) with the purpose of their commercial utilization and using them in practice. Measuring outputs in creative industries and their effectiveness and the ratio towards creating GDP shall be based on the principle – in creative industries the added value expressed in currency is reflected in the product price that is sold. The added value forms a part of the product sold at the market or the value represents and can be reflected in an innovated model of the product.

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SUMMARY

Nová ekonomika verzus kreatívny priemysel*Emília KRAJŇÁKOVÁ, Sergej VOJTOVIČ*

Štúdia je venovaná analýze obsahovej naplní už známych vo vedeckej a odbornej komunikácii takých pojmov ako „nová ekonomika,, a „kreatívny priemysel“ a definovaniu podstaty tých ekonomických javov, ktoré oni odzrkadľujú. Ďalej sa skúmajú spoločné rysy a prípadné odlišností medzi novou ekonomikou a kreatívnym priemyslom s účelom určenia princípov hodnotenia a merania týchto ekonomických javov. Zároveň sa zdôrazňuje, že meranie efektívnosti novej ekonomiky a kreatívneho priemyslu v štruktúre iných odvetví hospodárskej výroby a ich pomeru v tvorbe hrubého domáceho produktu, by sa malo zakladať a uskutočňovať na základe tvorby inovácií a získanej pridanej hodnoty.

Na základe existujúcich štúdií a vymedzených definícií kreatívneho sektoru a kreatívneho priemyslu sa nedá uskutočniť rozpracovania princípov ekonomického hodnotenia a konkrétnych ukazovateľov merania ekonomickej efektívnosti, pomeru kreatívneho priemyslu v štruktúre hospodárskej výroby a v tvorbe hrubého domáceho produktu. Ani kategorizácia Európskej komisie neposkytuje možnosti pre zariadenie ako jednotlivých firiem alebo ich produktov do kreatívneho priemyslu.

Absencia konkrétnych a merateľných definícií kreatívneho priemyslu neumožňuje vypracovať systém štatistických ukazovateľov jeho evidencii na rôznych úrovniach - podnikovej, regionálnej, celonárodnej alebo medzinárodnej. Niektoré autori už zdôrazňovali, že takým spôsobom definovaný kreatívny priemysel vyvoláva radu závažných problémov. Medzi nie patri absencia štatistického rámca pre kvantifikáciu kreatívneho priemyslu, absencia možností zariadiť kreatívny priemysel do reťazca tradičných priemyselných odvetví, identifikovať kreatívny priemysel na úrovni organizácií, neschopnosť kreatívneho priemyslu sa združovať v procesných asociáciách a pod. (4; 18).

Zaslúži na pozornosti samotný pojem „rozvoj“, za ktorým v súčasnosti u absolútnej väčšiny nie len veľkých, ale aj stredných výrobných firiem sa skrýva nie len aplikovaný výskum, ale aj permanentná tvorba nových produktov. Je to druh hospodárskej výroby, kde v čistej podobe sa uskutočňuje tvorba inovácií – poznatkov alebo nových produktov, do ktorých tieto poznatky boli zahrnuté. To nie je klasická opakujúca sa činnosť pre tvorbu masového produktu a predovšetkým výroba nového a jedinečného poznatku (inovácií) alebo nového jedinečného produktu. Vychádzajúc z toho za relevantný znak kreatívneho priemyslu možno by bolo považovať tvorbu inovácií (nových poznatkov, ideí, metód, spôsobov riešenia určitých problémov a pod.) s účelom ich komerčného (ekonomického) ohodnotenia a tým pádom využitia v praxe. Preto aj meranie kreatívneho priemyslu, jeho efektívnosti, výšky vytvoreného hrubého domáceho produktu a jeho pomeru v štruktúre iných odvetví hospodárskej činnosti by sa malo zakladať a uskutočňovať na započítavaní len tej pridanej hodnoty kreatívneho priemyslu, ktorá vzniká v procese priameho obchodovania na trhu statkov a sa vyjadruje v peňažných jednotkách.

JEL Classification: O15; O31.

SUSTAINABLE REGIONAL DEVELOPMENT

Trvalo udržateľný regionálny rozvoj

Zuzana KRIŽANOVÁ

Abstract

The article deals with some negative impacts on environment which regional development may cause. Sustainable development is based on rational utilization of natural sources which are evaluated by category of potential. In article were chosen negative environmental impacts. These were included into two groups corresponding with main aims of regional development: Reduction of disparities between regions and increasing of regional resistance. According to the identification of chosen environmental problems with relation to the regional development were selected cardinal tools for sustainable development. Nowadays, in many cases, these tools are already sophisticated enough and integrated into a systematic care of the landscape but as the problem still remains their consistent application. In some cases, it is necessary to increase their strength and effectiveness or to update their impact in accordance with practical experience.

Key words:

sustainable development, regional development, potential, natural sources, impact on environment, damage of environment, landscape planning, reduction of disparities, regional resistance

JEL Classification: R 58, O 44, O 20.

Introduction

The solution of actual regional development questions cannot be neglected. Many experts deal with the possibilities of the goal direction, financial funding and support. Based on these facts it is necessary to deal with possible parallel and consecutive negative influences on the landscape and the environment. At first it is necessary to analyse these influences consistently but also predict and include them as a complex knowledge into different development concepts and studies, but not only in the creation of the land-use planning documentation and other necessary documents.

We can assign the attribute “sustainable” to the regional development which respects the rules of creation and environment protection. In this article it is not necessary to strictly differentiate terms: sustainability and long term sustainability that are topics of frequent expert and scientific discussions. The purpose of definition of regional development as a long term sustainable regional development is in the purpose-built integration of aspect of the protection and rational utilization of natural sources and environmental components.

In the article some possible consequences of unconsidered economic and social development will be shown. These consequences will be demonstrated on the unspecified region and its environment. The next

goal of this article is to focus on the rational planning and environment creation which are actually shifted to backward. The methods of analysis, empiric verification and knowledge synthesis were used.

1. Problem Analysis

One of many definitions of the region says that it is territory (part of landscape sphere) which differ from neighbouring regions (or other territories) by set of features, conditions and effects. This unit is an objective condition and legitimate result of development of the territory (Demek, 1987). Essentially geographers and landscape ecologists understand the region like this. According to the law NR SR no.539/20008 about the support of regional development, the regional development is a set of economic, cultural and environmental processes and relationships which run in the region and contribute to increase of its competitiveness, permanent economic development, social development, territory development and compensating of economic and social differences between regions.

According to Oreský (2007) the regional development represents specific and sociologically relatively good semi-finished sphere of development, so-called over urban settlement – bigger territories with district, regional and territorial character.

The regional development theory is based on the scientific category of landscape system which is the complex unit. This unit dispose of the certain set of natural attributes, conditions and assumptions for complex economic utilization. The set of listed features is signed as a landscape potential. It represents possible or even unused sources and assumptions which make together supplies of the territory with known and used sources (Ivanička, Ivaničková, 2007). If we want to know the natural possibilities of development of a given region for its economic utilization, we must evaluate its potential as first.

The term potential was developed from the term natural source. This term was introduced for the first time to the geographic research by Neef (1996) and he called it as an area-economic potential.

The German geographer Hasse (1978) called it later as a natural-spatial potential which he perceived as a natural area with a certain structure and dynamics and the ability to satisfied the needs of society. In the former German federal republic the potential problem and its valuation became the main topic of landscape planning as an integral part of territorial planning. In the Slovakia the issue of potential valuation was analysed by some geographers like Drdoš (1979), Mazúr (1985), Mičian a Zatkalík (1984), Ořahel a Poláček (1987), Midriak (1993, 2000) and others. Drdoš (1995) inclines to the conception of potential as a conceptual tool of environmental protection due to the facts that the potential not speaks only about suitability for certain utilization, but it speaks also about acceptable extent of this utilization, impact on the natural environment and its other potentials and other utilizations. Midriak (2000) considers the potential as the most important feature of the landscape, because the ecological carrying capacity of the landscape is derived from it. Its optimal utilization or carrying capacity by individual human activities without damage of particular ecosystem components and without irreversible changes in the structure of the landscape.

The concept of sustainable development is very closely linked with the concept of a natural resource or sources and thus the concept of potential. The concept of sustainable development is based on the rational utilization of natural sources which collectively create the natural potential of the area, respectively the region.

The World Commission for Environment and Development later known as Bruntland's Commission formally defined the concept of sustainable development as development that accomplish the needs of the present generation without compromising future generations to accomplish their needs, in the report *Our Common Future* published in 1987 for the first time. Since the publication of report, the understanding and

enforcement of the conception has moved to much higher, especially philosophically and theoretically restructured level. During the 25 years of existence of the conception of sustainable development has been accepted a lot of documents and strategies. The targets and indicators of sustainable development were defined at the international European level as well as at an individual national levels. The Slovak Republic has signed to respect and implement the principles of sustainable development by adoption of Agenda 21 of the Rio Declaration signed in 1992. The basic documents of sustainable development in Slovakia are The National Sustainable Development Strategy and Operational Plan of Sustainable Development with its specific goals which are aimed especially at the enforcement of the modern environmental technologies, the urban restoration and the regeneration of the area, the support for reduction of waste, the arrangements to reduce the energy intensity of the Slovak economy, the protection and the rational utilization of nature and landscape etc., all in an environmental pillar (Koločány, 2007).

2. Identification of Possible Environmental Problems and Effects

Careless and unconsidered regional development can cause a variety of negative permanent and significant changes in the landscape. Because it includes a variety of activities aimed to its qualitative growth, we divided the areas where damage of environment due to development of the region occurred into two basic groups. These groups correspond with main goals: reducing of disparities between economically unbalanced regions and increasing of resistance of the region against external changes.

2.1 Reduction of disparities between regions

It is assumed the stimulation of development for the certain regions. The development of economically important sectors brings a lot of known but also unknown negative changes to the environment.

➤ **Industry:** Pollution of partial components of environment such as water, soil, air and biota. From ecological point of view, each type of region is artificially created unit which includes several types of ecosystems, often landscapes that are characterized by their ecological resistance, respectively vulnerability. The most vulnerable ecosystems such as wetland, aquatic ecosystems, bogs and alpine ecosystems should be the reason for the movement and earmarking of manufacturing, also from their vicinity or even

from direct neighbourhood. In the location of industrial production is necessary to know the direct interconnection of the components of the environment, but also the wider ecological relationships and connections. Water and air are the media that know no boundaries of regions whereby their pollution is transferred for long distances. Inappropriate localization of certain types of manufacturing to the environment that expressly excludes them (processing industry in the valley, chemical industry in areas with natural water accumulation, etc.) is already overcome by the lawful procedures of its assessment known as E.I.A. process. However the remaining problem is the occupation of the agricultural land. In this case this is not just about ecological contexts of loss of certain type of ecosystem, but it is also about the loss of permanent production unit whose repeated restoration in case of transfer or liquidation of industrial production is really difficult, expensive and often even impossible. With development of industrial production is closely linked to inappropriate architectonic build-up area and consecutive negative change of landscape look and landscape image. This change is often linked to the total loss of landscape spirit or *genius loci*.

- **Transport systems:** the development of transport systems is the important component of regional development. The fact is that the construction of particular routes of road or rail systems destroyed many important forest as well as non-forest or even wetland ecosystems. Not only the development of the road network is important for the region. The rail transport is generally more acceptable for the environment (it doesn't pollute the air, has a lower accident rate, lower risk of traffic jam, a larger capacity of transported goods, etc.) therefore just she should be at the forefront of interest of sustainable development in the region. The situation is similar to the development of river transport, where it is necessary to calculate with incoming water crisis and climate changes. The solution of noise load, similar to the development of manufacturing, is an unthinkable part of construction of new buildings and operations in the country and it has a close relationship with the noiseless operations and construction of noise barriers.

The traffic systems of line character represent a barrier to many species in the country. During migration, many of them die, especially on uncovered parts of roads. Although this problem is generally well-known, it does not pay adequate attention to the construction of new routes or rebuilding of existing routes yet. It is similar to the construction of some kind of corridors that have a

character of underpasses such as in the areas with regular migration of frogs. The risk is not only at the side of the animals, but also the people where in collisions with the forest animals leads to serious accidents.

- **Tourism** is the biggest producer of jobs and important stimulator of investment activities. Because of there are very different activities leading to the creation of a complex product, tourism has no clear identity. Most of the types and forms of tourism are realizable by sustainable way in complying with certain rules and principles. The exception are the certain forms of tourism that are in many ways unacceptable for the landscape and the environment. An example can be mountain cyclotourism whose development is generally unwanted because of its negative effects, especially on soil and vegetation cover. It is a form of aggressive mountain cyclotourism and therefore it is better to support the development of road cycling which is directed to the reinforced roads. It is also important to implement intelligently and sensitively any tourism activity in the landscape. In the same way it is necessary to rationally and sensitively include each tourism activity into landscape. Construction of a downhill ski tracks at the expense of removal of forest cover, damage of biotopes and accelerating of erosion and landslide processes definitely not contribute to the sustainable development of the region. Especially if in such cases does not take into account the relatively low altitude of ski resort and the actual global climate change. So constructed ski tracks and ski resorts remain gradually abandoned and regional development in this direction is stopped. The construction of large golf complexes or one-way construction of luxury hotels is also not the way to sustainable development. These complexes serves only for a small number of rich people and their construction often highlights only social differences between particular social layers in the country what increases the social tensions.

2.2 Increasing of regional resistance

This aim of regional development basically involves activities leading to a kind of self-sufficiency of the region which is necessary to resist against various negative changes of the surrounding region. The resistance of the region assumes the utilization of the local sources at first. In this sense, it

is the utilization of the natural potential of the region and the quality of human potential as well.

- **The utilization of local raw materials and energy sources:** independently does not guarantee the preservation of the quality of environment so in this case it is necessary to tell that they must be rationally used. Each planned utilization of raw materials must have the executed possible environmental consequences of mining at first (decrease of the ground, landslides, damage of the hydrological system, dustiness of the environment etc.) and the next reclamation of the land. The utilization of renewable sources of energy such as water, solar and wind energy and biomasses significantly contributes to the increasing of energy resistance of the region. The negative can be optical devaluation of the landscape by large masts with wind propellers, in some cases by flat solar collectors as well. Supplies of geothermal waters and their utilization introduce significant but not enough valued natural potential that we need to have always on our minds if we consider about the relationship to the future development of the region. Consistent evaluation of the utilization of geothermal energy assumes not only construction of large water parks, but it also leads to the multi-purpose utilization such as heating not only households, but also greenhouses or the operation of general drying houses whereby the agricultural production of the region is supported at the same time.
- **Restructuring of agricultural production and restoration of rural areas:** Favoritism of domestic production is based on the active support and marketing. The change of agricultural techniques and cultivated plants can also affect the functioning of the surrounding biocenosis in some negative way as well as the occurrence and abundance of some species directly linked to traditionally grown agricultural crops. The development of the countryside in direction of increasing its resistance must be primarily based on its sensitive restoration.

Conservation of the character of rural settlements, its landscape structure, traditional culture and landscape image are the most important areas.

- **Support for education and training centres:** from the perspective of sustainability is significant targeted environmental education and enlightenment with the regional aspect. Thanks to knowledge of the environment and its problems in the region, the population is gradually creating a positive attitude towards it. But the role of the teacher is also important as well as his personal influence. Environmentally irresponsible behaviour of the inhabitant of the region, often based on his ignorance, can cause a whole chain of subsequent damages or even damage of the environment. An example could be the discharge of domestic waste waters into the local streams or arbitrary and irresponsible felling trees without the permission of the village. This is the time when the place of the environmental education of population is irreplaceable.

3. Results

According to the identification of selected environmental problems connected with the development of the region we allocate the main tools for achievement of the sustainable regional development. Essentially these four tools were selected: Environmental Impact Assessment (E.I.A.), legislation and its consistent application, landscape and territorial planning and integrated landscape management. The last mentioned is a recognized tool for enforcement of the model of management and the utilization of land with a focus on improving of the total quality of life, protection of the environment and its components. Table 1 shows a overview of selected tools and groups of environmental problems.

Tab. 1: Overview of the analysed groups of environmental problems and their tools to achieve sustainable regional development.

