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SNEŽANA ĐORĐEVIĆ<sup>1</sup> - MILENA DINIĆ<sup>2</sup>

# GENTRIFICATION AS A GLOBAL URBAN STRATEGY - IS THERE AN ALTERNATIVE?

## Abstract

This article investigates if there is an alternative to gentrification as a global urban strategy and policy, which resettle poor population from their homes, in order to free space for building new, luxurious settlements for rich. Gentrification practice, strengthened by neo-liberal urban policy, has been implemented in cities worldwide, causing great spatial and social inequalities and injustice. City leaders often avoid the dialogue with local population causing protests, riots and even direct conflicts including violence. Nowadays, one can find worldwide a shameful practice of maltreatment of poor population, prosecuting them as criminals (revanchist urbanization). Research methods used in this paper are: analysis as description and explanation, contextual and qualitative analysis, comparison and case studies. The first part of the paper will include description of gentrification as a cause of great spatial and social problems, which is an indicator of authoritarian political culture. The second part of the paper, is dedicated to case studies of gentrification from two great world cities: London as European city, and Shanghai as an Asian, Chinese city, as a kind of contextual analysis. The third part of the paper and conclusion will analyze an alternative to this neoliberal urban policy basing on experiences of urban regeneration which totally exclude or decrease bad practice. In creating a city for people and not primarily for profit, urban leaders and planners should include citizens in creation of redevelopment projects and plans, asking for their participation, suggestions and final consent. These are good lessons for reaffirmation of open cities, just society and satisfied citizens.

**Key words:** spatial planning, neoliberal and social democratic urban policy, gentrification, spatial injustice, resettlement, affordable housing.

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## 1 GENTRIFICATION

Gentrification means gentrifying and beautification of neglected urban settlement which involves destroying old buildings, building new ones, better organization and design of space in order to create beautiful, functional and attractive spaces for living and business. Gentrification has got negative connotation because regeneration process was predominantly *led and motivated by the interest of profit*, often violating rights and interests of poor, marginalized and social sensitive groups, which are resettled without or with symbolic compensation. In this way, gentrification represents a *source of various spatial injustices*, it ruins *democratic tradition and principles of open city* and contributes to divided and separated city of unsatisfied and unhappy citizens. Reluctance of public officials to protect vulnerable social groups, evident in resettlement process, can be seen as an indicator of serious democratic deficit in societies around the world.

Globalization and global economy represent convenient ambient for gentrification worldwide. Global cities of each nation or state are active in fight to get better position in global economy, in attracting investments, getting jobs and big projects (Saskia Sassen 2000, Neil Smith 2000). Many cities from *developed world* have lost investments, becoming the losers of globalization. Standard of their inhabitants decreased, as well as the quality of public services, which caused great social tensions. On the other hand, *third world cities*, mostly from Asian, Latino - American and African countries get, with globalization, developmental chance. They traditionally have poor capacities to procure good living conditions and good quality of services for its population, but in globalization, investment of global capital in these cities changes this situation. Some of them, as economic incubators of global economy, can now offer a wide range of well paid jobs and can be seen as developmental engines for their nations.

## 2 CASE STUDIES

### A. London

This part of the article deals with London, the capital of Great Britain, and important European and world city. It presents the tradition of urban planning, housing and changes that appeared in time of globalization. In that sense three examples of gentrification of settlements on excellent locations are presented: Docklands in centre and Carpenters Estate in eastern part of London are both examples of *classical gentrification* and Barnsbury in western part of the city, situated by Regents Park, is an example of *super-gentrification*. This analysis includes also appearance of new urbanism which creates isolated and gated settlements for rich population, as contrast to concept of open, democratic and available city.

Britain has, in the period of welfare state, developed concept of participative spatial planning (Reimer et al., 2014, p. 189-215) and in practice great attention was paid to affordable housing for all citizens. In London, as well as in other British cities and municipalities, the quota of social housing made possible for inhabitants of weaker material conditions to stay in renewed and regenerated settlement, to continue with their way of life (schools, primary health centers, parks, neighborhood centers for meetings and socializing, pubs, coffee shops etc). The regeneration process contributed to the welfare of this population, preventing bad consequences of gentrification.

In time of globalization, this practice was strongly suppressed and according to numerous researches, this field is not among policy priorities. Although local governments mostly have in their spatial and building plans precisely defined quotas for affordable housing, and they should in process of issuing building permits to investors demand from them to implement this kind of obligation, the fact is that they mostly hesitate to demand it.<sup>3</sup> Public housing fund was sold and numerous researches identified high decrease of affordable housing, the rise of rents and prices of housing, decrease of standard of the entire population and especially of social vulnerable groups (poor, migrants, young people, unemployed, etc) who have to move on periphery in much worse living conditions.

## 2.1 Examples of regeneration and gentrification

Regeneration of Docklands in 1980<sup>ies</sup> and Carpenter Estate in 2000<sup>s</sup>, were in function of upgrading capacities of London to *maintain and strengthen the position of world financial and business centre in new globalised world* in the context of deindustrialization, industrial restructuring and globalization (Hamnett, 2003, p. 760, Slater, 2006, p. 737-757). In both cases city authority closely cooperated with British government in implementing these projects. In both cases market led gentrification was implemented, transforming poor settlements into luxurious ones created for rich population. Original inhabitants (workers, migrants and poor people) was removed either by direct resettlement, or by high prices of housing, rents and services. In these settlements, only small number of old inhabitants stayed. They lost former community, neighborhood, and between them and new inhabitants exists a big gap, misunderstanding and even tensions.

a. Regeneration of Docklands, with resettlement of poor population, created

<sup>3</sup> Researches pointed out that only 40% of local governments implemented planned quotas. Data from 82 greatest housing building projects in Britain, have shown that only 20% of demands for building affordable housing were accepted, meaning that even **80% affordable housing planned for building, were lost for the communities, because investors denied** this kind of demand, and refused to built it! See: Guardian, Saturday, April 28, 2018. <https://www.theguardian.com/society/2018/apr/28/proportion-home-owners-halves-millennials>, visited 1.05.2018.



residential settlements for richer middle class, high professionals in the field of finance, IT and business while original, poor population was resettled. (Butler, 2007, p. 760). The three renewed communities which belong to Docklands (Isle of Dogs, Royals and Surrey Quays)<sup>4</sup> are characterized by highly educated population with high percentage of empty nesters of both genders (represent around 54% of the whole settlement's population). Only 14% of population are families with children (Butler, 2007, p. 771 - 773, Robinson G, Butler T, 2002, p. 70 - 86). Inhabitants from these settlements have specific life style: they devote most of their time to work, and even their socializing primarily includes their colleagues and clients. They mostly do not enter in personal relationships, rarely get married and mostly don't have children. The older inhabitants mostly have another house (in suburbs or in other settlement in metropolitan region) in which they spend weekends with families and flat in Docklands is used only for working days in week. Mostly they are satisfied with tranquility and security of their settlement, as well as closeness to centre with all cultural, commercial and entertainment contents which London offers. This population expresses little interest in socializing which cannot be found in other parts of London.

Small part of poor population who stayed in this settlements, have no contact with newcomers. There is a huge gap between them which creates certain tensions that could potentially turn into conflict. In central part of Docklands additionally exists conflict between original inhabitants (workers, poor, frustrated) and population that came from Bangladesh. All these factors don't contribute to the image of successful and content community. Unfortunately, the quality of local community and neighborhood is not a topic of great importance for city government.

b. The case study of settlement Carpenters Estate,<sup>5</sup> shows how regeneration changed old community, destroyed it and how former inhabitants could not cope with high prices and the lifestyle (unaffordable housing, jobs and services) in new settlement. (Watt, 2013, p. 99-108).

In the period of welfare state, this part of the city had a big fund of affordable housing, which enabled poor population to live here: young people

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4 Docklands contain three parts of cities (in earlier periods used to be municipalities): *Isle of Dogs* and *Royals* as two parts of city on left bank of river Thames. *Isle of Dogs* contains financial and business part of London (City) while *Royals* contains *Quays* of Queen Victoria, Prince Alberta and King George V. Third former municipality is *Surrey Quays* on right bank of the river Thames, across the building of Parliament and Westminster. Although situated on excellent location, Docklands were pretty neglected part of city in which mostly lived poor population. (Hamnett, 2003, p. 760, Slater, 2006, p. 737-757).

5 This settlement is situated in a part called Stratford, in Newham municipality. In 2005 London was in competition for hosting summer Olympic Games for 2012 with the idea to use this project for regeneration of central - east part of the city, which was very poor and neglected.

and migrants created interesting, multiethnic community (Gunter, Watt, 2009, p. 515-529, Kennelly, Watt, 2012, p. 151-160).<sup>6</sup> Three quarters of inhabitants lived in social housing (with subsidized rents), but part of them managed to buy their housings (Jones, Murie, 2006), using very favorable Law which contained Right - to - Buy legislation stipulated by Government in 1980<sup>s</sup>.<sup>7</sup> The remaining quarter of the population rented private housing with higher rents, but still lower than in other, richer parts of city

In the process of regeneration, Council additionally sold social housing and building lots, highly decreasing possibility for poor people to stay and survive in this settlement. The old buildings were demolished or completely renovated, the lots have been re-arranged and completely new settlement was created. The number of homeless increased, the flats became overpopulated and around 8000 families stayed in temporary housing.

In this context, most inhabitants expressed a great dissatisfaction. A part of former inhabitants resettled instantly and regretted almost immediately. The other part of the population decided to stay and fight for their rights. They organized protest marches, riots, debates and round tables. Even a film was shoot about gentrification that happened in this part of the city (Watt, 2013, p. 110,111). All of this, however, had small influence on the final results of the regeneration process. Only small share of former population managed to survive in new circumstances, staying, similar to such population in Docklands, marginalized and without adequate neighborhood and community.

At present, these parts of the city are renewed, with luxury housing and facilities, which attracted rich inhabitants to settle here. This quarter is one of the most attractive parts of the city because it is close both to city centre and the City in which the majority of the new inhabitants works.

City of London, and municipality Newham again did not put on agenda the question of injustices made through this project: the violation of rights of original inhabitants to decide on changes in their settlement and then, in the process of resettlement, they violated their right to get just compensation that would allow them to procure good life conditions and good quality of services in new community and neighborhood.

c. Barnsbury is a settlement in Islington municipality in north-western London, near Regent's park, and is an example of super-gentrification. This phenomenon means great investment in housing and facilities by extremely rich newcomers, creating elite settlement in which, by time, only the richest population can reside

6 In this community lived African and east Asian population, recently settled European migrants as well as domestic workers and poor population known as East Enders.

7 They greatly improved their position in regeneration processes because they have better bargaining position then inhabitants who only rented housing. Land and housing ownership of original inhabitants seriously decreased chances for their resettlement.

(Butler, Lees, 2006).<sup>8</sup>

This part of the city during 20<sup>th</sup> century was nicely arranged in urban and architectural sense and settled by middle and higher social class (architects, planners, university professors, teachers in schools, social workers, physicians and other medical professionals, etc).<sup>9</sup>

Since 2000, this part of the city was inhabited by extremely rich financial professionals (popularly called Oxbridge)<sup>10</sup> who work in the City or in Canary Warf. They bought nice villas with swimming pools and rearranged them into extremely luxurious villas. They drive the most expensive cars and live the luxurious lifestyle. The quality of local community and neighborhood suffered because new inhabitants have poor communication with community. This pattern of behavior of rich newcomers is common in almost all super-gentrifications around the world.<sup>11</sup>

d. Some authors point out on appearance of gated, rich settlements with fences, gates, guards, electronic protection systems which guarantee security and privacy to its inhabitants. These settlements appeared first in USA and later developed in British cities including London.<sup>12</sup> They are considered as phenomenon of

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8 Loreta Lee is urban sociologist who lives in this settlement, and has researched for decades changes in this part of London. She recently identified super gentrification as pretty interesting phenomenon and together with Tim Batler, made case study.

9 When it comes to political values, this population was predominantly liberal and inclined to Labors party, which gave to this community and neighborhood certain democratic and civil quality. In time of welfare state, in period from 1960 to 2000, inhabitants of this settlement, using the stimulative measures offered by Islington municipality, bought out their flats and houses and consequently *the structure of housing owners* changed. The share of housing owners rose from 7% to 34% of the entire population. Municipality developed social democratic policy that procured adequate number and good quality of affordable housing. In this period the growth of the population who live in public housing was evident. The share of this population rose from 15% to 48%. During these 40 years, Barnsbury transformed from neighborhood in which population mostly rented private housing into the settlement where population owns their housing (34%) or lives in public housing (48%). Private renting fell from 75% to 16% (Power, 1972, Hamnett, 1973, p. 252, 253, Butler, Lees, 2006, p. 473).

10 Oxbridge is an allusion on their expertise, high education and the best British universities on which they graduated: Oxford and Cambridge.

11 The authors rightly compare the experience of super-gentrification of Bursnbury in London with the one in Brooklyn Heights in New York. These two world cities are in top position for getting most favorable jobs in global economy. In both cases super-gentrification appeared from investments in housing from excellently paid professionals from financial and IT sectors. Traces of their enormously high wealth can be seen in these luxurious settlements, where housing prices reach astronomic levels (Lees, 2003, p. 2487- 2510, Lee, 2000, p. 389-408).

12 As examples of gated communities in London, are often mentioned: borough of Lambeth Gated Community (GC) and Runnymede, Surrey as Commuter belt of London. Case studies show that all communities have gates, walls with punch code and key entry systems. Surrey GCs has additional guards, while the Lambeth GCs has CCTV. (Atkinson, Flint, 2004, p. 879)

new urbanism motivated by greater security and privacy that they offer to their inhabitants. It is, however, questionable how well gated settlements succeed in this intention.

On the other hand, consequence of these settlements is great isolation of their inhabitants from other people (even in this settlement, because they are inclined to have as less communication with others, as possible). This seriously threatens the quality of neighborhood, prohibits the concept of mix housing, as well as the principle of open and democratic cities and urban communities (Butler, 2007, p. 763, 769, 770, 772-777, Atkinson R, 2006, p. 819-832, Atkinson R, Flint J, 2004, p. 875-892, Grant J, Mittelsteadt L, 2004, p. 913- 930, Law S, 2004).

