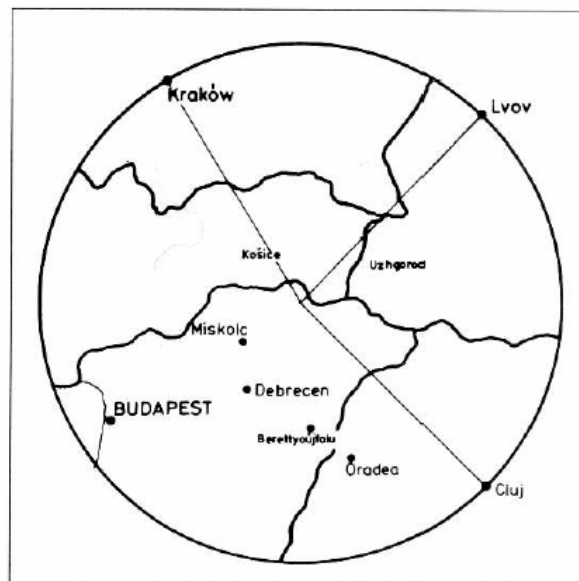


**László Dankó**

### **Development of Cross-Border Cooperation in the Tri-Border Region**

#### **1. Historical Background**

The common, tri-border regions of the Central European countries (Ukraine, Slovakia and Hungary) have similar geographical and economical features. The distance from the capital cities resulted in the local population seeking relations more intensely in all possible areas of life (economic, cultural, education, artistic, sports, etc.). This process was caused by the fact that the population grew more ethnically diverse after new borders were introduced following World War I. National minorities were shut out of their mother countries, striving to maintain or rebuild connections with their national states, since the secular traditions of economical and commercial collaboration were broken off.



*Figure 1: A Central European Regional with long-term Political and Economic Continuity (Dankó 1993)*

Initial arrangements directed towards the activation of the tri-border regions' economy have been, for the most part, conceived at the governing level during the past decade, but failed to be efficiently realized due to the lack of prerequisite political and ethnic subtlety deriving from the region's individual particularities.

In the absence of proper information and active communication the government organs could not have the benefit of any support coming from local business entrepreneurs. Entrepreneurial initiatives in the area were typically self-supportive, missing all types of central monetary backing or management which could have led to developments of a higher nature. It was not, therefore, accidental that in the early 1990's there were organizations coming to life with the aim of stimulating and enlivening business enterprises, that took the interests of the local communities into consideration as well, working as foundations on non-profit basis. (Zemplén Local Enterprise Development Foundation, Sátoraljaújhely, 1991, Nagykapos Regional Enterprise Agency, Nagykapos ( Vel'ke Kapusany ) 1992, Carpathian Society of Hungarian Intellectual Workers, Ungvár ( Uzhgorod, 1993. )

The Carpathian Border Region Economic Development Association was established in 1994 by economic and business promoting branches that were already functioning in Hungary, Slovakia and Ukraine, with the purpose of fostering the recovery of the region's economy<sup>1</sup>. Beyond providing direct assistance for the enterprises run in the bordering area of the founding countries, the CBED have been working on to draw western investments, upholding the admission of the "free market" principles among the countries and peoples involved.

We are strongly convinced that the Europe-conform strategic concept for economical and regional development, having been elaborated by CBED, will ensure an unprecedented opportunity for those participating in the realization of the project. It will keep unitary economic development principles in view and assist the gradual improvement in living standards for the population in the Carpathian border area. The entrepreneurs polled agree on the point that the economical subsistence in the near future entirely depends on the responsive cooperation in the Carpathian region. The strong intention for this vital collaboration is present on the part of the countries and leaders of the county and local governments. The local economic development centers began actually to carry out the realization of the project in 1995.

The Tri-Border Region Economic Cooperation Strategic Program is directed towards an area geographically designated and includes the Zemplén region in North-East Hungary (Bodrogeköz, Hegyköz.), provinces bordered by Eastern Slovakia and Hungary (Terebes and Nagymihály/ Trebisov - Mihalovce) as well as the Ungvár and Beregszász (Uzhgorod - Beregovo) districts in Kárpátalja.

## 2. A Brief Analysis of the Situation

Due to the absence and instability of programs for area and regional development projects the properties and the economic condition of certain territories reveal considerable similarities.

The tri-border regions of the Carpathian area in Eastern Slovakia, Kárpátalja and North-East Hungary are lagging behind and deficient in economic progress although they are geographically diverse, with manifold advantages in regard to the geopolitical features.

The regions lagging behind the economic evolution of the preceding decades, are a great distance from their capitals which resulted in the total lack of central administration or of financial support.