Identification of the analysed groups of environmental problems		Tools to achieve sustainable regional development
<i>Segments</i>	<i>Impacts on environment</i>	
Industry	pollution of environmental components	E.I.A. integrated landscape management
	requisition of the soil	E.I.A. integrated landscape management strict legislation and its consistent application
Construction of transport systems	damage of significant ecosystems	E.I.A. integrated landscape management
	noise	E.I.A.
	the death of the animals	E.I.A. strict legislation
Tourism	damage of environmental components	legislation and its consistent application
	ineffective requisition of the soil and damage of ecosystems	E.I.A. integrated landscape management landscape and territorial planning strict legislation and its consistent application
Utilization of local raw materials and sources of energy	negative effects caused by mining of raw materials (decrease of the ground, landslides, damage of the hydrological system, dustiness of the environment etc.)	E.I.A. integrated landscape management legislation and its consistent application
	optical devaluation of the landscape by construction of wind and solar power plants	E.I.A. integrated landscape management
	unilateral utilization of geothermal waters	E.I.A. integrated landscape management landscape and territorial planning
Restructuring of agricultural production	change even destruction of biocoenosis	integrated landscape management legislation and its consistent application
Restoration of rural areas	the extinction of traditional rural landscape structure, the loss of its identity, change of landscape image, the extinction of traditional culture	integrated landscape management landscape and territorial planning strict legislation and its consistent application
Education and educational centres with absence of environmental education	damage of environmental components by inhabitants of the region	new legislation and consistent application of law support from the state and the regions

Conclusion

The changes in the landscape, its structure, operation and regional development are two very closely connected areas. It is just the development of the country that leads to many negative and irreversible changes in the area of creation and protection of the environment. These changes are often connected such

that the interference to the environment looks like to be slight, but it can cause a whole chain of negative effects on individual components of the environment. For this reason, it is necessary to plan in details every slight change also in the regional development in advance and to think about the possible negative impacts on various environmental components. The main tools for sustainable regional development include E.I.A. (Environmental Impact Assessment),

legislative tools, landscape and territorial planning and integrated landscape management. Nowadays, in many cases, these tools are already sophisticated enough and integrated into a systematic care of the landscape but as the problem still remains their consistent application. In some cases, it is necessary to increase their strength and effectiveness or to update their impact in accordance with practical experience.

At the end of my work I consider as necessary to highlight the need for complex assessment of the sources, thus the potential of the region. Following the

real evaluation of natural potential of the region, the representatives of public administration occupy an important position in the regional development and make decisions also about the utilization of sources of the region. Their positions are really important and their responsibilities are very high. Therefore they should be people with a general overview, solid moral principles and the will to act for the benefit of the region, its inhabitants and a whole society.

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SUMMARY

Trvalo udržateľný regionálny rozvoj*Zuzana KRIŽANOVÁ*

Z dôvodu aktuálnosti a naliehavosti riešenia otázok regionálneho rozvoja na Slovensku, ale aj v okolitých krajinách, je dôležité zaoberať sa i jeho možnými negatívnymi vplyvmi na životné prostredie regiónov. Koncepcia trvalo udržateľného rozvoja vo svojej podstate predpokladá racionálne využívanie prírodných zdrojov s ohľadom na budúce generácie a ich potreby. Hodnotenie prírodných zdrojov sa pritom opiera o geograficky rozpracovanú teóriu hodnotenia prírodného potenciálu daného územia, ktorý je sumou všetkých prírodných zdrojov daného územia, resp. regiónu. Neplánovaný a v súvislostiach nepremyslený regionálny rozvoj môže spôsobiť množstvo negatívnych trvalých a rozsiahlych zmien v krajine. Oblasť, kde môže dochádzať k poškodzovaniu životného prostredia práve vplyvom rozvoja regiónu je značné množstvo, preto boli tieto oblasti včlenené do dvoch základných skupín korešpondujúcich s hlavnými cieľmi regionálneho rozvoja, a to zmiernenie disparít medzi ekonomicky nevyváženými regiónmi a zvyšovanie odolnosti regiónov voči vonkajším zmenám. Na základe identifikácie vybraných oblastí regionálneho rozvoja, kde reálne i potenciálne dochádza k poškodzovaniu životného prostredia a jeho zložiek boli určené základné nástroje k dosiahnutiu trvalo udržateľného regionálneho rozvoja. Medzi základné nástroje boli zaradené procesy hodnotenia vplyvov na životné prostredie E.I.A., legislatívne nástroje, krajinné a územné plánovanie a integrovaný manažment krajiny. Vynímajúc integrovaný manažment krajiny sú všetky tieto nástroje v súčasnosti už dostatočne prepracované a včlenené do systematickej starostlivosti o krajinu. Problémom zostáva ich dôsledné uplatňovanie. V niektorých prípadoch je potrebné zvýšiť ich účinnosť a pôsobenie na základe aktuálnych požiadaviek praxe. Významná pozícia v udržateľnom regionálnom rozvoji prináleží predstaviteľom verejnej správy, ktorí rozhodujú o využívaní reálne zhodnoteného potenciálu daného regiónu. Z hľadiska ich postavenia, zodpovednosti voči spoločnosti, krajine i životnému prostrediu by nimi mali byť skutočné osobnosti so širokým rozhľadom a pevnými morálnymi zásadami.

JEL Classification: R 58, O 44, O 20

SUBJECTIVE PERCEPTION OF THE QUALITY OF LIFE

Subjektívna percepcia kvality života

Tatiana MASÁROVÁ, Monika GULLEROVÁ

Abstract

The paper is devoted to the subjective perception of the quality of life focusing on the quality of life – related indicators and methodology at individual level. The paper introduces basic approaches developed by Diener and Suh, Lehman on the possible classification of the quality of life indicators. The primary indicator of the subjective quality of life is the Health – Related Quality of Life (HRQoL). There are several methods to measure the quality of life and the paper attempts to illustrate in more detail the Schedule for the Evaluation of the Individual Quality of Life (SEIQoL) and Satisfaction With Life Scale (SWLS-produced by White). The paper provides an overview of empirical studies summarized and interpreted by the authors. The aim of the contribution is to research the subjective perception of the quality of life based on analysis and synthesis of the available bibliographic sources.

Key words

Quality of life, quality of life indicators, quality of life methodology, well-being, satisfaction, expectations, health - related quality of life indicator, system of individual assessment of the quality of life, satisfaction with life scale

JEL Classification: Y 80**Introduction**

Quality of life is a multi-dimensional concept encompassing not only social but also biological and psychological aspects of life. Majority of the concepts on individual quality of life draw on the theory of the perceived quality of life as a subjectively evaluated satisfaction with individual life domains. Subjective perception of the quality of life implicitly covers real life conditions, circumstances and social relationships (their level) under which people live their lives. Social circumstances and the way people seize the given opportunities and conditions boost or hinder human happiness and satisfaction. Some sociologists even claim that the quality of life is expressed by qualitative measures of the way of life (Csámpai 2007), while its quantitative measures are expressed by the standard of living. The quality of life at individual level can only be assessed by an individual approach based upon the process of self-reflection in the course of which individuals examine and evaluate their own visions and aspirations, the measure of their actualization compared to the actualization of the rest of the population. In this relation, subjective criteria and contextual aspect (objective conditions) play a pivotal role.

Measuring the quality of life – indicators

In examining the quality of life, indicators are of major concern. Opinions on the type and number of the quality of life indicators at individual level vary. The types of indicators are obtained primarily by interviewing subjects (subjective attitudes, feelings, judgements and assessments). The present approach takes into account the subjective perception of people's satisfaction with their life as a whole or individual satisfaction with meeting their own needs and actualizing their values. Diener and Suh (1997) propose the following classification of the quality of life indicators, including both quantitative and qualitative data:

1. economic indicators, comprising wage and income stratification within a society, distribution of wealth and poverty, etc.
2. social indicators in a narrower sense, comprising health and health care, crime rate, education and educational system and various empirical demographic indicators,
3. indicators related to the subjective mental well-being associated with individuals' responses to their own lives.

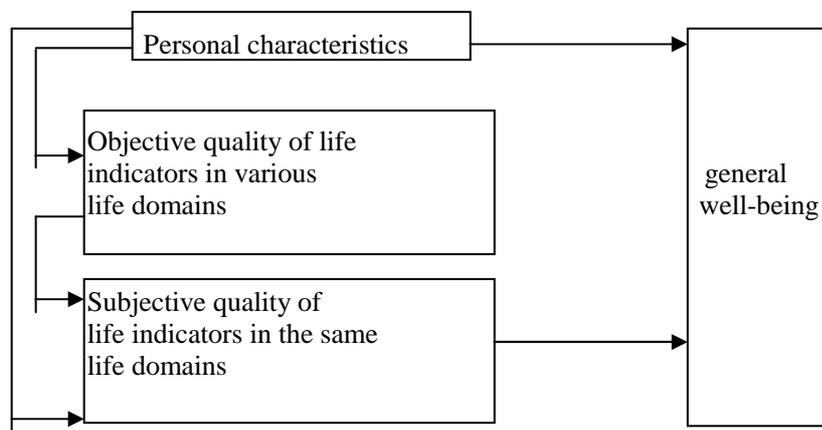
An aspect of the individual quality of life is the health-related quality of life (HRQoL) used in medicine. The World Health Organization defines the quality of life from the perspective of optimal health as "a state of complete physical, mental and social

well-being", not merely the absence of disease or disability. Healthy lifestyle is seen as the sum of attitudes, values and forms of behaviour of individuals that maintain their health and prevent diseases. Healthy lifestyle refers to the choice of a particular way of satisfying human needs and the way people consciously organize their lives on a daily basis. In addition, the quality of life related to the state of health refers to what people experience after disease and provision of medical care. In this sense, it is meant to assess the measure of mastering challenges of life and the quality of perceiving life compared to what people consider to be ideal. Monitoring the quality of life appears to be essential in therapeutic care in patients whose illness and subsequent treatment disrupt the

original social ties and values of physical and mental health. Distance between the perceived and actual states of health is crucial in assessing the quality of life. Experts say that sick people who have accepted the truth may, after some period of adaptation, alter their plans and expectations, adapt to life with a disease, and thus regain some sense of life satisfaction. Therefore, consultancy in this respect should be part of doctors' profession.

Lehman included subjective aspects of the quality of life in his model. In Lehman's classic model of the quality of life, the sense of personal well-being is prevailing and is backed by the degree of success, resources and opportunities. The model can be illustrated as follows:

Figure 1 Lehman's general model of the quality of life



Compare: **Ondrejka, I 2001.:** *Koncepcia kvality života a jej význam v zdravotníctve*. In: Slovenský lekár. No.7-8/2001, p.256-258

Most of definitions on individual quality of life and quality of life indicators include the notions of well-being and satisfaction in various life areas. Expectations are an important determinant of life satisfaction. The quality of life can be perceived as the difference between expectations and actual attainments in life. The smaller the difference, the higher the quality of life. The less people are able to actualize their expectations, the worse the quality of their lives.* "Expert assessment of the quality of life under various area headings can help reveal true reasons of dissatisfaction of individuals by comparing their emotional life with actual performance."¹

* It follows from consultancy and medical experience that there are people with chronic unhappiness and tension marked by characteristics of perfection. Such persons are capable of managing their lives, although they perceive the quality of their life very low as their performance does not conform to their 100% expectation and a 90% performance is insufficient for them.

Measuring the quality of life – methodology

Measuring the quality of life is a process of assigning scores to objects or events while certain rules are to be followed and in addition to indicators, the process makes use of specific methodology. The most common subjective methods to measure the quality of life (assessment is made by the person being evaluated) are the Schedule for the Evaluation of the Individual Quality of Life (SEIQoL), *Satisfaction With Life Scale* (SWLS) and SQUALA self-evaluation questionnaire based on Maslow's theory of needs. There are also approaches combining objective and subjective methods, such as

¹ c.f.: **LIBINGEROVÁ, E., MÜLLEROVÁ, H. 2000:** *Posuzování kvality života v medicíne*. In: Česká a slovenská psychiatrie. No.4/2000

Manchester Short Assessment of the Quality of Life (MANSA) and Leisure Satisfaction Scale (LSS).

SWLS

SEIQoL

In 2008, we carried out a research by using SEIQoL methodology. The research sample consisted of 90 students of Alexander Dubcek University of Trencin, Faculty of Social and Economic Relations, programme of study: Human Resources and Personnel Management. Having calculated the quality of life scores by SEIQoL methodology, we can conclude that the quality of life of respondents amounts to 49.43%. Respondents rated the quality of life within the society almost identically (49.45%). On the graphic scale, however, the life satisfaction indicated by them was higher by 22% (71.72%) on average than the quality of life of the society (49.45% reported). Several assumptions were made in the survey. For instance, we assumed that the most frequently indicated values will include education, family and employment and this assumption was which was confirmed.

The world map of happiness was first produced by White in 2006. A list of countries ranked according to their happiness index is led by Denmark, followed by Switzerland and Austria. The study highlights several facts:

- Health (correlation of 0.62), wealth (0.52) and education (0.51) mostly correlate with happiness. The three variables of health, wealth and education are very closely associated with each other, thus illustrating the interdependence of all four variables.
- It is surprising to see Asian countries scoring so low, with China 81st, Japan 88th and India 122nd. These countries have a strong sense of collective identity which has been associated with well-being.
- Slovakia and India are both ranked 122nd on a list of 178 countries. Compared to neighbouring countries, we're doing just better than Ukraine.

Table 1 Countries ranked by happiness index – Slovak Republic compared to neighbouring countries

Position	Country	SWLS Score
3	Austria	260
77	Czech Republic	213
97	Poland	197
104	Hungary	190
122	Slovakia	180
173	Ukraine	120

Source: Countries ranked by happiness index – data tabulated and adapted from an article published in Trend magazine, 2007

Note: SWLS – Satisfaction with Life Scale

Relevant empirical studies

In conclusion, we would like to mention some relevant empirical studies. It is said that material prosperity can make man free. But can it also make people happy and give them a sense of quality life? In general, happiness is considered to be the main goal in life of anyone. Is wealth a synonym for happiness or is there no association between the two notions? In principle, there are two approaches to the issue. The first approach (more acceptable in social terms) says that income does not buy you happiness. The most striking finding of the study by Clark and Oswald (1994) is that unemployment has a significant impact on happiness. The authors claim that unemployment is a

crucial factor affecting human happiness, even to an extent going beyond the effects of divorce or separation. Another interesting approach to the relevant issue and methodology is offered in a study by Borooah (2007) maintaining that money does not buy you happiness and the most important factors to determine happiness are considered health and concerns about lack of finance. Borooah reached an interesting conclusion that merely 41% out of 1950 people interviewed and identified themselves happy, perceived their standard of living as high or above average. In his opinion, the key to happiness is people's own satisfaction with their standard of living and not necessarily its level. Contrary findings are presented by the researchers of the University of

Nottingham who examined effects on life satisfaction if winning a lottery. Winning a lottery boosted financial stability, improved chances of finding a partner and going on holidays more frequently. The most striking result of the study is that 97% of subjects interviewed felt equally happy or happier after winning a lottery.

What is then the correlation between wealth and happiness? In their study, Frey and Stutzer (2002) provide clear and the most important answers to this uneasy question. Moreover, they also identify the following association of income to happiness in line with the law of diminishing returns saying that after additional unit of income has been reached, there will be a decline in the sense of happiness (decreasing marginal utility). It is apparent that billionaires do not necessarily enjoy another thousand of dollars in their pocket the same way as their less - off people. This phenomenon is also underscored by Layard (2003) who analyzes in depth the issue of happiness, its nature and causes. In his study, he offers remarkable implications, such as redistribution of wealth to the poor who will benefit more from it. Frey and Stutzer have found that richer people, on average, report higher subjective well-being. The most significant conclusion of their study is that there is no causality running from wealth to happiness. There are many reasons why higher

income does not necessarily make people happier. One of the most significant reasons is undoubtedly the notion of relative income which was first introduced and tested econometrically by Duesenberry in 1949.

People compare one another and based upon comparisons made, they derive a sense of happiness. Another theory supporting the tenet on people not perceiving wealth in its absolute dimensions but rather comparing relatively with the others is the theory of aspiration levels. The theory says that happiness is defined as distance between the effort and aspirations to attain certain goals and the actual attainments.

Conclusion

There are several scientific publications devoted to the issue of happiness, such as *Journal of Happiness Studies* or *World Value Survey* which serve as a source of data for researchers. Comprehensive data and essential information on the Economics of Happiness can be found on the *New Economist* website.

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SUMMARY

Subjektívna percepcia kvality života*Tatiana MASÁROVÁ, Monika GULLEROVÁ*

Kvalita života je multidimenziálna kategória zahrňujúca nielen sociálne, ale aj biologické a psychologické podmienky života. Príspevok je venovaný subjektívnej percepcii kvality života so zameraním sa na indikátory a metódy kvality života na individuálnej úrovni.

Špecifickým problémom pri skúmaní kvality života sú indikátory. Obsah indikátorov sa získava najmä výpoveďou respondentov (subjektívne postoje, pocity, sudy, hodnotenia). V príspevku sú predstavené základné prístupy podľa Dienera a Suha (ekonomické indikátory, sociálne indikátory, indikátory subjektívnej psychickej pohody), Lehmana (osobné charakteristiky, objektívne a subjektívne ukazovatele vyúsťujúce do celkovej pohody). Jednou zo stránok kvality individuálneho života je indikátor kvality života týkajúci sa zdravia (Health – Related Quality of Life – HRQoL), ktorý sa používa v medicíne.

Hlavnými zložkami väčšiny definícií kvality života a indikátorov kvality života na individuálnej úrovni sú pohoda (well-being) a spokojnosť (satisfaction) v rozličných oblastiach života. Očakávania (expectations) sú dôležitým určujúcim faktorom spokojnosti so životom.

Meranie kvality života ako proces priradovania čísel objektom alebo udalostiam podľa určitých pravidiel sa spája okrem indikátorov aj s konkrétnymi metódami. K najznámejším subjektívnym metódam merania kvality života patrí SEIQoL – systém individuálneho hodnotenia kvality života, SWLS – stupnica spokojnosti so životom a dotazník SQUALA – sebaopisovací dotazník vychádzajúci z Maslowovej teórie potrieb. K zmiešaným metódam merania kvality života patrí MANSA – spôsob vytvorenia presného obrazu kvality života danej osoby v danej chvíli a LSS – škála spokojnosti hodnotiaca tiež ostatné dimenzie života.