### ***B. Shanghai – urban regeneration and gentrification from 1990<sup>ies</sup> to nowadays***

This part will be devoted to urban regeneration and gentrification of Shanghai as the most populated and economically developed Chinese city. It is interesting to analyse how this city in country with socialist political system and market economy, regulates urban planning, building and reconstruction and how it solves emerging problems. Two cases are presented: *the first one* is an example of classical regeneration with gentrification on centrally located lots of Xintiandi and Taipingqiao park and *the second one* is the example of rehabilitation of Taikang street and Tianzifang neighborhood as a kind of piecemeal gentrification with active participation of inhabitants and without enforced resettlement.

China as a socialist country used to have developed planning system, centralistic management, state ownership of land and building lots, and great state housing fund, with flats of various quality. In Chinese cities one can often find poor informal settlements (lilong) with neglected infrastructure and poor living conditions. Another characteristic of China is a regime of territorial registration of population (Hukou system) which enables inhabitants to use public services on this territory.<sup>13</sup>

Since 1990<sup>ies</sup> when China has turned to market economy, it started development of market oriented urban regeneration. Reform of housing policy and especially political decentralization has transferred competencies for urban

13 Hukou system appears as *urban and rural hukou* means that right to education, health care, social and other public services are available only for registered on this territory. All others, including huge number of migrant population who came from rural settlements in Shanghai, have no rights for using these services. Out of 25 million of Shanghai inhabitants, 10 million are migrant population which are in poor living conditions (Sha, Wu, Ji, Chan, Lim, 2014, p. 13). This system causes great inequalities and injustice, which are even more visible in processes of urban regeneration.

redevelopment and public finances (for these activities) from state on local governments. The regime of urban land use and construction has changed, stimulating market and privately financed urban regeneration (a form of public private partnerships). These partnerships were very efficient in great urban reconstruction which made huge transformation on the face of Chinese cities. Most of them are classical gentrification with both, good and bad sides.<sup>14</sup> (Wang, 2014, p. 16)

Although Shanghai was the greatest production and financial contributor in the country, the quality of life in this city was very bad. With urban reconstruction in 1990<sup>ies</sup> Shanghai went through huge transformation and became one of the most beautiful world cities.

### ***Case 1: Classic gentrification with resettlement of population***

Project of strategic regeneration of main commercial centers situated in famous Huaihai street was initiated in 1996 (Wang, 2014, p.89).<sup>15</sup> Basic problems for inhabitants in these settlements were overcrowded flats and poor living conditions caused by longstanding lack of investment. First lots planned for regeneration were in Xintiandi and Taipingqiao park. Housings were demolished and population resettled in two peripheral Shanghai districts – Pudong and Minhang (Chang, Yang, 2007, p. 29, Wang, 2014, p. 182).<sup>16</sup>

In the beginning, it was very important for district government to have a good start with the project. Therefore, it procured adequate compensation for inhabitants who had to be resettled.<sup>17</sup> Inhabitants have gained greater and better quality of housing, together with ownership of them. Mostly, they were satisfied because their quality of life upgraded and they have got a good quality of services

14 Central government remains in charge for macroeconomic planning. Local government gets charges for urban reconstruction and higher financial autonomy in order to regenerate cities and to develop and properly maintain infrastructure (building funds are transferred to them through reallocation of central and local tax revenues). It was also of great functional importance for local government their right to lease state land. Reform of housing policy in 1990<sup>ties</sup> established great private, besides public housing market in China. Transforming socialist, welfare housing system in market housing system also stimulated greatly urban development (Sha, Wu, Ji, Chan, Lim, 2014, p. 13)

15 Taipingqiao district has a space of 52 hectares, settled with about 70 000 of inhabitants (20 000 households) and around 800 enterprises which work on this territory. In this district, around million m<sup>2</sup> were covered with lilong settlements, mostly owned by state (Wang, 2014, p. 165).

16 Plan of regeneration for this district considered demolition of these lilong settlements. Several actors were part of the project. Investor was in charge for procuring finance for building and new housing for resettlement in accordance with the district government policy, standards and recommendations. Special commissions were in charge for resettlement of inhabitants and negotiations with them. (Wang, 2014, p. 186)

17 In this period still existed only compensation like donation of housing and not compensation of financial means.

on these locations.<sup>18</sup> Later, however, new resettled inhabitants got worse quality of housing, inadequate location with poor quality of services, poor transport connections to jobs, schools, health centers, parks etc. Therefore, a lot of citizens consider resettlement as very unjust activity of authoritarian government, that has jeopardized the rights and interests of social vulnerable groups.<sup>19</sup> (Wang, 2014, p.190).

Although citizens are almost never included in decision making process, and their opinions are not of a great significance for officials, Chinese governments try to avoid riots, procure legitimacy and general satisfaction of inhabitants. Therefore public dissatisfaction with resettlement process and inadequate compensation, followed by riots, stimulated government to reform compensation policy.

Since 2001 the compensation in housing was replaced by financial compensation, which should allow inhabitants to purchase new housing. Unfortunately, monetary compensation did not solve problems for citizens. Financial compensation were not transparent and investors and companies in charge of resettlement, have taken a share of compensations for themselves (Wang, 2014, p.199). Therefore the amounts that inhabitants receive were not high enough to buy housing. Additionally, the housing prices were constantly increasing (both, for buying or renting), while compensations stagnated (Wang, 2014, p. 197). In these circumstances citizens resisted to resettlement, trying to get more money from investors. Younger, more influential and more skillful got higher compensation, while older and marginalized population could not manage to get support and sunk in poverty. This example is a good illustration of regeneration projects that happened in other parts of Shanghai as well.

### ***Case 2: Market gentrification with rehabilitation***

Besides numerous regeneration projects which included demolition of old settlements, there are also examples of regeneration without resettlement and negative results (Wang, 2014, p.238). Since 2000, Shanghai government considered the political and cultural importance of historical conservation of old buildings

18 The size of housing was defined by the size of the family. For example, three member family which used to live in housing of 20m<sup>2</sup> was entitled to 70 m<sup>2</sup> equipped with toilet, kitchen and all comfort and privacy. The practice of sharing common rooms did not exist in new settlements. (Chang, Yang, 2007, p. 29).

19 Social relations in lilong settlement were main factor for perception of the resettlement process from resettled population. Resettled population lost neighbors and friends, lost *sense of belonging to community*, and their life drastically changed. Besides this, they lost *centre location* which made their everyday life easier, because of good transport connections, closeness to schools for children, health and social institutions for old and poor, markets, shops, etc. The closeness to parks made them possible to have common activities as recreation, dense, singing which represent specifics of Chinese culture.



and neighborhoods stimulating appearance of *piecemeal gentrification*.<sup>20</sup> One of such examples is rehabilitation of Taikang street and Tianzifang neighborhood in Dapugiao district, which in 10 years transferred from old neighborhood into “creative industry cluster” and one of the most visited tourist attractions in city. In order to revitalize and turn Dapugiao district in residential and commercial part for rich middle class,<sup>21</sup> Dapugiao Street Office in 1998 recommended to change the use of industrial buildings in Taikang street. The idea was to conserve the exterior of these industrial buildings while regenerating interior for commercial and artistic activities. Increasing number of businesses wanted to open their boutiques, bars, galleries, elite artistic schools (sculpturing, painting, music), shops for jewelry, souvenirs, tea, etc. In this way, this neighborhood transformed into attractive settlement. (Arkaraprasertkul, 2017, p. 3).

This trend was also beneficial for local inhabitants because collected good rents from their valuable rented space and sometimes, they even voluntarily moved in other parts of the city. In such a way this lilong settlement became an example of *market led commercial gentrification* (Wang, 2014, p. 247). It turned out that this kind of gentrification resulted beneficially for everyone: city preserved the spirit of old Chinese culture and neighborhood, enterprises developed new creative industries and businesses and local population profited as well.

The consequence of this regeneration was creation of new mixed community combining both old and new inhabitants which resulted in new vibrant neighborhood.<sup>22</sup>

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Although China has developed market economy, it also preserved socialist values and concept of social justice. In the field of urban regeneration, local governments turn from profit oriented policy to the concept of “balanced and sustainable development”. Wang pointed out that local governments are increasingly promoting socially responsible entrepreneurship, where issues of justice and social harmony are integral parts of competitiveness. (Wang, 2014, p. 324-325).

In previous years the governments showed more sensitivity to citizens' needs trying to solve emerging problems. A number of important strategies and laws was stipulated regarding the transparent and just compensation policy with

20 Piecemeal gentrification means long-term changes with participation of inhabitants and implementation of various measures tailored for this specific situation.

21 District government had a plan to demolish this settlement and to build the new one.

22 Great part of lilong settlements were in state ownership. Formally regarded, inhabitants of these settlements had right to rent their housing for this purpose. The changing of purpose was not legal but government tolerated it. (Wang, 2014, p. 253-254) conclude that this “bottom-up” revitalization process was possible because of that government support which is good indicator of changes of local governments' attitudes.

precise formula for its calculation. A lot of funds are now dedicated for building affordable housing of good quality, supported with good public services, protecting citizens from identified malversations and scams. These activities, although new, are encouraging. In that sense one can assume that in future urban regeneration projects will be more socially responsible.

## 2.2 Is there an alternative for gentrification as social and spatial injustice?

Having in mind overall presence of gentrification in the world, last years the more intense professional and academic debates have been led in order to identify if there is an alternative to gentrification. Is it possible to conduct regeneration of neglected parts of the city without resettlement of original inhabitants (especially poor population), without violating their rights and without causing social and spatial injustice? Can regeneration project also upgrade the living conditions of these vulnerable groups?

It is not easy to find an alternative for gentrification in sense of complete exterminating of spatial injustice which goes with this phenomenon, but one can say that until neoliberal concept dominates, gentrification in present form will survive. If neoliberal urban policy remains, one can expect further spatial and social inequalities, injustice and possible social conflicts. In a number of cases, when local government ignored citizens' needs and rights, inhabitants *resisted and tried to protect their right to city* with more or less good results.<sup>23\</sup>

Local governments should abandon the practice of imposing already prepared projects without consultation with citizens and include them in this process. Numerous authors are that gentrification should be rather managed instead of resisted. (Lees, Ley, 2008, p. 2382)

## 3 CONCLUSION

It can be concluded that affirmation of social democratic instruments connected to participative urban planning and building should maintain, strengthen and consequently be implemented as a remedy for bad practice.

*Participative* spatial planning together with debates on spatial plans, on creation of urban policies, and on building projects are important instruments

23 Good examples are Sternschanze in Hamburg, good examples of inhabitants' win over city which changed the legal regulation and made possible for other people with similar problems to use these instruments in fight (Yuerba Buena Center in San Francisco in 1970<sup>s</sup>, resistance to removing *Social Centre* from *excellent location in the centre of LA*, and procurement more just and favorable *public transportation network* for poor population both in Los Angeles in 2000<sup>s</sup>). Great examples of resistance to resettlement with tailoring regeneration to their needs can be seen on examples of settlement *Pedro Aguirre Cerda* in central zone of *Santiago (Chile)* and *Vila Autodromo* favela in Rio Rio de Janeiro (Brazil). (Lees, Shin, Lopez-Morales, 2016, p. 163-167)



for creation of “cities for people”. It is good to affirm the *concept of mixed housing* because it is one of the instruments for decreasing spatial injustice and inequalities. Beside this concept it is important to procure *building quotas* for affordable housing, and if they already exist, to implement them consequently.<sup>24</sup> Additionally, vulnerable social groups should be better supported with a number of instruments such as: increase of affordable social housing fund (almost destroyed with selling and privatization), subventions for rents, procure housing for free, etc.

Implementation of urban regeneration projects has to be defined in detail, especially when these projects affect living conditions of local population. Numerous examples have shown how local inhabitants can be creative and devoted to regeneration project, procuring great benefits for themselves, their settlement and the city as a whole.

If project however includes resettlement of local population, it is vital to establish clear and transparent criteria on prepared compensation as well as to organize debates with the beneficiaries regarding the adequacy of compensation in size and in scope (which costs can be covered by it). This procedure is democratic, transparent, decreases dissatisfaction and potential conflicts. It also decreases chances for misuse and profiting from unhappy situation of this vulnerable population. Finally, local government should make sure that resettled population has all the necessary services provided in new settlements (kindergartens, schools, health and social institutions, good transportation system, etc).

Local community is a crucial word for urban system. Besides the beauty of the buildings, settlements and public spaces, the true beauty of the city *comes out of its community*, from satisfied people, good quality of their relationships, good values as trustfulness, friendship, solidarity, security, good neighborhoods, democracy, etc.

Countries which have a good regulation and are devoted to good participatory practice in planning and implementation of regeneration projects procured very good results. Their citizens are happy with the life in their community and society as a whole.<sup>25</sup> Therefore they give us excellent lessons from experiences.

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24 As it was already mentioned in the text, British cities often have building quotas in their plans, but their officials rarely implement them, what presents a bad practice.

25 Denmark has good regulation and Danish cities affirm participatory urban planning, creation and implementation of urban projects. Copenhagen has a number of excellent solutions made in the process of communication between city officials, Urban Architecture Centre (experts) and inhabitants. Citizens in Denmark are very happy with living condition in their cities and society as a whole.

Economic development should not be the only priority for local government in local reconstruction projects. Local government, as the closest to citizens, should represent their interests, care of their needs and help them with problems that emerge in local community. The stimulation of local economic development is highly connected to the quality of life of all citizens. If local economic development turns out to become instrument of making wealth for the few at the cost of the majority of inhabitants, then local government lost its primary purpose.

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**RASTISLAV IGLIAR<sup>1</sup>**

# THE TERRITORIAL CAPITAL OF THE NEW MEMBER STATES IN THE CONTEXT OF EU INTEGRATION

## Abstract

The article deals with regional / spatial development strategies, i.e. with the risks and extraordinary events that can significantly affect the development of the territory. Its aim is to draw attention, on the basis of an analysis of existing theoretical concepts and of the approach to strategic development planning, to the increased need to use the concept of an integrated approach to spatial development strategies, while taking into account all significant factors that have an impact on the development of the territory.