There were no significant companies being established here; the dominant branch of the region's economy was agriculture. This branch, which functioned in collective structural forms earlier, had to cope with adverse climatic and soil conditions, which left little or no prospect for people employed in farming to take initiatives in the new economic structure based on private properties.

The smaller portion of employment was provided by processing and light industrial sectors that had settled in cities ( food industry, wine-production, wood products, furniture, mechanical

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<sup>1</sup> [http://www.zemplen.hu/rva/khgsz\\_eng.html](http://www.zemplen.hu/rva/khgsz_eng.html)

and ancillary engineering, etc.) These worked as affiliated companies of larger state companies, thus it was chiefly these productive branches that had to undergo liquidation and bankruptcy proceedings owing to the course of privatization. The size of the workforce with no employment has grown at a startling rate in the last years. The qualification of the unemployed has deteriorated even further, due to the steady flow of migration of the trained manpower unable to find jobs in the region.

A large number of people having been excluded from employment are now in exigency having neither adequate qualifications nor enough experience to start running an enterprise of their own. They are, however, compelled to establish a small business. The insufficient amount of conditions (typically low income rates, absence of purchasing capacity, lack of experience and in tradition, lack of information, the clumsiness of administration, the slowness and complexity of acquiring loans, the unfavorable attitude of banks towards small-business owners, etc.) leads to the outcome that around 30% of the new small business enterprises are bound to go bankrupt before the end of their first year.

It has to be stated though, as a positive factor, that since the industrial production has not caused any serious damage to the environment, it could be considered as a potential breakthrough to develop these regions for purposes of tourism.

The development of tourism that is based on natural sources (hills and mountains covered by forests, mineral springs, etc.) and on “pure” environment has close ties to other regional developments aspects.

Modernization, for instance, is indispensable in certain districts: to construct the road, water, gas and telephone networks in the area, to attract tourists showing interest from other sectors.

It is the enterprise development organizations that have taken over the initiation of discussions with the regions concerning the borders, thus coordinating the tasks for economic and regional development, as well as elaborating the complex development ideas. When forming the strategic programs both the definite advantageous and the disadvantageous sides are taken into consideration.

Good points	Bad points
<ul style="list-style-type: none"> <li>• advantageous geopolitical situation - shortage of assets in business start-up at the join of North-Southern deficiency in international funds and East-Western directions</li> <li>• convenient transit and transport facilities peripheral location (standard and broad-gauge loading districts: Záhony, Tiszacsérnyő)</li> <li>• two international airports (Kosice, Uzhgorod) - possibility of transporting by water rivers,</li> <li>• international energy cables infrastructure (gas, oil, electric energy),</li> <li>• beneficial infrastructure conditions infrastructure relations and services regarding telecommunication</li> <li>• untouched natural sources, tourist potential</li> </ul>	<ul style="list-style-type: none"> <li>• Shortage of assets in business start-up deficiency in international funds,</li> <li>• long distance from capital cities, - peripheral location,</li> <li>• declining rate of industrial and agricultural activity,</li> <li>• attractive provinces are difficult to access, defects in transportation,</li> <li>• undeveloped business-financial, infrastructure relations and services,</li> <li>• restricted transport capacity of routes,</li> <li>• differences in legal regulation</li> <li>• a general lack of knowledge on market economy and of business experience,</li> <li>• missing AutoRoute facilities (Helsinki – Dukla pass – (Odessa) - Istanbul- Middle-East),</li> <li>• the region's being scarcely known at low wages international level,</li> </ul>

Good points	Bad points
<ul style="list-style-type: none"> <li>• ethnically mixed, economy and of business experience multi-language population,</li> <li>• workforce available at relatively low wages,</li> <li>• traditions in cooperation among local enterprise development organizations</li> <li>• available international resources' being enterprise development organizations hardly known in the area,</li> <li>• civil organizations' and local governments' growing experience and sense of responsibility in regional development.</li> </ul>	<ul style="list-style-type: none"> <li>• available international resources' being hardly known in the area.</li> </ul>

### 3. Rationale of the Projects

Springing from the features mentioned above, the CBED's entrepreneurs and regional development programs aim to promote the international collaboration among undertakings working within the countries involved by way of realization of distinctly outlined objectives.

The most important aim, which makes up part of the Tri-border Economic Development Strategic Program, is to provide local enterprises with up-to-date information as well as to constantly convey alterations of laws controlling business activity to firms and individuals. A database, which is being continually updated, is set up to assist the administration of the potential clientele.

To achieve this goal, we operate an office network, with a computerized database being at the disposal of enterprises searching for business partners. This is where we gather and disseminate all the current economic information that is considered crucial for making and maintaining external trading relations.