Hodnota príspevku je najmä v prehľade empirických výskumov, ktoré autorky k predmetnej problematike zosumarizovali a interpretovali (Borooah, Clark, Frey, Layard, Oswald, Stutzer). Vyberáme niektoré predpoklady z predmetných štúdií:

- ✓ Významnou premennou, ktorá podstatne ovplyvňuje šťastie, je nezamestnanosť.
- ✓ Peniaze si nekúpia šťastie a za najdôležitejšie faktory na jeho určenie sa považuje zdravie a obavy z nedostatku financií.
- ✓ Dodatočná jednotka príjmu spôsobuje čím ďalej, tým menej pocit šťastia (marginal decreasing utility).
- ✓ Bohatší ľudia vykazujú v priemere vyšší individuálny pocit blahobytu (well-being). Ľudia sa porovnávajú navzájom a od toho odvodzujú aj pocit šťastia... a iné.

JEL Classification: Y 80

THE USE OF CORPORATE SOCIAL RESPONSIBILITY FOR THE ENHANCING MOTIVATION OF EMPLOYEES

Využitie spoločenskozodpovedného podnikania na podporu motivácie zamestnancov

Valentinas NAVICKAS, Rima KONTAUTIENE

Abstract

The authors of the article analyze the use of corporate social responsibility on enhancing motivation of employees. By emphasize the importance the employees of company as primary internal group of stakeholders the article treats employees as key of stakeholders. The paper deals with the main indicators of employees' motivation as satisfaction, engagement, commitment to company and influence of social responsible policies and activities on enhancing them. Researched the use of corporate social responsibility on enhancing motivation of employees, the authors found that an active development of socially responsible policies and activities positively influences employees' motivation, which in turn contributes to retain the competitive employees as most important resource in increasing competitiveness of company in the global market.

Keywords

corporate social responsibility, human resouces, stakeholders, motivation of employees, competitiveness.

JEL Classification: O15, M14, M51.

Introduction

The concept of corporate social responsibility has changed today to being more relevant in the decision making of companies, due to factors such as information development that has made the stakeholders more aware of how companies behave and take responsibility. The orientation of business consolidates on activities that result is not directed solely by profit, but also to stakeholders, particularly to employees as primary group of stakeholders, needs. Employees are essential to the successful functioning of companies because initiative, creative and problem-solving employees are the most important resource in the creating competitiveness for the companies. Employees' motivation becomes vitally important in situations where companies compete globally. Only employees whose values and vision are fully aligned with those of the company are the main to long term sustainable operations and vital contributors to profits.

The problem and novelty of the study

The premise of the study is that contribution of corporate social responsibility to enhancing motivation of employees hinges on positive impact of corporate social responsibility on job satisfaction, employees' engagement and commitment to company, and also on reducing likelihood of quitting as main indicators of employees' motivation. While the use of corporate social responsibility on enhancing main indicators of

motivation of employees as primary internal group of stakeholders has received a little attention in the literature, this study is significant and topical in term of novelty.

The object of the study is motivation of employees.

The aim of the study is to analyze the use corporate social responsibility for the enhancing motivation of employees.

The tasks of the study are:

1. To identify the employees as key stakeholders.
2. To explore the main indicators of employees' motivation.
3. To reveal the influence of corporate social responsibility on enhancing motivation of employees.

The methods of the study are systematic, logical and comparative analysis of scientific literature, synthesis.

The employees as key stakeholders

Globalization has sharpened competition. The main challenge facing companies is how to take advantage of material and non-material resources while dealing with intense and growing global competition. The challenge facing companies is how

business interacts with the environment, producing a value to the participants in this environment. Business does not act in isolation. Companies have always had relationships with their stakeholders, which include shareowners, customers, suppliers, employees, regulators and local communities. Companies and their stakeholders both need to intensify their partnership to build and strengthen competitiveness. “The success of organization depends on its ability to generate satisfaction and loyalty among its customers, employees, suppliers, etc. Mutually defined favourite relationships with the stakeholders are a meta-capacity and can turn into a form of competitive advantage” (Susniene & Vanagas, 2006). Companies have to satisfy all of their stakeholders in order to be successful in their business. The stakeholders can be categorized into different groups which all are different and need to be dealt with through different strategies. From

Freeman's (2010) point of view, the majority of the stakeholders are external. These external stakeholders are customers, suppliers, shareholders, governments and nongovernment organizations (NGOs). The employees are the sole internal stakeholders. Clarkson (1995) distinguished by company's stakeholders into two groups. Primary stakeholders are those the company is dependent on, meaning that without the primary stakeholders the focal company would not survive. In the group of primary stakeholders, actors such as shareowners, investors, employees, customers, suppliers, governments and communities could be found. These primary stakeholders are also often dependent on the company, implying a high degree of interdependence between stakeholders and the company. The primary internal stakeholders for any company are the employees (Table 1).

Table 1. Stakeholders' groups

	Internal	External
Primary	Employees	Investors Suppliers Customers Shareholders Governments Communities
Secondary		Media Nongovernment organizations (NGOs)

As Greenwood (2007) stated, employees are identified as stakeholders in the organization from almost all stakeholder perspectives. Employees are closely integrated with company and this gives them a “peculiar role” among stakeholders (Crane & Matten, 2006). Employees are concerned with the degree of internal, environmental excellence that a company exhibits. The environmental focus of internal stakeholders is on the processes that create value for customers, produce acceptable financial results, and integrate the company with the communities, public policy-making bodies, and ecosystems with which it interacts. The fact that employees may affect the use of their own potential, as well as others stakeholders, makes them the most important resource in gaining competitiveness for company. Employees contribute to the company in fundamental way. They represent the company towards other stakeholders, and they act in the name of the corporation (Crane & Matten, 2006).

By their characteristics, other stakeholders also influence this, but their importance depends mainly on the employees. The initiative, creative and problem-solving employees are the most important resource in the competitive and changing environment. As Sedziuviene & Vveinhardt (2010) maintained, “the more the future is unknown and unpredictable, the more organizations have to trust, in creative initiatives and employees creating the desired future”. Employees are greatly affected by success or failure of company; having an investment of experience and specialized skills (Maltby & Wilkinson, 1998). From company's perspective, employees have significant influence on the company and as such high power relative to other stakeholders (Mitchell et al., 1997). In the time of growing global competition margin between success and failure is significant thin. Companies are facing a new situation when is expected to deliver business results on a

much tighter budget. This means that employees with competencies have significant impact on financial results which have been watched by investors more closely than before. Employees are the main to long term sustainable operations, as they are a primary stakeholder and vital contributors to profits. As creative and inventive parts of any company, employees have a leading role in creation and maintaining of its competitive advantage. Due to that employees are the key stakeholders.

The main indicators of employees' motivation

Pressure of competitors, technological development and the changes in global market imposed the continuous development of human resources as the key imperative of the global strategic efficiency. In such environment, the most important task for companies is to create such working environment that will stimulate the employees to develop their skills and to apply them to the maximum extent. By being skilled employees tend to require more effort from companies in answering their high-level needs in order to feel motivated to stay in the company. The company's failure in meeting their most important needs could result in losing them, as a competitive source.

According to Kochanski & Ledford (2001), the employees' turnover is a concern for companies in every business unit, but it is particularly more damaging in units of research and development because of the disruption to projects and because technical, scientific, and talented staff are hard to replace. Since employees are the key stakeholders of the company, they became a significant part of a company's unique combination of resources that generate competitiveness of company and distinguish it from competitors. Therefore, it is essential for companies to retain these employees in order to keep value by motivating inside the company, instead of sharing it with competitors. As Ciutiene et al. (2006) stated that "nobody questions the proposition that coordination of interests of enterprise and employees is a very important assumption of efficiency of working activity together with success of the enterprise". The company is successful and good only to the extent of goodness and success of its employees. As creative and inventive parts of any company, employees have a leading role in creation and maintaining of its competitiveness. Only highly educated, properly motivated employees who continually learn new business skills may rise up to the challenges imposed by the new business environment.

Motivation is one of the main factors that determine the work performance of employees. According to Locke (1997), motivation is the

energizing force that induces action by employees that in some way has its roots in personal needs and/or values. The employees need to obtain the feeling that the company to which they belong provides them with something valuable in return for the work they are carrying out. Hence, employees should feel satisfaction with their job environment and relationship with their employer as an organization. Thus, it is of crucial importance that the corporate values correspond with those of their employees (Grönroos, 2007). Also the employees need to believe that their company is concerned about them and cares about their well-being, they are likely to respond by attempting to fulfil their obligations to the company by becoming more engaged. In conformity with Maslach et al. (2001), engagement is characterized by energy, involvement, and efficacy, the direct opposite of the three burnout dimensions of exhaustion, cynicism, and inefficacy. Employees of the companies are not there just because they have great benefits. The benefits are a result of a strong value-oriented culture, because companies with a strong value-oriented culture typically foster relational contracts by making substantial commitments to their employees in the form of long-term employment in exchange for loyalty. In turn, employees have an overwhelming commitment to their companies. Herskovitch & Meyer (2002) define commitment as a force or mind-set that binds an individual to a course of action, subsequently increasing the likelihood the employee will remain with the organization. The primary drivers of commitment are identification with the company's goals and values, congruence between individual and organizational goals, and internalization of organizational values and mission (Chalofsky & Krishna, 2009). Commitment is the strongest and most consistent predictor of organizationally desired outcomes such as employee retention (Mohamed, Taylor, & Hassan, 2006). Employee turnover is an expensive proposition for companies and organizations. Direct costs include recruitment, selection, and training of new people. Indirect costs include such things as increased workloads and overtime expenses for co-workers, as well as reduced productivity associated with low employee morale (Ramlall, 2004). It is therefore, important to increase the commitment of employees as an indicator of attachment to the company and also as it relates to the intention to quit employment with the company. According to Mowday, Koberg, & McArthur (1984), intent to quit is the behavioural intention to leave employment immediately prior to the actual turnover decision. Intent to quit has been found to be highly correlated to both job satisfaction and organizational commitment (Mohamed, Taylor, & Hassan, 2006).

Nohria, Groysberg & Lee (2008) in defining overall motivation focused on four indicators:

engagement, satisfaction, commitment, and intention to quit (Figure 1).

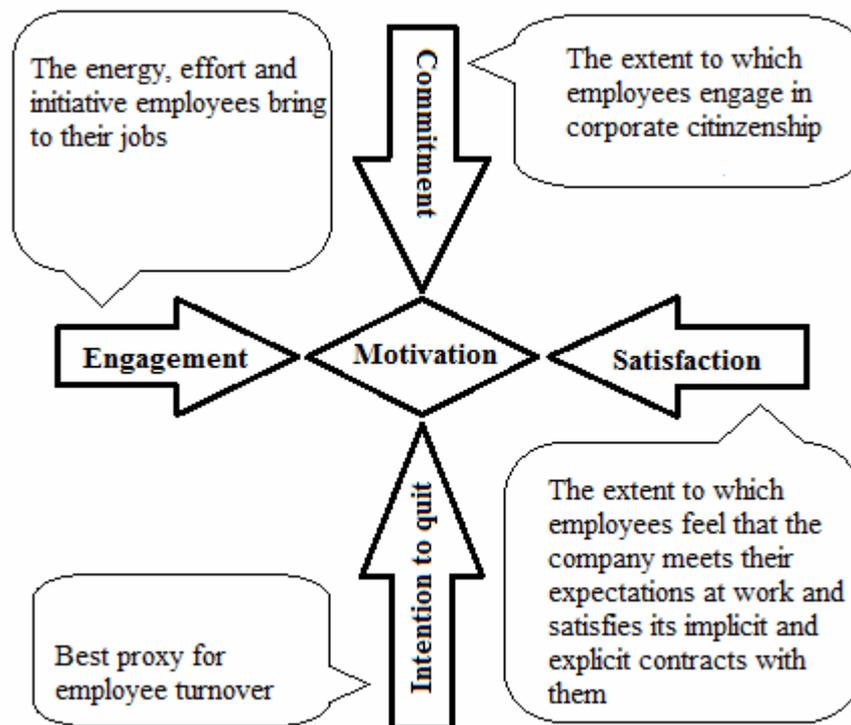


Figure 1. Indicators of motivation according Nohria, Groysberg, & Lee (2008)

Motivation is an important part of understanding behaviour and is a tool with which managers can use in companies to make people do what they want. In order to be more successful and competitive companies need to maximize the motivation of employees. Human resource is the most critical resource for any company in today's highly competitive business environment. The primary task of any manager is to have company that functions effectively. Motivation is one of the main factors that condition the performance of employees and highly motivated employees are crucial to company's success.

The influence of corporate social responsibility on enhancing motivation of employees

According to the new European Commission's definition (2011) corporate social responsibility is "the responsibility of enterprises for their impacts on society". Respect for applicable legislation, and for collective agreements between social partners, is a prerequisite for meeting that responsibility. To fully meet their corporate social responsibility, enterprises should have in place a process to integrate social, environmental, ethical, human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders, with the aim of maximizing the creation of shared

value for their owners/ shareholders and for their other stakeholders and society at large; identifying, preventing and mitigating their possible adverse impacts (European Commission, 2011). Development of corporate social responsibility requires engagement with internal and external stakeholders, it enables companies to better anticipate and take advantage of fast changing societal expectations and operating conditions. It can therefore drive the development of new markets and create opportunities for competitiveness of companies. According to "European Competitiveness report 2008", strategic approach to CSR is increasingly important to the competitiveness of companies. It can bring benefits in terms of risk management, cost savings, access to capital, customer relationships, human resource management, and innovation capacity. "CSR gradually becomes a concurrent part of modern companies' activity, which stimulates a number of factors: an alternation of consumers' wishes and demand, changes of suppliers' attitudes and requirements, pressure on legislators and principles, new expectations of employees, changing scale of social values" (Juscus & Snieska, 2008). By integrating the principles and activities of corporate social responsibility companies can build long-term employees' trust and also improves employees' perception of the companies as a basis for sustainable business growth. As Brammer, Millington & Rayton

(2007) stated, “when a company has CSR initiatives employees are more proud of and committed to the organization”. This is because employees’ personal identities are partly tied up in the companies they work for. If their companies are saving the world, they are too, so employees’ association with the companies reflects positively on them and makes them feel good about the work they do for the company. Also as Ruzevicius & Serafinas (2007) stated, “socially responsible companies primarily concerns about their employees and deals with investment in intellectual capital, health, safety and other tasks”. The company’s concern about employees and its investment in employees’ well-being enhances their engagement to company. According to Vojtovich (2010), engaged employees tend to feel that their work actually positively affects their health and their well-being. Engaged employees are proud to work in their companies and trusted their immediate managers. As noted Kontautiene, Janciute, & Navickas (2010), companies by carrying out socially responsible activities contribute to the solution of community’s problems. Like so, the human rights and equal

opportunities for workers are ensured, the good education and qualification conditions are created. CSR actions also serve to strengthen the informal contract between employees and the company by satisfying a company’s obligation to provide a desirable employment situation for its employees. It suggests that CSR enhances job satisfaction because demonstrated social responsiveness directly satisfies the employees’ social requirements of the company. Once employees can notice help from the companies in answering their needs with fitting job conditions, they are likely to be more satisfied with their jobs. According to Mohamed, Taylor, & Hassan (2006), intent to quit has been found to be highly correlated to both job satisfaction and commitment. If integrating of corporate social responsibility enhances job satisfaction and commitment of employees, it reduces employees’ likelihood of quitting. Employees who feel they are valued are more willing to do their best in solving problems, taking initiative, helping colleagues and customers and working collaboratively.

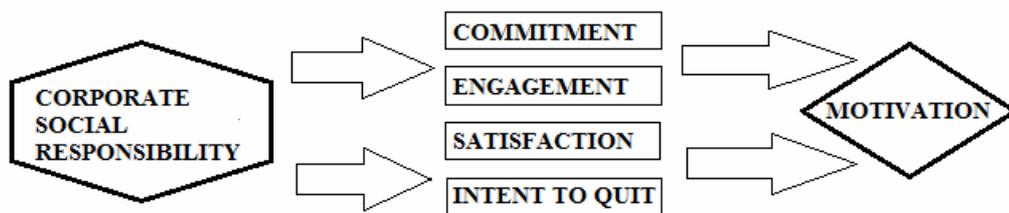


Figure 2. CSR influence on motivation

CSR contributes to increase job satisfaction, commitment and engagement of employees, and to reduce intention of employees’ to quit (Figure 2). So, corporate social responsibility enhances employees’ motivation. Companies should emphasize the CSR activities and confirm that employees know these actions and focus on ethics and culture of the company with ethics codes, and CSR activity. The factors of CSR having significant influences on employees but also the factors with latent benefit should be laid great stress on.

Conclusions

The success of organization depends on its ability to generate satisfaction and loyalty among its stakeholders. The employees are identified as stakeholders in the company from almost all stakeholder perspectives. They are closely integrated with company and are concerned with the degree of

internal, environmental excellence that a company exhibits. Employees are motivated when a business has a purpose. The employees who feel they are valued are more willing in solving problems, taking initiative, helping colleagues and customers and working collaboratively. The employees may affect the use of their own potential, as well as others stakeholders, and they contribute to the company in fundamental way. They are essential to competitiveness of company as primary and internal group of stakeholders. Hard-to-copy employees with knowledge are the key stakeholders.