**KEY WORDS:** strategy, strategic planning, development strategies

## 1 INTRODUCTION

One of the important areas that will require legislative changes in the future is urban planning. A new Building Act is currently under preparation, which will have to reflect in a relevant manner climate change issues directly in the basic urban planning instruments: the urban planning study and the urban technical documentation. The primary documents to be used for the preparation of the Territorial Development Concept of the Slovak Republic should include, in addition to the National Regional Development Strategy of the Slovak Republic, the Strategic Adaptation of the Slovak Republic to Adverse Climate Change Impacts.

Along with the demographic, social and economic prerequisites of municipal development, the concept as such and the draft urban management plan ("UMP") should also identify the preconditions from the point of view of negative climate change impacts. These should be specifically reflected, for example, in the proposal for a functional use of the municipality area with a special focus on flood protection, the landscape structure, on the concept of interlinking green areas in the form of "green infrastructure", etc. The negative impacts of climate change (increased temperature, summer heatwaves, the need to retain water within the landscape, etc.) must also be taken into account in designating stabilised areas, i.e. areas which must keep the current spatial and functional composition or the

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current landscape structure, but also in proposing functional regulation (permitted and forbidden structure) and spatial regulation.

## 2 EUROPEAN POLICIES

### 2.1 Territorial cohesion

The importance of territorial cohesion was emphasised in the Community Strategic Guidelines on Cohesion, adopted by the Council in 2006, according to which “promoting territorial cohesion should be part of the effort to ensure that all of Europe’s territory has the opportunity to contribute to the growth and jobs agenda” (Official Journal of the EU L 291, p. 29).

Further to the conclusions of the informal gathering of EU ministers responsible for urban planning and regional development in Leipzig on 24 and 25 May 2007, in which they called the Commission to “prepare a report on territorial cohesion by 2008”, this Green Paper opens a discussion on territorial cohesion in view of deepening the understanding of this term and its impacts on policy and cooperation ([http://www.bmub.bund.de/fileadmin/Daten\\_BMU/Download\\_PDF/Nationale\\_Stadtentwicklung/nachhaltige\\_stadtentw\\_ministertreffen\\_eu\\_schlussfolgerungen\\_en\\_bf.pdf](http://www.bmub.bund.de/fileadmin/Daten_BMU/Download_PDF/Nationale_Stadtentwicklung/nachhaltige_stadtentw_ministertreffen_eu_schlussfolgerungen_en_bf.pdf)).

In its World Development Report 2009, the World Bank describes how density, distance and distribution can influence the pace of economic and social development. The EU deals with similar problems. The political responses to these problems can rest in measures in three areas: concentration, connection and cooperation (COM(2008) 616 final, COMMUNICATION FROM THE COMMISSION TO THE COUNCIL, THE EUROPEAN PARLIAMENT, THE COMMITTEE OF THE REGIONS AND THE EUROPEAN ECONOMIC AND SOCIAL).

“Cohesion policy is the primary EU instrument for mobilising territorial assets and potentials and addressing the territorial impacts generated by European integration. The strong territorial dimension of the policy has been recognised in the Lisbon Treaty with the introduction of the concept of territorial cohesion” (Samecki, 2009)

“In order to promote its overall harmonious development, the Union shall promote and pursue its actions leading to the strengthening of its economic, social and territorial cohesion. In particular, the Union shall aim at reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions” (Article 174 (originally Article 158 of TEC).

At the same time, the Treaty stipulates the following: “Among the regions concerned, particular attention shall be paid to rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural and demographic handicaps, such as the northernmost regions with very low

population density and islands, cross-border and mountain regions.” (Ibid.)

## 2.2 Legislation at the EU level

The European Commission presented the first legislative proposals related to the multi-annual financial framework for the period 2014–2020 on 29 June 2011. The legislative proposals are summarised in Table 1, including the originally planned dates of submission by the Commission general directorates.

Table 1 Legislative proposals for the multi-annual financial framework for the period 2014–2020

Ref. no.	Legislative proposal	Foreseen date of submission	Responsible (GD/service)
<b>Cohesion policy</b>			
1	Draft general regulation laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund	05/10/2011	REGIO
2	Draft regulation on the European Regional Development Fund	05/10/2011	REGIO
3	Draft regulation on the Cohesion Fund	05/10/2011	REGIO
4	Draft regulation on the European Social Fund	05/10/2011	EMPL
5	Draft regulation on the EU Solidarity Fund	05/10/2011	EMPL
6	Draft regulation on the European Globalisation Adjustment Fund	05/10/2011	EMPL
<b>Agriculture, rural development, maritime and fisheries</b>			
7	Legislative package for agriculture and rural development (including a reserve for crises in agriculture)	12/10/2011	AGRI
8	Draft regulation on the European Maritime and Fisheries Fund	12/10/2011	MARE
<b>Connecting Europe Facility</b>			
9	Connecting Europe Facility	12/10/2011	
<b>Environment</b>			

10	Draft regulation on LIFE+	19/10/2011	ENV/DG CLIMA
<b>Consumer health and protection</b>			
11	Draft regulation on food safety	09/11/2011	SANCO
12	Draft regulation on the Health for Growth programme	09/11/2011	SANCO
13	Draft regulation on the programme for consumer protection	09/11/2011	SANCO
<b>Customs union and taxes, fight against fraud</b>			
14	Draft regulation on the Customs 2020 programme	09/11/2011	TAXUD
15	Draft regulation on the Fiscalis 2020 programme	09/11/2011	TAXUD
16	Draft regulation on the Hercule II programme	09/11/2011	OLAF
17	Draft regulation on the AFRIS programme	09/11/2011	OLAF
<b>Justice and internal affairs</b>			
18	Draft regulation on the Asylum and Migration Fund	15/11/2011	HOME
19	Draft regulation on the Internal Security Fund	15/11/2011	HOME
20	Draft regulation on IT systems	15/11/2011	HOME
21	Draft regulation on the Justice programme	15/11/2011	JUST
22	Draft regulation on the Law and Citizenship programme	15/11/2011	JUST
<b>Energy</b>			
23	Draft regulation on the shut-down of nuclear facilities	15/11/2011	ENER
<b>Education and culture</b>			
24	Draft regulation on the Education Europe programme	23/11/2011	EAC
25	Draft regulation on the Creative Europe programme	23/11/2011	EAC
<b>Other</b>			
26	Draft regulation on the Europe for Citizens programme	30/11/2011	COMM



27	Draft regulation on the Civil Protection Instrument	30/11/2011	ECHO
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Ref. no.	Legislative proposal	Foreseen date of submission	Responsible
<b>(GD/service)</b>			
28	Draft regulation on the Statistics Programme	23/11/2011	ESTET
<b>External relations</b>			
29	Draft regulation on DCI	07/12/2011	DEVCO
30	Draft regulation on the Stability Instrument	07/12/2011	DEVCO
31	Draft regulation on the Instrument for Democracy and Human rights	07/12/2011	DEVCO
32	Draft regulation on co-operation with Greenland	07/12/2011	DEVCO
33	Draft regulation on the Pre-Accession Aid Instrument	07/12/2011	ELARG
34	Draft regulation on the Neighbourhood Policy Instrument	07/12/2011	EEAS
35	Draft regulation on the Partnership Instrument	07/12/2011	EEAS/ DEVCO
36	Draft regulation on the Common Foreign and Security Policy	07/12/2011	FPI/EEAS
37	Draft regulation on the Humanitarian Aid Instrument	07/12/2011	ECHO
38	Draft regulation on the Nuclear Safety Instrument	07/12/2011	ENER/ DEVCO
39	Draft regulation on Macro-Financial Assistance	07/12/2011	ECFIN
40	Draft regulation on the Guarantee Fund for External Activities	07/12/2011	ECFIN
41	Draft regulation on the European Globalisation Fund	07/12/2011	EMPL
<b>Research and innovation</b>			
42	Draft regulation on the Common Strategic Framework for Research and Innovation	13/12/2011	RTD



<b>Competitiveness and SMEs</b>			
43	Draft regulation on the Competitiveness and SMEs Programme	13/12/2011	ENTR
44	Draft regulation on the GNSS programme	13/12/2011	ENTR
<b>Other planned legislative proposals</b>			
45	Innovative financial instruments	-	ECFIN
46	Draft regulation on the PRINCE programme	-	ECFIN/ HOME/ JUST
47	Interoperable solutions for European public administration	-	DIGIT/ INFSO

Source: author's own compilation

The European Commission published its first legislative proposals in line with its plan, on 6 October 2011, as a legislative Cohesion Policy Package ([http://ec.europa.eu/regional\\_policy/what/future/proposals\\_2014\\_2020\\_en.cfm](http://ec.europa.eu/regional_policy/what/future/proposals_2014_2020_en.cfm)). This package contained the following draft regulations:

1. Draft regulation of the European Parliament and of the Council laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Fisheries Fund within the Common Strategic Framework and repealing Regulation (EC) No 1083/2006
2. Draft regulation on the European Regional Development Fund
3. Draft regulation on the Cohesion Fund
4. Draft regulation on the European Social Fund
5. Draft regulation on the EU Solidarity Fund
6. Draft regulation on the European Globalisation Adjustment Fund
7. Draft regulation on the EU programme on social change and innovation
8. Draft regulation on modifying Regulation No. 1082/2006 on a European grouping of territorial cooperation with the aim to clarify, simplify and improve the establishment and functioning of such groupings
9. Communication from the European Commission on the future of the Cohesion Fund

Most of these regulations were adopted on 17 December 2013 and this legislative package was published on the same date ([http://ec.europa.eu/regional\\_policy/en/information/legislation/regulations/](http://ec.europa.eu/regional_policy/en/information/legislation/regulations/)).

In the framework of the preparation of the legislation for the period 2014–

2020, the European Commission dealt for the first time with territory vulnerability indexes. It set up and monitored the following four indexes:

- a) Globalisation vulnerability index
- b) Demography vulnerability index
- c) Climate change vulnerability index
- d) Energy vulnerability index.

## 2.3 Thematic objectives

With a view to the concentration of funds designed for the Multi-Annual Financial Framework (MAFF) for the years 2014–2020 with an allocation of €956 billion, the following 11 thematic areas were defined for financing:

1. Enhancing research, technological development and innovations;
2. Access to, use and quality of information and communication technologies;
3. Increasing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and fisheries (for the EMFF);
4. Supporting the transition towards a low-carbon economy in all sectors;
5. Supporting the adjustment to climate changes, risk prevention and management;
6. Environment protection and promotion of energy effectiveness;
7. Supporting sustainable transport and elimination of bottlenecks within the key infrastructure network;
8. Supporting employment and labour mobility;
9. Supporting social inclusion and fight against poverty;
10. Investments in education, skills and lifelong learning;
11. Building institutional capacities and an effective public administration.

Thematic objective 5 sets the priorities for the financing of climate change and risk prevention and management. It was up to the decision of the Member States whether they choose this thematic objective from the given list for the financing of activities in the programming period 2014–2020 and to what extent or in what financial amount. Within the negotiation process with the Commission, Slovakia managed to reach an agreement on funds that can be used under the Operational Programme Quality of the Environment for:

- INVESTMENT PRIORITY 1 of Priority Axis 2: 2.1 Supporting investments in climate change adaptation, including ecosystem approaches
- INVESTMENT PRIORITY 1 of Priority Axis 3: 3.1 Supporting investments in addressing special risks, preventing natural disasters and developing natural disaster management systems (<http://www.op-kzp.sk/rizika/>).

### 3 National legislation

#### 3.1 Act on supporting regional development

The basic law that allowed for a full application of the regional policy principles in the Slovak Republic within the harmonisation of the national legislation with the *acquis communautaire* and to participate in the European Union's cohesion policy was Act No. 503/2001 Coll. on the Promotion of Regional Development. It was also necessary to produce a document on the basis of which Slovakia would receive finance from the EU Structural Funds and the Cohesion Fund. For the reduced period of 2004–2006, it was the National Development Plan and the Community Support Framework, which represented an agreement between the European Commission and the Slovak Government on the priorities in the use of funding from the EU Structural Funds.

The National Strategic Reference Framework represented the underlying document for the use of finance from the EU Structural Funds and the Cohesion Fund for the programming period 2007–2013.

However, the finance from the EU funds should only be considered as complementary funds, as also suggested by European Community regulations. It is very important to support regional development at the national level by activating own internal sources of development.

Clearly absent in the Slovak Republic was a document at national level addressing regional development beyond complementary funds (EU Funds). In 2008, the Slovak Government adopted a new Act No. 539/2008 Coll. on the Promotion of Regional Development, which creates space and the conditions for a more effective regional policy guidance and implementation and enables the self-governing regions and municipalities to exercise their competences for their own development to a greater extent than under the previous legislation. This act defined the National Regional Development Strategy of the Slovak Republic ("National Strategy") as the fundamental document on the promotion of regional development at the national level.

#### 3.2 National Regional Development Strategy

According to the National Regional Development Strategy of the Slovak Republic, the country's regional development is considerably influenced by EU's regional policy. Slovakia's entry in the EU in 2004 brought to the forefront the regional dimension of social and economic processes more than ever before.

"In accordance with the Lisbon Strategy setting the aim of creating a competitive, job-creating and knowledge-oriented economy which is characterised by growth, social cohesion and respect of environment, the Slovak Republic will

have to further pay attention to the development of:

- Human resources,
- Business environment,
- Science, research and innovation,
- Environment” (National Regional Development Strategy of the Slovak Republic, p. 4)

The situation has been constantly deteriorating in the field of the environment. “Since the mid-1990s, the trend of improvement of certain indicators, such as growth of emissions from individual motor transport, reduction of green public areas, production of non-returnable packages etc., has slowed down or stopped in many countries, including Slovakia.” (p. 34, *ibid.*)

This situation is detailed in the National Regional Development Strategy, which identifies the following problems/problem areas that require priority solutions:

- Insufficient integration of environmental aspects into economic and sectoral decisions;
- Insufficient integration between social aspects and the environment (p. 36, *ibid.*).