To ensure more efficient services, we are planning to set up new office(s) in the region so as to spread and facilitate our information services. (A new office was opened on February 1, 1997 in Királyhelmec- Kralovsky Chlemec - Slovakia) Regularly organized international exhibitions and markets guarantee a wide range of opportunities to shape definite business relations and to locate further markets. In meetings held simultaneously with the exhibitions, current information about economic regulations, legal and customs conditions is publicized for businessmen who come to attend these events.

Partner-searching is further encouraged by catalogues showcasing the entrepreneurs who participate. These are distributed among those interested at the end of the meeting.

The Carpathian Business Review a quarterly published newsletter through which we intend to broaden intermediary services for information and business contacts and to provide the possibility for business advertisements. To supplement our information services, we broadcast the television program called "Referencia", a monthly business production, which enables mostly local enterprises to publicize the introduction of their activity in the region.

It also contributes to more acute, more thorough partner-searching attempts. Experts are invited to take part in the programs so all current changes in laws are immediately conveyed to each of the three parties involved in this project.

By the statements conveyed in the study "Tri-border Region Economic Cooperation and Development – Creating an Entrepreneurial Sector", which was elaborated by the CBED, the

economic cooperation among these border regions is restricted not only by differences in jurisdiction processes and rules but by several physical obstacles as well.

The organizations joining CBED and the Council pursue explicit lobbying to coordinate and settle problems regarding border transportation. Besides these physical difficulties the problem area includes the question of initiating the simplification and facilitation of custom processes. We wish to make feasibility studies in these fields and introduce them to the appropriate governing bodies, since the completion of the project cannot be effectively fulfilled without central support.

The development of the tri-border regions can only be accomplished by organizing and integrating these closely related bordering business sectors as soon as possible, as they are to ensure the necessary sphere for achieving the economic union of enterprises and companies in the area. The countries joining in the project take up actualizing these enterprise zones according to their own regulation processes.

Simultaneously with the creation of enterprise sectors, we intend to compile a comprehensive and multi-language promotion publication on the economic potency of the region. It will provide explicit facts and figures for foreign investors. We expect this booklet to arouse the attention of companies that have already shown interest in investing in the area. This region has such an exemplary geographical position, since business establishments settling down in this territory would have continuous access to the potential markets of several countries within only a remarkably short distance.

Our continued objective is to get acquire sponsorships / applications for the Strategic Program of the Tri-border Region and to recruit members currently participating within CBED. To subsidize programs included in the project we wish to gain supplementary resources by means of fund applications. Partners cooperating in the enterprise are to broaden the scope of their supporting members (local governments, civil organizations, companies, private individuals, banks, etc.) through their respective recruiting strategies, based on local circumstances.

Besides other resources, the funds that are obtained from these organizations are used for assisting the operation of the regional offices. To foster recruitment, we want to increase the publicity and the number of visual presentations of CBED as an effectively functioning organization by means of its active participation in exhibitions, its dynamic relations with the media, etc. We also would be happy to share our experiences obtained through the course of project realization with organizations working on similar developmental objectives in other regions. We intend to take part in both domestic and international trade programs and to organize similar events in our region. The description and availability of the Tri-border Region Strategic Program for Economic Cooperation may greatly encourage the elaboration of other border region development concepts not only in Hungary but in further regions of similar characteristics in Central-Eastern Europe.

#### **4. Description of the Program**

The project is going to be executed in geographically defined areas (Eastern-Slovakia, North-East Hungary, border regions in Kárpátalja), aiming at, for the most part, the improvement of economic relations of the small- and medium-sized enterprises in the neighboring countries, the physical infrastructure and other microeconomic conditions. Having been elaborated by CBED, its main objectives focus on concrete strategic sub-areas, which are meant to serve the development of the tri-border economic cooperation system.

1. Operating information offices in each of the three countries, providing interested entrepreneurs with up-to-date information in the Carpathian tri-border regions: Hungary,

Slovakia and Ukraine. Business proposals, supply and demand intercession. Enlargement of an information network involving Poland (Krosno) and Romania (Satu Mare, Baia Mare).

2. Organizing entrepreneur exhibitions, markets, international business meetings in cities situated in the neighboring areas to foster the shaping and development of partnerships as well as to set up potential markets and export-possibilities.

3. Quarterly publishing of a multi-language newsletter containing economic and business information to make partner-searching more effective; entrepreneurial advertisements. Monthly broadcast television program with current economic information in each of the three regions.

4. Creating homogeneous, consistent, entrepreneurial sector/s in the tri-border areas, harmonizing with the judicial forms, which are elaborated at varying levels for the time being. Having minor studies developed for exploring possible ways of project realization. Launching infrastructure and other regional development programs.

5. Initiating the inauguration of further crossing stations, as well as informing local, county, governing and ministerial bodies of the absolute necessity of making those already existing crossings suitable for international transportation. Coordinating lobbying for the sake of improving physical and human factors and facilitating the integration of customs regulation processes.