In order to be more successful and competitive companies need to maximize the motivation of employees. Employers demand for more skilled, trained and qualified workforce since the company’s output and productivity is highly dependent on the employees’ performances. Motivation is one of the basic factors that determine the work performance of employees. The main indicators of motivation are engagement, satisfaction, commitment, and intention

to quit. The engagement is characterized by energy, involvement, and efficacy. The commitment is a force or mind-set that binds employees to a course of action, subsequently increasing the likelihood the employees will remain with the organization. Intent to quit is the behavioural intention to leave employment immediately. Satisfaction is providing a desirable employment situation for its employees, which include job enrichment and autonomy. The most important task for companies is to create such working environment that will motivate the employees to develop their skills and to apply them to the maximum extent.

Corporate social responsibility is responsibility of company for its impact on all society. Socially responsible policies development is stimulated by wishes and demands all groups of stakeholders.

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SUMMARY

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The problem and novelty of the study

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3. To reveal the influence of corporate social responsibility on enhancing motivation of employees.

The methods of the study are systematic, logical and comparative analysis of scientific literature, synthesis.

The main results of the study

According to this study, the employees are identified as stakeholders in the company from almost all stakeholder perspectives. The employees may affect the use of their own potential, as well as others stakeholders, and they contribute to the company in fundamental way. They are essential to competitiveness of company as primary and internal group of stakeholders. Hard-to-copy employees with knowledge are the key stakeholders. The most important task for companies is to create such working environment that will motivate the employees to develop their skills and to apply them to the maximum extent. Motivation is one of the basic factors that determine the work performance of employees. The main indicators of motivation are engagement, satisfaction, commitment, and intention to quit. Corporate social responsibility is responsibility of company for its impact on all stakeholders. The socially responsible policies and activities ensure the building long-term employees' trust and positively influence the building of strong and enduring employee-company relationship. CSR contributes to increase job satisfaction, commitment and engagement of employees, and to reduce intention of employees' to quit. So, corporate social responsibility positively influence on enhancing employees' motivation.

JEL Classification: O15, M14, M51.

MULTICULTURALITY AND EDUCATION

Multikulturalita a vzdelávanie

Miquel A. OLTRA ALBIACH

Abstract

Education in diversity, based on the Universal Declarations of the Human Rights, gains a bigger importance because the context of globalization stresses homogeneous trends and also individual reactions in the face of this phenomenon. The richness of the diversity and the possibility of communication among the human beings are, without doubt, essential contents in educative curriculum. They are not isolated actions directed to concrete social groups: it is a global project to understand and assume the difference among people as a part of the identities and as a positive value in all societies.

Key words

Children education, multiculturalism, inclusive education, globalization, identities

JEL Classification: I 24, I 25.

1. Introduction

We find the fundamentals of education in diversity in the Universal Declaration of Human Rights (1948), and especially in the rights of the minorities (Alegre, 2004, P. 98). However, intercultural education goes one step further: from the base of respect and tolerance we want to arrive to the positive valuation of the diversity as a richness we must understand and assume. They are not isolated actions directed to concrete social groups in unfavorable situations: we are talking about a global project for all the students. In short, we want to build a culture of the diversity, and this has repercussions on school curricula and also on teachers training:

We consider that it is necessary to educate generations without fear of differences among people. We want to educate people who want to meet and understand other people and other situations. It only will be able if teachers develop the capacity to deal with learners' diversity. We don't have to consider this as an extra effort or an exceptional procedure for determined students or moments. On the contrary, this capacity means that diversity and heterogeneity are normal (Alegre, 2010, P. 34).

Beyond all doubt, we are in the face of one of the main challenges in XXI c. education, this affects, not only the relationship among the original population of a determined place, but also the way people build their own identity and, above all, the necessity to overcome traditional ways of thinking and acting according to the concept of citizenship.

2. Diversity and intercultural education

From a cultural point of view, in the process of globalization we find two trends that can be opposed: on the one hand, there is the homogeneous trend that provokes the lost of the cultural identity and many ways of resistance; on the other hand, there is a tendency to transfer and to the interpretation of cultures that originate enriching crosses and new cultural synthesis. In this sense, as we will see in the following sections, all the cultures are mixed but this quality is an irreversible process and it is also more important than it was in the past: in an anthropological sense, there are not pure cultures, and culture is always interculturality (Bartolomé, 2008 a, P. 10). So we must take advantage of this cultural and humanizing richness.

Another aspect of this new educative focus is the need to see education in the diversity from a new concept of citizenship, based on equality, democracy, pluralism, participation and dialogue. From these ideas, we want to educate citizens who understand the diversity, the multiple membership and the singularity as individual and collective richness; as we said before, we also have to practice tolerance in order to get respect and positive acceptance of the difference as an enriching element; finally, we must accept the own right to the singularity and the right of others, we must get the right to the difference and the right to the universality as complementary items.

According to Margarita Bartolomé (2008a, P. 16-17) the radical changes suffered by society about globalization, exchange and immigration, affect

identity process, because we can opt to defend essentialist ideas about cultural identity or to consider identities as realities made from historic and social materials that let the creation of various belongings along life. The building of these identities is one of the main goals teachers must include to get an authentic intercultural education.

As for intercultural education definitions, many authors agree on some characteristics that Auxiliadora Sales summarizes as follow:

We start from the idea that Intercultural Education is an educative model that enriches citizenship culture because of the respect to the diversity, by means of exchange and dialogue, for the development of a democratic society based on equality, justice and solidarity (Sales, 2005, P. 9).

Teresa Aguado points out that intercultural pedagogy comes from a sociopolitical context that evolves from assimilation positions in the treatment of cultural differences to other positions in which these differences are treated with democratic values and social participation. This author says that the concept of intercultural education, in the European context, refers to a reformer trend in the educative practice with wide and various goals, and wants to answer to the diversity caused by the different social groups that live together in society. Intercultural education means interaction, exchange, no isolationism, reciprocity and solidarity among cultures and it also means the knowledge and acceptance of other values and ways of living (Aguado, 2003, P. 33)

Olga María Alegre (2010, P. 46) thinks that an inclusive education must value students' rules and culture. Inclusive education also means a common learning whatever personal, social and cultural conditions learners have, including people with disabilities. These measures are for all students not only for minorities because interculturality deals with the whole society:

The intercultural hypothesis, in order to be coherent and concrete, must be global and generic. This hypothesis is headed for everybody, not only for a part of students, to avoid contradictions and segregations (Alegre, 2003, P. 33)

According to Margarita Bartolomé, the need of this education for all the students is not yet generalized among teachers who often confuse compensatory measures (above all the linguistic) for intercultural education with immigrant students:

Teachers thought that immigrant students' goal was to get a good skill in language at school. All the other cultural differences and, especially, the idea that intercultural education affects all the students and not only "different" students were on a second level or

were not in teachers conscience (Bartolomé, 2008a, P. 14)

So, according to cultural diversity, we have to incorporate ethnic, linguistic, social and cultural elements of the social minorities in teaching because they will be important for people to feel valued. Interculturality [1] is defined by Xavier Mínguez like this:

Interculturality is an exchange where not only exists a way to culturalize a weak group but an enrichment that rises from the communication and the knowledge of the others (Mínguez, 2010, P. 563).

We must make an effort to bridge gap between the theoretical approaches about interculturality and the daily work at schools; first of all, integration and adaptation; then we have to favor social cohesion and respect cultural differences among people. These ideas must be included in pedagogical activities to transform the traditional educative line. We have to know how pluralism affects education in our society (Bartolomé, 2008a, P. 15). According to this author:

Intercultural education is a bet for understand education in multicultural contexts. This means the dialogue among cultures, from their own recognition and valuation, which produces an operative solidarity.

The valuation of the cultural diversity in our society, the acceptance of intercultural education is for all, the promotion of interethnic and intercultural relationships, from an effective and communicative competence, the desire of integration of people who come from other countries into new societies with a good integration at school and the importance of the values in construction of a new social concept are, among others, some of the characteristics that intercultural education includes (Bartolomé, 2008a, P. 18-19).

Banks at 90's had proposed a wide model of multicultural education that include the interculturality and that rises the institutional dimension to put institutional changes at schools, in the curriculum, in educative resources, in teaching styles, in attitudes, in languages at schools, in the orientation program, the educative assessment, the school culture and the hidden curriculum (Banks, 1997, P. 25). It is obvious that all these institutional changes, in order to put intercultural education in, will be only possible if there is a political spirit of building a real intercultural society, if there is a political and social project (Bartolomé, 2008a, P.19).

In Spain intercultural educative models were introduced in autonomous regions in the early years of XXI century, unlike other countries in which this models based on cultural pluralism already were established, because they were countries with a large

population who came from other European zones or other continents.

As for the challenge to turn the education into a social factor, Bartolomé uses Bank's proposal that talks about five dimensions to consider multicultural education a dynamic system, from the perspective of pedagogical equality:

1. *Integration of content*: the analysis of the use teachers do about examples or contents that come from different cultures in the respective disciplines.
2. *Knowledge construction*: the knowledge construction process has a lot of cultural influences that affect teachers and students. Teachers have to study the possible influences of social and ethnical positions in the teaching and learning process; students have to discover that knowledge is a social construction in which the own cultural opinions are present.
3. *Resolution of prejudices*: addressing potential stereotypes, prejudices and discriminations that exist among students and their lives at school and changing racist attitudes for other more democratic and positive. In this sense, it is interesting to distinguish between non-racial model that prevents prejudices and develops cooperation, and the anti-racist model that diagnoses racist attitudes at school to combat and delete them.
4. *Development of a psychology of equality*: this means that teachers should guide their efforts to get a higher quality in the learning of all the students, regardless of racial origin, culture, gender, sexual option, social class... The ultimate goal is to reach real equality of opportunities for all the students.
5. *A school culture that promotes the empowerment*: This dimension highlights the organizational and structural changes of the school.. These changes should allow people at risk of exclusion or already excluded autonomy, development, personal power and confidence in their own possibilities and resources for an active participation in society. This dimension means to recognize that a social change in depth cannot be possible without a radical change in the way we become people, so we have to share power, participation and resources to overcome injustice and social inequality.

The two last dimensions present two questions which are at the basis of intercultural education. According to Margarita Bartolomé:

These latest dimensions bring us back to an issue that is emerging as one of the more important to make progress in the development of people.

How to educate in plural societies to be able to build an effective democracy, a fair, moral and civic community where no one is excluded and where it is possible to find common values that are the basis of the social and political project? How to do it respecting the personal and cultural peculiarities, not from a non-existent uniformitarianism or dominant culture but from the respect for diversity, trying to overcome the real barriers, inequalities and conflicts? (Bartolomé, 2008a, P. 22-23)

Some aspects of these basic issues and that are among the pillars of any educational and intercultural project are, on the one hand the study of identities (not just national or ethnic, but also of gender or sexual preference and others) and , on the other hand , intercultural mediation (as a strategy of conflict resolution in the various fields of society). As regards the first aspect, in whatever project intercultural education project, María Ángeles Marín considers two levels in the definition of the term identity:

At a first level of meaning "identify" means singling, in other words, distinguish something as a unit in time and space, discernible from others (...). From this perspective, cultural identity means the own location and that of the other in reference to a culture, the classification of a person as belonging to a group that is supposed to have a specific culture, From this concept of the identity, appear identifying adjective about "the other", either group or a person belonging to it, which are the basis for the formation of prejudice. At a second level of meaning, the identity refers the representation that the subject has. In the individual case, the search for identity is understood as the construction of a representation of itself, that is coherent and harmonious with the images from one's own (Marín, 2008, P. 34).

If we apply this idea to the societies, we find definitions like Luis Villoro's, for whom the collective identity is "an intersubjective representation, shared by a majority of the members of a village, which will be a same group" (Villoro, 1998, P. 65). From this perspective, the identity of the peoples refers to their culture as a system of beliefs, attitudes and behaviors that are transmitted to each member of the group; it is a way to feel, to understand and to act in the world and shared forms of life that are expressed in institutions, regulated behaviors, artifacts, art objects, knowledge that is transmitted... In this sense we must remember the importance of the collective memory for the retrospective of a group identification, above all nations (this collective memory is passed down

through the family, school, media...). As explained Marín from other authors as Grosser, the content of the collective memory is linked to temporal variations, so any identity is quite changeable over time, especially if it is a collective identity or if it is defined in terms of categories or groups (Marín, 2008, P. 34).

Following Villoro, María Ángeles Marín believes that the representation which a community has of itself can appear in two different ways: *the singularity* or that of *the project*. From this perspective the identity of a group by way of the singularity means to search own notes that separate it from the other peoples or nations. It would be an approach in the ideologies which advocate aggressive or defensive nationalism, in the imperialism and the fundamentalism movements of religious roots. The search for identity from the singularity has the following characteristics:

- Identity is achieved by abstraction, by exclusion of the common notes and singularities election.
- If the identity of a people can be achieved by selecting peculiar grades, that set of notes tends to be seen as a collective value, transmitted by the education and cultural tradition.
- The features that make to recognize the identity of a people, stay through the changes, The identity is maintained under the voice of the past. That voice orders fidelity to the own history. The collective value becomes a destination (Marín, 2008, P. 36).

From this point of view, the function of the collective identity is essentially to preserve the past heritage.

However, we have another way to build the representation of collective identity: interrelationship and reference to others. From this perspective, the identity is not built only by opposition but by the dialectic with others. There is no identity without *another*, and, on the one hand, collective identity is defined by social and cultural categories that are in continuous mutation, so there is the possibility of building the representation of identity openly, as a project. This way of building identity representation is based on identification, that does not mean imitation and consists of integrating into the own culture elements that come from outside and that answer new necessities and satisfy new desires.

Thus, both in people and communities, the identity is not built exclusively by differentiation but by a complex process of identification and separation. The specificity of a culture is not in the singular and unique notes, but in the way to express them and to integrate forms and cultural characteristics that other culture integrates differently; from this point of view, the collective identity of a nation is under continuous construction and is subject to change, depending on the circumstances (Marín, 2008, P. 36-37).

In relation to national identities, Marín reflects the opinion of most authors who link the birth of nation and nationalism with modernity, and associate national identity with the concept of people and culture:

Nation is defined as a group of people who share a set of cultural symbols (language, religion, traditions, customs), with a common origin and a historical trajectory, seated in the same territory (Marín, 2008, P. 37).

For ethical and symbolist authors, national identities are rebuilt continually through processes of selection within the heritage of ethnic and symbolist elements, and the *reidentification* with the rebuilt ethnic heritage: for these specialists, the processes of reconstruction, reinterpretation and reidentification of the ethno symbolic components are essential to the permanence and flexibility of many national identities in modern times. In terms of models of nation-building María Ángeles Marín defines two: the civic nation model and the model of the ethnic nation (Marín, 2008, P. 37). We speak of civic nationalism when the nation arises as a political community that occupies a territory, whose members are subject to the laws of the community: any person, regardless of their place of origin or their ethnic background can become on in full membership of the nation if it satisfies the conditions of citizenship. For its part, the ethnic nation model is characterized by the grouping of a set of individuals with a common characteristics inherited from the past, such as blood, culture and language.

In both models, the nation-building requires a process of cultural construction and national identity: in this sense we must remember that nations do not exist in the world regardless of the beliefs of the people, because they are precisely defined by this belief. However, we can consider the identity as a social construction, therefore subject to the social changes (Marín, 2008, P. 38). According to authors such as Miller (2000), María Ángeles Marín defends the need to build a new concept of national identity which exceeds the civic and ethnic models of nation-building, which would be promoted in a common public culture accessible to all citizens: the objective is the construction of a concept of national identity in which nations are conceived as groups of people with a common identity consisting of a history and a shared public culture, but where the cultural membership is inclusive and not exclusive. This implies that common public culture must be able to coexist with various particular subcultures.

It is obvious that the feeling of belonging is essential to generate an active citizenship, and necessary to carry out progress in the construction of global citizenship, studying the feeling of

identification with the community, and we must also bear in mind that every person needs to belong to a social and cultural community that will provide a cultural reference; this reference is required to grant an order and to give sense to the reality that surrounds it. Cultural and national membership provides a sense of identity and in this sense is a source of trust; so, if we bring to the end the defense of tradition, identity and difference, we will find impossible to resolve conflicts. Therefore, we must maintain a balance between tradition and change, between what is particular and what is universal. In short, the essentialism in the definition of national, religious or ethnic identities can be dangerous, as we shall see below.

Ethnic identity is based on a cultural frame of reference from which a community defines its identity as a group, and from this perspective, the identity is the consequence of belonging to a homogeneous group in terms of culture. However although the ethnic groups use cultural indicators to define borders, culture is not restricted within these borders as it is the territory, since intercultural communication occurs in all societies and establishes a wider cultural field. This reality is manifested in modern societies, where also becomes evident that the cultural vitality depends on the exchanges which is able to maintain with other cultures (Marín, 2008, P. 41).