The National Strategy represents the underlying strategic document, the aim of which is to comprehensively define the country’s strategic approach to the promotion of regional development in Slovakia. For NUTS 3 regions, its task is as follows:

- identify their internal potential and specify their potential competitiveness within Slovakia;
- characterise their specific aspects and related main competitive advantages within the Slovak Republic and in the European context;
- determine their strategic development objectives and priorities (NUTS – introduced by Decree of the Statistical Office of the Slovak Republic (SO SR) No. 438/2004 Coll. issuing the classification of statistical territorial units in connection with the needs of the EU regional policy. The following levels are defined for Slovakia: NUTS 1 – Slovak Republic, NUTS 2 – Bratislava Region, Western Slovakia, Central Slovakia, Eastern Slovakia, NUTS 3 – higher territorial units (self-governing regions), LAU 1 – districts, LAU 2 – municipalities.).

The National Strategy was based primarily on the EU Lisbon Strategy and its detailing specifically for Slovakia through documents such as Slovakia’s Competitiveness Development Strategy until 2010, the National Reform Programme or the Modernisation Programme Slovakia 21.

The main part of the document is the chapter The Vision and Strategy of Regional Development and the chapter Priorities and Objectives of the Development Strategy for Slovak Regions. The chapter The Vision and Strategy of Regional Development presents a long-term vision of promoting Slovakia's regional development, the basic points of the regional development strategy and its strategic objective, and defines the most important development priorities by priority areas. The chapter Priorities and Objectives of the Development Strategy for Slovak Regions contains a brief socio-economic analysis of the regions at the NUTS 3 level and an evaluation of their internal potential, a description of the specific aspects of each region, the main development factors and competitive advantage of the regions. The document defines the strategic development objectives for each region and proposes their development within the set priority areas.

The National Strategy formulates the objectives, priorities and development activities that will have to be implemented in order to ensure the sustainable regional development policy in Slovakia based mainly on the growth of economic performance and social cohesion. For a more effective and efficient implementation of the regional policy helping the elimination of unjustified intra-regional discrepancies, it will be necessary to detail the national strategy objectives and priorities down to the LAU 1 level.

However, the National Regional Development Strategy does not deal at all with the negative possibilities of restricting the planned growth of regions/regional development. In all its variants, it counts with a positive economic development. From the point of view of sustainable regional cohesion, the most appropriate seems to be the scenario which shifts the focus from the centre to supporting the development of regional centres along with a comprehensive quality policy of regional self-governments. The pre-condition, on one hand, is the leaving of enough space to regional self-governments in the national part of the regional strategy and, on the other hand, the use of this space by targeted quality strategies of regional self-governments, reflecting their regional specificities in a creative manner.

### 3.3 National Reform Programme

The requirement to create a National Reform Programme is set within the European Semester. The governments of the Member States are required to present to the European Commission a National Reform Programme together with the Stability Programme by April of the given year (non-euro countries are required to present Convergence Programmes).

“The National Reform Programme is one of the tools aimed at achieving the objectives of the Europe 2020 strategy. It concerns macroeconomic coordination,

long-term outlook, obstacles and support for growth, national objectives, measures and consequences” (<http://www.europskaunia.sk/narodny-program-reforiem>). The European Commission evaluates both documents/programmes and, in June of the given year, presents to the Member States specific recommendations or warnings in the case of major deviations.

The National Reform Programme of the Slovak Republic 2017 describes the structural measures that the Slovak Government plans to implement in the next two years. The comprehensive approach to priority setting which, apart from GDP, takes into account other aspects of the quality of life as well, identified the labour market, healthcare and the elementary school system as the remaining major challenges of the Slovak economy.

Before 2014, the National Reform Programme was prepared for a longer period of time (four years –2011–2014, or two years – 2008–2010, 2006–2008) (<http://www.finance.gov.sk/Default.aspx?CatID=5197>). The NRP describes “structural measures that the Government of the Slovak Republic plans to implement with an emphasis on the next two years” (NRP 2017, p. 4). A separate chapter deals with the reduction of regional disparities.

### 3.4 Action Plans

The NRP is implemented through action plans approved by the SK Government ([http://www.finance.gov.sk/Components/CategoryDocuments/s\\_LoadDocument.aspx?categoryId=8046&documentId=15552](http://www.finance.gov.sk/Components/CategoryDocuments/s_LoadDocument.aspx?categoryId=8046&documentId=15552)). “In the course of 2016, action plans for the twelve least developed districts were approved (NRP 2017, p. 4). They contain a list of concrete project intents in the field of support of entrepreneurship and investors, human resources development and improvement of the local infrastructure with the total financial allocation of EUR 50.3 mil.”

Under Article 3(1)(b) of the act, the Central Labour Office shall “include in the list of the least developed districts the district in which the registered unemployment rate calculated on the basis of the available number of job seekers registered by the Central Labour Office during at least nine calendar quarter-year in the course of the previous twelve consecutive calendar quarter-years was 1.6-times higher than the average registered unemployment rate in the Slovak Republic in the same period”( Act No. 336/2015 Coll. on the Support of the Least Developed Districts and on changes and amendments to some acts).

At its 26th meeting on 30 January 2018, the National Council of the Slovak Republic approved an amendment to the Act on the Support of the Least Developed Districts (<http://www.nrsr.sk/web/Default.aspx?sid=schodze/schodza&ID=359#current> ). The list of the least developed districts will be extended due to the changed limit of the unemployment rate used for including a district in the list. With the entry into effect of the amendment, this indicator will

change from 1.6-times the average registered unemployment rate in Slovakia to 1.5-times this rate.

Another novelty is the provision on Annual Priorities in the form of a binding document approved by the Government, which represents the basis for the granting of a regional contribution to eligible beneficiaries and the conditions under which the regional contribution can be granted. The amendment is expected to enter into effect on 1 April 2018.

Under current Article 4(2) of the act, the Action Plan shall contain “an analysis of the adverse economic, social and environmental condition of the least developed region, an assessment of its development potential, a proposal for measures and tasks for ensuring the implementation and fulfilment of the Action Plan, the timetable, the methods and sources of financing, and the monitoring and evaluation of the progress made. Furthermore, the Action Plan shall integrate the existing sectoral programmes and cross-sectional programmes and propose the elimination of barriers in implementing them”.

#### 4 CONCLUSION

The non-existent systematic preparation of an area and its components (people, ecosystem, infrastructure, entrepreneurs, critical infrastructures, real properties, etc.) will place increased demands on reactions and restoration after extraordinary events. Nevertheless, a functional system of prevention and preparation for threats and risks would considerably reduce the consequences of damage to property, lives and ecosystems. It is, however, impossible to set up a uniform system for all types of threats all over the Slovak Republic’s territory. It is therefore necessary to carry out regional/local risk analyses, propose methods for their mitigation and prepare tools and means for their management.

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The Stockholm Programme – An open and secure Europe serving and protecting Citizens, and communication from the Commission Delivering an area of freedom, security and justice for Europe's citizens – Action Plan Implementing the Stockholm Programme (COM(2010)0171).

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# **ACCESS TO INFORMATION AS ONE OF THE MEANS OF FIGHT AGAINST CORRUPTION IN PUBLIC ADMINISTRATION IN SLOVAK REPUBLIC**

## **Abstract**

Corruption is as old as the human race itself. During the history it has evolved and acquired various forms and degrees of severity depending on the circumstances. Today, according to public opinion survey, it is a social issue because it halts the economic and democratic development of all states in the world as it occurs more or less in all of them. To solve the problem of corruption radically, it is necessary to adopt and duly perform efficient anticorruption measures which would eliminate or completely remove the corruption. One of the possible and efficient tools to fight the corruption are, besides the criminal, economic and administrative measures, also the information means. These are based on one of the basic human rights - right for information. It started to be fully applied in the Slovak Republic since effectivity of the Act on Free Acces to Information in 2001 by which the rule that everything that is not classified is public has been adopted. The paper addresses the issue of corruption, its occurrence in the Slovak Republic and fight against the corruption through application of the right for information.

**KEY WORDS:** corruption, fight, information, law, public administration

## **INTRODUCTION**

Slovakia is increasingly being warned about the growing problem of corruption not only by several domestic activists (see, for example, Truban et al., 2017) or research workers (see, for example, Goliaš, Hajko, Piško, 2017), as well as foreign experts and

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respected non-profit organizations. Evidence of this is also its recent infamous location in Transparency International's most prized world-wide corruption scene, where it ended in the 54th place among the rated countries in 2016. This is a worsening of four places compared to 2015, with the number of countries scaled up from 168 to 176 countries. Slovakia has taken the seventh worst place in the European Union, with only Croatia, Hungary, Romania, Italy, Greece and Bulgaria ending behind (Šípoš, 2017). The prestigious international organization The World Economic Forum in its latest annual report on Global Competitiveness 2017 also identified corruption as the most serious problem for entrepreneurship in Slovakia (Schwab, 2017).

One of the possibilities how to successfully fight against corruption is, in addition to criminal, economic and administrative means, to use information means. They are based on one of the fundamental human rights - the right for information. The information itself, also referred to as the "oxygen of democracy" (see, for example, Kamenec, Pirošík, 2000; Wilfling, 2012), is of great importance. It allows citizens to create an opinion on the functioning of the state, public bodies and authorities as well as the individuals involved. At the same time, access to information contributes to the good and responsible functioning of public administration, reduces the risk of corruption, and at the same time strengthens citizens' confidence in the state and its authorities (Wilfling, 2012).

In Slovakia, the practical exercise of the right for information is the so called Information act (Act No. 211/2000 Coll. on Free Access to Information), which definitively ceased to apply the principle of confidentiality of public administration in the Slovak Republic. This legislation, effective as of January 1, 2001, in its wording, regulated the right for access to information held by public authorities and other public institutions. However, despite the multiannual existence of this Act, according to several studies, public authorities not always make public information accessible (see, for example, Sloboda, Dostál, 2013, Dubéci, 2013). This state is undesirable, so it is essential to look for mechanisms to ensure that access to information is not hindered by the discretion of those who are required to make information about their activities available by law.

In the article we focus on the issue of corruption, on the impact of access to information on its reduction, as well as on recommendations to improve the availability of information in practice.

## 1 CORRUPTION

The word corruption comes from Latin *corruptio*, which is a noun derived from the verb *co (-m) rumppo, corrumpere*. The basis of the word is a protoindoeuropean word *reup*, meaning, to tear, break something. In Latin, the word has the following meanings: 1. to completely destroy, break; (2) to disable, perish, harm, violate, abolish; 3. to defile, hurt, disfigure (name, reputation); 4. to falsify (documents); 5. to perish, seduce (character, morals) 6. to bribe (Špaňár-Hrabovský, 2012 in Szeghy, 2011).

Opinions on what corruption is have gradually evolved, depending on how society

and its values have changed. The term “corruption” was used in the past relatively freely, “rather than one of the attributes (often synonymously interchangeable) which characterized morally undesirable phenomena, behavior or the person who participated in such activities” (Szeghyová, 2011, s.199). As Vörös rightly states (2011, p. 1), corruption is “a phenomenon that has been present everywhere where more complex forms of society have been developed, where shared (public) resources were decided by delegated individuals.”

The precise definition of “corruption” is very complex, given that its definition differs from the point of view of social science as well as from the point of view of the time horizon. Thus, a unified view of defining corruption currently does not exist.

David and Nett (2007, p. 27) define corruption as “behavior motivated by an attempt to profit of a corrupt person who violates a legal norm by providing for a corruptible person or group of persons benefits of any kind and who may also harm third parties directly in the illegal trade of commodities. “

The current Short Dictionary of the Slovak language refers to corruption as synonymous with bribery. From a theoretical point of view, however, corruption is defined as “unlawful action aimed to gain inappropriate benefits by influencing a person in a position that effectively allows for the benefit to be claimed provided that he or she is in breach of an obligation in the performance of his or her duties” (Report on the Bill on the Protection, Promotion and Remuneration of Persons Active in the Fight Against Corruption, page 9). Generally speaking, corruption serves to obviate formally existing rules, respectively, decisions made in order to achieve profit for individuals or a group of people who are not entitled under other circumstances.

Under the current Slovak criminal law, various types of corruption are included under the concept of corruption - bribery, indirect corruption, electoral corruption and sports corruption (for details, see Part Three of the eighth chapter of Act No. 300/2005 Coll., § 328 § 336b).

Corruption is no doubt perceived as a negative social phenomenon. Various scientific analyzes show that corruption has the effect of weakening the legitimacy of political regimes, particularly democracies (e.g. Seligson, 2002), or the depreciation of the rule of law (Warren, 2004). From the economic point of view, the negative consequences of corruption include, in particular, high costs associated with commercial transactions, which are reflected in the wastage of public resources and the creation of investment barriers (Olteanu, 2011).

Corruption, according to some research, is firmly ranked among the main problems of the world, while the problems of global warming or different inequalities are not paid such attention. (Šípoš, 2014).

Therefore it is logical that the fight against corruption is among the priorities of policies at both national and international level. This is evidenced by several relevant international initiatives and documents to which the Slovak Republic is a signatory - among the most important of which are the United Nations Convention Against Corruption (New York

2003), the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the Criminal Law Convention (1999), the Council of Europe Convention on Corruption (Strasbourg, 1999) (370/2003 Coll.), The Convention on the fight against corruption involving officials of the European Communities or officials of the Member States of the European Union (Brussels, 1997 ) or Resolution Res (97) 24 on 20 Anti-Corruption Guidelines (Explanatory Report to the Bill on the Protection, Promotion and Remuneration of Persons Active in the Fight Against Corruption, page 9). Within the Slovak Republic, the National Anti-Corruption Program, which was approved by the Government of the Slovak Republic in 2000, is one of the most important anti-corruption materials. However, the National Anti-Corruption Program was updated in 2011 and named the Fight against Corruption in the Slovak Republic - update of the National Anti-Corruption Program. This material was the basis for the elaboration of the Strategic Anti-Corruption Plan in the Slovak Republic, which replaces the National Anti-Corruption Program in the Slovak Republic. The aim of the Strategic Plan is to reduce corruption in Slovakia, primarily in public life and in the use of public resources while increasing transparency in the whole society. It is designed to develop the objectives and specific tasks for the individual ministries (Strategic Plan to Fight Corruption in the Slovak Republic, pp. 3-4). In 2011 an inter-ministerial working group of monitoring experts was set up for monitoring and evaluating the fulfillment of the tasks resulting from the strategic plan.

