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## Regional development strategy of tourism in Slovakia

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**Abstract:** This paper is dedicated to the development of tourism in the Slovak Republic. Slovakia is a relatively small country, but with a great natural and cultural potential. Unfortunately, the Slovaks do not apply this potential enough in greater satisfaction and attendance of foreign tourists, as well as the locals. We believe that services are generally not adequate to the tourist price range. The implementation of structural funds in Slovakia is also insufficient. Therefore, we think that the private and public sector should give more importance to theoretical and practical aspects of knowledge management.

**Keywords:** Slovakia, tourism, operational programmes, National Regional Development Strategy

**JEL Classification:** R11, L83

## Стратегија регионалног развоја туризма у Словачкој

**Сажетак:** Овај рад посвећен је развоју туризма у Републици Словачкој. Словачка је релативно мала земља, али са великим природним и културним потенцијалима. Нажалост, Словаци не користе довољно овај потенцијал за повећање задовољства и привлачење страних туриста, као и локалног становништва. Ми верујемо да услуге углавном нису адекватне опсегу туристичких цена. Имплементација структурних фондова у Словачкој, такође, није довољна. Према томе, мислимо да би приватни и јавни сектор требало да да већи значај теоријским и практичним аспектима управљања знањем.

**Кључне речи:** Словачка, туризам, оперативни програми, Национална стратегија регионалног развоја

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## 1. Introduction

The potential of tourism in Slovakia creates real conditions for the development of this sector. The tourism sector needs to be internationally competitive, including well developed management, quality of service, well-educated and qualified personnel in a clear coexistence and respect with natural and cultural values and heritage. All this should be supported by a coordinated marketing, promotion and presentation at all levels, taking all modern communication and presentation technology. Only in this perspective can tourism in Slovakia have stronger impact on the national economy, regional development, job creation, and not least on social and health area.

## 2. Tourism potential of Slovakia

Slovakia is a young middle European country with area 49,035 km<sup>2</sup> and population about 5,5 million of inhabitants (According to the census in 2009). The central and northern parts of the country are mountainous (Carpathian curve); lowlands (important agricultural areas) are typical of the South and the East. The most important Slovakia river is the Danube, which connects the capital city of Bratislava with two capital cities of neighbouring countries – Vienna and Budapest. The Slovak Republic has borders with five neighbouring countries: Hungary (679 km), Poland (597.5 km), the Czech Republic (265 km), Austria (127.2 km), Ukraine (98 km). Since 1.1.2009, Slovakia has been using EURO currency.

Slovakia is located in a good central European location with good travel connections by air, train, road, or boat. The scenery is characterized by unspoiled nature and a beautiful landscape. Slovakia has 9 national parks, 14 protected landscape areas with more than 40% of their territory forested, 12 underground caves open to the public with magnificent ice or stalactite formations (the remarkable Ochtinská aragonite cave, one of three such caves worldwide).

Bratislava, the capital, has in the last few years become one of the fastest growing new congress and conference cities in Europe. Bratislava has an excellent location – close to the borders of Austria, Hungary and the Czech Republic. There is a very good access from two international airports – Bratislava airport (15 minutes drive) and Vienna airport (35 minutes to drive along the motorway).

Cities and towns in Slovakia have rich historical heritage from all periods. Historical cities and towns are spread all over Slovakia. Many of them have precious historical centres, and 18 towns are listed as urban monument reserves. Historical cities and towns are suitable for teambuilding events and incentive tourism.

Distinctive living folklore, folk arts, ancient crafts and traditions differ according to the regions. Slovakia has tasty traditional gastronomy and excellent wines. “Bryndza” – soft cheese made from sheep’s milk – stands for a traditional Slovak speciality. Within the European Union it can only be produced in Slovakia and is distributed under the name “Slovenská bryndza”.

History, culture and heritage is characterized by 5 cultural and 2 natural sites on the UNESCO World Heritage List, 1 artefact of intangible cultural heritage – the *fujara* (a traditional musical instrument), 180 castles and 559 chateaux and manor houses, 10 open-air museums of popular architecture, 45 little wooden churches of 3 types (Gothic, Evangelical and of the East Christian rite), some built without using a single nail), numerous museums, galleries, and technical artefacts.

Slovakia is famous for more than 1,400 mineral and thermal springs, many with healing properties and 22 spa resorts offering complete medical care treatments based on mineral

and thermal waters. These facts create excellent conditions for enjoying active holidays in summer and in winter, e.g. more than 40 well-equipped ski resorts with 7 five-star ski resorts, 12 golf resorts, marked cycling tracks, mountains suitable for hiking, trekking, mountaineering, rivers and lakes suitable for water sports.