National membership is based on solidarity within a wider group: although the members of a nation don't share moral values or ways of life, they are deeply linked by other links, such as the language and the culture. For the majority of people it is positive and even indispensable to refer to their own community as a space that gives them an important part of their identity; in many cases the national reference is so obvious that it is practically invisible, and the most obvious nationalisms are generally those that are in a situation of irredentism and contrast with dominant state structures. But we have to recognize, as does Marín, that the nation is not an absolute value, since it is one of the references that we use to live, but not the only: in this sense a misleading use of national sentiment would be one that is based on the (erroneous) belief in the incompatibility of identities on the personal level. Each person synthesizes a complex composition about identity based on the family origin, place of residence, professional activities, language skills, religious beliefs, gender and sexual orientation...

An alternative approach to the above defining membership, is that the pluralistic tendency. This cosmopolitan perspective, progress towards a global civilization and it means that everyone must be able to be recognized and identified, and this new civilization must incorporate elements of all cultures. The construction of identity, from this point of view, is

carried out through cultural diversity (Marín, 2008, P. 42)

However, this universalistic approach has to overcome two evident dangers: the hegemony and the universalization. People react when their identity is threatened and when someone wants to impose a cultural colonization (some events in the Arab world in recent decades could exemplify this statement). If modernization equals westernization it is logical that a large part of the planet will experience that as the abandonment of a portion of its real identity. Besides, this type of reaction is not exclusive of nonwestern societies, since in the West there are also defensive reactions of identity when a majority culture tries to impose on another minority one (it would be the case of the cultures and the languages of those territories without their own state in Europe, for example).

Globalization must mean plurality as diversity. The value of this cultural diversity does not arise as differentiation, but as an access to cultures of different groups. Thus, the affirmation of an immutable identity that we acquire at birth is no longer a natural attitude, but that identity becomes an act of choice among a wide range of possibilities (Marín, 2008, P. 43). On the other hand, the access to other cultures allows us to appreciate the uniqueness and also the forces and the limitation of our culture. Finally, any form of life can express by its own the entire range of human potential.

Mobility and immigration, for example, have caused that today many groups of people have the opportunity to choose cultural identities different to those acquired at birth. These new possibilities, unthinkable in the past, made many people to make choices related to cultural membership. In this context, the possibility of combining different affiliations is a characteristic feature of the diversity, and there is no incompatibility between the internal evaluation of the culture by its members and the external value of diversity for society: the value of membership increases from the experimentation of cultures and, conversely, only those cultural practices deemed valuable by the members of the group will contribute to the diversity of a public culture. Therefore, only from the opening to the experiences of other cultural groups of the environment we can enrich our own group.

As Teresa Aguado (2003, P. 37) highlights, from the social changes that have occurred in recent decades, the political social and educational trends in cultural diversity of our neighboring countries, are as follows:

- Ensuring equal opportunities for all, combating social and cultural exclusion and ensuring a democratic future.

- Promoting intercultural education for all the students in order to prepare them for life in coexistence in a democratic and peaceful manner.
- We have to build education systems more flexible so that they are better suited to complex situations in which needs are solved in a global perspective.
- Stimulate cooperation between schools and their surroundings, mainly families, employers and local associations.
- We have to improve and diversify the teaching of languages as a way for European integration and international solidarity.
- We also have to encourage the transfer of experiences between countries and regions in which the phenomenon of cultural diversity, without being new, requires understanding and resolution in a renewed way, and identify, disseminate and generalize the success and equally practices. At this point the collaboration of non-governmental organizations and academic institutions and research in education is essential.
- Slow down the development of racism and xenophobia in their various manifestations.

According to Aguado (2003, P. 38) there is a growing trend in reference to the acceptance of the intercultural option among the educational leaders in multicultural contexts, but which is not reflected in educational practice and in the levels of acceptance by the general public. It is clear that intercultural education goes beyond what the author called liberal-assimilative view, and that requires both a modification of contents and curricular strategies and an adequate level of cultural competency [2] by professionals involved. In general, it is detected a tendency to declaration of principles in education rather than not to the production of models and materials for the practice of multicultural education. So, it is evident that there is a lack of coordination between political declarations and educational practice, and that in many cases persist obsolete programs that do not attend the intercultural dimension; Besides, there is an ambiguous political speech between the intentions and the possibilities, between the proposals and the resources that are

Remarks

[1] In this context we prefer the word *intercultural*, more used in Europe, to *multicultural* that is used in Anglaxon countries. *Multicultural* includes various collectives such as those related to sex gender, sexual option or disabilities, while *intercultural* is related to ethnical and linguistic groups (Alegre, 2010). Finally, as

provided; Finally, there is a marginalization of the treatment of cultural diversity initiatives: it is very important that these initiatives are integrated into the whole of the educational activity, forming part of the regular curriculum, and not as special measures for special groups.

These issues make us doubt about the real willingness to implement intercultural education, In addition, in many cases this state of affairs encourages a perverse use of intercultural education that conceals undeliverable inequalities. According to this author, three fundamental conditions are needed:

- a) Relating the discourse on models and ideologies with the practical consequences. This implies support of research and training projects that enable the collaboration of researchers and educators at different educational levels.
- b) To pay attention to the teachers' training, being aware that they do not change their attitudes unless they discover it is necessary and that this change improves their work.
- c) We need more local, regional and international resources devoted to the promotion of intercultural education (Aguado, 2003, P. 38-39).

3. Conclusions

The great value of cultural diversity –and that we must promote in educational environments – is not the difference, but the fact that it provides opportunities for communication among various ways of life. On the other hand, we have to be aware that there is the possibility of conflict, - and it is one of the main goals in intercultural education - but also the ability to resolve it in a peaceful manner.

Therefore, it is a task of education working so that all people can assume their multiple belongings, to reconcile the need for identity with the opening to what is different: anyone who is able to assume fully its diversity may be a link between the various cultures and surrounding communities, an essential function in today's society.

Ballester, Ibarra and Devís say, *multicultural* is a descriptive concept while *intercultural* means a process of exchange and interaction we must promote in multicultural societies (Ballester, Ibarra and Devís, 2010, P. 548).

[2] For Teresa Aguado, cultural competence consists of knowledge and affective attitudes towards other cultures (Aguado, 2003, P. 38).

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GENERAL CONDITIONS FOR LEGISLATION FOR THE PROHIBITION OF COMPETITION IN BUSINESS LAW

Všeobecná rovina právnej úpravy zákazu konkurencie v obchodnom práve

Jana PŠENKOVÁ

Abstract

The use of the notion of competition is common to general as well as legal language. Competitive conduct of enterprises is governed by the Commercial Code as well other additional regulations. The prohibition of competition in commercial enterprises and a co-operative is primarily intended to guarantee a certain level of legal security for companions of commercial companies and co-operatives against any possible negative conduct of one or more of them and against the misuse of information for their own business activity.

Key words

prohibition of competition, business law, Commercial Code, commercial enterprises, negative conduct

JEL Classification: K 23

Introduction

Business law is one of the separate branches of law in the Slovak legal order governing legal relations in the field of private law. The notion of competition can generally be seen as synonymous with the words of contest and rivalry. The term can be frequently encountered in general language as well as in the language of law, including commercial law. Thus, the concept of "competition" is a vital component of commercial and legal relations in the market economy.

The notion of competition is defined very broadly and can be read both as a positive and negative phenomenon. Competing for market position among business entities under the same conditions for all competitors involved is essential for the market mechanism to function.

Thus, competitiveness encourages and motivates competing entities to develop new products, improve their quality, and reduce manufacturing costs and so on.

As a result, prices are reduced and services offered to consumers are of higher quality. In this perspective, competition becomes both positive and desirable.

On the other hand, negative competition refers to unethical and illegal practices employed by rivals in order to gain market position.

This illegal and unethical competition may take various forms. Those are regulated by the relevant legal regulations so that the negative impact of competition is minimized or to infer sanctions against the entities in question.

Regulation of competition thus fulfills a protective function in the commercial law relations.

Commercial Code

The prohibition of competition in the Commercial Code - Act No. 513/1991 Zb. (hereinafter referred to as „ObZ“) which stipulates the status of entrepreneurs, commercial and contractual relationships as well as other business-related relations is intended to guarantee a certain degree of legal security for company and cooperative partners against possible negative conduct of one or more of them and against misuse of the information for their own business. (Jakoubek, 1995, p. 13).

Restrictions in the form of obligations for specific subjects in different types of companies and co-operatives, are based on Article 35, section 2 of the Constitution of the Slovak Republic, according to which the law may impose conditions and restrictions on the exercise of certain professions or activities.

The prohibition of competition in own company (where the responsible person is companion, statutory body, or a member of another body) has thus to prevent speculative behavior of the entities that would impair their own business (Kubíšek, 1999, p. 41). The purpose of establishing this clause is to ensure equality of businesses.

The Commercial Code does not specify exactly what is meant by competitive activity. Thus, dispositive nature of the legislation makes it possible to have the extent of competitive activity and

prohibition of competitive conduct as well as other conditions and details governed by internal regulations of the company or co-operative. The Contractual agreement on the prohibition of competitive conduct must be included in the articles of partnership or the amendment to the articles of partnership (in statutes in case of a joint stock company). Contractual regulation of the prohibition of competitive conduct in other agreement, even if in writing, signed and notarized, would be invalid pursuant to § 39 OZ (provision §39 OZ is applied to business relations under § 1 section 2 ObZ) under which invalid act is the one whose content and purpose is contrary to or breaches the law or clashes with good morals (Křetínský, 1999, p. 302).

The prohibition of competition in business law restricts the members of statutory bodies to do business activity, thus the prohibition of competition applies to particular persons in a company or co-operative to refrain from actions contradicting the interests of a company or co-operative.

The statutory obligation to observe the prohibition of competition in business law is of special nature. This obligation is viewed both as one of the general obligations to be observed by members of statutory bodies when acting in the name of company and as individual obligation.

General obligations include the confidentiality clause, duty not to act contrary to the interests of the company, duty to perform one's function personally, etc. (for instance the provision § 135a, section 1 ObZ stipulates duties of executive officers as follows: „Executive officers are required to perform their duties with professional diligence and in accordance with the interests of the company and all its shareholders. In particular, they are obliged to obtain and when taking decisions to take into account all the available information relating to the subject matter of the decision, not to disclose any confidential information and facts, whose disclosure to the third parties could harm the company or jeopardize its interests or the interests of its shareholders, and in the exercise of their competence may not favor their own interests, interests of only certain shareholders or interests of third parties before the interests of the company“).

Individual obligations are regarded various obligations and powers of statutory bodies. It follows that the Commercial Code regulates not only general and individual obligations, but also those overlapping these two categories, such as the prohibition of competition and the obligation to abstain from unfair competition against the company (Rada, 2003, p. 6).

The Commercial Code stipulates the duration of the prohibition of competition for different types of companies and a co-operative (as stipulated by law, articles of partnership, its amendment or statutes). The prohibition of competition for the respective entities

(companion, a member of the board of directors, supervisory board member, executive, etc.) lasts over the entire time, during which the relevant subject has relationship to a company or a co-operative, which is the reason of such a prohibition of competition, i.e. from the moment of emergence to the moment of termination of such a relationship. With regard to legislation, the length of the prohibition of competition is the same in individual types of companies.

The general legislation on the prohibition of competitive conduct is covered in § 65 ObZ and is applicable to all types of commercial companies as well as for a co-operative. Moreover, this general provision § 65 ObZ refers to legislation on the prohibition of competitive conduct in different types of companies and a co-operative as follows:

„The provisions for individual companies determine, which persons and to what extent are banned from competitive behavior.“ The general provision § 65 Obz also lists penalties for breaching the prohibition of competition. Legislation on competitive conduct in different types of companies can be found in the following provisions:

- § 84 for the general partnership,
- § 99 for the limited partnership,
- § 136 and 139 section 4 for the limited liability company,
- § 196 and 200 section 3 for the joint stock company,
- § 249 of the Commercial Code for the co-operative.

These provisions establish, which person and to what extent are banned from competitive conduct.

It is possible to find some common features in the aforementioned arrangements on the prohibition of competition that apply to different types of companies. Thus, competitive conduct is dealt with:

- if the acting person is a statutory body of the company
- if the person is satisfying his/her own interest by his/her conduct, which differs from the interests of the company,
- if this conduct is detrimental to the interests of the company (especially property interests).

Prohibition of competition in personal ownership companies (general partnership, limited partnership, which is considered as a company of a mixed nature) applies directly to companions. This is not true in capital companies (a limited liability company, joint stock company) where the prohibition of competition

applies to members of statutory or supervisory bodies. Legislation stipulating the prohibition of competition is dispositive for personal ownership companies and articles of agreement can therefore stipulate differently the substantive scope of the prohibition of competition, without any restrictions. Regarding capital companies, where the law allows the extension of the personal scope of the prohibition of competition, it can be done so only within the limits of legal provisions, i.e. the prohibition of competition can be extended to members. Conversely, the law does not permit the narrowing of the personal scope of the prohibition of competition in this case.

In addition to the Commercial Code, the prohibition of competition is adjusted by additional related legislation, such as the Act No. 566/2001 Z. z. on securities and investment services (containing the legislation on confidentiality obligation, the prohibition of abuse of information and obligation to avoid conflicts of interest between security dealers), the Act No. 483/2001 on banks (containing for instance § 25 section 1, which reads: "A member of the statutory body of a bank cannot be a statutory body or a member of the statutory body, or a confidential clerk, or a member of the supervisory board of other legal entity that is an entrepreneur. Confidential clerk of the bank and employee of the bank cannot be a statutory body or a member of the statutory body, or a confidential clerk, or a member of the supervisory board of another legal entity who is a client of the same bank"), and so on.

In addition to the provisions of the Commercial Code on prohibition of competition, legitimate interests of a company or a co-operative are guaranteed by § 51 ObZ on infringement of commercial confidentiality and by § 53-55 stipulating legal means of protection against unfair competition. When compared to the provisions on the protection of competition in different types of companies and a co-operative, these are more general. Thus, they also regulate such acts which, in terms of the relevant provisions of the Commercial Code, may not breach the prohibition of competition, even if the case would be unfair competition.

The provision § 51 regulates the breach of trade secret as follows: "Violation of a trade secret means a conduct whereby an individual illegally informs another person about a trade secret, or provides him with access to it, or exploits it for his own or another person's benefit, using it in competition, and of which the individual learned of:

- as a result of having been entrusted with that secret, or by having gained access to it through technical documentation, instructions, drawings, models or patterns on the basis of an employment or other relationship with the competitor, or while performing a function to which the individual was appointed by a court or other authority,

- through his own or another person's illicit conduct."

The Commercial Code defines the term of a trade secret in its § 17-20 as follows: „One of the rights appertaining to an enterprise involves trade secrets. Trade secrets include commercial, manufacturing and technological facts relating to the enterprise which have actual or potential material or nonmaterial value, are not commonly available in the business circles in question, and are to be kept confidential at the discretion of the entrepreneur, who ensures that his enterprise's secrets are protected in a suitable manner. An entrepreneur operating an enterprise to which the provisions of trade secrets apply has an exclusive right to dispose of such secrets, including the right to grant permission to someone else to use a particular trade secret and determine the conditions of such use. An entrepreneur has the right to legal protection against violation or jeopardizing of his trade secrets, as in the case of unfair competition.“

The provisions § 53-55 ObZ stipulate the legal means of protection against unfair competition as follows: "Persons whose rights have been violated or jeopardized as a result of unfair competition can demand that the offender desists from such conduct and eliminate the improper state of affairs. They can also demand appropriate satisfaction, which may be rendered in money, compensation for damage and the surrender of unjust enrichment. The right to demand that an offender desists from his illicit conduct and eliminates the improper state of affairs, may also be asserted, except for the cases referred to in sections § 48 to 51 of the Commercial Code, by a legal entity authorized to protect the interests of competitors or consumers."

The obligation to desist from unfair competition is not specifically established for statutory bodies of trading enterprises or co-operatives, yet this obligation stems from the generally binding duty to act in the interests of the company.

What is the term unfair competition, defines the Commercial Code in its provisions of § 44-52 as follows: „Unfair competition is proceeding in competition, which is contrary to good morals of competition and is capable to cause harm to other competitors or consumers.“ The Commercial Code also lists demonstratively the actions that are considered as unfair competition, particular the following proceedings:

- misleading advertising,
- misleading marking of goods and services
- conduct contributing to mistaken identity,

- parasitic use of the reputation of another competitor's enterprise, products or services,
- bribery,
- disparagement,
- violation of trade secrets,
- endangering the health of consumers and the environment.

Regarding the aforementioned, the question is whether unfair competition can be committed by a member of the statutory body of the company. Pursuant to § 44 ObZ it concerns in particular those subjects, which are competitors, which shall be understood both natural and legal persons, participating in the competition, even if they are not entrepreneurs. But the Commercial Code does not exclude other subjects from the scope of this provision, because in the definition of unfair competition does not talk about subjects, but talks about a certain proceeding in competition. The abovementioned view is supported by a judicial decision of High Court in Prague (3Cmo 36/1992), which states that the competitive relationship cannot be reduced only to the relationship between two business entities with the same business focus, the relationship is determined between the person or team of individuals, which are preparing the establishment of a new business entity on the one side and between competing subject on the other (thus creating favorable conditions for emerging entity at the expense of an existing competitor). The court decision thus accepts that a person qualified to unfair conduct was also a member of the statutory body. From exemplary calculation of procedures, which are understood in accordance with the provisions of § 44 section 2 ObZ as unfair competition, perhaps comes most into consideration, in relation to a member of the statutory body, the procedure, which is bribery or violation of trade secrets. (Rada, 2003, page 11).

