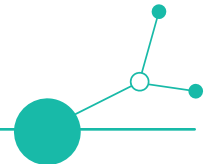


Synthesis of Territorial Needs SBA - Prešov Region, Slovakia D.1.3.1



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1. Introduction

1.1. Target area

- **Geographic scope (region, country)**

The Prešov Region is one of the eight administrative regions of Slovakia and corresponds to the NUTS 3 level within the EU statistical classification system.

Geographically, the region is located in the **north-eastern part of Slovakia**, forming part of the broader NUTS 2 area of Eastern Slovakia (Východné Slovensko). It is **peripherally positioned** relative to the national core, particularly the capital Bratislava, which contributes to its classification as a structurally weaker and less central region.

The region has a **strategic cross-border location**, sharing international borders with **Poland to the north and Ukraine to the east**, while also bordering several Slovak regions (Košice, Banská Bystrica, and Žilina). This positioning creates both opportunities (e.g., cross-border cooperation) and constraints (e.g., peripheral accessibility within national economic networks).

With a total area of **8,973 km²**, the Prešov Region is the **largest region in Slovakia by area**. The combination of a large territorial extent and moderate population density reflects a **dispersed settlement structure**, typical of predominantly rural regions.

From a territorial perspective, the Prešov Region is **predominantly mountainous**, forming part of the Carpathian mountain system. It includes major mountain ranges such as the High Tatras and contains the highest peak in Slovakia (Gerlachovský štít). This terrain contributes to **fragmentation of settlements and infrastructural challenges**, reinforcing the region's rural character with a **high number of municipalities (over 660)** and a **relatively dispersed population**.

- **Key socio-economic characteristics**

The Prešov Region is among the **least economically developed regions in Slovakia** in terms of output and productivity. In 2023, regional GDP reached approximately **11.4 billion EUR**, accounting for around **9.3% of national GDP**. GDP per capita amounted to roughly **14,100 EUR**, which is **about 35-40% below the national average**, placing the region among the weakest-performing regions in the country.

The labour market in the Prešov Region reflects **persistent structural challenges**. The **unemployment rate reached 9.9% in 2025**, the highest among Slovak regions (Slovak average 5.9%) (Statistical Office of the Slovak Republic, 2025). Although the **employment rate (72%)** is not critically low, it is the lowest in Slovakia and accompanied by **lower economic activity (61.3%)** and significant labour mobility.

Income levels further highlight regional disparities. The **average monthly wage (1,285 EUR)** remains **substantially below the national average (by approximately 335 EUR)**, indicating **lower purchasing power and living standards**. These conditions contribute to outward labour migration and reinforce the region's peripheral economic position.

Furthermore, the Prešov Region is characterised by a **low level of foreign direct investment (FDI)**. At the macro-regional level, **Eastern Slovakia (including Prešov and Košice regions)** accounts for only about **7-8% of total FDI stock in the country**, significantly lagging behind western regions (NBS, 2025).

The economic structure of the region is **diversified but dominated by lower value-added sectors**. Industry represents the main contributor to regional output, followed by trade, transport and services, and public services, while agriculture still plays a relatively important role compared to more developed regions. The economy is characterised by a **fragmented industrial base and a strong presence of SMEs and self-**



employed individuals, with limited representation of high-tech and knowledge-intensive sectors (Statistical Office of the Slovak Republic, 2025; World Bank, 2019).

These labour market disadvantages are closely linked to **unfavourable social outcomes**, particularly in terms of poverty and social exclusion. In 2025, the Prešov Region ranked among the **most affected regions in Slovakia**, with **approximately 29.9% of the population at risk of poverty or social exclusion**, meaning that **nearly every third inhabitant** was affected (Statistical Office of the Slovak Republic, 2025). This represents a **deterioration compared to the previous year**, despite an overall improvement at the national level.