At present, an amendment to the Act on Notification Activities (Act No. 307/2014 on certain measures related to the reporting of anti-social activities) is being prepared at the Government of the Slovak Republic. The current law on crime notifiers, according to the Prime Minister of the Slovak Republic Róbert Fico, has rather a character of labour law, as it is aimed at protecting employees from possible penalties for reporting crimes or other anti-social activities and the obligations of employers to receive and handle such filings while the government wants to broaden this protection also at other levels (Fico before the OECD praised the Slovak fight against corruption. "It is a cancer" he declared, 2017).

## **2 ACCESS TO INFORMATION IN THE CONTEXT OF THE SLOVAK REPUBLIC**

Until 2001 there was no legal regulation of the universal access to information in the Slovak Republic, which would precisely define the range of information that everyone has the right to access. While it was possible to claim access to information on the basis of the Constitution of the Slovak Republic, which enshrines the right for information, the public authorities did not or mostly could not apply the provisions of these regulations. The change took place after the adoption of the Act on free access to information (Wilfling, Babiak, 2006).

## 2.1 Characteristics of relevant legal provisions of the Act on Free Access to Information

The basic concept of the Act on Free Access to Information is the term “information”. The Act itself did not originally contain an explicit definition of this term, only the amendment No 341/2012 of 2012 introduced its legal definition. The information is thus in the sense of the provision of § 21b par. (2) of the Act on Free Access to Information “any content or part thereof, in particular the content of a record in a paper form, a record in an electronic form, in the form of a phonogram, sound or pictorial record or audiovisual work, in any form, recorded on any medium”.

According to the Information Act, there are so called obligated persons who have an obligation to make information available. These are institutions, respectively organizations and, in certain cases, natural persons carrying out public administration, which decide on the rights and obligations of citizens, public funds or public interest activities (Wilfling, 2012). The Information act precisely defines the categories of subjects obliged to make information available under § 2. Most mandatory persons have a full disclosure obligation, which means that the range of information from which the information is to be provided is all the information that they have at their disposal or which they should have available. However, the law also refers to obligated persons who make information available only to a limited extent (Wilfling, 2012).

In addition to the obligated persons, there are also so-called authorized persons. The Constitution of the Slovak Republic as well as the Information act states that “everyone” has the right to information, which means that all natural and legal entities have this right. It concerns not only citizens of the Slovak Republic but also foreign citizens (Wilfling, 2012).

Categories of information that can not be made available because it is protected are defined in § 8 to § 11 of the Information act. This information is excluded by the act itself, but it is often explicitly protected by special laws. However, some information is excluded from the disclosure only by special laws.

In addition to the definition of information that is not available, some of the provisions of the Information act include the principle of the so-called prevailing public interest. The law defines certain situations (exceptions) when it is necessary in the public interest to make available information that is otherwise legally protected (Wilfling, 2012).

The Act on Free Access to Information provides two ways of accessing information. The first is the so-called mandatory disclosure of information (active disclosure of information), when the obligated person must disclose information without any prior request for it, and the second is the disclosure of information at the request of the applicants.

Pursuant to the provisions of §14 par. 1 the Information Act the information may be requested not only in writing (letter), orally, by fax, by e-mail, but also by other means which are technically feasible for the obliged person (e.g. by telephone). The Information Act in the provision of § 14 par. 2 explicitly states that it must be clear from the application



to whom the complaint is addressed, the complaint must contain the identification data of the applicant as well as it must be clear what information relates to the application and also what means of access to information the applicant proposes.

The request for information shall, in accordance with the provisions of Article 14 (3), be deemed to have been filed on the day on which it was notified to the person responsible for the proceedings. Pursuant to the provisions of § 15 of the Information Act, if the obligated person requested by the applicant does not have the required information available, but knows where the requested information can be obtained, he or she sends the request to the obligated person who has the requested information available. If he or she does not know, according to Wilfling (2012), he or she rejects the request for information by a written decision because he or she does not have the requested information.

Information in the context of Section 16 1 of the Information Act may be made available orally, by file inspection, including the possibility of making a duplicate or copy, copying the information to a technical data carrier, making available copies with the required information, by telephone, fax or mail.

Pursuant to § 17 of the Information Act, the obliged person must deal with the request for information without undue delay, but not later than 8 working days after the submission of the application. A blind person with a request for access to information should be provided a reply in Braille within 15 working days. Information that is simple and whose search and assembly do not take much time must be made available without undue delay. For serious and specified reasons, the liable entity may extend the time limit for handling the request, but not more than eight working days. In the context of the provision of § 18 of the Information Act, the provision of the information request means either the provision of the required information within the statutory time limit or the issuance of a written decision not to disclose information within the statutory time limit.

In addition to making information available on request, the Act on free access to information also introduced the obligation for the authorities to publish a certain set of data mandatory (active), that is, without a specific request. This is the so-called mandatory disclosure of information regulated in the provisions of § 5, § 5a, § 5ba § 6 of the Act on Free Access to Information.

The Information act in Section 5 defines the scope of information that must be disclosed by the statutory bodies (except obligated persons according to § 2, paragraph 3 of the Information Act). This basic information must be published at the registered office of the liable entity and at all its workplaces in a publicly accessible place.

By means of the Act no. 546/2010 Coll., supplementing Act no. 40/1964 Coll. (Civil Code) and amending certain other acts, which entered into force on January 1, 2011, mandatory disclosure of contracts, orders and invoices was also included in the Act on Free Access to Information. The regulation of this issue is contained in the provisions of § 5a and § 5b of the Information Act.

## 2.2 Influence of free access to information on corruption reduction

Since its establishment, the Slovak Republic has overcome the rapid development of becoming an independent and largely decentralized country with a largely privatized and market-oriented economy from a centrally managed state with a command economy and a dominant public ownership. However, the functions, structure and way of work of the state administration, in particular, did not reflect the changes, which resulted in its low efficiency, high cost and considerable bureaucracy. And these features of the functioning of the state administration in Slovakia provide a fertile ground for corrupt behaviour and justify its rigorous control by the public. According to Imrovič (2015) the very success of the democratic governance principle is closely linked to the culture of openness and dialogue that takes place between the public office and the citizen.

Despite the fact that the impact of the acts allowing free access to information on the level of corruption is still unambiguously proven (Láštík, 2008), their existence and applicability in practice gives a clear premise to perceive them as a tool to combat it.

The direct influence of the Act on free access to information on the level of corruption is reflected in the disclosure of a range of information that was not publicly accessible until the law was effective and access to them was greatly limited. The indirect influence of the information act on the level of corruption may include disclosure of information that after analysis by the applicant can reveal corruption behavior. As Láštík (2008) states “these revelations have a double impact. They point to suspicions of corrupt behavior in a particular case, while at the same time increase the public sensitivity to similar behaviors of other obliged persons and can have a preventive effect in view of the possible future corrupt behavior of other obliged entities. “

## 2.3 Recommendations for easier access to information

The Act on Free Access to Information is an important code by which public authorities must make available, in legitimate terms, the information provided. Many, however, regard the extent of free access to information as an obstacle to the exercise of their activity, whether in the form of redundant work they have to carry out in the office, in an attempt to conceal their own corrupt behavior or in the form of feedback they receive in the case that the proposed solutions are considered unjustified, poor or contrary to the public interest (Láštík, 2007).

Transparency International Slovakia has prepared 150 anti-corruption measures (Transparency International Slovakia, 2015) designed for a wide range of people to prevent corruption in Slovakia. The measures also concern access to information understood as a presumption of transparency of decision-making, which should bring about the removal of existing problems when applying the Information Act in practice.

In particular, Transparency International Slovakia proposes to extend the range of liable persons, both to state-owned joint stock companies and to companies set up by



liable persons. Changes to the Information Act should also affect the scope of mandatory information provided by the police and the authorities. According to the current act, the public does not have the right to request police decisions on refusals and thus to check whether the police have indeed acted in accordance with the relevant law. It would also be desirable to incorporate provisions in the new version of the Information Act on disclosure of infringing information, as currently information in the record of offenses is excluded from disclosure. Transparency International Slovakia also proposes to establish an institution to supervise compliance with the Information Act that could impose sanctions and actively promote the use of this act by citizens. Another recommendation is to establish a central site as a collection of public data where public authorities would disclose all relevant information about their activities. The latest proposal is to introduce the availability of information in electronic form as a minimum and to introduce standards for the publication of documents in electronic form.

## CONCLUSION

A state where the rate of corruption is significantly reduced or completely eliminated can be effectively achieved in particular by complex systemic measures, which should have the character of both public and private regulatory methods. Anti-corruption tools can also include quick access to information, which is legislatively defined in the so-called Information Act which gave usable content to the constitutional right to information and formally guaranteed that free access to information would be available to everyone. However, any law will never be applicable in practice unless it finds those who will exercise it and follow it responsibly.

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# ACQUISITION OF ARREARS ON LOCAL TAXES

## Abstract

Tax payment is not considered to be the favourite activity of any taxable person regardless of the level of taxation ; national or local. However taxes represent an essential source of the public administration budget and tax acquisition is necessary to sustain income. The tax lapse or tax decrease usually has a negative impact on economic, social and other services provided by the public administration (PA). The tax lapse represents a remarkable risk if it happens at the lowest level – municipality level. Such a lapse disrupts the functionality of the PA and inhibits further development. Despite the strategic importance of tax income, tax arrears are a part of everyday PA performance. Each municipality has to deal with arrears since the city is the administrator of the local tax. The process of arrears acquisition is rather complicated, which makes it difficult for the municipality to perform the acquisition. The aim of the paper is to describe the process of tax exaction, analysis of arrears rates and the effectiveness under the conditions of local governments.

**KEY WORDS:** local tax, deficiency, municipality, income

## INTRODUCTION

Revenue as a result of local tax represents significant income for the municipality budget. Since 2015, municipalities have had the freedom to dictate tax fees due to fiscal decentralization. This freedom is related to tax implementation and its utilization. Revenue coming from tax is used to support the original competence of the municipality. It is necessary that tax fees are considered with respect to the conditions of local payers and do not cause harm to the local economy. Disproportional tax loads would automatically lead to the unwillingness to pay the taxes and moreover the ability of the payers to pay tax would decrease. Thus tax administration represents a rather difficult and complex process based on several steps. The integration of those steps should lead to the fulfilment of the main goal, which is assurance of the budget. Unfortunately tax arrears arise as a result of non-compliance by taxable entities. Those who do not meet

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the obligation, do so either by not paying the specified amount or by not paying on the due date.

As a result, municipal revenue is affected by a revenue shortfall, and the municipality must secure the income from other sources. Sometimes, for self-governments, a vicious circle of debt arises, since reimbursable resources are used to cover their expenses. Thus prevention is important in this respect. Therefore, the municipality must have clear rules on the collection of local taxes and an effective mechanism for their recovery. In practice, there are several ways in which the municipality can recover outstanding tax. The options range from the least repressive forms, which are the disclosure of the list of debtors to the more progressive ones, which is tax execution. Even though the tax payment is not considered to be a favourite activity, it is essential for the functionality of the country. Although it is burdensome for the municipality to recover arrears from both an economic and administrative point of view, it is essential that the entitled arrears are recovered.

## 1. ACQUISITION OF ARREARS ON LOCAL TAXES

Each municipality is entitled under current legislation to introduce a local tax on its territory based on its considerations. Municipalities are entitled to do so directly by Act no. 582/2004 on Local Taxes and Fees for Municipal Waste and Small Construction Waste, as amended, which represents the substantive basis of tax administration. Within the definition of the above legislation, the place of taxation has an optional character, and only after they have been introduced by generally binding municipal regulations do they become obligatory. After their introduction, the municipality is entitled to collect the proceeds from these taxes. However, it is not always possible for the municipality to earn the full tax in its budget. One of the reasons are due to the arrears of these taxes. Arrears within the terms of Act no. 563/2009 means the amount of unpaid taxes after the due date. In the following, the objective is to bring the category of local taxes, tax administration and examples to the point of arrears in selected cities of the Slovak Republic.

### 1.1 Local taxes as a source of municipal budget revenue

Tax is the most important part of the public budget consisting of up to 90% of public revenues. Available literature offers different theoretical definitions of this term. Although all definitions are more or less similar, there is no uniform and versatile definition. In general, tax may be defined as a compulsory, statutory, irrecoverable, non-equivalent, and mostly non-purposeful, monetary payment to the public budget of a predetermined amount (Hamerníková - Maaytová, 2010, page 109). The local tax is a non-repayable, non-purposeful, statutory payment of money collected by the municipality and self-governing region in favour of the local budget in order to cover the

public social needs provided by the local self-government at a predetermined amount, as it can be enforced. The obligation of the local population and legal entities that have their place of residence or operation to pay this payment Králik - Grůň, 1998, page. 47). In the Slovak Republic, local taxes are currently regulated by the Act of the National Council of the Slovak Republic no. 582/2004 on Local Taxes and Fees for Municipal Waste and Small Construction Waste, as amended, which represents the substantive basis of the Tax Administration together with the Act of the National Council of the Slovak Republic no. 511/1992 Coll. on Administration of Taxes and Fees and on Changes in the System of Territorial Financial Authorities, as amended by Act No. 653/2009. Simultaneously Coll. 653/2009 Coll. regulates the procedure for tax administration and the taxpayers. This legislation defines the different types of local taxes, specifies the taxable subjects, tax subject, tax basis, tax rate, and at the same time defines a single fee for municipal waste and small construction waste.

The fee should be understood as a payment for specific public sector services that respects reciprocity requirement and is therefore the cost of providing the public service. Thus, the fees are a kind of special pecuniary payment for such an activity of public authorities, which was given by a person (Grůň - Pauličková, 2003, p. 132).

In the conditions of the Slovak Republic local taxes represent a relatively new institute, since their legal definition only took place in November 2004, when Act no. 582/2004 Coll. came into force as well. The introduction of this type of tax was already foreseen by the law of the National Council of the Slovak Republic no. 369/1990 Coll. on the general establishment as amended. Firstly in § 4 par. c) according to which the municipality administers local taxes and fees and secondly in Section 11, Para. d) which defines the possibility for the municipal council to decide on the establishment or cancellation of the local tax and to impose a local tax.