In relation to the conduct of a member of the statutory body, he/she is not excluded from the general clause on unfair competition (hence, unfair competition is a competition conduct that is contrary to good morals of competition and is likely to cause harm to other competitors or consumers). As an example would be a

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statutory body or its member enticing employees of the enterprise where s/he performs his/her function for the purpose of establishing his/her own company.

Unfair competition does not mean damage to property or non-property related interests of a competitor, it is sufficient that the acts are likely to cause harm without sequelae.

The purpose of enacting the prohibition of competition is to ensure equality of doing business, i.e. to guarantee the company is not harmed by one of those persons who are informed in detail about the facts that are of essential interest for the enterprise in question. This is the legislation which protects the enterprise when a conflict of interests in the respective entities arises. The legislation obliges the enterprise to take precedence of the enterprise interests, with which it is in a formal relationship, over their own interests. However, in the case of legislation on the prohibition of competition in a limited liability company and a joint stock company, the legislation serves to protect third persons - creditors because competitive acts of relevant entities can disrupt the company economy, and may therefore jeopardize indirectly the interests of any creditors to satisfy their claims.

Conclusion

The Commercial Code is the fundamental source of commercial law governing the status of entrepreneurs, business contractual arrangements as well as some other business-related relations. It contains the legislation on the prohibition of competition in enterprises and a co-operative. Competition is one of the fundamental prerequisites for the market mechanism to function. However, competition is not always positive. On the other hand, negative type of competition refers to unethical and/or illegal fight for the market position. Illegal competition may take different forms. We have outlined and discussed the legal methods of regulation to minimize the negative impact of competition and/or impose sanctions against the entities in question.

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SUMMARY

Všeobecná rovina právnej úpravy zákazu konkurencie v obchodnom práve*Jana PŠENKOVÁ*

Pojem konkurencia je pojem veľmi širokým a je možné ho chápať v dvoch protichodných súvislostiach, a teda ako jav pozitívny i ako jav negatívny. Konkurencia v zmysle súťaže slobodne podnikajúcich subjektov o úspech na trhu za rovnakých podmienok pre všetkých zúčastnených súťažiteľov je vlastne základným princípom fungovania trhového mechanizmu. Táto vzájomná súťaživosť podnecuje jednotlivé súperiace subjekty k motivácii pre vývoj nových výrobkov, zdokonaľovanie ich kvality, znižovanie výrobných nákladov a podobne. Existencia konkurencie by sa tak mala na trhu prejavovať najmä výhodnejšími cenami výrobkov, prípadne dokonalejšími službami. A tak v tomto ponímaní sa konkurencia javí ako kladná a žiaduca.

Na druhej strane sa však konkurencia na trhu môže prejavovať aj nežiaducim konaním súperiacich subjektov, ktorí bojujú o svoje postavenie na trhu neeticky, prípadne spôsobom porušujúcim zákon. Takéto nevhodné súťaženie sa môže odohrávať rôznymi spôsobmi. Tomu zodpovedajú aj príslušné metódy regulácie zo strany právneho poriadku, aby tak negatívny dopad konkurencie bol minimalizovaný, resp. aby dochádzalo k vyvodeniu následkov voči konkrétnym subjektom. Právna regulácia konkurencie tak plní ochrannú funkciu.

Cieľom zakotvenia právnej úpravy zákazu konkurencie v Obchodnom zákonníku – z.č. 513/1991 Zb., ktorý upravuje z hľadiska svojej pôsobnosti postavenie podnikateľov, obchodné záväzkové vzťahy, ako aj niektoré iné vzťahy súvisiace s podnikaním, je garancia určitého stupňa právnej istoty spoločníkov pred prípadným negatívnym správaním jedného alebo viacerých z nich a zneužívaním informácií pre vlastnú podnikateľskú činnosť.

Obmedzenia, v podobe stanovených povinností pre konkrétne subjekty v jednotlivých typoch obchodných spoločností a v družstve, vychádzajú z článku 35 ods. 2 Ústavy SR, podľa ktorého môže zákon stanoviť podmienky a obmedzenia výkonu určitých povolání alebo činností.

Zákaz konkurencie vo vlastnej firme (kde je zodpovedná osoba spoločníkom, štatutárnym orgánom, prípadne členom iného orgánu) má teda zabrániť špekulatívnemu správaniu dotknutých subjektov, ktorým by poškodzovali vlastnú firmu.

Účelom zakotvenia tohto inštitútu je zabezpečiť rovnosť podnikania, t. z. to, aby spoločnosť nebola poškodzovaná jednou z tých osôb, ktoré sú dopodrobna informované o takých skutočnostiach, na ochrane ktorých má tá ktorá spoločnosť nalievavý záujem.

Zákaz konkurencie je v obchodnom práve inštitútom, ktorý obmedzuje možnosť podnikania členov štatutárných orgánov, a tak zákazom konkurencie rozumieme zákonom stanovený zákaz adresovaný určitým osobám v obchodnej spoločnosti alebo v družstve, aby sa zdržovali konania, pri ktorom by sa ich záujmy dostali do rozporu so záujmami spoločnosti alebo družstva.

ANALYSIS OF INFLUENCE OF ANTI-CRISIS MEASURES ON BASIC MACROECONOMIC INDICATORS IN THE SLOVAK REPUBLIC

Analýza vplyvu protikrízových opatrení na základné makroekonomické ukazovatele v Slovenskej republike

Stanislava STRELCOVÁ

Abstract

This paper describes the best known measures adopted for solving the crisis in the Slovak Republic. It thoroughly analyses the influence of the measures on the basic macroeconomic indicators: the economic growth, unemployment, inflation and the proportion of the current account of the balance of payments on the gross domestic product during the years 2007- 2011. The economic growth achieved its maximum in the Slovak Republic in 2007. During this year the pace of the GDP growth increased by 10.5 %. Next year we can observe the beginning influence of the economic crisis on the Slovak economy and slowing down the economic growth as well. The efficiency of these measures is assessed in a graphical form by the magic square.

Key words

Economic growth, unemployment, payment balance, inflation, anti-crisis measures.

JEL Classification: E01, E63, E66

Introduction

The economic and political measures are such economic variable quantities through which the statesmen and politicians can affect the process and heading of the economic activity. (Franko, 2005)

Through selecting correct tools of the fiscal and monetary economic policy, e.g. the expenses of the state budget, the structure and the size of taxes, the interest rates, etc. the state can accelerate or slow down the growth of economy, to affect the inflation, to create the budget deficit or surplus of the payment or trade balance.

The Slovak government adopted more than 60 measures for moderating the impacts of the economic crisis on the economy of Slovakia. When selecting them it aimed at such measures whose goal was the support of the economic growth, reducing the unemployment and stabilising the banking sector. Here are the most famous of them:

- realising the PPP projects,
- the banger bonus,
- the social companies,
- the National Project I/2009 Support of citizens threatened by mass dismissal due to the global financial crisis,
- the increase of basic capital of the Export-Import Bank of the Slovak Republic.

1. Influence of Economic and Political Measures on Economic Growth Dynamics

The economic growth is usually characterised as increase of the final real product's level in a certain time period, most frequently it is a time period of one year.

The economic growth achieved its maximum in the Slovak Republic in 2007. During this year the pace of the GDP growth increased by 10.5 %.

Next year we can observe the beginning influence of the economic crisis on the Slovak economy and slowing down the economic growth as well.

Especially the year 2009 was critical for all segments of the economy when the Slovak economy is caught in negative values of the economic growth. During this year the demand for domestic goods and services was decreased. The key export markets showed decline of demand for cars and electronics which resulted in reducing the industrial production and this fact caused the slowdown of the GDP growth. The anti-crisis measures adopted by the Slovak government during this year did not avoid the drop of the economic growth; however, on the other hand they moderated its consequences at least.

The economic growth in 2010 reached the level of 4.2 %. The increase of the foreign demand as well as

the growth of the domestic demand caused this improvement. Especially the investments and their increase that supported the prospects for the future were of big importance. Also the measures of the government towards eliminating the negative impacts of the global economic crisis contributed to increasing the amount of investments in this year. The construction of the limited-access highway R1 in the Nitra region was of great importance for increasing the investments in Slovakia. And vice versa, through consolidating the public finance the government reached reduction of its consumption.

In 2011 the Slovak economy reached the growth at the level of 3.3 % compared with 2010. The car industry increased its production substantially. The domestic demand moderately dropped compared with 2010. The main reason of the economic growth was the increase of the demand from abroad. In 2011 the economy of Slovakia was affected also by the turbulences on the financial markets and they were caused especially by the debt crisis in Europe.

In 2012 and for the time being the economy of Slovakia develops positively, in the first quarter there was GDP growth amounting 3 %. The resources for

further growth should be the consistent utilisation of the EU-funds and investments to enlarging the road network.

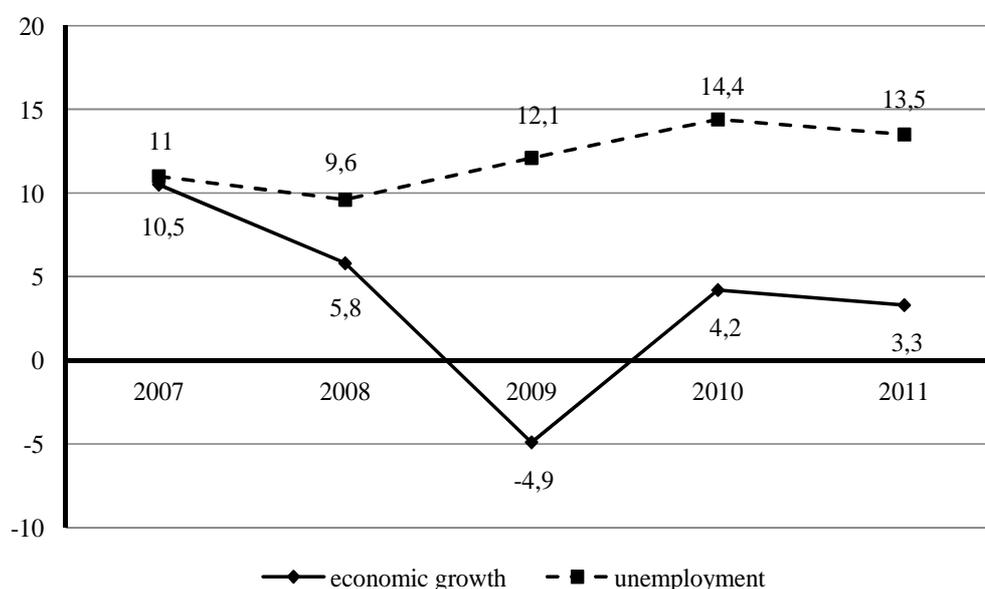
2. Influence of Economic and Political Measures on the Unemployment Dynamics

The unemployment rate expresses what percentage out of the total country's workforce the group of unemployed people creates.

The unemployment rate reflects the development of GDP with a short delay and thus the economic growth. This delay can be also seen in 2007, when at the highest values of the economic growth the proportion of the unemployed was up to 11 % and it dropped to 9.6 % the following year.

During two next years, from 2009 to 2010, the unemployment rate was growing. The main problem was the reduction of demand for products and services created by the Slovak producers. This decline was caused especially by the uncertainty on the financial markets, people during this period were very careful when expending their financial means.

Fig. 1 Development of the pace of the economic growth and the unemployment rate



Based on the data of the Statistical Office of the Slovak Republic

In 2009 the unemployment rate reached the level of 12.1 %. Decreasing the foreign demand for domestic goods and services led to reducing the industrial production. This problem acquired a Europe-wide size and also the EU attempted to improve the situation on the labour market. The Slovak Republic has a strongly export-oriented economy and this fact reflected on the labour market and the number of unemployed people began to grow. Next year, in 2010, the unemployment

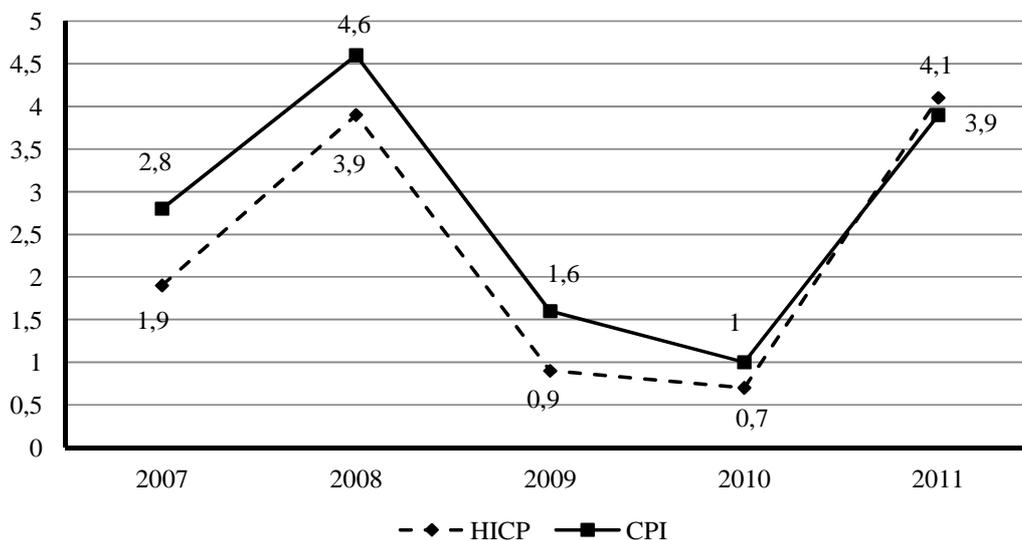
rate reached even a higher level than in 2009 – 14.4 %. The government of the Slovak Republic adopted during this period a lot of measures for averting and reducing the negative consequences of the economic crisis but the unemployment rate was still moving in high percents. This trend was successfully moderated in 2011 and the unemployment rate was mildly decreased to the level of 13.5 %.

The social companies belonged to the most important anti-crisis measures of the Slovak government to minimise the consequences of the economic crisis on the labour market. The pilot projects of these companies concentrated especially in the self-governing regions of Banská Bystrica, Košice and Prešov. In spite of realising the social companies in these regions the unemployment rate is still very high and there is a need to solve the problems more radically. In comparison to the Banská Bystrica self-governing region where the unemployment rate moderately dropped in 2010, in the Košice and Prešov self-governing regions it rapidly grew. In 2012 the unemployment rate in these regions (and not only there) continues to increase.

3. Influence of Economic and Political Measures on the Inflation Rate Dynamics

The inflation develops when the prices of assets and services generally, country-wide increase. It is a situation when for one monetary unit we purchase currently less than in the past. The inflation is measured by the consumer price index which is calculated from a representative consumer basket containing different assets and services in every country. For us to be able to compare the inflation rate between countries we utilise the so called harmonised index of consumer prices (HICP). The values of the HICP and consumer price index (CPI) differ slightly but in essence their development shows the same development trend.

Fig. 2 Development of inflation rate measured by the HICP and CPI indicators



Based on the data of the Statistical Office of the Slovak Republic and Eurostat

Based on the data of the Statistical Office of the Slovak Republic there is an apparent reduction of the inflation rate in 2009 and 2010 compared to the year 2008. This decline was caused on one hand due to strict monetary measures connected with adopting EUR but on the other hand also by reducing the volume of financial means in circulation during the critical years when the consequences of the economic crisis performed very strongly. On the contrary, in 2011 the inflation rate quadrupled. This situation was caused by releasing a huge amount of financial means to circulation due to some anti-crisis measures adopted by the Slovak government to stabilise the financial sector. Another reason for increasing inflation was the debt crisis in Europe and non-stability on the financial markets which caused the fall of the EUR value on these markets. The prices of goods and services

increased during this period especially in the area of housing, transport, energy, health-care. In the first half-year of 2012 the inflation showed a slowdown.

4. Influence of Economic and Political Measures on the Foreign Trade Dynamics

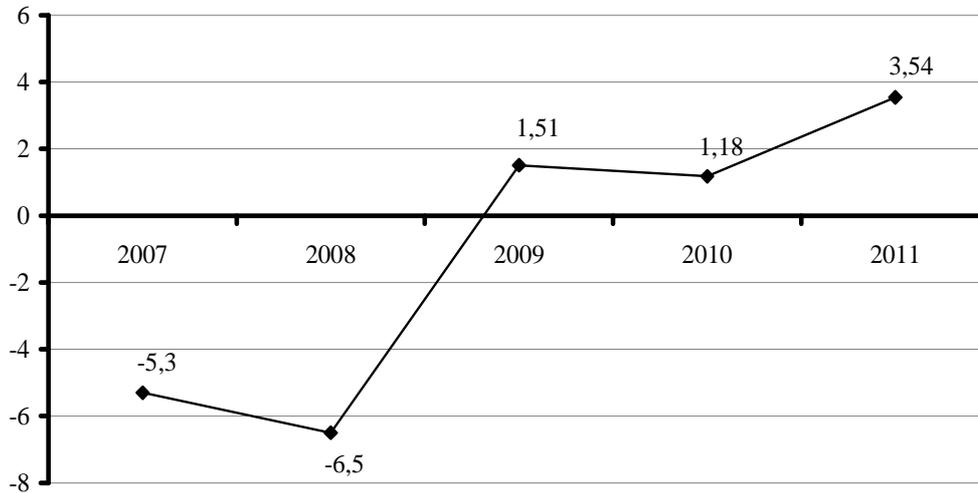
The foreign trade connects the national economy with the global markets. The foreign trade successfulness is expressed on the basis of the current account of the balance of payments and the balance of trade.