In addition, around **20% of the population** in the region was affected by **income poverty**, confirming that **low income remains the dominant dimension of deprivation**. Particularly vulnerable groups include **single-parent households and large families with multiple dependent children**, where the incidence of poverty is significantly higher than the national average.

- **Main demographic trends**

The region is the **most populous in Slovakia**, with approximately **810,000 inhabitants** (2024), representing around **15% of the national population** (Statistical Office of the Slovak Republic, 2025). Despite relatively **low population density** (≈ 90 inhabitants/km²), the region maintains a **dispersed and predominantly rural settlement structure**, with only **44.7% of the population living in urban areas**.

A distinctive feature of the region is its **favourable demographic structure**. It is the **youngest region in Slovakia**, with a **mean age of around 40 years**, and a **higher share of children (18.4%) than elderly population**. Moreover, it records **positive natural population growth**, driven by relatively high birth rates.

However, this demographic advantage is offset by **negative migration trends**, as the region experiences **outmigration of working-age population**, particularly due to limited local employment opportunities. This dynamic creates a structural imbalance between population growth and economic capacity.

At the same time, the region is characterised by a **significant presence of marginalised Roma communities**, which represent an important demographic and socio-economic factor. The Prešov Region hosts one of the largest Roma populations in Slovakia, which is also **spatially concentrated and often segregated**, contributing to higher levels of social exclusion, unemployment, and poverty. (World Bank, 2019)

Key challenges:

- **High unemployment and long-term unemployment** - Persistently the highest unemployment in Slovakia, with structural mismatches and a high share of long-term unemployed
- **High poverty and social exclusion** - Around 30% of the population at risk, among the highest in the country, with strong regional disparities
- **Outmigration and brain drain** - Continuous outflow of young and skilled population reduces human capital and growth potential
- **Low economic performance and productivity** - Weak regional economy with low GDP per capita and limited participation in high value-added sectors
- **Low attractiveness for investment (FDI)** - The region benefits less from foreign investment compared to western Slovakia, limiting job creation
- **Marginalised communities (especially Roma population)** - Social and labour market exclusion of marginalised Roma communities remains a major structural issue



- **Rurality and fragmented settlement structure** - High number of small municipalities leads to inefficiencies in service delivery and local development
- **Limited access to services in remote areas** - Mountainous terrain and dispersion reduce accessibility of healthcare, education, and employment opportunities
- **Regional disparities within Slovakia (east-west divide)** - Eastern Slovakia, including Prešov, lags significantly behind western regions in income, employment, and infrastructure
- **Weak innovation and skills base** - Lower levels of tertiary education and limited integration into knowledge-based sectors constrain competitiveness
- **Dependence on low value-added sectors** - Economic structure dominated by industry, construction, and agriculture with limited diversification into advanced sectors

1.2. SWOT Analysis about the target area

Strengths	Weaknesses
• Favourable demographic structure • Growing and relatively abundant labour force • Existing industrial base and SME sector • Established tourism sector • Urban centres with economic activity (Prešov, Poprad)	• High unemployment and labour market inefficiencies (skills mismatch) • Low economic performance and productivity • Low level of foreign direct investment (FDI) • High poverty and social exclusion • Weak innovation capacity and skills utilisation
Opportunities	Threats
• Strong tourism potential (High Tatras and cultural heritage) • Low labour costs and available land resources • Strategic geographic location and transport corridors • Development of new economic specialisations • Improved connectivity and integration (transport & digital)	• Continued outmigration and brain drain • Deepening regional disparities within Slovakia (east-west divide) • Ageing population in the long term • Low attractiveness for investors in a competitive environment • Risk of persistent social exclusion (especially marginalised communities)

1.3. Main Needs

Economic needs:

- Enhancing job creation and labour market inclusion by addressing high unemployment and skills mismatch
- Increasing regional attractiveness for investment and economic diversification into higher value-added sectors



- Strengthening innovation capacity and skills development to support productivity growth and competitiveness

Social needs:

- Reducing poverty and social exclusion especially for vulnerable groups
- Improving inclusion of marginalised communities (especially Roma population) by addressing structural barriers to integration such as access to education, employment, housing, and healthcare
- Improving access to services in rural and remote areas, particularly in geographically dispersed and underserved municipalities

Environmental needs:

- Protection of biodiversity and natural ecosystems (Carpathians, national parks) that face pressure from tourism, forestry practices, and infrastructure.
- Improving sustainable transport, connectivity and reduction of local pollution sources
- Sustainable management of natural resources and landscapes (forests, mountains) through sustainable tourism and resource management practices

1.4. Role of the Social Economy Enterprise (SEEs)

- **Definition of Social Economy Enterprises (SEEs) in Slovakia**

In Slovakia, the social economy has been formally regulated since the adoption of **Act No. 112/2018 Coll. on the Social Economy and Social Enterprises**, which established a legal framework for the recognition and support of social economy entities. Under this law, organisations can apply for inclusion in the **Register of Social Enterprises**, provided they meet specific criteria. These include pursuing a **measurable positive social impact** as their primary objective, reinvesting the majority of profits towards this mission, ensuring **transparent governance**, and involving stakeholders in decision-making processes.

The law also distinguishes between different types of social enterprises, reflecting their primary focus. These include **work integration social enterprises** (focused on employment of disadvantaged groups), **general social enterprises** (addressing broader societal needs), and **housing social enterprises** (aimed at providing accessible and affordable housing solutions).

Social enterprises may operate in various forms (e.g. civic associations, non-profit organisations, or companies), but must demonstrate that their economic activities contribute to addressing social, environmental, or community needs. This framework aims to strengthen the role of social enterprises as actors supporting employment, social inclusion, and regional development.

Current role:

- **Main sectors and activities**

In Slovakia, Social Economy Enterprises (SEEs) operate primarily through the provision of **socially beneficial services**, as defined by Act No. 112/2018 Coll. These services cover a wide range of areas aimed at addressing public and community needs, specifically:



- healthcare provision,
- social assistance and humanitarian support,
- creation, development, protection and promotion of cultural and spiritual values,
- protection of human rights and fundamental freedoms,
- education, training and development of physical culture,
- research, development, scientific, technical and information services,
- environmental protection and public health,
- support for regional development and employment,
- housing provision, management, maintenance and renovation of housing stock,
- as well as financial support to other social economy entities engaged in socially beneficial services.

In practice, these activities are often combined with economic activities, allowing SEEs to contribute simultaneously to **employment, social inclusion, and local development**, particularly in disadvantaged regions.

- **Level of development and presence**

As of 5 May 2026, the social economy sector in Slovakia comprises 651 registered social enterprises. The structure of the sector is strongly dominated by work integration social enterprises (WISEs), which account for 631 entities, while only 20 are general social enterprises and no housing social enterprises have been registered to date. This indicates a clear focus of the Slovak social economy on labour market integration of disadvantaged groups, with limited development in other segments.

In the Prešov Region, a total of 81 social enterprises are currently active. According to data from the regional centre, these enterprises employed as of the end of 2024 approximately 790 employees, of which 176 were disadvantaged persons on the labour market.

This suggests that, while the social economy has a visible presence in the region, its scale remains relatively limited in relation to the overall labour market. At the same time, the strong representation of work integration enterprises highlights the key role of social enterprises in addressing unemployment and social exclusion, particularly among vulnerable groups.