Act no. 582/2004 Coll. went through its development, which also affected the gradual transformation of local taxes. First, it replaced Act 544/1990 Coll. the local fee, as amended, replacing existing charges by seven kinds of local taxes. At the same time, it replaced Act No. 317/1992 Coll. on the real estate tax as amended, which included a tax on land, construction and apartment tax, thereby making the property tax a local tax. This regulation also repealed Act No. 87/1994 Coll. on the road tax, as amended, according to which road tax was a direct tax on the use of domestic land communications by motor vehicles and trailers for business purposes or in connection with business activities (Pauličková, 11.10.2017).

In addition to the aforementioned legal regulation, international treaties and documents are obligatory for the Slovak Republic. It is primarily the European Charter of Local Self-Government, which in article 9 defines the right of self-governments to obtain financial resources through local taxes and fees, regulated by the self-governing bodies. At the same time, the entry of the Slovak Republic into the European Union and the harmonisation of its legal system caused the abolition of tax on the sale of alcoholic beverages and tobacco products as double taxation of one commodity, which



is incompatible with the legislation of the European Union (Paulíčková, 11.10.2017). Fiscal federalism, which has its origins in Anglo-Saxon countries, especially the United States of America, contributed strongly to the current form of local taxes. In the United States of America, at the end of the 20th century, the concept of the so-called “new federalism system” was preferred. This concept was a consequence of the implementation of the Reagan administration and stressed the need for decentralisation, i.e. the need to increase the accountability of states and municipalities for their own expenditures. It also pointed to the need for greater autonomy of grant recipients in deciding on the purpose of their use (Musgrave - Musgrave, 1994, p.459).

These ideas followed fiscal federalism in our conditions. Fiscal federalism in the second half has led to a gradual weakening of the central government and its budget, and the strengthening of the roles and positions of regional and municipal governments and their budgets. The resulting process of transferring competencies and responsibility for securing public goods and services at regional and municipal level is referred to as fiscal decentralisation. Fiscal decentralisation in Slovakia only gained real contours in January 2005, but the foundations began to form in April 2004, when the Ministry of Finance submitted two draft laws for comments. First of all, it was a law on the budget determination of revenue from the income tax of the local self-governments. According to this law, the income of the municipal budget became a share of personal income tax. The second rule was the local taxes law, which allowed municipalities to levy local taxes as their own income. At the same time, this regulation renamed local tax rates, reflecting the ministry's intention to reinforce the importance of local taxes in terms of their revenues.

This legislation strengthened the tax jurisdiction of municipalities and proposed tax rates without an upper limit (Čavoječ - Sloboda, 2005, pp. 3-4). The basic idea of fiscal federalism is based on the assumption that public goods should be provided at the lowest - local level for greater efficiency and economy. This concept should be a guarantee of a more flexible response to the needs and preferences of the population; should allow for direct participation and more effective control (Provazníková, 2007, p. 44). At the same time, it is important to note that fiscal decentralisation has helped facilitate the necessary changes in the first place in the area of obtaining tax revenues for municipalities. These are the revenues that the self-government units require in order to finance the performance of their original competencies. In the sphere of the transferred state administration, the principle is still that the state is obliged to provide funds for the fulfilment of local self-government tasks. The state provides funds through subsidies from the state budget via the relevant budget chapter, which is why subsidies are not subject to fiscal decentralisation. Under current legislation, the municipality is entitled to levy the following local taxes:



- a) Real estate tax (tax on land, buildings, flats and non-residential premises in a dwelling house),
- b) Canine tax,
- c) Tax on the use of the public space,
- d) Accommodation tax,
- e) Tax on vending machines,
- (f) Tax on non-winning game machines,
- g) Tax on the entry and stay of a motor vehicle in the historic part of the city,
- h) Tax on nuclear installations.

In addition to the above taxes, the municipality levies a local fee for municipal waste and small construction waste. As this fee exhibits the characteristics of a tax, the local tax will be considered as a tax in the next text.

Revenues from the above local taxes are the municipality's own source of income. They form a part of the current budget of the municipality and the municipality uses these funds to cover the costs associated with the provision of public services. In order to obtain this type of income, the municipality must ensure all legislative conditions for the collection and recovery of local taxes. At the same time, the municipality acts as a tax administrator.

## 1.2 Village as a local tax administrator

Tax administration has a fairly long history. Its origin can be found in antiquity, developed in the Middle Ages and reached its peak in the New Age. In principle, the method or procedure used to raise funds for the activities of state and municipal authorities are derived from the means of individual and legal entities. The state and municipalities constantly searched for ways to meet their financial requirements. The state itself has most often used the revenues of its property and municipality revenues. In later times when government and self-government began to grow, these resources were insufficient, leading to the introduction of various contributions and benefits from citizens and foreigners. An example may be the equalization of property gaps in the Roman Empire with the help of different taxes and benefits from those Roman citizens who have gained more property than their opponents. In our country, the first tax administration began to take place within the Great Moravian Empire, where the leading person, as a representative of the sovereign, chose the rent for the sovereign. Later in the period of feudalism, the first autonomous authorities responsible for administration began to form, which with some variations persisted to this day. At the level of the municipalities it was mainly the municipal councils, and in the towns it was the municipal magistrate's who regulated municipal councils. At present taxes, especially those locally administered are collected by the municipality as a whole, and alongside the tax office, act as a tax administrator (Vrabko, 1998, pp. 9-20).

Pursuant to the Constitution of the Slovak Republic, as well as other specific legal regulations regulating the status, activity and powers of self-governing units, a municipality is characterised as the basic territorial autonomous and administrative unit of the state. In the conditions of the Slovak Republic a mixed model of the municipality is applied, where the municipality provides, in addition to its original competences, those transferred from the state level. However, it is clear from the definition of the municipality that the municipality primarily ensures the management of its own affairs, relatively independently and autonomously. In this case, it is the performance of self-government, when the municipality acts in its own name and has its own responsibility for fulfilling the tasks within its scope. A self-governing activity of the municipality is defined in Art. 65. section 1 of the Constitution of the Slovak Republic, which defines the municipality as a legal entity authorised under its own terms to manage its own assets and funds (Palúš-Jesenko-Krunková, 2010, p. 69). At present, the status of this local authority becomes more and more significant, as a result of the decentralisation of competencies and responsibility for providing and securing public goods and services. To fulfil all the tasks, the municipality is dependent on sufficient funding. At present, the municipalities are financed by the funds that municipalities have received as part of the process of redistribution of public resources, or they have created their own activities. The entire system and the amount of funds that municipalities receive depend on the fiscal policy of the state (Hamalová - Belajová, 2010, p. 169).

As mentioned above, the municipality fulfils its role as a tax administrator. Regular administration of tax is performed through its employees in adherence to applicable laws. The source of legislation to which the municipality is responsible for the administration of local taxes and fees is Act No. 511/1992 Coll. on Administration of Taxes and Fees, as amended. At present, this legal regulation is replaced by a procedural regulation, namely Act no. 563/2009 Coll. on Tax Administration (hereinafter referred to as the Tax Code), which regulates the procedure of tax administrators, tax subjects, regulates the mutual rights and obligations that arise in relation to the administration of taxes. At the same time, this legislation also regulates the sanctions that a municipality can apply if taxpayers fail to meet their tax obligations. The right to be defended and enforcement, i.e. tax enforcement, are among the basic legal instruments of enforced tax liability. These forms of enforcement are, however, seldom used by municipalities, since they have the right to a judicial remedy for that purpose. Here, however, the question arises as to whether such a procedure is effective on the part of municipalities and what causes the non-use of such instruments. To some extent, the answer to this question lies in the amount of work obligations and tasks that municipal employees have to carry out, and at the same time in possible fears using an incorrect, unlawful procedure. At the same time, municipalities lack the methodological body that would guide them in the use of the mentioned tools and inform them of the possible pitfalls of their use (Rudíková, 2012, 11.10.2017).

The municipality carries out the administration of taxes on local taxes and fees

for municipal waste and small construction waste. In connection with the administration of real estate tax, the tax administrator is generally the municipality in whose territory the real estate is located. In the case of other local taxes, the principle is that they are managed by the municipality that introduced them, since the establishment of the type of tax is always the matter of a particular municipality. A special case is the city of Bratislava and Košice, where the local taxes and local tax administration are carried out by the city districts. However, the charges of such performance must be laid down in the city's statutes. Other natural or legal persons may not be entrusted with performing such a task. The Local Taxes Act and the Municipal Waste and Small Waste Building Tax Act gives municipalities a broad right of tax administration. In the first place, the right itself has to determine the type, amount and possibility of reducing or forgiving the tax or the fee. At the same time, the Tax Code allows communities to forgive or reduce the sanction imposed in connection with the execution of the tax execution at the tax debtor's request. The municipality carries out all decisions related to local taxes through a generally binding decision (Babčák, 2012, pp. 348-349).

In order to be able to use local tax revenue and include it among city revenues, the municipality must decide at an early stage which local taxes to collect in its territory. This decision is made by a generally binding regulation. The proposal for a regulation with established tax types must be published by the municipality on an official board of the municipality or on its website for at least 15 days before the day of the proposal's discussion by the General Council. After the announcement, a 10-day deadline for comments by individual and legal persons comes into effect. The regulation is announced on the official board and expires on the 15th day of its entry into force. By this generally accepted regulation, local taxes become obligatory and legal consequences become valid (Paulíčková, 11.10.2017). Subsequently, the municipality as a tax administrator is entitled to levy a tax through the payment order and the tax is payable within 15 days of the effective date of the payment period. However, tax administrators may charge tax at any time during the year, but the tax rate is always the same as of 1 January of the tax period.

The municipality generally expects a certain amount of revenue after the local tax has been introduced. In practice, however, there are situations where the actual yield is less than expected. The reason for this may be the failure of taxpayers to meet their tax obligations. In this case, the municipality is forced to use repressive instruments to recover unpaid taxes. The process of enforcing tax arrears is quite complicated and municipalities can not always deal with it. However, there are several ways to achieve the set goal and which is not so overloading for the community.

### **1.3 Recovery procedure performed by the municipality**

Tax arrears are defined by the law of the National Council of the Slovak Republic no. 563/2009 Coll. on the Tax Administration (hereinafter referred to as the

Tax Code) as the due amount of tax after the due date. The occurrence of tax arrears is the result of non-payment of tax and the tax entity becomes a tax debtor. It is the duty of the tax administrator - municipality to reclaim tax arrears in the manner and procedures according to the above mentioned regulation. The municipality can use the following methods to recover arrears:

1) Publishing a list of tax debtors - in this case, it places pressure on the debtors, which breaks the tax secrecy in order to create social pressure on taxpayers. The municipality within the meaning of §52 par. 2 of the Tax Code is entitled to publish a list of 3 types of debtors:

- (a) taxable debtors as of 31 December of the previous year for which the aggregate amount of tax arrears exceeds 160 euro for individuals and 1,600 euro for the legal entities
- (b) taxable persons who, in the calendar year preceding the year in which the lists are to be published, was allowed to postpone the payment of the tax or allowance in instalments exceeding 160 euro for individuals and in the case of a legal entities 1,600 euro,
- (c) taxable persons who, in the calendar year preceding the year in which the list is to be published, have been granted relief or forgone tax arrears, indicating their amount.

The list includes the debtor's basic identification data and the amount of tax arrears.

2) Call to pay tax arrears - If the taxpayer has not paid the tax within the prescribed period, the municipality is entitled to call them to do so within a substitute period. However, the period for paying may not be shorter than 15 days. At the same time, the taxpayer must be warned about the consequences of non-compliance in the notice within the new time-limit. However, this tool is optional and the community may or may not use it. However, it may be considered as a final notification of non-compliance.

3) Liability Law Institute - Pursuant to the Civil Code, a lien is required to be understood as an absolute right in the nature of a claim, including its accessories, with the ability of a pledgee to satisfy its claims or to claim receivables from the subject of the pledge. The essence of this function is to provide the municipality, as a pledgee, with some certainty for obtaining tax arrears, and at the same time, by creating an advance, it puts pressure on the debtor to settle its debt. By exercising the payment function, the pledgee, i.e. the municipality, is entitled to claim the satisfaction of its claim directly from the subject of the lien. The right of restitution is established by municipal decision, in which it must be clearly marked if the right of lien serves to secure tax arrears, tax receivables or future tax receivables. At the same time, in this decision, the receivables must be clearly and

precisely identified and it must also include a prohibition against the tax debtor or sub-lender with the subject of the lien without the prior consent of the tax administrator. In this case, there should be no doubt or change in the subject of a deposit that could lead to the cancellation of the lien. The basic condition for the application of this type of arrears in municipalities is that the tax debtor owns the subject of the receivables. It follows from the foregoing that the existence of the taxpayer's right of ownership for the receivable is decisive, even if the subject of the lien in the future arises or its creation depends on the fulfillment of a certain condition. Among the objects for which the lien can be applied include movable and immovable property, flats and non-residential premises, rights and other property values, a set of things, rights or other property values, an enterprise, its part or other collective thing (Rudíková, 2012, 12.10 .2017). Under the Tax Code in paragraph 81 section 9: If the tax debtor fails to cover the costs of securing the tax arrears, the tax administrator is entitled to recover them in the tax execution.