6. Compiling a unitary promotion publication in order to introduce the entire economic potential of the border regions, offering them for potential investors. Coordinated PR activity, organizing investment meetings.

7. Convening international regional development forums with the participation of all local governments, civil organizations and enterprise development / professional associations interested in integrated regional development. Summarizing the experiences and results acquired throughout project realization for other organizations being interested or involved in similar development programs.

8. Growing the number of active memberships within CBED, turning it into a self-supporting organization.

### **5. Result of the CBED Program**

In order to accomplish its objectives, the Association has developed a coordinated schedule for the years 1995 and 1996. The realization of the goals sorted out in that schedule has been completed with the following results:

### **6. Outlining A Regional Entrepreneurial Database:**

With the help of the three organizations participating in the Association's work and by employing full-time chief administrators we have established an office network. The central office in Sátoraljaújhely has been functioning since January, 1995; the ones in Nagykapos and Ungvár were founded in May, 1995. The basic technical equipment was provided for each of the three offices, including a proper telephone line, a facsimile and a photo copier machine. The administrators were charged with gathering facts and details about all the actively working enterprises in the tri-border areas, with the aid of the "Regional Data Sheet", which was developed jointly and distributed in Hungarian, Slovakian, Ukrainian and English languages. These data sheets were placed at the disposal of interested clients in our offices and at international markets and business meetings.

Since December, 1995, it has also been available as part of the quarterly published Carpathian Business Review editions. Registration in the database is free of charge for our clients. To accelerate the course of gathering information we have installed computers of the same configuration in our offices, thus we have succeeded in simplifying data processing.

## **7. Partner-Searching Services**

From the database of the regional enterprises we provide our clientele with gratuitous services for interceding business proposals and information about potential partners. This service is available both directly in our offices and by phone, facsimile or E-mail as well. The number of business partners sought in the offices was initially around 2-3 on weekly basis (equaling 240-360 altogether in the three countries).

Partner-searching activities seem to be prominent in the following fields:

- commerce (farming products, provisions, wood and wooden products, articles of clothing and other light-industrial products, machinery, equipment, supply and demand on technology),
- production cooperation, conveyance, supply and demand on basic material,
- transportation activity,
- tourism, accommodation facilities.

We do not have the explicit number of successful ventures interceded through services provided by CBED. Since the participation on the part of the clients is voluntary, there is no obligation for their giving us feedback.

According to our estimations, the CBED has provided able guidance and support to 40-50 bilateral ventures since it began operating.

## **8. International Exhibitions And Markets – Business Meetings**

The CBED, partaking in the organization of exhibitions regularly held in the last few years in the tri-border region, now joins in arranging Hegyalja Farmers' Days (in Szerencs), the Uzhgorod EXPO (in Ungvár), and in COPUS EXPO (in Nagykapos). CBED participates, in particular, by compiling the professional programs and through the invitation of local companies and other business establishments. Within the framework of these events, which last several days, the professional programs include lectures held on topics such as current international economy, commerce, customs and taxation, with the participation of experts in charge of the given areas.

During the last years we have had the opportunity to welcome, among others, the vice-chairman of the EBRD, the President of the Hungarian Parliament, leaders of factories accredited to certain countries, international desk officers of county and district bureaus, the Minister of Agriculture (Hungary), the managing director of the ÁPV Rt., the president of the Hungarian Tourist Service, the deputy-chairman of the Ukrainian Ministry of Foreign Affairs, the secretary-general of the Carpathian Euroregion, leaders of local governments, mayors, chamber leaders and a number of economic experts from all three parties. The program also covers entrepreneurial meetings, which are visited by business representatives coming from a broadening circle and by businessmen on behalf of Hungary, Slovakia, Ukraine, Rumania, Poland and Bohemia. As a further service, colleagues of the CBED were distributing "market circulars" and catalogues on business meetings in the region.

## **9. Carpathian Business Review - A Tri -Lingual Newsletter**

The idea of publishing a quarterly economic/entrepreneurial newsletter was established in the 1995 schedule of the Association. The 16-page long publication is meant to fill a gap in the Carpathian border region area and is issued in Hungarian, Slovakian and Ukrainian languages (in 4000 copies supplied with a summary in English). Its columns cover four major fields:

- A.) Articles analyzing actual changes made in laws of the three countries. Within this scope we have presented –among many others- the CEFTA regulation, the customs policy of Hungary, legal procedures pertaining to customs free districts, alterations in taxing laws, etc.
- B.) News, up-to-date information about foreign trade, customs proceedings, taxation and other regulations, in brief form, making references to the explicit places of articles so that those who are interested know where to find the complete text of certain acts.
- C.) The free publication of business proposals and partner-search requests through completion of the Registration Form. We ensure publishing paid advertisements as well.
- D.) Regional, entrepreneurial information, introduction of CBED offices, news about its programs, current events.