Existing gaps:

- **Structural challenges**
 - **Limited financial sustainability of SEEs** - many enterprises face difficulties in maintaining operations due to unstable revenues and dependence on public support
 - **Shortage of managerial and entrepreneurial skills** - lack of qualified managers limits growth, innovation, and long-term viability
 - **Administrative and regulatory burden** - complexity of legal and reporting requirements can be challenging, especially for smaller SEEs
 - **Low diversification of activities** - strong dominance of work integration enterprises reduces development of other segments (e.g. social services, housing)



- **Weak infrastructure and regional disparities** - underdeveloped infrastructure and “least developed districts” constrain business operations and service delivery
- **Missing support mechanisms**
 - **Insufficient access to start-up and investment capital** - absence of investment support instruments limits scaling potential
 - **Limited use of indirect support tools** - mechanisms such as socially responsible public procurement remain underutilised in practice
 - **High administrative complexity of support schemes** - smaller enterprises struggle with application and reporting procedures for subsidies
 - **Weak awareness and promotion of social economy** - low level of knowledge among municipalities and potential entrepreneurs reduces uptake
 - **Underdeveloped ecosystem coordination** - despite existing actors, cooperation and networking between stakeholders is not fully exploited

Potential contribution:

- **Inclusive employment creation** - SEEs play a key role in integrating disadvantaged groups, especially long-term unemployed and persons with disabilities, into the labour market
- **Provision of essential local services** - SEEs deliver social, community, and care services, particularly in underserved rural and marginalised areas
- **Support to regional development** - by creating local jobs and strengthening SMEs, SEEs contribute to local economic resilience and reduce regional disparities
- **Contribution to green transition** - potential for creating “green jobs” (e.g. environmental maintenance, land management, circular economy activities)
- **Strengthening social inclusion and community cohesion** - SEEs address structural inequalities, particularly in marginalised communities (e.g. Roma population), and foster social integration
- **Digitalisation of services and operations** - SEEs can improve efficiency and outreach by adopting digital tools (e.g. online service delivery, digital administration, e-commerce solutions)
- **Digital inclusion of vulnerable groups** - SEEs can provide training and access to digital skills for disadvantaged populations, helping to reduce the digital divide

1.5. Development Trajectories

Short-term (1-2 years):

- **strengthening employment support and labour market inclusion, especially for disadvantaged groups**
- **improving financial and advisory support for social enterprises**
- **increasing awareness and networking within the social economy ecosystem**
- **supporting digitalisation of services and basic digital skills**



Medium-term (3-5 years):

- diversification of the regional economy towards higher value-added activities
- development of social enterprises in new sectors (social services, green economy, community services)
- stronger cooperation between municipalities in establishing SEEs but also overall between municipalities, SEEs, NGOs and educational institutions
- expansion of sustainable tourism and green jobs
- improvement of transport and digital connectivity in rural areas

Long-term (5+ years):

- transition towards a more inclusive, resilient and knowledge-based regional economy
- reduction of regional disparities and social exclusion
- stronger integration of green and circular economy principles
- digitally connected and accessible rural communities
- establishment of social economy as a stable pillar of regional development and public service provision

1.6. Stakeholder Mapping

Categories:

- Public authorities/Government,
- Industry/Business sector
- Academia/Research & Education
- Civil society

Stakeholder list:

Stakeholder	Type	Role	Level of influence	Level of interest	Methodology to increase their involvement and interest
Prešov self-governing region	Regional Public Authority	Support to development of social enterprise ecosystem in the target region	High	High	Policy dialogue and sharing project recommendations, participation in resilience labs, involvement in the co-creation of project outputs, identification of synergies, using project outputs, strategic consultations for territorial action plans, supporting dissemination of



Stakeholder	Type	Role	Level of influence	Level of interest	Methodology to increase their involvement and interest
					project results and their future replication
Innovation Partnership Centre in Prešov	Public authority	Support to development of social enterprise ecosystem	High	High	Participation in resilience labs, identification of synergies between SE projects, co-organising events, contributing to and validating project outputs and using them for regional planning, supporting dissemination of project results and their future replication
Cities and municipalities in Prešov region	Public authorities	Support to social enterprises	High	High	Sharing project recommendations, participation in resilience labs, identification of opportunities to cooperate with social enterprises
Ministry of Labour, Social Affairs and Family, Social Economy Directorate	Government	Legislation and policy making to support development of social enterprise ecosystem	High	High	Policy dialogue and sharing project recommendations, participation in resilience labs, identification of synergies between projects, co-organising events, sharing project outputs and supporting dissemination of project results and their future replication
Regional Centre for Social Economy under the Ministry of Labour, Social	Government	Advisory support and methodological guidance to social enterprises in Prešov region	High	High	Participation in resilience labs, identification of synergies between projects, co-organising events, using project outputs and supporting dissemination of