4) Tax Execution by Wage Reductions - The tax administrator can execute the tax execution by deductions from salaries and other income, by demanding the receivables, the sale of movable and immovable property, the cash withdrawal and other things not subjected to sale, the sale of the securities, the enterprise or its part, by affecting the property rights associated with the share of the shareholder in the company. The municipality as a tax administrator is entitled to use all of the above methods of execution, but in view of their difficulty, the most often used are the deductions from wages and other income. The tax deduction from wage deductions can only be done by the municipality. Whether such a person actually exists is verified by the municipality at the Social Insurance Office. The municipality in recovering arrears in tax execution must take into account the fact that the taxpayer is entitled to a wage, salary or other income, and therefore the municipality may not penalize the salary, salary or other income itself. At the same time, all the types of benefits and compensations of the debtor obtained from the state social system are exempt from the law of the municipality for the tax execution. The actual execution of the tax execution by deductions from wages and other income starts with the issuance of a decision by the municipality to initiate this type of procedure. The peculiarity of the decision is that it is not delivered to the person from which the tax debtor is entitled to obtain the wage, salary or other income. This decision will only be put into the file by the municipality and the payer of the salary or other payer will receive a notice of the tax execution of his employee. Such notification must comply with all statutory requirements as the date of commencement of the execution, the identification of the debtor, and the instruction on the duty of confidentiality and the consequences of the violation. The notice is delivered to one's own hands and, if the debtor is entitled to a wage, salary or other income from the multiple payers, the decision is delivered to each of them. Subsequently, the municipality, upon receipt of the notice, issues a tax execution notice, which will be delivered only to the debtor. The debtor is entitled to appeal within 15 days, and his appeal has a suspensive effect. The suspensory effect

means that the enforcement of the tax execution will not take place unless the appeal body decides on the matter in question. The tax execution continues in the municipality by issuing a tax execution order. The order includes the obligations of the debtor and the payer of the salary, as well as the instruction for taxpayers, together with the obligation to maintain confidentiality and the consequences of violations are also mentioned. A tax order is delivered to the debtor and payer in their own hands and, from the date of validity, the payer is obliged to deduct from the employee's wage the specified amount. However, when wages are deducted, it is necessary to take into account the preservation of basic living conditions. The minimum wage stipulated in Government Ordinance no. 268/2006 Coll. on the extent of wage deductions in the execution of a decision as amended by Government Order no. 469/2008 Coll., limits the extent of the deductions from the compulsory wage. If a payer of wages, salary or other income fails to fulfil the obligations under a tax execution order, the municipality is entitled to sanction it by imposing a fine in the range of € 60- € 3000. If a payer fails to enforce wage deductions, the municipality may recover sums to be credited and paid directly from the payer but always up to the amount of arrears of the tax payable to the tax debtor concerned (Rudíková, 2012, 11.10.2017).

5) Tax Execution by Issuing a Receivable from a Bank Account - as Babčák (2005, pp. 268 - 270) states, the tax administrator issues an order similar to the one in the previous case. The bank freezes the cash account or the accounts of the tax debtor, to make it impossible to dispose of the funds on this account. The receivable is debited from all accounts of the debtor held in one or more banks and is shown on the account of the tax administrator. The municipality has the right to claim by means of a bank account receivable, even if the owner of the account is the spouse as long as there is the co-ownership of the spouses. However, this does not apply if the spouse of the tax debtor proves that the money collected does not belong to the spouse's co-ownership. The municipality will decide whether or not to enforce the tax execution to the relevant bank to freeze funds in the bank account up to the amount of the arrears. The same procedure will be applied by the bank if the debtor's funds are deposited in the account gradually. Frozen funds of the debtor will be sent to the account of the tax administrator with the consent of the municipality as a tax administrator. As in the case of tax execution by deductions from wages, it is not possible to execute the means of securing basic living needs. In principle, those are the social benefits. The same principle applies to the funds from the state budget, the EU budget or the funds constituting the special reserve according to the Act on waste management from the mining industry. For such types of funds and their amounts, the tax debtor is obliged to submit a written notice to the bank (Babčák, 2012, p. 618). At the same time, the tax execution is not subject to cash on a individual person's account up to € 165, even if such amount would be cumulative on multiple bank accounts. The municipality is in such a situation obliged to determine from which account and bank in which the amount of 165 € will not be deducted. At



the moment of payment of the owed amount as a whole or part thereof, the municipality shall issue a decision to stop the tax enforcement procedure. Consequently, after the effective date of this decision, the bank unfreezes the bank account or accounts of the tax debtor (Rudíková, 2012, 12.10.2017)

Under the Tax Administration Act, other forms may also be used in the tax execution:

- sale of movables,
- withdrawal of cash and other things that are not sold,
- sale of securities,
- sale of real estate,
- sale of a business or part thereof,
- by affecting the property rights associated with the share of a shareholder in a commercial company (Babčák, 2005, pp. 264-265).

Due to the fact that the tax execution represents a significant interference with the life and rights of the taxpayer, it is necessary to observe several principles in its implementation. At first, the tax administrator is the only person entitled to recover the arrears in the tax execution procedure. Tax execution can only be started and executed ex offio. The tax administrator is required to verify the fulfilment of the conditions prior to the commencement of the tax enforcement procedure. The tax execution is carried out by the trustee in accordance with the Tax Administration Act and only in the prescribed manner. The tax execution must have a reasonable scope, the tax debtor must not be interchangeable, it has priority over other enforcement proceedings and is inadmissible for a third party (Babčák, 2010, pp. 586).

#### **1.4 Analysis of the Rate and Effectiveness of Tax Arrears in the District Cities of Košice Region**

In its Annual Activity Report, the financial report of the Slovak Republic regularly shows the level of arrears of central taxes (Chart 1). It uses the data provided by the tax and customs authorities and can also quantify the number of acts of executors in the matter of recovering tax arrears. Demonstrating the level of arrears at the level of local government is quite demanding. Each municipality levies different local taxes, has different rates, and approaches to recover tax arrears. At the same time, these data are not reported e.g. in the annually published result of the management of towns and municipalities in the Slovak Republic. For this reason, it is not possible to comprehensively assess the state of arrears of local taxes throughout the state. For the purpose of fulfilling the objective of the submitted contribution, two districts of the Kosice region were selected as a sample to demonstrate the possibility of measuring the effectiveness of local tax administration. Both cities regularly show their arrears on local taxes in their final accounts, which made it possible to compare them with each other.

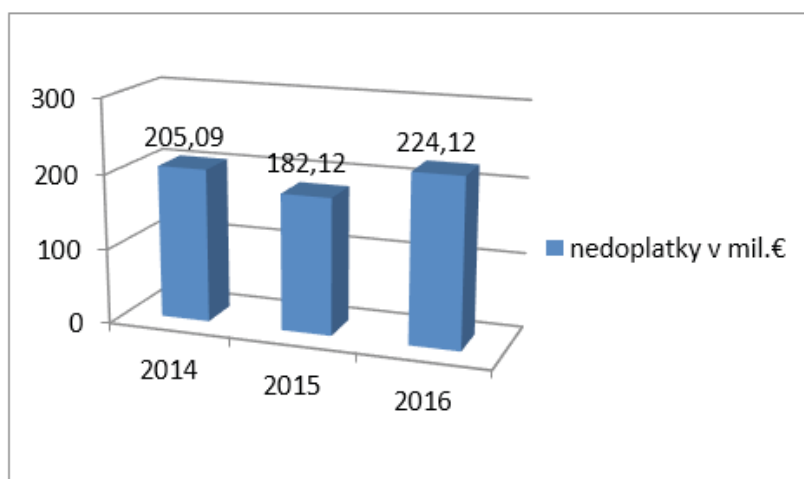


The effectiveness of local tax administration was assessed on the basis of indicators:

$$\text{rate of local taxes arrears} = \frac{\sum \text{the local taxes arrears}}{\text{local taxes incomes in a year } X}$$

Compilation data (Table 1) were obtained from the final accounts and annual reports of the two sites surveyed between 2012-2016.

Chart 1 Amounts of recovered and paid arrears in individual years



Source: Ministry of Finances, SR, Annual Report on the Activity of the Financial Report for the fiscal year 2016

Table 1 shows that tax revenues in both cities exhibit an increasing character over a long term basis. The year-on-year increase in tax revenues is 7.36%. A large impact on the annual growth of tax revenues has a varying percentage of personal income tax that flows into municipal budgets. In the current period, it is 70% of the total volume of the taxes recovered from individuals. At the same time, it is possible to declare that local tax revenues also increased in the surveyed cities. The final accounts show that the cities have collected increased funds per year from the use of public space and real estate tax. The revenues from the municipal waste tax grew as well. On the other hand, the arrears of local taxes increased. The development of arrears is illustrated in Chart 2. In the years under review, both cities have incurred arrears in particular on the property tax, dog tax and municipal waste tax and small construction waste.

Table 1 Overview of income, arrears and arrear rates in Gelnica and Michalovce for 2012 - 2016 in €

City		Year				
		2012	2013	2014	2015	2016
Gelnica	Tax revenues	1 569 439	1 553 011	1 624 831	1 847 332	2 086 112
	Income from local taxes	164 723	180 162	179 731	212 046	240 602
	Tax arrears	117 300	137 900	135 920	1 2 8 318,08	2 0 6 167,62
	Rate of tax arrears	0,71	0,76	0,75	0,61	0,86
Michalovce	Tax revenues	11 546 895	12 232 409	12 817 331	13 934 974	15 397 081
	Income from local taxes	3 073 427	3 215 310	3 212 874	3 113 193	3 397 298
	Tax arrears	1 309 368	1 348 949,9	1 384 211,1	1 470 026,4	1 422 509,2
	Rate of tax arrears	0,43	0,42	0,43	0,47	0,42

Source: Final accounts, annual reports of Gelnica and Michalovce for the years 2012-2016

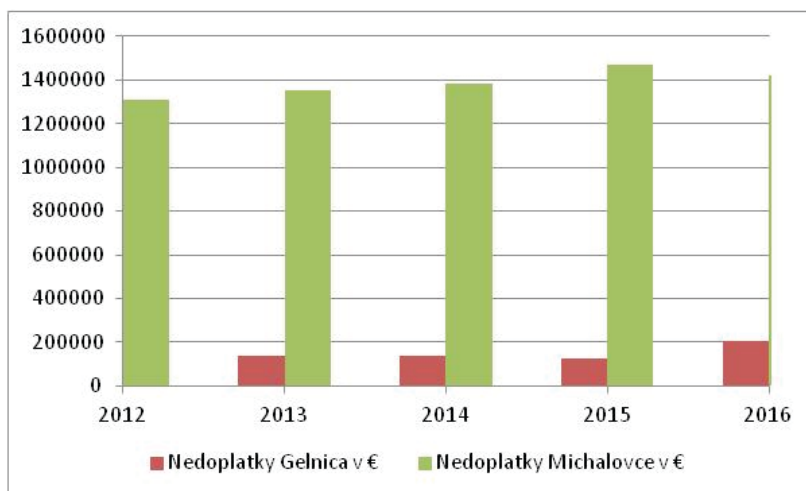
The recorded arrears ratio in Gelnica was 0.61 - 0.86 for the years under review. In Michalovce, it ranged from 0.42 to 0.47. Our analysis shows that in Gelnica the ratio between the arrears and the level of the income from mild taxes is more volatile than in the town of Michalovce. It is important to emphasize that past arrears are also inclined/distorted in the total amount of arrears, which prevents an objective assessment of the actual increase in the arrears of the current year. From this point of view, it would be beneficial if the cities in their closing accounts indicated the state of arrears from the given calendar year separately from arrears taken from previous years.

Based on available data from both cities, it can be concluded that Gelnica has a high rate of local tax arrears, which must have a significant negative impact on its management. At the same time, we believe that Gelnica does not use their tax arrears tools effectively, since their amount is high every year. From publicly available documents, it is clear that both cities use tax execution to recover their arrears. The indicator of the effectiveness of the tax execution is the ratio between the total amount of arrears

received from taxpayers and the total amount of arrears in the self-government.

$$\text{Effectiveness of tax execution} = \frac{\sum \text{Amounts of paid arrears}}{\sum \text{Amounts of recovered arrears}}$$

Graph 2 Development of arrears from local taxes in Gelnica and Michalovce from 2012 - 2016 in €



Source: Final accounts, annual reports of Gelnica and Michalovce from the years 2012-2016

The success of the implementation of debt recovery tools in the local self-government is then reflected in the result of its management. If a municipality or city is able to effectively recover its claims against debtors, the risk of debt, inability to repay its obligations, or to fulfill its competencies is reduced. In Table 3, the quantified indicator of the effectiveness of the tax execution for the examined cities in the years under review is shown. From the results it follows that Gelnica did not publish the amount of arrears accumulated in its final accounts in 2012-2014. In 2015, the city declared that it has managed to recover a certain amount of arrears, but without a numerical expression. In 2016, city was reimbursed € 25,032 through bailiffs. On the contrary, the City of Michalovce regularly publishes the amount of income from tax arrears obtained through executors.

Table 2 Effectiveness of tax execution of the city of Gelnica and Michalovce from the years 2012-2016 in €

City		Year				
		2012	2013	2014	2015	2016
Gelnica	Tax arrears	117 300	137 900	135 920	128 318,08	206 167,62
	Σ recovered arrears	-	-	-	-	25 032
	Effectiveness of tax execution	-	-	-	-	0,12
Michalovce	Tax arrears	1 309 368	1 348 949,9	1 384 211,1	1 470 026,4	1 422 509,2
	Σ recovered arrears	355 447,16	162 017,51	576 205,64	421 806,63	228 638,64
	Effectiveness of tax execution	0,27	0,12	0,42	0,29	0,16

Source: Final accounts, annual reports of Gelnica and Michalovce from the years 2012-2016.

The ideal state of recovery of arrears on local taxes would be to achieve values for the indicator of the effectiveness of the tax execution at level 1. In such a case, the self-government would recover all or almost all arrears. The city of Michalovce was the most successful in the execution proceedings in 2014. This year, € 244,057 was recovered from arrears on property tax, € 498 from the arrears of the non-winning game machines, the tax for canines was 770.42 €.

The significant balance of arrears of the accommodation tax was reduced by € 7,864 through execution. The highest amount of arrears was in Michalovce, from a fee for municipal waste and small construction waste, which was equivalent to € 323,016.22. In general, it can be concluded that the city of Michalovce achieves relatively satisfactory values for the effectiveness of their tax execution. However, it is not possible to ascertain from the available data whether or not the arrears were incurred in a given financial year or from previous periods. In this respect, it would be interesting to examine the annual efficiency, i.e. how many arrears of local taxes in Year X were recovered in the same year and became revenue for the city budget. Cities do not have such data in their accounts, so closer cooperation with both cities would be required.