The issues of the Carpathian Business Review are forwarded to local governments, county and district economic and regional development organizations and to establishments who join in helping execute our projects: local agencies of commerce, to entrepreneurial associations, chambers and to the National Entrepreneur Association. To our international partners organizations in the USA and in Europe, we direct the summaries published in English.

The important role of this publication is indicated by the growing number of clients coming to our offices subsequent to its distribution. We also receive positive feedback regularly from various organizations.

Within the framework of the Carpathian Euroregion, the Polish party intends to join in compiling the circular introduced in The Regional Development Committee, by providing economic and entrepreneurial information.

#### **10. Expert Study On Tri-Border Region Economic Development**

The “Kárpátia” enterprise was established in October, 1995 by winning a competition and employs the academic analysis of the Marketing Department of the Miskolc University. It has developed the study “Tri-Border Region Development – Creating Entrepreneurial Sectors”, which consists of over 600 pages. Its first volume (which was edited in December, 1995) outlines and summarizes the current situation of the region to be developed on the basis of research, documents and both macro- and micro-economic analysis previously prepared by CBED offices (DANKÓ, 1995-1996).

The study served as a basis for a 50-page long summary, which contains the Strategic Program of Tri-Border Economic Cooperation. We have put the complete study and the summary at anyone’s disposal in our offices, and the summary has been translated into the official languages of the cooperating countries. (The summary in English has been forwarded to a number of American and European organizations.)

With the help of the CBED Committee Members, the leaders of the regional enterprise development organizations and representatives we began lobbying to activate central support for the regions.

Since routes to central governments vary in different countries, the achieved results are also different.

As an outcome of the Act of Region Development acceded in November, 1995, more and more attention has been paid to the promotion of these desolated areas.

The “Europe-Conform” interregional programs outlined by this regulation indicate the projects that may be expected to gain noticeable support from governmental funds, aiming at achieving the complex development of certain territories, like the one nurtured by CBED<sup>2</sup>.

The study has not reached the ministerial level in Slovakia, but the summary was sent to the Eastern-Slovakian district leaders. The administration map of the region underwent a course of

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alterations by the new executive decree, which was accepted in 1996. The size of the cooperative areas remained more or less the same with the Nagymihály center. The new leader of the Regional Development Department of Administration is an expert who sees the opportunity for future developments in close economic cooperative links with the neighboring Hungarian regions. He was presented with the CBED programs, many of which he regarded as potentially feasible. At present, they are working on building relations with the Terebes district leadership to obtain their support for the realization of the strategic program. Slovakian internal affairs are, however, rather disadvantageous for placing much hope in winning central government support for the able development of territories bordering Hungary.

As for Kárpátalja, both district and county administrations have warmly welcomed the proposals put down in the study, having integrated several of its elements into their own development programs. The representative of the region has turned in the study to the Foreign Trade Ministry.

Definitive measures, however, apart from opening or expanding several border stations were not completed till December 1998. Kárpátalja was designated as a special economic zone in December 1998.

### **11. "Referencia" - An Information Television Program**

The CBED started the regular transmission of the live television program "Referencia" in March, 1996. The broadcasts are produced in cooperation between the Association and the Zemplén Television Station in Sátoraljaújhely and they are presented in Hungarian, Slovakian as well as in Ukrainian languages.

The program consists of four blocks:

A.) Live talks with experts on current matters of foreign trade, enterprising and regulations. Topics that have been discussed so far are: a detailed overview of the joining to the EU, INTERREG, Shengen, CEFTA ruling, Hungarian and EU customs policy, regulations concerning foreign trade relations, the question of entrepreneurial sectors, customs free districts designed for the region.

B.) We film and introduce successfully functioning border-crossing enterprises and business relations, analyzing the results; the leaders of these establishments show the steps of building international entrepreneurial cooperation through their own concrete examples.

C.) We provide the possibility for Hungarian, Slovakian and Ukrainian enterprises to introduce their companies and activity within the section "Supply and Demand", which amounts to almost half of the program time. Making the most of the broadcasts, there is a chance to briefly present the range of products, and the company directors are encouraged to make direct business proposals in public.

D.) At the end of the programs, we call the attention of businessmen and entrepreneurs to other broadcasts dealing with questions of current regional economy.

The influence of "Referencia" is clearly shown by inquiries and opinions phoned in by our viewers during the broadcasts. In the days following the transmission, there are, on the average, 3-4 clients who come to our offices to request information about the products or business proposals presented.