The current account of the balance of payments expresses the difference between the expenses and incomes of the country regarding to other countries in the world. For the country's economy it is always more advantageous if the incomes of the country are

regarding to other countries higher than the expenses of the country to other countries of the world. To reveal the influence of the foreign trade on the country's economy we find out the current account of the balance of payments on the gross domestic product.

The economy of the Slovak Republic has been strongly export-oriented since 2009 (i.e. in the year when EUR was adopted). During the previous period the import to Slovakia substantially exceeded the export and this fact was transparent in the current account of the balance of payments.

Figure 3 Development of the proportion of the current account of the balance of payments on the gross domestic product



Based on the data of the Statistical Office of the Slovak Republic

In 2009 the current account of the balance of payments was on the level of 1.51 % of the GDP. In 2010 it dropped to the level of 1.18 % and it was caused by reducing the foreign demand for domestic goods and services, especially in the area of the car and electronics industry. In 2011 the current account of the balance of payments on the gross domestic product of the Slovak Republic increased to 3.54 %. This increase was caused by the recovery of the global economy and by improving the foreign demand for Slovak products. In the area of the foreign trade the Slovak government adopted several measures including the increase of the basic capital of the Export-Import Bank of the Slovak Republic. These steps positively reflected on the development of the Slovak foreign trade. The positive trend continues also during the current time period.

5. Efficiency of Economic and Political Measures

For graphical depiction of the efficiency of the economic and political measure we can create the magic square. It is a diagram which depicts the size of the basic macroeconomic indicators as the pace of economic growth, the unemployment rate, the inflation rate and the proportion of the current account of the balance of payments to the gross domestic product. The values of these indicators achieved by the Slovak economy during the years 2007 to 2011 are shown in the table 1 and subsequently illustrated in the figure 4.

Tab. 1 Development of basic macroeconomic indicators [5], [6]

Ukazovateľ [%]	Rok				
	2007	2008	2009	2010	2011
g – economic growth	10,5	5,8	-4,9	4,2	3,3
u – unemployment rate	11	9,6	12,1	14,4	13,5
P – inflation rate (HICP)	1,9	3,9	0,9	0,7	4,1
B – proportion of the current account of the balance of payments on GDP	-5,3	-6,5	1,51	1,18	3,54

Source: NBS, Eurostat

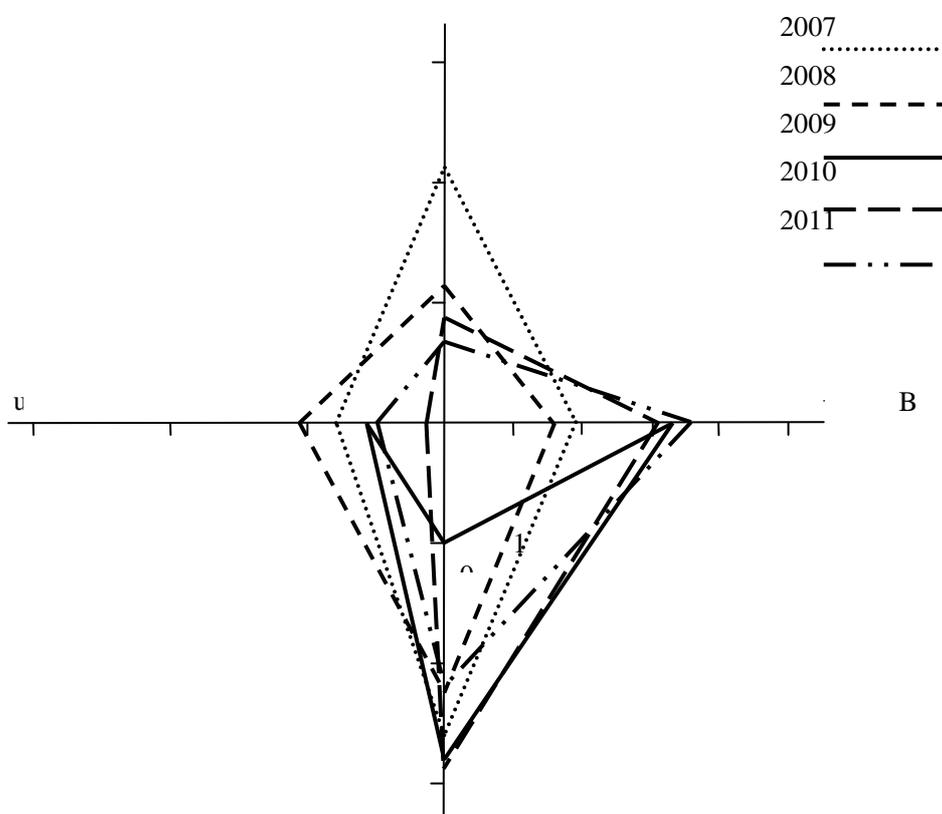
The achieved levels of the macroeconomic indicators are far from ideal values which should be as follows (according to Bartková, 2007):

- the economic growth should achieve the level of 3 %,
- the proportion of the current account of the balance of payments to the gross domestic product should be 0 %,
- the unemployment rate should not exceed 5.5 %,
- the inflation rate should be 2 %.

However, these ideal values need not be suitable for all countries. If we speak about the proportion of the current account of the balance of payments to the gross domestic product it is certainly better if the export exceeds the import and the indicator has positive values. The ideal values of indicators can be affected

also by conditions which the country adopted by entering a certain grouping. E.g. according to the Maastricht criteria the inflation rate must not be higher than 1.5 percentage point than the average inflation rate of three EU countries with the lowest level of this indicator.

Fig. 4 Successfulness of stabilisation policy in the Slovak Republic in the years 2007 – 2011



The development of the macroeconomic indicators passed during the period 2007 – 2011 significant changes. They years 2007 and 2008 were the pre-crisis years in Slovakia and it can be seen also on equal distribution of the indicator values and the size of the square surface.

In 2009 when the economy was affected by the world economic crisis in a great extent, the gross domestic product decreased and the economic growth substantially dropped – this resulted in an untypical shape of the magic square.

In 2010 thanks to the adopted measures the economic growth recovered and the inflation rate

decreased to the level of 1 % compared to the previous year. However, the employers were very careful during this period and instead of employing new workforce they made use of hidden reserves. Also this was the reason why the unemployment achieved the highest level in this year.

In 2011 we can observe partial stabilisation of the macroeconomic indicators. The government of the Slovak Republic succeeded in increasing the foreign trade and the economic growth by measures for supporting the automotive industry, building the transport infrastructure or increasing the basic capital of the Export-Import Bank of the Slovak Republic.

However, the measures on the labour market as building the social companies, supporting the unemployed citizens and others were not able to reduce the unemployment and to stabilise it to the before-crisis level.

Conclusion

To break the economic crisis the government of the Slovak Republic adopted a great many measures; however, not all of them were effective.

The efficiency of the measures aimed at enhancing the economic growth could be seen especially during 2010 and 2011 when an increasing tendency of this macroeconomic indicator was observed. From the aforementioned measures, especially the realisation of the projects of the partnership of private and public sector contributed to the increase of the economic growth – thanks to the investments to the limited-access highway R1. Other measures introduced - the banger bonus – did not bring the expected effect

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because the demand for new cars manufactured in Slovakia was low.

The size of the unemployment rate in Slovakia has been a problem for a long time and it has been even deepened during the economic crisis. Also that was the reason why the anti-crisis measures performing just on the labour market were so strictly emphasised. In spite of the measures introduced in this paper as well as other ones the unemployment rate failed to be reduced to the required level.

The measures aimed at stabilising the financial and bank sector fulfilled their purpose in a great extent. Some of them, e.g. increasing the basic capital of the Export-Import Bank of the Slovak Republic have positive influence both on supporting the foreign trade and the international cooperation.

In conclusion it can be stated that the Slovak Republic succeeded in stabilising the economy and achieving one of the largest economic growths in EU through the adopted economic and political measures. However, this growth is not sufficient to decrease the unemployment.

Vývoj ekonomického rastu v Európskej únii [on line] Dostupné na:

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SUMMARY

Analýza vplyvu protikrízových opatrení na základné makroekonomické ukazovatele v Slovenskej republike

Stanislava STRELCOVÁ

Na zvrátenie hospodárskej krízy prijala vláda Slovenskej republiky značné množstvo opatrení, nie všetky však boli efektívne.

Účinnosť opatrení so zameraním na podporu hospodárskeho rastu sa prejavila hlavne v rokoch 2010 a 2011, kedy bola zaznamenaná zvyšujúca tendencia tohto makroekonomického ukazovateľa. Zo spomínaných opatrení sa pod zvyšovanie ekonomického rastu podpísala predovšetkým realizácia projektov partnerstva súkromného a verejného sektora, a to vďaka investíciám pri výstavbe rýchlostnej cesty R1. Ďalšie uvádzané opatrenie – šrotovné – nedosiahlo požadovaný efekt, pretože dopyt po nových automobiloch vyrábaných na Slovensku bol nízky.

Výška miery nezamestnanosti je na Slovensku dlhodobým problémom, ktorý sa počas pôsobenia hospodárskej krízy prehľbuje. Aj preto sa kládol veľký dôraz na protikrízové opatrenia pôsobiace práve na trhu práce. Napriek opatreniam uvádzaným v príspevku ako aj mnohým ďalším opatreniam sa nepodarilo znížiť mieru nezamestnanosti na požadovanú úroveň.

Opatrenia zamerané na stabilizáciu finančného a bankového sektora vo vysokej miere splnili svoj účel. Niektoré z nich, napr. zvýšenie základného imania Exportno- importnej banky Slovenskej republiky, malo pozitívny vplyv i na podporu zahraničného obchodu a medzinárodnej spolupráce.

Na záver možno skonštatovať, že Slovenskej republike sa prijatými hospodárskopolitickými opatreniami podarilo stabilizovať ekonomiku a dosahovať jeden z najväčších ekonomických rastov v Európskej únii. Tento rast však nie je dostatočný na to, aby sa prejavil znížením nezamestnanosti.

JEL Classification: E01, E63, E66

ONE CHINA POLICY AND ITS IMPACT ON GLOBAL POLITICAL AND ECONOMIC PROCESSES

Politika jednej Číny a jej dopad na globálne politické a hospodárske procesy

Anna VOJTOVIČOVÁ

Abstract

As political and economic influence of People's Republic of China constantly grows, the global impact of its policies grows as well. Foreign diplomatic and economic relations are being formed under significant influence of One China Policy. This policy resulted from events following World War 2, which led to the existence of two governments claiming to be the only legitimate representative of one China (mainland area including Taiwan) – communist government controlling mainland China and exiled government in Taiwan. This status quo lasts to present day, while considerably affecting diplomatic relations with third countries, membership in international organizations, business relations and relations between People's Republic of China and Taiwan.

Key words

One China Policy, diplomatic relation, international organizations, official development assistance, economic interdependence.

JEL Classification: F 01, F 02

Introduction

This paper looks into the so called One China Policy and the consequences it had on Chinese internal and foreign affairs. I have chosen this topic because of recent gradual improvement of relations between People's Republic of China and Taiwan (Republic of China). Therefore I think it would be interesting to study these relations more profoundly and try to determine possible future development. Another reason for choosing this issue is the rise of People's Republic of China (economic and political). Subsequently, all China's policies have a global impact. For instance, One China Policy influences the membership of Taiwan in various international organisations or its diplomatic relations.

I started to write this paper with a hypothesis that the present world is so economically interlinked that People's Republic of China and Republic of China cannot act as if the other one did not exist. Compromises have to be made, and I think that because of the greater economic strength of People's Republic of China it will probably be Republic of China, which will have to compromise more. The goal of this paper is to determine the possible future development of this situation. In order to do so, their previous development has to be analysed. While doing so, I worked with expert studies written on this subject

as well as with official statements issued by both governments in order to stay as unbiased as possible.

Since this topic is quite broad, I will focus predominantly on a more recent development. Of course it is necessary to mention historic events that led to establishment of One China policy, but this paper will not concentrate on further analysis of cross-strait relations during Cold war. One last technical remark: in order to keep this paper easily understandable, sometimes I will use term China for People's Republic of China and Taiwan for Republic of China. I chose to do so strictly for the sake of clarity of this paper, and it does not represent any personal views or judgments.

One China Policy

This policy claims that there are not two "Chinas" (People's Republic of China and Republic of China), but only one China and Taiwan as its integral and unalienable part of its territory. The constitution of People's Republic of China states: "*Taiwan is part of the sacred territory of the People's Republic of China. It is the lofty duty of the entire Chinese people, including our compatriots in Taiwan, to accomplish the great task of reunifying the motherland.*" (World Trade Organization, 2012) This policy also implicates that there is only legal government of China, and that is the government of

People's Republic of China, while the government of Taiwan maintains exactly opposite position.

From the China's point of view, the establishment of People's Republic of China on October 1, 1949, marked the change of the regime. As a consequence, Republic of China ceased to exist. Since the territory of China did not change and no new state was established, Kuomintang (KMT) has no right upon the title of government of Republic of China. On the other hand, the government on Taiwan does not acknowledge this date as the end of Republic of China and still uses the constitution adopted in 1946. Sixth revision of this constitution from 2000 distinguishes between Chinese mainland area and free area (Article 11).

The situation, when there are two governments claiming to be the one and only legal representative of China, is the result of Chinese Civil War, which started after the end of World War II (since the first violent clashes between Communists and KMT led by Chiang Kai-shek originated already in 1927), and ended in 1949. Japan's surrender marked the end of its occupation of China. Problem was that the government (KMT) did not take over whole Chinese territory, since its Northern part was controlled by Chinese Communist Party (CPP). The danger of a full-fledged civil war arose, since no party was willing to surrender the areas it controlled.

Throughout 1946 and 1947 various meetings took place, which were supposed to prevent this scenario from happening. During these talks United States played a certain part (with their representative General Marshall as a mediator). Peace agreement was in their best interest, since divided and weakened China would potentially be an easier target for Soviet Union. But these meetings did not bring intended results. Even though involved parties managed to come up with some agreements, these have never been implemented. The initial odds at the beginning of a conflict were in the favour of KMT. Not only was its army bigger, it had international support from United States as well (but only economic not military). But even these advantages did not manage to bring it victory. After tactical mistakes and loss of support among population because of harsh fiscal and administrative policies (Westad, 2003), on October 1, 1949, People's Republic of China was established with Mao Zedong as its leader.

After the defeat KMT and its leader Chiang Kai-shek fled to the island of Taiwan. But the conditions on the island were far from being perfect. The party lacked the general support among Taiwanese population; as a matter of fact only two years earlier a rebellion against KMT's rule had to be suppressed. They also could not expect any help from United States, since President Truman in January 1950 clearly

ruled out the possibility of US military involvement in Taiwan or China.

Korean War changed this situation. United States feared further spread of Communism over Asia, and the former alliance with KMT was reanimated. Considerable financial military and civilian aid followed, for instance up to 1952 Taiwan received approximately 400 million dollars (Westad, 2003, p. 292), which of course put further strain on US relations with People's Republic of China. International support was accompanied by various reforms within the KMT. Party adopted new policies aiming to foster economic growth and education, while maintaining high level of influence within the state structure. Chiang Kai-shek kept his position as a chairman of KMT and the leader of Republic of China until his death in 1975.

External impacts of One China Policy

Because there are two governments claiming to be a representative of one China, it is impossible for third countries to have diplomatic relations with both of them at the same time. In order to justify their position as a sole representative, both parties strive to establish formal diplomatic relations with as many countries as possible. This "diplomatic war" is currently being won by People's Republic of China. On the other side, it does not mean that countries, which recognize People's Republic of China, cannot have any relations with Taiwan – often they have economic relations combined with informal ties. But the lack of international recognition of Taiwan definitely has some major consequences. For instance it also means that China and Taiwan cannot both be members of the same international organization. There are some exceptions (like for instance WTO), but in these cases the membership is not strictly limited to sovereign states.

Currently, there are 23 (in comparison with 169 states, which have formal diplomatic ties with China) states which have formal diplomatic relations with Taiwan. One European (The Holy See, what is based on ideological grounds), four in Africa, six in East Asia and Pacific and twelve in Central and South America. Africa is the continent, where Taiwan's loss of position is the most eminent, since in 2001 there were twice as many states which recognized it. When it comes to embassies and missions, just because given country does not have formal diplomatic relations with Taiwan, it does not mean that Taiwan cannot have any representative office there. They are simply called Economic and Cultural Representative Offices, and perform all the tasks of an embassy.

