

Economic crisis in rural areas of the Czech Republic and Slovakia

Věra Majerová, Petr Kment, Jiří Sálus

Czech University of Life Sciences, Prague



Census of Population, Houses and Flats 2011, Czech Republic:

- 10,436,560 inhabitants;
- 6,251 communes;
- 5,580 (i. e. 90 %) are rural communes; (less than 2,000 inhabitants).

Average rural commune has 504 inhabitants.

(Census of Population, Houses and Flats, 2011)

Census of Population, Houses and Flats 2011, Slovakia:

- 5,397,036 inhabitants;
- 2,890 communes;
- 2,478 (i. e. 86 %) are rural communes; (less than 2,000 inhabitants).

Average rural commune has 663 inhabitants.

(Census of Population, Houses and Flats, 2011)

Goal of the research

Research was focused on symptoms of the current economic crisis in rural areas of the Czech Republic and Slovakia. The paper has a theoretical conception; however, the results of an empirical research are discussed in the text.

Methodology

The electronic questionnaire has been used to gather the empirical data. The questionnaire was sent to experts concerned with the economic and social situation in the countryside.

Opinions of experts from the Czech Republic and Slovakia were compared in order to find and explain differences.

The reasons of economic crisis in rural areas of the Czech Republic and Slovakia

Important factors for Czech and Slovak experts:

- Economic stagnation;
- The world banking sector and its problems;
- Irresponsibility of the bank institutions;
- Weak national governments;
- The dictate of the supra-national institutions.

Unimportant factor for Czech and Slovak experts:

- Environmental elements.

The reasons of economic crisis in rural areas of the Czech Republic and Slovakia

Differences between Czech and Slovak's experts:

Czech experts	Slovak experts
Only half of experts considered factors from the right column as important.	Important factors - low number of entrepreneurs and their competitiveness, present functioning of the financial sector, constructions, car industry, dependence on the high-energy consumption, high level of bureaucracy of national institutions, low efficiency of the local and regional institutions.

The reasons of economic crisis in rural areas of the Czech Republic and Slovakia

- Aforementioned differences in opinion about constructions, car industry and perhaps also the low number of entrepreneurs could be related to modernisation of Slovakia since the end of the WW 2 concentrated on the sectors which have had no great tradition and they cause great structural problems even at present;
- Factors as e.g. the bureaucracy of national institutions, a low efficiency of the local and regional institutions and the insufficient extension services, from the area of countryside could show some kind of institutional instability in Slovakia.

The impacts of the economic crisis in rural areas of the Czech Republic and Slovakia

Agreement of Czech and Slovak experts with impacts

Loss of the trust in the governmental politics,
growth of criminality in the rural areas,
increased drug, cigarettes and alcohol abuse
and also dampening of environmental
activities.

The impacts of the economic crisis in rural areas of the Czech Republic and Slovakia

Differences between Czech and Slovak Experts:

Czech experts	Slovak experts
Only half of experts considered impacts from the right column as existing.	Social tension, transfer of social services into households, a higher competitiveness instead of cooperation, perceiving social impacts as worse than the economic ones, the accelerated depletion of the financial reserves.

The impacts of the economic crisis in rural areas of the Czech Republic and Slovakia

- Neither Czech nor Slovak experts suppose that the crisis would lead to a higher social cohesion or cooperation;
- Very uncertain and divided in opinion were experts from both countries regarding positive contributions of the crisis in removing the non-functional entrepreneurial structures;
- With the growing distance from the town centre, Czech experts evaluate the given areas as being endangered by the present crisis more often than the Slovak ones. Czech experts are more specific in this problematics, they still see the countryside, compared to towns, as more endangered and impacted by the crisis than the Slovak experts.

Social consequences of the crisis in the rural areas of the Czech Republic and Slovakia

Agreement of Czech and Slovak experts with consequences

Social differentiation of rural population goes on, some social groups have no financial reserves, men are more rational; they orient better in the job offers and are more active in looking for the solutions, women are more practical, they are able to decide flexibly according to the conditions.