### **12. Building An Association Body**

At the time of its establishment, the Association set up the objective of making all efforts to create a broad unity of cooperation for the sake of successfully realizing the projected economic development programs. The active participation in these mutual programs have been judged fundamentally important by the collaborating parties. To achieve the same goal of building a

body of members, however, different methods are required, owing to the discrepancies among countries and attitudes of entrepreneurs, companies and local governments.

### **13. Planning, Realizing, Sources of the Project**

The Carpathian Border Region Economic Development Association has been performing its job, since its establishment in 1994, based on constant coordination between leaders of the founding organizations and Committee members. The schedules elaborated by the leaders of economic development foundations and centers for 1-year periods are introduced to the Committee for consent. Besides the leaders of the founding economic development organizations, there are dedicated mayors and entrepreneurs from the region who take part in the Committee's job of designing and executing the outlined projects. Members also make attempts to gain support for the Association in their own countries, which means, first of all, providing information about the Association and its programs, taking advantage of their respective relations.

To carry out the projects, there are regional offices collaborating in the three countries, where managing clerks and contributors are working on certain tasks. The mutual objectives (providing information, partner-searching, organizing exhibitions and markets, business meetings, holding forums on regional development, publishing the international newsletter, etc.) are done jointly. In addition, each center works on carrying out its own projects, making efforts to find sponsors for the integrated developmental activities.

Managing administrators are supposed to compile a report on the course of goal-achievement and on financial completion every three months. The CBED analyzes the results and makes decisions on Association projects and financial backings. The program manager of the CBED is the person responsible for executing the settlements included in the minutes prepared on these sessions. The Association is represented by the President of the CBED, who takes initiatives towards third parties in accordance with the consent of the members.

The Association endeavors to enlarge its base and to enter into agreements on cooperation with local organizations, local governments and regional development partnerships operating in the area. It invites representatives of partner associations to its programs and partakes in regional meetings held by its collaborators to exchange experiences acquired in regional development.

We obtain information and exchange views about interregional cooperation with our partners on international conferences.

To financially support sub-projects, within the elaborated economic- and regional development program, which are to be realized in the countries involved. The founding organizations submit applications to different organizations ( County Development Councils, national funds, foreign aid programs, etc. ) to obtain both domestic and foreign grants.

To ensure proper incomes needed as contributions to operate our offices, each founding member is to organize local sponsorships, to win new active supporters and partners (local governments and their partner associations, civil organizations, companies, enterprises, banks, etc. ) in its own country. In order to ensure further successful operations for the Association's programs we are planning to charge for certain services in the future (for instance, advertising, participating in businessmen's meetings, etc.) (DANKÓ, 2003)

### **14. Organizations Participating in the CBED**

#### *1. Zemplén Local Enterprise Foundation*

18 Rákóczi Street, Sátoraljaújhely H-3980  
Tel: 36-47 / 523 -080 , Fax: 36-47 / 322-919  
E - mail : zrva@axelero.hu

The Zemplén Local Enterprise Foundation (ZRVA) was founded in June, 1991 for supporting the growth of small and medium enterprises in the Zemplén region.

The ZRVA is a non-profit foundation, which encourages and supports the formation of enterprises that are about to be established as well as ventures already functioning. The ZRVA, through the course of accomplishing its programs, takes emerging demands and the particulars of the area into consideration.

- professional preparatory and executive participation in regional and area development programs
- elaboration of individual expert studies for the coordinated development of the region
- professional accordance with organizations, local governments and associations involved in regional development

With the agreement of the cooperating partner associations the center of CBED is in Sátoraljaújhely, at the Zemplén Local Enterprise Foundation. Coordinating the program is done by György Sáfrányos, a programmanager working for the Association. The managing director of the Zemplén Local Enterprise Foundation is István Juhász, who is the President of the Association since January 31, 1995.

#### *2. Enterprise Development Association - Vel'ke Kapusany*

4. Hlavná Street, Vel'Ke Kapusany SL 079 01

Tel / Fax: 00-421-949 / 38-2995

E-mail: rvsz@nextra.sk

The organization was registered to Nad/1/92 by the Nagykapos District Office on 18 September, 1992.

The organization gives support to starting small enterprises in the Nagykapos region and launches entrepreneurial training programs in marketing, financing and communication.

It encourages relations between both domestic and foreign entrepreneurs and enterprises, and takes part in regional development programs. The managing director of the Enterprise Center is Sándor Fuksz, who is also member of the CBED Council, a Slovakian coordinator.

#### *3. Regional Development Agency of Královsky Chlmec*

SK-077 01 Královsky Chlmec ul. L.Kossutha 102.