The strife for diplomatic recognition between China and Taiwan is often labeled as a “checkbook” or “dollar” diplomacy, even though neither side is willing to admit so. The reason behind it is that both countries actively use financial aid and economic benefits to persuade third parties to keep or establish diplomatic relations with them. Of course this policy only applies to small poor countries, which depend on the inflows of foreign capital, for instance in the form of official development assistance (ODA). For example, financial assistance from Taiwan represents approximately 20 % of Haiti’s annual budget (Rich, 2009, p. 172). Often it can be observed that the third country receives substantial financial aid or investment packages shortly before or after it establishes diplomatic relations with China or Taiwan.

It is questionable, how sustainable this “diplomatic war” is for Taiwan. Diplomatic recognition is not set in stone – it can be easily switched in favor of country offering more benefits. With growing economic and financial strength of China it will continuously be more and more difficult for Taiwan to “outbid” China. But the situation seems to have calmed down in the past few years. Since the succession of President’s Ma administration no changes in diplomatic recognition have taken place and it seems that a diplomatic truce has been made.

The evolvement of Taiwan’s international position can be demonstrated by its membership (and later by its absence) in United Nations. Its position was weakening with spreading recognition of People’s Republic of China. Finally, on October 25, 1971, General Assembly approved Resolution 2758 recognizing the government of People’s Republic of China as the only lawful representative of China to the UN. This Resolution also granted China a permanent seat in the Security Council and expelled Chiang Kai-shek’s government from UN. Taiwan has since regularly placed bids for a UN membership as an independent country alongside China, but they all have been rejected by China and other countries practicing One China Policy, since according to the resolution from 1971 Taiwan is a part of China. Last such bid (number 16) was made in 2008. With the improvement of China-Taiwan relations Taiwan dropped its annual proposals, since they were putting further strain on their relations.

Another important organization in which China participates and Taiwan does not is World Health Organization (which is UN agency and therefore Taiwan left WHO in 1972 after leaving UN). To become a member of this organization, a state has to be either a member of United Nations (and then adopt WHO Constitution), or it has to be approved by a World Health Assembly, or, in case it is not a sovereign state, a state responsible for its international

relations has to apply for it (World Health Organization, 2012). So far Taiwan does not meet these requirements and has only an observer status at the World Health Assembly. The lacking membership proved crucial especially in 2003 during outbreak of SARS epidemic. Since Taiwan was not a member, it did not take part in the response system, and gained assistance only after the report of first casualties and China’s approval. This outbreak and following international attention probably played a significant part in subsequent granting of observer status.

But as I have already mentioned, there are some organizations in which both China and Taiwan participate. One of them is WTO, whose member China became in 2001 and Taiwan in 2002. This is enabled by the fact that “*any state or customs territory having full autonomy in the conduct of its trade policies may become a member (“accede to”) the WTO*” (World Trade Organization, 2012). Therefore Taiwan can be a WTO member not as a state but as an autonomous customs territory. As a matter of fact, it is not even listed among members as Republic of China or Taiwan but as Chinese Taipei (for comparison, People’s Republic of China is listed simply as China).

Another such organization is APEC (Asia-Pacific Economic Cooperation), which China (as People’s Republic of China) and Taiwan (again as Chinese Taipei) joined together in 1991. Again, members of this organization are not states but economies. “*The word ‘economies’ is used to describe APEC members because the APEC cooperative process is predominantly concerned with trade and economic issues, with members engaging with one another as economic entities.*” (Asia-Pacific Economic Cooperation, 2012) I think these are great examples, how a common economic interest can overcome political disputes.

Relations between China and Taiwan

One China Policy has to necessarily influence China-Taiwan relations. After all, one cannot expect two countries to have standard state to state relations, if one state considers the other to be its province and both governments claim to more or less represent the same country. But considering how interlinked the world is, neither can they ignore each other. In order to analyse their mutual relations, firstly the goals of each party have to be mentioned. Given China’s economic, political and diplomatic rise Taiwan’s government cannot realistically aspire to restore representation of “one China”. Long-term it can at best pursue independence or autonomy. The

scenario China wants to prevent is a definite separation of Taiwan, since it sees Taiwan as a part of its territory. China's activities to avoid further alienation of Taiwan can be divided into two groups. First is fostering of economic ties. After all Taiwan cannot completely separate from China, when it economically depends on it. Second group is more negative, because it consists of military buildup and international isolation, and aims at coercing Taiwan into adjusting to China's policy (Sutter, 2012, p. 153).

Cross strait relations were somewhat strained in the second half of the 90s and also in the beginning of new millennium, which was the result of pro-independence moods in Taiwan. Also then president of Taiwan Lee Teng-hui visited some countries having diplomatic relations with China – among them United States in 1995, which was not a development China could be satisfied with. Moreover, Taiwan was slowly abandoning the principle that there is only one China, and in 1999 President Lee referred to the cross strait relations as “*special state-to-state relations*” (Kan, 2011, p. 61). China could not put much hope into other political parties either. Taiwan Democratic Progressive Party (this was also the party of a newly elected President Chen Shui-bian) in its White Paper on Foreign Policy from 1999 mentions “*independent and autonomous national sovereignty*”(Taiwan Democratic Progressive Party, 1999). Situation remained tensed during next two electoral periods of President Chen. Pro-independent administration started to reject one China principle, which caused resentment among Chinese political structures. While China was willing to accept the possibility of autonomy, complete separation was not an option. United States also feared growing instability in the region and warned Taiwan against taking radical steps, like for instance cancellation of National Unification Council.

But the political tension did not reflect on the economic relations. Quite the contrary, one of the Chinese responses to the rise of pro-independent notion was to support deepening economic connection between the two countries. According to Directorate General of Customs, Ministry of Finance, ROC, while the value of total mutual trade in 1995 was 3.5 billion \$, in 2008 (the end of Chen's presidency) this number reached almost 100 billion \$, with China being by far the most important trade partner. The same trend in development applies to the foreign investments as well. Taiwan is one of the biggest investors in China, and its share on the investments constantly grows. While in 2005 it was 7th biggest investor, in 2009 it was 2nd after Hong Kong accounting for approximately 8 % of a total value of FDI (according to Ministry of Commerce People's Republic of China).

Election in 2008 and the victory of KMT and President Ma meant the beginning of improvement of

cross-strait relations. The new administrative emphasizes the importance of good mutual relations and does not strictly insist on sovereignty. In 2010 Economic Cooperation Framework Agreement was signed, which further simplified mutual trade. New channels of communication were activated, leading to higher level of cooperation between the governments and leading parties. The improvement of Taiwan's relations with China had a positive impact on its international position as well. As it was already mentioned, it was at last permitted to gain an observer status by WHO.

I think that this kind of pragmatism, when Taiwan recognizes that it is easier to cooperate with China, will shape the future development of cross-strait relations. China is not willing to abandon its policy that Taiwan is a part of its territory. After all it has no reason to be: it has clearly won “diplomatic war” and Taiwan's economic dependence on China constantly grows. It is probable that in the future years I will witness continuing Taiwan's cooperation with China, unless there is a radical change in the Taiwan's political environment. But the likelihood of such a change is rather small, considering that only this January President Ma was re-elected for a second term in office. During his speech after the victory he said that “*in the next four years, cross-strait relations will be more peaceful, with greater mutual trust and the chance of conflict will be less.*” (BBC, 2012) This statement further demonstrates that he indeed does not plan to deviate from his previous policy.

Conclusion

After the end of World War II, there were two ideologically clashing parties in Republic of China, both controlling substantial parts of its territory – Chinese Communist Party and KMT. Attempts to solve their conflict peacefully did not bring intended results and after the military conflict, which the Communist Party won, People's Republic of China was established in 1949. Both governments (government of PRC and ROC, which fled to Taiwan) performed policy of One China. According to this policy, Taiwan and mainland area are one country with one legal government. The problem is that there are two governments claiming to be this one and only legal representative of China.

Foreign affairs of China and Taiwan are perhaps one of the most visible consequences of One China Policy. It is impossible for a third country to have formal diplomatic relations with both of them at the same time. Of course, both countries try to be recognised by as many states as possible, but this diplomatic war is clearly being won by China. As far

as the means to achieve diplomatic recognition from third countries, China and Taiwan to a certain extent use financial aid as an incentive. This practice is called “check-book” or “dollar” diplomacy. One China Policy also influences participation in international organizations, especially in Taiwan’s case. Taiwan and China can be both members of the same organizations only if the membership is not limited to the sovereign states, like for instance WTO.

Cross-strait relations were rather strained until 2008, what was caused by Taiwan’s government being pro-independence oriented. Definite separation is a

scenario totally unacceptable for China, which sees Taiwan as an integral part of its territory. That is why mutual relations improved after the election of new President Ma, who is more pro-China oriented. As far as a future development is concerned, I think that in the end it will be Taiwan, which will have to make more concessions. With growing economic dependence on China and international isolation is its bargaining position worsening. All China has to do is wait, and as the history shows, China is quite capable of waiting.

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SUMMARY

Politika jednej Číny a jej dopad na globálne politické a hospodárske procesy*Anna VOJTOVIČOVÁ*

Štúdia sa zaoberá analýzou politiky jednej Číny, ku vzniku ktorej došlo po skončení druhej svetovej vojny a rozdelení Čínskej republiky medzi dva ideologické systémy (Kuomintang a Komunistickú stranu Číny). V dôsledku ich politického a vojenského súperenia následne v roku 1949 bola založená Čínska ľudová republika. Avšak aj po založení ČĽR obe vlády (to znamená vláda novo založenej ČĽR i vláda Čínskej republiky, ktorá sa utiahla na územie Taiwanu) nasledovali politiku jednej Číny. Podľa tejto politiky je Taiwan i pevninská časť Číny jednou krajinou riadenou jednou legitímnou vládou. Problémom bolo prehlásenie oboch vlád, že sú jediným legitímnym reprezentantom jedinej Číny.

V štúdiu sa zaoberáme zistením, ako sa tento stav v existencii politiky jednej Číny a dvoch štátov prejavil na zahraničných vzťahoch Číny a Taiwanu (ako na vzájomných, tak i na vzťahoch s tretími stranami), v akom počte a aké strany naviazali diplomatické vzťahy s jednou alebo druhou (nie je totiž možné, aby mala ľudovoľná krajina formálne diplomatické vzťahy s ČĽR a Taiwanom súčasne), ako sa obe strany snažili naviazať diplomatické vzťahy s čo možno najväčším počtom krajín, aké prostriedky a nástroje každá zo strán pre tieto účely použila a, nakoniec, ako ČĽR postupne v tejto diplomatickej vojne získavala prevahu. Zvláštna pozornosť sa venuje prostriedkom, ktoré Čína i Taiwan využívajú za účelom získania uznania zo strany tretích štátov, a to predovšetkým vo forme oficiálnej rozvojovej hospodárskej pomoci alebo takzvanej „diplomacie šekovej knižky“ a „dolárovej diplomacie“. Politika jednej Číny zároveň ovplyvňuje aj členstvo v medzinárodných organizáciách (a to predovšetkým v prípade Taiwanu, ktorý je uznávaným výrazne nižším počtom krajín). Taiwan a Čína môžu byť súčasne členmi len takých medzinárodných organizácií, členstvo v ktorých sa nevzťahuje výlučne na suverénne štáty (ako napríklad WTO).

Predmetom pozornosti v štúdiu sú aj otázky vzájomných vzťahov medzi Čínou a Taiwanom, ktoré boli do roku 2008 do značnej miery napäté, čo bolo spôsobené vládou Taiwanu, ktorá bola orientovaná smerom k nezávislosti Taiwanu na Číne. Definitívne oddelenie je však neprijateľné pre ČĽR, ktorá vidí Taiwan ako integrálnu časť svojho územia. Aj to je dôvod, prečo sa vzájomné vzťahy zlepšili potom, čo bol do funkcie zvolený prezident Mao, ktorý bol orientovaný pročínsky. Čo sa týka budúceho vývoja politiky jednej Číny a dvoch štátov a zároveň ich dopadu na globálne politické a hospodárske procesy v štúdiu sa zdôrazňuje, že na toto súperenie doplatí pravdepodobne Taiwan, ktorý bude nútený prijať viac ústupkov. S rastúcou ekonomickou závislosťou na Číne, rastúcou medzinárodnou izoláciou a rastúcim vplyvom ČĽR na globálne svetové procesy sa vyjednávacía pozícia Taiwanu bude postupne zhoršovať.

JEL Classification: F 01, F 02

INFORMÁCIE PRE PRISPIEVATEĽOV

Časopis je zameraný na aktuálne problémy ekonomickej teórie, hospodárskeho rozvoja, sociálne, právne, politické, environmentálne a kultúrne aspekty ekonómie, financií a manažmentu.

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- zarovnanie do bloku,
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- riadkovanie jednoduché,
- odsadenie nového odstavca: 3 pt,
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Tabuľky a grafy majú byť výlučne čiernobiele, čísloujú sa a v texte musia na ne byť odkazy. Názov tabuľky (Tab.1), grafu (Graf 1) alebo obrázku (Obr.1) sa píše písmenom 10,5 Times New Roman *Bold Italics*. Pod každým obrázkom, tabuľkou alebo grafom musí byť uvedený zdroj, z ktorého autor čerpal údaje (8 Times New Roman). **Vzor** sa označujú číslom v guľatých zátvorkách.

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- Author's name – centred, do not include professional, official or academic degrees (12-point font size, Times New Roman (TNR) *Italics*);
- Abstract (8 – 10 lines) – written in Slovak (Czech) and English language (10,5-point font size, TNR *Italics*);
- Key words (at least 5 words) – written in Slovak (Czech) and English language (10,5-point font size, TNR *Italics*);

Body of main text: *Introduction* (establish the existing state of knowledge of your research topic, identify the specific focus of your work, include relevant citations from primary literature, justify how this topic requires additional study, state specific objectives/hypotheses, methods, describe the meaning of your research); *Body of main text* should be divided into chapters and subchapters. Chapter titles are to be numbered, 11-point font size bold, align left; *Conclusion; Notes*.

Manuscript formatting:

- aligned to block,
- 11-point font size, Times New Roman,
- single spaced,
- indent each new paragraph 3 pt,
- do not paginate.

Tables and graphs are to be in black and white colour, numbered in order of their being referenced in the text. Table titles (Table 1), graph titles (Graph 1) and/or figure titles (Fig.1) should be written in 10,5-point font size, Times New Roman *Bold Italics*. Indicate source in 8-point font size, Times New Roman. **Formulae** are to be numbered using a parenthesis.

Summary in English is to be on a separate page of the manuscript for papers written in Slovak and Czech and in Slovak language for papers written in English (2600 – 3000 characters, including spaces): Title of the paper – all caps, 11-point font size, Times New Roman Bold centred; author's name(s), do not include academic degree – 10,5-point font size, Times New Roman *Italics*; body of main text – 11-point font size, Times New Roman, aligned to block, single spaced; JEL Classification (http://www.aeaweb.org/journal/jel_class_system.html).

References should appear in the reference list at the end of the paper. List references in alphabetical order by surname and name of the author in line with the applicable Slovak style of reference/citation. References within the text (name, date and page number) may be given in parenthesis (Drucker, 2005, p. 87). Do not use footnotes.

Author's address/authors' addresses: full name and surname, incl. academic degrees, institutional affiliation, address, telephone number and e-mail address.

Include a short **professional CV (6 – 8 lines)** with your full name, academic degrees, mailing address, telephone number and e-mail address.

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Názov príspevku v AJ (Times new roman Body text Italics 11)

Meno Priezvisko autora (bez titulov Times new roman veľkosť 12)

Abstrakt Times new roman Italics Body text (10,5)

Text Times new roman Italics (10,5)

Kľúčové slová Times new roman Italics Body text (10,5)

Text Times new roman Italics (10,5)

Abstract Times new roman Italics Body text (10,5)

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Key words Times new roman Italics Body text (10,5)

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JELL Classification: X xx, X xx, X .xx. (Times new roman (10,5))

Úvod Times new roman Body text 11)

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1. Nadpis kapitoly. Times new roman Body text (11)

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1.1 Nadpis subkapitoly. Times new roman Italics text 11)

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Literatúra (Times new roman Body text (10,5)

Priezvisko, M., Druhe, P. (2009). *Názov publikácie*. Miesto vydania: Vydavateľstvo, 136 s. (monografia, kniha)

Mcheill, A. (2002). Correlation and dependence. In: Dempster, M.A.H. (ed.): *Risk Management: Value at Risk*. Cambridge: Cambridge University Press, 176–223. (kapitola v knihe)

Dluhošová, D. (2003). Performance analysis. In: *Business Economics, Management and Marketing*. Ostrava: EF, VŠB, s. 205–213. (článok v zborníku z konferencie)

Bartman, S. M. (2007). Corporate cash flow. *Journal of Corporate Finance*, 10 (2), 101–111. (článok v časopise)

Woolman, N. (2011): Investment in creative industries is not high risk. [acc.: 2012-15-11]. Available at: <<http://www.thestage.co.uk/news/not-high>>.

Štatistický úrad SR. (2010): *Trendy v nezamestnanosti*. [cit.: 2012-15-03]. Dostupné na: <<http://www.slovakia.culturalprofiles.net/?id=-13602>>.

Kontakt Times new roman Body text (10,5)

Meno, priezvisko, tituly.

Katedra, Fakulta, Univerzita

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