Social consequences of the crisis in the rural areas of the Czech Republic and Slovakia

What wasn't affected in social sphere

Households will not limit their social and cultural life or using their cars. Also social and public life were not highly affected (sport and cultural clubs, societies, sustaining local traditions etc).

Social consequences of the crisis in the rural areas of the Czech Republic and Slovakia

Differences between Czech and Slovak Experts:

Czech experts	Slovak experts
The social position of rural women is deteriorating, most handicapped group are women 50+.	The social position of rural women is not changing, all social groups (young people without practice, women after maternity leave or men/women 50+) are handicapped in the same level.

Social consequences of the crisis in the rural areas of the Czech Republic and Slovakia

- The experts also agree:
 - the increase of self-supply is not much obvious with regard to the crisis.
 - rural women are more often indecisive and waiting for somebody to help and advise them. The reason might be their lower flexibility, but also the fact that for men, work is in the first place, while the family and household in the second;
- The crisis impacts all size categories of the municipalities, it cannot be generally stated that smaller communities are more socially coherent, what helps them to overcome the economic crisis.

The role of the political and economic representatives

- Positively evaluated by Czech experts are the mayor, communal representation and the businessmen living in the commune;
- Slovak experts added the social workers (this fact is probably connected with a higher unemployment level in Slovakia, with the decrease of the number of inhabitants and with the accelerated ageing of the population in Slovak countryside in comparison with Czech countryside. It brings about a higher demands on the social services utilisation).

The role of the political representatives in the rural areas of the Czech Republic and Slovakia

Agreement of Czech and Slovak experts with roles of representatives

In informing the citizens on the possibilities of employment, social support and the like, in forming important contacts on different levels, in the preparation of the rural municipalities' development projects, securing investments into infrastructure, in public labours, in cooperation businessmen, municipalities and citizens, in law feasibility.

The role of the political representatives in the rural areas of the Czech Republic and Slovakia

Differences between Czech and Slovak's experts:

Czech experts	Slovak experts
Czech experts don't consider this role (in the next column) as important.	Role in helping people to solve the daily life problems.

The reactions of the businessmen in the crisis

- Opinion of Czech and Slovak's experts:
 - postponing and abolishing investments, saving money on the workplace equipment, hiring a cheaper labour and dismissing workers;
- Shortening of the working weekly time is evaluated by relatively more experts from the CR as a step used only rarely or not at all.

Experts' proposals of solution to crisis on the national and european level

- “ Change of the system of the state budget re-distribution for the municipalities;
- “ Necessity to increase the level of the countryside financing (the Act on the Budgetary Distribution of taxes – the disproportion between the finances flowing into the countryside and towns);
- “ Help the municipalities in co-financing of the EU projects;
- “ The financial support of agriculture at least on the same level as in the other EU countries;
- “ Support of the small services development from the state funds;
- “ Creation of the industrial zones and clusters utilising the endogenous resources (production of timber, sale from the farmyard, direct sale from the producer, production and processing of agricultural products and food).

Experts' proposals of solution to crisis on the regional level

- The implementation of the communes into the projects of the Local Action Groups (LAG);
- Grouping of the rural communes' resources and the common development programming;
- Utilisation of the new environmental activities in the countryside;
- The cultural heritage protection;
- Revival of the local habits, traditions and club life;
- Support of tourism.

Conclusion

- Czech experts emphasize the factors of the national and supra-national nature, while Slovak colleagues also underlined these causes as important, but also added to the reasons of the local character.
- Many negative phenomena of Slovak countryside appear as more complex and extensive than in the Czech case, what is not caused by the economic crisis only, but by the character of Slovak countryside characterised by a higher social differentiation and a greater ethnicity.

Conclusions

- It seems that Slovak countryside is burdened by a considerably deeper and more long-term problems, than in the case of Czech countryside;
- The experts pointed out that the crisis influences social relationships in a negative way, owing to which the model of competitiveness begins to replace the traditionally perceived idea of countryside as the society of people abundant with non-formal and friendly relationships.

**Thank you for your
attention.**