Tel: +421-56/ 628-1210

Fax: +421-56/628-1211

E-mail: rra@rrakch.sk

Office Manager: Károly Horváth

#### *4. Enterprise Development Center ( KVK ) - Uzhgorod*

5/ a Tolsztoj Street Uzhgorod UA 079 01

Tel / Fax : 00-380-3122 / 1-70 -27

E -mail : kvk@email.uz.ua

The organization was registered at No. 017 by the judicial department of the state office of the Kárpátalja region on 10 September, 1993.

The Carpathian Society of Hungarian Intellectual Workers is a professional collaboration of economic experts and of entrepreneurs working in the private sector, or in financing, administration, commerce, industrial production, company economy or agriculture. The Association is designed to execute economic and regional development programs elaborated for the Kárpátalja region.



Figure 2: Map of the tri-border region

The Chairman of the Association is György Dupka, who is a member of the Council of the Association, the coordinator of the CBED program in Kárpátalja and is in charge of managing the CBED office.

### 15. The Zemplen Euroregion

In the course of XII. Zemplen interregional Enterprise Days opened the Zemplen European House in Sátoraljaújhely in 2004. 23th of April. Péter Kiss chancellor minister inaugurated the renovated and widen Enterprise House, which have been active for 13 years, by Zemplen Local Enterprise Foundation<sup>3</sup>.

The Prime minister office's directing minister said, this European House is good example for the one city's ambition meet with international regions ambition. This house serve the helping of enterprises and the people's prosperity. One week before to Hungary and Slovakia join to European Union, the Zemplén Euroregion has been established. 9 Slovakian micro regions, 5 Hungarian small area, the two country's regional organizations, and 17 cooperated partners sign the Euroregion's deed of foundation in ceremonial frame in the Zemplen County House of Sátoraljaújhely.

The Zemplen Euroregion contain the historical Zemplen county's areas. This union's aim is a common elaboration and implementation of development programmes for Zemplen region,

<sup>3</sup> [http://www.zrva.hu/euroregio\\_eng.html](http://www.zrva.hu/euroregio_eng.html)

according to formulated of strategic programme plans. The two borderregional area's closing up with the basis of partnership, concentration of local and regional resources, and with efficient application of European Union, Hungarian, and Slovakian resources of budget project.

The slovakian Regional Development Agency of Királyhelmece and the Zemplen European House will be the centres of this interregional union. The members of union whose are interested in for European Unions resources exploitation, in common development, and in local enterprises helping, choose Sátoraljaújhely to centre which became Zemplen county again.

The common aims are: to hold together, and operate for the region's interest the economic and social situation's better enterprises service, develop the human infrastructure, cooperation of local government, and civilian initiatives in interest of joining neighbouring regions.

*Showing of the aims:*

The strategic development of the borderregional - economic cooperation aims are the followings (Dankó 2005):

- improvement of cooperation's economic basis, and increase of competitive goods base's quantity,
- improvement of economic cooperation's physical condition system,
- improvement of cooperated borderregional area's capital attraction,
- marketing and informatical development of borderregional cooperation.

We would like to make a stronger of economic-social conditions, improvement of life quality, and people would become citizens. We need to tell, in the course of borderregional economic cooperation enjoy priority by just such projects, whiches suitable for European Union requirement (environmental protection, quality insurance). The produced goods need to be a competitive in European Union's markets.

*Suggest measures:*

In the interest of achieve the aims we formulated the following measures:

- Development of the borderregional economic connections.
- Improvement of the cooperation's constitutional centres.
- The aim of measure is to develop the constitutional frame of the cooperation, revise the cooperation's aim.
- Develop the borderregional enterprisedevelopment cooperation.  
The aim is to realize the zemplen interregional economicdevelopment and educational centres industrial parks, and incubatorhouses development. (Sátoraljaújhely, ZRVA, Királyhelmece RRA), and widen the secondary and higher educational cooperation programmes (university, secondary, adult, enterprise and basic training).
- Start of the borderregional marketing activity.  
In the framework of this measure realize the borderregional improvement regionmarketing (tourism, investment urging).
- Realize of common infrastuktural and environmental protecting development.  
Improvement the bordercrossing:  
The aim is to improve the crossing points, make a better of border crossing until the European Unions crossing points close down.



Figure 3: The Zemplén Euroregion

- Development of crossborder environment- and nature protection:  
The environmental activities are efficient just in the scope of this cooperation (Hegyköz, Bodrogköz). This measure's aims are to develop the nature protecting areas, to step up against the problem of environmental protecting, floods, inland waters protection (Tisza river and Bodrog river).
- Development of borderregional settlements's cultural and change connection.  
The aim is to develop and harminizing the localgovernments, settlement's cultural, cooperation, and improvement the common development programmes.

The cooperated small area's economic statistical datas show intensiver cooperation than macroeconomics cooperations, so there is the base of development of cooperation.