Busy cultural and social life is not limited only to the capital. You can be pampered at the Slovak spas. You can feel the unforgettable adrenaline buzz in the mountains both in winter and summer. Marvel at the natural and cultural UNESCO world heritage sites; savour every mouthful of the countryside. Get this experience at one of the upcoming events in Košice – European City of Culture 2013.

Slovakia belongs to countries with many cultural, historical and technical monuments and natural beauties and attractions:

- The largest medieval castle complex in Central Europe – Spiš Castle (40,000 m<sup>2</sup>).
- The most extensive underground facilities in Central Europe – the cellars under the Red Stone Castle.
- Late Gothic wing altar with the largest collection of 48 window paintings on its wings in Europe – main altar of St. Elisabeth in St. Elisabeth's Cathedral in Košice.
- The northernmost place in Central Europe that the Roman legions reached – City Laugaricio, today known as Trenčín.
- Top Celtic oppidum in Central Europe – from the second century BC, located on the Bratislava Castle Hill and encroaching on the territory of today's Old Town.
- Largest wooden Gothic altar in the world – the main altar by master Pavol in St. James's Church in Levoča.
- Oldest art memory – statue of Venus (made from a mammoth tooth), 22,800 years old.
- The most extensive karst area in Central Europe – Slovak Karst (440 km<sup>2</sup>).
- The largest ice cave in Slovakia and one of the largest in Europe – the Dobšinská Ice Cave.
- The largest river island in Europe – Rye Island (132,612 ha) lying between the Danube river and its left arm.
- The only aragonite cave in Europe – the Ochtinská Aragonite Cave.
- The oldest mining university in Europe – the Mining School in Banská Štiavnica (founded in 1735).
- The oldest continuously operating manufacturing factory in Slovakia – the Kremnica mint, founded in 1328 and it belongs among the longest active mints in Europe.
- Museum of Modern Art, Andy Warhol, Medzilaborce – unique in Europe (Slovak Tourist Board, 2013).

### **3. The priorities of Slovak tourism development and the strategy of regional development in Slovakia**

When making decisions about investments, it is important to have material knowledge of real estate, good analysis of conditions, program of realization, plans of continual drawing of sources and professional training of managers – knowledge management. Only thus later faults and consequences in financial economy of tourism enterprises can be prevented. Systematic education of managers has an influence on improvement of the quality of investments decision-making, and it motivates managers to innovations, modernization, and improvement of the quality of products and services (Janovská, 2002).

Yet, the investments, research and development in tourism are not the only priority of private company management, but it also should be the priority of non-profit organizations, associations and state government.

According to The Slovak Tourism Association, we can introduce several priorities for Slovak tourism development (The Slovak Tourism Association, 2011):

- I. Continue to unleash the relevant operators in the Slovak tourism industry, including regional tourism organizations in Slovakia to cooperate for sustainable development of tourism in Slovakia.
- II. Active use of the legislative process both at the national level as well as at Community level in order to:
  - highlight the position of tourism,
  - support the development of tourism,
  - consumer protection,
  - balance the position of businesses and consumers in tourism,
  - take into account the seasonal nature of tourism,
  - comply conservation and optimal functioning of tourism,
  - active and effective protection of listed buildings in terms of tourism.
- III. Advocates the creation of a favorable business environment, the adequacy of contributions and tax obligations of businessmen and improving business conditions.
- IV. To promote the empowerment of tourism as a separate category of economic activity in representative and executive corps and actively participate in their scope. Plant to the equivalent position Slovak Tourism Association as a representative of employers engaged in activities related to tourism.
- V. Encourage the establishment of systematic and interrelated state tourism policy instruments in the functional state and its promotion of stable funding. Actively communicate with the STB in order to improve the presentation of Slovakia abroad as an attractive tourist destination.
- VI. Actively influence of the improvement friendly visa policy for third countries to allow them to visit and stay in the Slovak Republic and thus contribute to a better image of Slovakia as an interesting tourist destination.
- VII. Initiate a project to support the participation of indigenous people in tourism in Slovakia.
- VIII. Together with the competent authority of the executive to promote The National quality program services and education in tourism and to encourage discussions about defining the position of tourism in the preparatory negotiations for the new programming period of the structural funds spending.
- IX. Promote the entry of businesses members of the Association of tourism SR in the process of establishing regional tourism organizations in accordance with the terms of the promotion of tourism.

### **National Regional Development Strategy in Slovakia**

To fulfill the priorities we need to have a functional strategic policy. National Regional Development Strategy adopted by the Government Resolution no. 296/2010 for Tourism states the implementation of the promotion of employment in tourism. This will require closer cross-sectoral and cross-sectoral cooperation. This document is a factor in the development of all regions in Slovakia ranks and tourism.

