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## **THE ECONOMIC DEVELOPMENT OF CZECH REPUBLIC AND SLOVAKIA**

In January 1993 the Czech-Federation collapsed. New governments of Czech Republic and Slovakia faced the necessity to reform all aspects of life. In Czech Republic the new government started economic reforms that were called «Claus's Therapy». The problem of the economic development of the Czech Republic and Slovakia always interested scholars including G. Yatrakis [1], S. Kazakova [2], O. Breakdowns, H. Netreb'yuk [3], A. Dubrava, O. Zhemoyda, R. Jancevski [4], F. Bridzhel [5]. The aim of our paper is the systematization of research works devoted to the economic and social development of Czech Republic and Slovakia.

During 1990-s Slovakia and Czech Republic introduced the privatization of property. During 1990-1997 about 95% of retail facilities and catering institutions in Czech Republic and Slovakia were privatized. In 1993 the privatization program of small businesses was completed. As a result of the privatization process nearly 581 companies were sold: 988 ones in Czech Republic and 593 ones in Slovakia. In 2002 the positive result of state property privatization was replenishing of the state budget in the following amount: 3.8 billion dollars (Czech Republic) and 2.7 billion dollars (Slovakia) for the sale of stakes in gas transportation monopoly [2].

The current structure of the economy of Czech Republic is characterized by a low proportion of agriculture in GDP. Its share in 2002 was only 3.7%. The employment in agriculture was only 4.9% (Slovakia) and 6.6% (Czech Republic). In 2000 the Czech Republic had rather a high level of private sector [6]. The second half of the 1990-s was marked by the economic growth in Slovakia. The main sectors of the economy are the production of metallurgy, foodstuffs, electricity, coal mining, fuel, and chemicals, and also the production of vehicles, textiles, electrical and optical devices [7]. The admission of Slovakia and Czech Republic into European Union in 2004, the land reform in the 1990's produced an impact on the economic situation of both countries. According to A. Dibrova, A. Zhemoydy and R. Jancevski, the land reform was carried out according to the following basic principles: restitution, transformation of collective farms into private cooperatives and sale of state assets. State farms, which controlled 15% of agricultural land, disappeared in 1989. Since 1992 new forms of cooperative farms began to appear. In 2002 corporate farms used about 80% of agricultural land in Slovakia. In Czech Republic agriculture is a developed agricultural business. And in Slovakia it's a socially oriented industry.

So, economies of Czech Republic and Slovakia went a long way of reforms. The main advantages of Czech Republic's economic situation are a high level of production, a relatively high quality of goods and produced services, the orientation of the population to rapid integration with the West and so on. So, it may be concluded that the agrarian reform and the privatization influenced the development of Czech Republic and Slovakia in a positive way.

### **LITERATURE**

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