Stakeholder	Type	Role	Level of influence	Level of interest	Methodology to increase their involvement and interest
Affairs and Family					project results and their future replication
Social enterprises in Prešov region	Social economy/business sector	Operation of social enterprise	High	Medium	Engagement in mentoring, peer learning, networking, resilience labs, using project outputs, identification of opportunities to cooperate with businesses and regional authorities
Circular Slovakia	Civil society	Promotion and support to development of circular economy and twin transition	High	High	Participation in resilience labs, sharing/using project outputs, potential use of expertise in project activities, supporting dissemination of project results and their future replication
ZMOS	Civil society	Advocacy, support to policy making, networking and representation of cities and municipalities in Slovakia	Medium	Low	Participation in resilience labs, networking, supporting dissemination of project results
Office of the Commissioner for Roma Communities	Public authorities	Advocacy, support to policy making for marginalised Roma communities	Medium	Medium	Participation in resilience labs, networking, co-creation activities, supporting dissemination of project results
Prešov University	Academia	Education and research	Medium	Medium	Participation in resilience labs, networking, co-creation activities, supporting dissemination of project results



Stakeholder	Type	Role	Level of influence	Level of interest	Methodology to increase their involvement and interest
Regional Development Agency in Prešov region	Public authorities	Support to regional development, employment and social inclusion	Medium	Medium	Participation in resilience labs, networking, co-creation activities, supporting dissemination of project results
Commercial (profit oriented businesses)	Business sector	Business operation	Medium	Low	Participation in resilience labs, involvement in discussions on potential B2B cooperation B2B with social enterprises
VIA Carpathia EGTC	Civil society	Cross-border territorial cooperation	High	High	Networking events, exchange of experience across regions of Slovakia
Community Centre Platform	Civil society	Community development and networking	High	High	Participation in project events, supporting dissemination of project results
Centre for Ethical Financing	Business sector	Social impact investing	High	High	Participation in resilience labs, networking events, promotion of impact financing opportunities for social enterprises
Social Economy Alliance	Civil society	Umbrella organisation, advocacy and representation of social enterprises	High	Medium	Participation in project events, identification of synergies between social economy projects, supporting dissemination of project results
Social innovators	Business sector	Social impact investing	High	Medium	Participation in resilience labs, networking events, promotion of impact financing opportunities for social enterprises



Stakeholder	Type	Role	Level of influence	Level of interest	Methodology to increase their involvement and interest
Slovak Saving Bank	Business sector	Social impact investing	High	Medium	Participation in resilience labs, networking events, promotion of impact financing opportunities for social enterprises
Comenius University in Bratislava	Academia	Research and education	High	High	Provision of expertise for project activities, identification of synergies between social economy projects, supporting dissemination of project results
University of Economics in Bratislava	Academia	Research and education	Medium	Medium	Participation in resilience labs, networking, co-creation activities, identification of synergies between social economy projects, supporting dissemination of project results
National Recycling Agency of Slovakia	Civil society	Advocacy, networking and cooperation in circular and social economy	High	High	Participation in project events, supporting dissemination and replication of project outputs
Slovak Commercial Chamber in Banská Bystrica	Civil society	Business advocacy, digital transition project for SEs - LEADER-CE	High	High	Sharing and exchanging project outputs, networking, participation in events, supporting dissemination of project results
Digital Coalition	Government/Civil Society	National platform supporting digital skills and innovation	High	Medium	Sharing and exchanging project outputs, networking, participation in events, supporting dissemination of project results



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