Tax execution is a tool that is relatively often used in both cities. While small municipalities have less repressive instruments in recovering arrears of local taxes, these tools would be less effective in cities. Given that, based on published data, we found that cities have tax receivables in particular against business entities, thus tax execution

would be a suitable instrument to achieve the objective. The publishing of a public list of debtors or the call for tax payment would be less radical mechanisms to recover arrears from these entities. However, the disadvantage of execution is that it is relatively time consuming and costly.

## CONCLUSION

In every developed country, taxation is a necessity that ensures the state's functioning. A democratically functioning state must also have in place tax rules to make tax payments financially bearable, neither financially harmful, nor should its citizens be reluctant to pay. At the same time, the citizens of the respective state must know their rights and obligations in the field of taxation. If this is the case, ideally all taxes would have been filled in on time and at a fixed rate. In practice, however, there are cases where, after the tax has been levied, it is not collected for various reasons. The taxpayer fails to comply with their tax liability towards the tax administrator and become tax debtors. In such cases, the tax administrator is forced to issue a notice of tax evasion.

Tax collection at a local level is a challenging process. Based on the ideas of fiscal federalism, municipalities are the closest entity to citizens, recovery of arrears is thus more complicated. In a small village, the links are much stronger, the mayors are sufficiently familiar with the social and financial situation of their inhabitants, making their status as a tax administrator difficult. On the other hand, the same applies to everyone. For this reason, in practice, municipalities and cities in the field of tax administration have the tools to meet tax obligations in a way that would not be harmful to the populace. As a rule, if there is a situation where the citizen is not able to pay their tax, the municipalities attempt to reach a mutual agreement in the form of repayment schedules or tax credits.

Recovery of tax liability through tax execution is one of the last instances in which the administrator seeks to force the debtor to directly pay the tax. Tax execution is a complicated, lengthy process with unclear results. At the same time, the benefit to the municipal budget must be managed efficiently.

Based on our analysis, we found out that the arrears rate is relatively high in the case of the surveyed cities. Gelnica had a higher arrears rate than the city of Michalovce. The reasons may be due to different economic conditions, the social composition of the population, the financial situation of the population or the number of business entities. In both above mentioned cases, tax execution was also carried out as a means of recovering arrears of local taxes. In the case of the town of Michalovce, we have concluded that the effectiveness of their tax execution is adequate to the city's potential of recovering arrears. In the case of Gelnica, due to the lack of data on the arrears accumulated, it was not possible to measure their effectiveness.

In any case, it can be said that tax execution has its merits and helps municipalities and cities to obtain outstanding funds. However, it remains crucial that the municipality

is able to recover the arrears and that the costs incurred for its execution will not exceed the resources recovered.

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### **HALACHOVÁ, MAGDALÉNA – ROVENSKÁ, DENISA: VIRTUÁLNE A REÁLNE PROSTREDIE DOSPIEVAJÚCEHO**

Košice: UPJŠ, 2017, 62 s.

Both authors of this monograph (Mgr. Magdalena Halachova, PhD. – Mgr. Denisa Rovenska, PhD.) have long been interested in exploring the interests of young people in the context of a modern, predominantly mass-communications and technological society. Both authors perform their research under the guarantee of the University of Pavol Jozef Safarik in Kosice, at the Faculty of Public Administration and the Faculty of Philosophy. The presented publication deals with the role and importance of the virtual environment in the context of education, behavior and possible impacts on the children. The authors consider the target group to be those aged 11-15 years, terminologically considered by the official common psychological classification as „adolescents“. The monograph maps the relatively current issue of using the Internet in terms of a mass increase in its relevance to the target audience. The research target group (often seen as an object of the survey) “lives” in both real and virtual environment and uses the virtual one not only for private but also for educational purposes. The title of the publication itself very well reflects the intention to compare and map the virtual and real aspects of the life of the teenage child (“adolescent”) in the context of possible social and psychological influences. The aim of the research is consistently monitored and fulfilled by the authors throughout their work. It is interesting to follow the individual from the point of view of his personal background and at the same time as a member of the society in which he or she might create relationships in the comparison of reality and the virtual environment. The authors completely fulfilled this intention.

The publication consists of four logically separated chapters, but considering its main practical purpose and use we may divide it into two main parts. In my reviewer’s view, the first part deals with the theoretical background and is divided into three logically sequential chapters. The authors present relevant theoretical and empirical bases and findings from national and foreign literature sources on the key topics of the area under consideration (cyberbullying, internet addiction, etc.). The second part presents a “guideline” to the practical implementation of the specific activities presented by the authors within the described case studies, and

this is where I see the dominant contribution of the monograph for both public and professionals. From my point of view, the chapters 3 and 2.1 are of most importance. The authors present the results of the research on correlation between the problematic use of the Internet and other selected factors, such as the social support or personal assumptions and characteristics of the individual. In the last chapter, a set of various activities is presented in order to minimize the possible negative effects of the virtual environment on adolescents. The practical tasks of self-discourse, reflection of own opinions, attitudes and emotions, development of social competences or interpersonal relationships are presented in this part of the monograph and allow a further discussion about the issue. These individual case studies (described in the last chapter) are specifically presented and plainly explained to ordinary readers. On the other hand, the variability of possible solutions provides an open space for further discussion among the professionals.

The way of writing and the style of writing is professional, but still very easy to read for the public. All relevant information is provided in a simple understandable way for an expert, an impartial reader and a target group of adults, despite the fact that the authors refer to the scientific knowledge and findings from the complex expert research and analyses. It is praiseworthy that the authors managed to present the scientific and technical terminology so logically and comprehensibly in this publication which enables a common reader to understand all the presented information. Despite the limited scope (62 pages), the publication is meaningful and presents many benefits for the professional public society.

The benefit of this publication is undoubtedly in describing and presenting the most obvious and identifiable possible risks that the Internet time brings to the group of adolescents. I personally see a high added value in the described set-up of the educative methodologies, which use is of great potential in the praxis. If performing and training all described activities with the adolescents in praxis, we might achieve a very effective functioning in interpersonal relationships as well as a secure administration in the virtual environment of the Internet.

The content, scope, character and formal criteria of this publication correspond to the requirements for inclusion in the category of monographs. The reviews of experts in the field of sociology, psychology and social work prove that the publication deserves the attention and is of much importance to society. I evaluate the publication very positively and surely recommend it to both the public and professionals.

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## **KBÍLÝ, JIŘÍ ET AL.: THE EUROPEAN UNION AT THE CROSSROADS: CHALLENGES AND RISKS**

České Budějovice: College of European and Regional Studies, 2017, p.136.

The European Union currently represents the most important integration unit within the European region. The greatest importance of the Union lies in a peaceful coexistence of individual states and nations since the end of the World War II., which we can objectively evaluate as a positive element. It is the tragic war experience in this geopolitical area that has become the main prerequisite for the application of theoretical definition of a unified Europe in practical policy. The foundation of the European Coal and Steel Community as a forerunner of European Union in 1951 became a significant milestone in formation of a common model of governance. Although initially it was about sharing two selected commodities within a limited number of six counties, the integration process deepened significantly during its development. Currently, the degree of integration is at the highest possible level in history, as the twenty-eight countries create a mechanism of common management in a number of policies. The dynamic development of deepening of the integration process, however, also reflects in strengthening of disintegration tendencies. In recent years, more and more critical views on the functioning of the European Union can be heard from political figures of individual countries or directly from their citizens. Most frequent is the argument of weakening of national states, which can ultimately lead to the loss of their sovereignty. The primary question is whether the current adjustment of the European Union mechanism does not create a deficit of democracy and violate its base democratic creational feature. This is the context in which the European Union is being observed within the publication that we have chosen to review. The very name of “The European Union at the Crossroads: Challenges and Risks” reflects that. The title of the monograph clearly demonstrates that the current stage of development is considered by the authors to be crucial in terms of the further existence of the Union.

The publication was written by a group of the twenty-six authors, the central author of which is professor Jiří Bílý from the Department of Legal and Security Studies at the College of European and Regional Studies in České Budějovice. The team of authors is composed of members of various scientific departments and universities in Czech Republic as well as in Slovakia, which highlights the professional side of the book. The content of the publication brings specific views on the European community crisis, which is reflected in the assessment of several critical segments. The characteristic feature is a broad spectrum of findings that

can lead the reader to create his or her own opinion. The monograph deals with a wide range of problems in current European Union, starting with the migration crisis, relationship with Turkey, ending with the views on minorities in Czech Republic and Slovakia, or the possibilities of expansion to the Balkans. The diversity of authors and topics is also reflected in the use of language in which the monograph is written. There is no one language determinant, as some parts are in Czech, some in Slovak, and the last subchapter of the monograph is written in English. Since the publication is addressed to the professional audience, readers should not have any problems with this aspect. The monograph is divided into three equivalent chapters, each of which deals with the specific issues within the subject matter. In some parts, however, the issues overlap.

The first chapter is generally defined as “Problems and solutions of European integration”, which is reflected in relatively wide content focus of this section. It is divided into six subchapters, each of which examines a specific element of the European Union. The introductory part deals with a basic question of what should be managed at the level of the Union and what should be left for the national states to decide on. In these intentions, the whole process of development of the integration community, from the creation of European Coal and Steel Community to the present state, is analyzed. The subchapter thus introduces the issue basing it on historical development. In the second part, the European Union’s foreign policy with an emphasis on European neighborhood policy is being evaluated. The author, on the basis of facts, emphasizes its importance for maintaining relations with surrounding countries. Particular attention is paid to the regional initiative of Eastern Partnership, which aims to cooperate and define relations with countries of the former Soviet Union. It also stresses the important role of Slovakia, while considering the future role of this policy. The third part is devoted to the accession process of Montenegro, which is considered to be most prepared among the Balkan states. The success of this young country is declared by a completion of the process of entering the country into NATO. An important question of relationship between the integration process of the European Union and NATO and whether they influence each other is also opened there. It is on the example of Montenegro that Russian interests are shown, with Russia trying to maintain its position in the geological space of western Balkans. After Montenegro’s entry into NATO, Russia has lost an access to the Adriatic Sea, as two major ports have become part of this integration group.

The relations with Turkey and the position of the United Kingdom in the light of the successful referendum on leaving EU are also considered as significant problems of the current European Union. The issue of Turkey and its accession efforts are a cause of intra-EU inconsistencies for many decades. The representatives of individual countries have a different view on whether or not Turkey belongs to the integration community, given the specific historical,

geographical and cultural attributes in particular. The authors quite rightly note that this is the case in which the deficit in decision making within the European Union manifests. They even point to a change in the positions of the member states over the last twenty years, as the view of the issue has changed with the exchange of political leaders. The objective of the subchapter is not to favor one opinion but, on the basis of the assessment of individual aspects, let the reader to get a better idea of the issue. In the same way, the United Kingdom is also inspected after the positive outcome of the referendum on leaving the European Union. In the publication, the development of individual events is very thoroughly evaluated, and the authors try to clarify and explain all these actions in broader contexts. Events from the United Kingdom are considered to be a threat to the European Union also in terms of amplifying negative moods throughout Europe. The rise of anti-systemic political parties is the evidence of this claim. France, Netherlands, Germany and Italy are defined as countries with the greatest danger of asserting such a political line. In this context, however, it should be noted that the publication was issued in 2017. This means that it was before a series of parliamentary and presidential elections in these important countries. On this basis, we can now judge to what extent these concerns have been justified. In neither country, however, these concerns have not been met. Marine Le Pen in France, Geert Wilders in Netherlands, or the political party Alternative for Germany were not able to gain any share of power. The only exception is Italy, where anti-system political parties have gained a very strong position. However, the Five Stars Movement and the Northern League have not yet been able to form a government.

The migration crisis is considered by the authors to be the biggest problem of the current European Union, which is reflected in the structure of the publication. A large part of the monograph deals with this issue from different perspectives. Within the first chapter it is related to the concept of multiculturalism as an ideology promoted in Western Europe after the end of the Second World War. The reader can thus learn about the nature of this concept, how it came about and what its specific elements are. The authors very properly put migration in the context of terrorism, since a large part of EU citizens consider terrorism to be the result of multiculturalism. "The Scarf Affair" in France in 1989 and 2007 is used as an example of the problem of coexistence of majority with Muslim immigrants. Even the idea that the vote of citizens in the United Kingdom for a withdrawal from the European Union was a result of not dealing with problems related to multiculturalism is mentioned in the publication. So most of the citizens of the United Kingdom voted for protecting their identity. However, such a perception is presented to the reader's reflection. Positive discrimination is also an issue that the authors deal with. The entire second chapter and part of the third chapter is also devoted to the migration crisis. The authors analyze it in various contexts,

presenting the possibilities of its solution. The protection of the external borders of the European Union is considered to be the most important element for optimizing the current situation. On one hand, the authors point to recent European Union measures, on the other hand, shortcomings of the whole system. The establishment of the European Border and Coast Guard is perceived positively, although it is problematic to define its competencies. The authors present specific suggestions for solving the crisis. The Australian model of migration policy is considered as one of the models. The primary elements of this model are based on the creation of detention centers for migrants outside the European Union. Thus, the police forces would be able to return migrants back to these centers. The authors try to compare the system of the European Union with the Australian model, identifying five kinds of obstacles: geographical, political, quantitative, financial and legal. The application of this model in the European Union is therefore rather difficult, as the European Union is not a single country but a union of 28 states. In the next section, the migration crisis is compared to the flow of illegal immigrants from Mexico to the United States and how the US administration is trying to eliminate this phenomenon.

The purpose of our review was not to inform about each part of the text in detail, but to put forward a comprehensive picture of the book and to show the reader that it is worthwhile to study the publication. The presented monograph deals with the current issue of the European Union crisis, giving several insights into the most significant problems of the present. Primarily, it should be emphasized that the publication is written by a team of authors from the university environment of the Czech and Slovak Republics. The broad-spectrum focus within the set issue provides the reader with the opportunity to become familiar with the complexity of the entire system of the European Union and the implemented policies. Criticism, however, is not the dominant feature of this publication. The authors try to outline possible solutions, defining the positive and negative aspects of these steps. The reader has the opportunity to create his or her own opinion on the issue based on presented facts. The publication is thus a suitable material for the professional but also for the general public.

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