Municipalities and cities can contribute to the effective reduction of regional disparities and positively promote economic growth across the different parts of Slovakia. Another area that

requires addressing priority in tourism is insufficient use of new information technologies (e.g. tourism booking system (including at regional level), the lack of coherence of the tourist information centers, etc.). Within the priorities and objectives of the strategy for the development of Slovak regions, Slovakia notes that in services and tourism it can especially be expected an improvement of the quality of services, customer care and better and faster e-communication between customers and service providers. Service providers should expect a better language skills and organization of services.

### **Education and human resources in tourism**

Human resources represent an important and irreplaceable item for the tourism development. The quality of the services is closely linked to the quality of staff. A well prepared and qualified employee is competitive and they are easier capable for the labor market. Therefore, the tourism development has a direct impact on educational structure of the population. People with higher education can more easily find employment in the labor market.

Tourism is a sector of the national economy, integrating various services in the labor market. It offers not only graduates who have completed the curriculum / course of study preparing for work directly in tourism (e.g. hotel academy, tourism, services tourism, cook, waiter), but also graduates who have completed specialized focus on the economy, trade and business.

The importance of secondary vocational education lies in the fact that in addition to the relationship of secondary vocational schools and employer, it creates the conditions for entry of businesses in the vocational education and training.

Tourism development is needed in addition to prepare skilled graduates, facilitate and encourage professional training of employees of tourism, in particular within lifelong learning through continuing education. Importance of lifelong learning lies in the fact that we can predict the demographic decrease of the number of students. This decline may have a significant impact on the lack of secondary and higher education.

### **Quality of tourism services**

Unfortunately, Slovakia has a very variable quality of tourism services. Together with the inadequate pace of innovation, this fact can be considered as one of the barriers to the competitiveness and development.

We need to notice that the global trend is to remove all barriers and to create conditions for people with limited mobility and orientation. This trend comes from the legislation in the European Union in all areas of service performance. It lays down details of the general technical requirements for buildings used by persons with reduced mobility and orientation. If accommodation service does not provide even the basic requirements for the following disadvantaged, it disables access to facilities, while ensuring seamless access and movement of these people today should already be obvious.

Based on the foregoing, it should be noted that tourism businesses in Slovakia lacks a comprehensive quality management system, respectively systematic approach to quality management. Therefore, it is necessary to adopt a national system of quality tourist services. Quality management system envisages the establishment of rules (orders), which will result in satisfied customers and motivated employees. It is necessary to introduce quality mark, shape classification system, which will help to inform consumers about the real quality of the hotels, restaurants and other tourism services, to enable consumers to navigate and

decide, but also to motivate the providers to improve the quality of tourism; establish standards that owners will have a particularly will to try to achieve, maintain and to invest. Entry to the quality system should be voluntary, it should be bound to purchase a license for the same fee. There is a need of certain motivation from the state (government), as well. The motivation should be represented by various advantages (e.g. easier access to state financial support, free advice, discounts on certification preference in choosing partners for exhibitions and trade fairs, etc.). In implementing such a system in Slovakia, it is necessary to use the experience and knowledge of the countries, where the system is already established (introduced), such as in Spain, Switzerland, Germany or the Czech Republic. How useful is doing so seems option to purchase an appropriate license.

### **Promotion and support of tourism from the European Community**

The National Strategic Reference Framework for the years 2007 – 2013, as the base document for the disbursement of the European Communities, addresses the promotion of tourism in the three operational programs. At the same time within other operational programs, the framework allows withdrawal of funds for tourism at the project level. Under the different programs, the status of implementation till the first half of 2012 is as follows:

- a) Operational Programme **Competitiveness and Economic Growth**, managed by the Ministry of Economy of the Slovak Republic, supports tourism by two measurements: Measure 3.1 was designed to support business activities in tourism. Till the end of June 2012, there were recorded 83 contracted projects, including all storage projects. The specified number is finite. At the end of June 2012, Slovak Tourist Board (STB) received 64 applications for grants in the amount of EUR 74,553 million. The total volume of contracted non-repayable funding is EUR 107,465 million, which represents 74% of the total allocation of EUR 145,318 million. Pumping at 30 June 2012 is EUR 86,424 million, which represents 61% of the allocated amount (Development Strategy of Slovak Tourism to 2020). There are 53 projects finished from a total amount of 100 contracted projects. Another measurement under the Operational Programme is Measure 3.2 - Development of tourism information services, presentation of regions and of Slovakia, the main manager is STB – Slovak Tourist Board and the assistance is implemented through the National Project. At 30.6.2012, there were submitted 17 requests for advance payment of EUR 11,699 million, 15 requests in the amount of EUR 11,249 million have already been paid (Development Strategy of Slovak Tourism to 2020).
- b) **Rural Development Programme 2007 - 2013**, the Managing Authority is the Ministry of Agriculture and Rural Development of the Slovak Republic. In relation to tourism, the program comprises two steps:  
Measure 1.3 *Diversification into non-agricultural activities* with a budget of EUR 116,76 million. Within the measure, there were submitted 809 projects, representing 318% of the budget measures. 241 projects were approved, which represents 92% of contracting. Uptake (pumping) is at 28%. By 241 approved projects, three quarters focused on tourism, 10 % for renewable energy and retail trade and 6.6% for other activities (Development Strategy of Slovak Tourism to 2020). Half of the total investment projects were absorbed by the production of renewable energy.  
Measure 3.2 *Encouragement of rural tourism*, is divided into two parts, depending on the final beneficiary. In part A (persons authorized to conduct business in tourism) there were 230 projects submitted, of which 161 were approved in the amount of EUR 13,238 million (drawing to 17%). In part B (legal entity associating

operators in rural tourism), there were submitted 22 projects, which represented 100% of the limit of the measure. There were approved 20 projects in the amount of EUR 1,433 million, which represents 79% of the limit. State of the spending (pumping) amounts to 2% of the planned limit (Development Strategy of Slovak Tourism to 2020).

- c) **Regional Operational Programme**, performed by the Ministry of Agriculture and Rural Development, supported its measurement (*Promotion and development of tourism infrastructure*) by non-profit activities, conducted self-governing institutions. Currently, the operational program for this purpose has contracted 51 projects; the amount of subsidy should be equal to EUR 8,127 million (Development Strategy of Slovak Tourism to 2020).
- d) Operational Programme **Education** and the Operational Programme **Research and Development**, together managed by the Ministry of Education, Science, Research and Sport of the Slovak Republic, provided the projects related to tourism by EUR 4,813 million (Development Strategy of Slovak Tourism to 2020).
- e) Operational Programme **Employment and Social Inclusion**, the managing authority is the Ministry of Labour and Social Affairs and the Family of the Slovak Republic, since 2007 has allocated to tourism projects about EUR 20 million. Current projects were contracted in the amount of EUR 18,537 million. The state of exhaustion represents EUR 9,812 million (Development Strategy of Slovak Tourism to 2020).
- f) Operational Programme **Cross-border cooperation** foresees the promotion of non-profit projects in tourism, as well. Specifically, cross-border cooperation program *Slovakia - Czech Republic 2007 - 2013* approved the implementation of 30 projects with eligible costs of the height EUR 12,671 million. For these projects there will be provided funds in the amount of EUR 10,590 million. Cross-border cooperation *Slovakia - Austria* has contracted six projects with a total financial volume of EUR 4,085 million. Cross-border cooperation *Slovakia - Hungary* will support 28 projects with total budgeted cost of EUR 29,430 million. The main objective of the activities and projects supported by the *Swiss-Slovak Cooperation* is to contribute to reducing economic and social disparities within the enlarged European Union, as well as in the Slovak Republic. From the 13 applications for grants for Tourism, till 2011 there were introduced only 3 full proposals with the grant in the amount of EUR 3,510 million (Development Strategy of Slovak Tourism to 2020).

Following the upcoming new programming period, we need to notice that so far tourism conceptual support work for the implementation by the European Communities (for the period 2014 – 2020) is coming to end. It means that tourism in Slovakia will be supported only indirectly, by projects for example through supporting small and medium enterprises. This fact is going to be a significant intervention with potential and probable impact on the competitiveness of tourism in Slovakia. This might also demonstrate significant activity in the Slovak Tourist Board, which almost all promotional and presentation activities implemented from EU structural funds. This raises the need for finding other sources, thus creating pressure especially on the state budget.

#### 4. Conclusion

Slovakia has a great natural, cultural and historical potential, which can make full use in the sector of tourism. Various agencies and institutions involved in tourism are trying to present Slovakia abroad in the best light, but advertising is one thing, reality another. Unfortunately,

the Slovak Republic is unable to sufficiently exploit the potential to improve the qualitative and quantitative side of tourism in Slovakia, especially in the case of the services. This applies to private and public sector, as well. Priorities and strategies for the development of Slovak tourism have in general inappropriate application. Government and private spendings in R & D are generally in the Slovak Republic very low, so even tourism lacks the support from the private and public sector. Structural funds, as one of the aid from the European Union, are poorly implemented and drawn, too.

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