

BOOK REVIEW of Modeling Economic Growth in Contemporary Slovakia

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Abstract

Augustín, M., Jančovič, P. and Sergi, B.S. (Eds.). (2025). *Modeling Economic Growth in Contemporary Slovakia*. Entrepreneurship and Global Economic Growth Series, Emerald Publishing Limited, Leeds, 264 pages. ISBN (print): 978-1-83549-455-4

This review examines the edited volume *Modeling Economic Growth in Contemporary Slovakia* (Emerald, 2025), which offers a comprehensive and empirically grounded assessment of Slovakia's post-socialist economic transformation. The volume explores a range of interrelated themes, including trade and foreign direct investment, institutional reforms, regional disparities, innovation, and sectoral competitiveness. It presents a cohesive analysis of the country's export-led, FDI-driven growth model and critically engages with its long-term sustainability in light of global economic shifts. The review evaluates the book's methodological rigor, policy relevance, and interdisciplinary scope, while drawing parallels with Bulgaria's own experience of EU integration. Overall, the volume stands as a valuable contribution to the literature on structural transformation, convergence, and economic policymaking in small, open economies in Central and Eastern Europe.

Keywords: Slovakia, EU integration, foreign direct investment, international trade, competitiveness, post-socialist economies

JEL: F15, O52, P27

The challenges of sustaining dynamic, inclusive, and innovation-led growth in small, open post-socialist economies remain a defining concern for the Central and Eastern European (CEE) region. For Bulgaria, grappling with spatial disparities, dependency on foreign capital, and the imperative of aligning with EU strategic priorities, Slovakia offers both a cautionary mirror and an instructive case. In this context, the volume *Modeling Economic Growth in*

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Contemporary Slovakia, edited by Michael Augustín, Peter Jančovič, and Bruno S. Sergi, provides a timely, analytically rich, and policy-relevant contribution to understanding the layered dynamics of a country that, like Bulgaria, transitioned from central planning to EU integration while seeking its place within global value chains.

This edited collection, published by Emerald in 2025, gathers contributions from leading Slovak scholars and reflects a broad base of institutional expertise across economics, international relations, public policy, and regional development. The volume comprises fourteen chapters and is structured around a multidimensional assessment of Slovakia's growth model. Its scope spans macroeconomic reforms, trade and FDI patterns, labor markets, regional disparities, demographic transformations, sectoral competitiveness (notably in the automotive and services sectors), and innovation capacity.

What distinguishes this volume is its coherence and focus: despite covering a wide terrain, the chapters are united by a common concern – the sustainability of Slovakia's export-led, FDI-driven growth model under shifting global, technological, and demographic conditions. Unlike many edited volumes, which often lack internal synergy, this one reads as a coordinated and complementary endeavor, likely informed by long-standing academic collaboration within the Slovak policy research community.

An essential chapter in this regard is co-authored by Michael Augustín and Peter Daubner, who trace the evolution of Slovakia's economic model since 1993 through a political economy lens (Augustín and Daubner, 2025). Their analysis goes beyond macroeconomic reforms to explore the political decisions, elite networks, and institutional legacies that have shaped Slovakia's integration into the European economic framework. They emphasize how successive governments adopted – and at times reversed – neoliberal reforms, and how this path dependency fostered both economic convergence and long-term structural vulnerabilities. The chapter serves as a conceptual anchor for the rest of the volume, framing Slovakia's growth as not merely an economic adjustment, but a historically situated and politically contingent process. For readers interested in the complex interplay of reform, institutions, and development – a dynamic also relevant to Bulgaria's post-1990 trajectory – this chapter offers rich comparative insight.

A particularly compelling and critical contribution is Chapter 7, authored by Peter Jančovič (2025), which examines Slovakia's external economic relations. The chapter illustrates the structural vulnerability of a development model heavily reliant on inward foreign direct investment and export-oriented manufacturing. Jančovič offers a data-rich analysis of Slovakia's trade openness (exceeding 200% of GDP in 2022) and highlights the dominance of multinational firms in shaping the country's comparative advantages, especially in low value-added segments of the automotive and electronics sectors. He identifies a troubling asymmetry: although deeply embedded in global value chains, Slovakia contributes primarily through assembly-based activities, resulting in low domestic value added. This raises concerns for fiscal sustainability, income distribution, and adaptability to technological disruption.

Notably, the chapter offers a critique of Slovakia's strategic framework for external economic relations – specifically the Concept for 2022-2030 – which Jančovič argues remains vague and lacks actionable performance indicators or implementation tools. His critique echoes broader concerns about the persistent gap between policy ambition and institutional capacity in the CEE region (Bohle and Greskovits, 2012). This mirrors the experience of Bulgaria, where EU integration has similarly spurred trade and capital inflows, yet structural inequalities and limited innovation capacity persist (Zhelev, 2025).

Equally illuminating is Chapter 8, which analyzes regional economic disparities in Slovakia – a country often described as having the deepest internal divergence within the EU. The authors use NUTS-level data and forward-looking demographic projections to demonstrate persistent spatial inequalities, particularly between the dynamic Bratislava region and the less developed east and south. They highlight the inadequacy of Slovakia's early post-transition policies in addressing these disparities, emphasizing the need for functionally defined regional units and better-targeted cohesion mechanisms. The methodological rigor – blending quantitative modeling with socio-demographic mapping – provides a template for similar analyses in other EU peripheries, including Bulgaria, where metropolitan – provincial divides remain a persistent challenge.

Several other chapters add sectoral and institutional depth. Chapter 10 focuses on the automotive industry, tracing Slovakia's success in attracting foreign assemblers and the emerging risks of technological disruption (e-mobility, automation). Chapter 11 explores the role of innovation and digitalization in enhancing competitiveness, highlighting Slovakia's underperformance in R&D investment and ecosystem coordination. These themes echo broader EU concerns around the "innovation gap" between core and peripheral member states (European Commission, 2024) and resonate with Bulgaria's own strategic orientation under the National Recovery and Resilience Plan.

The final chapters broaden the scope to comparative and political economy perspectives. Chapter 14, for example, contrasts the Slovak and Czech growth models post-EU accession, drawing attention to divergence in institutional adaptation and eurozone membership. This comparative element is especially valuable, reminding readers that even closely linked transition economies can evolve along significantly different developmental paths. In line with recent debates in comparative capitalism (Bohle and Greskovits, 2012; Nölke and Vliegenthart, 2009), the volume makes a case for understanding growth not as a mechanical function of policy inputs, but as a contested and contextually embedded process.

From a methodological standpoint, the book combines data-driven analysis, institutional interpretation, and sectoral case studies with an evident commitment to policy relevance. While a unifying conclusion would have helped crystallize the book's broader implications, the individual chapters are well-crafted and conceptually anchored. A minor limitation is the relatively modest engagement with cross-country comparisons beyond the Czech Republic; future editions could benefit from expanding the comparative lens to include other small, post-socialist EU or EU-adjacent economies.

Overall, *Modeling Economic Growth in Contemporary Slovakia* is an impressive scholarly achievement. It offers a nuanced and data-informed narrative of one of the EU's most export-dependent economies, drawing lessons that are highly applicable to Bulgaria and other small open economies in the region. By balancing critical analysis with constructive policy suggestions, the volume exemplifies the best traditions of applied economic research. It deserves to be widely read not only within Slovak and regional policy circles but also in European institutions concerned with cohesion, convergence, and structural transformation.

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