The center organizations of Zemplén Euroregion:

- Királyhelmecei Regionális Fejlesztési Ügynökség (Regional Development Agency of Kráľovský Chlmec),
- Zempléni Regionális Vállalkozásfejlesztési Alapítvány (Zemplén Local Enterprise Foundation - Satoraljaujhely).

### *IX. Carpathian Supplier Cluster Initiative*

Establishment of the Carpathian Supplier Cluster:

On November 19, 2004 in Sátoraljaújhely the cooperation agreement “Carpathian Supplier Cluster” has been signed by the Hungarian, Slovak, and Ukrainian founders.

Non-profit organizations specializing in business development, industry settlement, contributed to the cooperation, symbolizing that the three-border region concerned is open to all its competitive businesses.

The goal of the Carpathian Supplier Cluster is to facilitate:

- The settlement of companies in the region that are already suppliers or that are in position to be suppliers to big multinational companies,
- The integration of the three-border region and the Zemplén Euroregion into the economic processes of the centers,
- The creation of a cooperation network between new and existing industries, trading and logistic companies of the region and the improvement of the efficiency of cooperation,
- The establishment of new supplier connections,
- Attaining supplier status within the cluster,
- The improvement of supplier skills,
- The settlement of foreign businesses in the Zemplén Euroregion/in the three-border region (Dankó 2006).

Founding organizations of the Cluster:

- Kárpátaljai Vállalkozásfejlesztési Központ (Enterprise Development Center - Uzhgorod)
- Királyhelmecei Regionális Fejlesztési Ügynökség (Regional Development Agency of Királyhelmece)
- Magyar Tudományos- Technológiai és Ipari Parkok Szövetsége (Association of Hungarian Scientific, Technological and Industry Parks)
- Miskolci Egyetem Marketing Intézet Nemzetközi Marketing Tanszék (University of Miskolc, Institute of Marketing Department of International Marketing)
- Szerencsi Ipari Park Kft. (Industrial Park of Szerencs Ltd.)
- Sátoraljaújhelyi Ipari Park Kft. (Industrial Park of Sátoraljaújhely Ltd.)
- Zempléni Regionális Vállalkozásfejlesztési Alapítvány (Zemplén Local Enterprise Foundation)

The Carpathian Supplier Cluster wishes to finance its activities from applications. The necessary business infrastructure will be provided by Zempléni Regionális Vállalkozásfejlesztési Alapítvány (Zemplén Local Enterprise Foundation).

The development of the cluster initiative within the framework of the Phare CBC program has already started with the writing of the feasibility study based on the research of market relations and potentials actors, with the workshops and with the trainings helping to become a supplier.

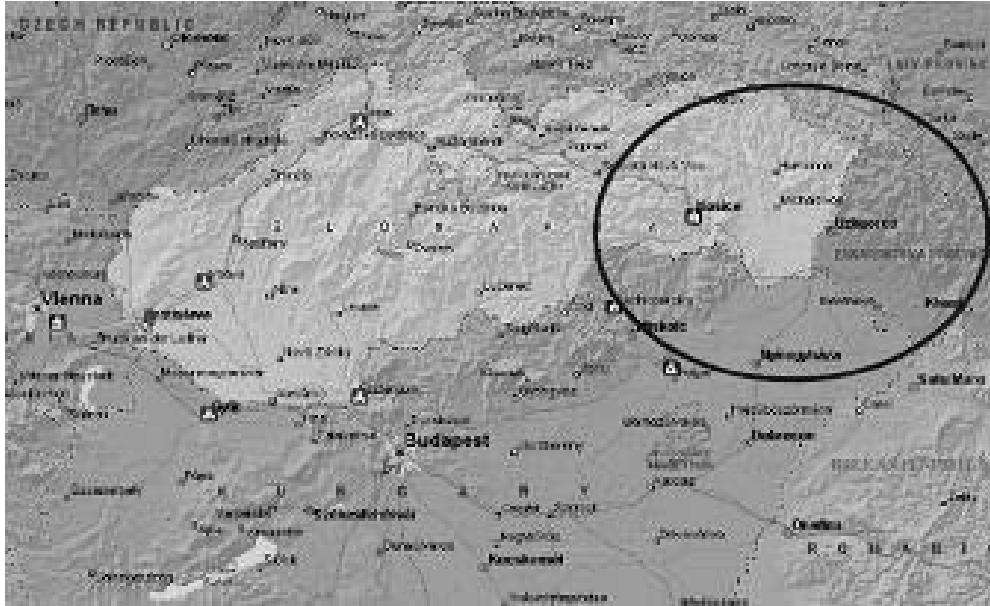


Figure 4: Area of the Carpathian Supplier Cluster

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