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## INDUSTRIAL BLACKOUT IN SLOVAKIA

**Summary.** The paper presents some state-of the art position of the Slovakian Industry and the concurrent position in up-to-date concept in restructuring or upgrading the R&D fields including money and time aspects and share spiral. The conclusions are relatively separated of the other economic impacts and strategic partnership within the V4 group framework.

### 1. Introduction

Diagnostics of the Slovak Economics has been relatively easy determined but therapy is so far difficult and to find the proper remedy will be the vast problem for a long time. In this connection, all countries within the EU could express their troubles caused by current recession and particularly emphasis on changes in technical progress, automation or robotics or weapon industry restriction undertaken by the naïve decision-making processes. A long range failures in industrial fields have been approached playing power play to the economical laws. This period can be called as an **industrial blackout** being advantage for any counterpart programming the development in this way.

### 2. Automation vs. Manual Simplicity

It is not so far when a complex automation has been considered as a pill remedy to be able bring a solution for higher productivity and welfare of the society. Those more experienced experts found out that the automation processes make almost in every cases some troubles. But this fact can be avoided if it could be taken as a pure technical problem. The complexity and multifunction form of the problem must account with the other aspects such as cultural, social or even political consequences. In Slovakian industry it can be demonstrated all of the mentioned aspects.

Ten years ago the automation methods application in the manufacturing processes involved gradually more and more interactions in technology, economics, sociology of work, business activity and some strategic aspects. Of course, this batch of quasi-scientific criterion had very important influence on the technical policy level decision to see flexible automation technology in bright colours. In machinery, the situation is extremely complicated because of the heavy-duty machine manufacturing orientation. Slovakian industry and manpowers been stoked by dramatically reduced the main activities in automation a robotic fields and through backward actions from the political decisions. Manual simplicity become more acceptable than automation processes because of social aspects.

On the other hand, a lot of East European managers, experts and other professionals that are competent for a **decision process** for developing and applying of advanced information technologies in strategic large-scale information systems can organize the CA-technology structure on a client-server communication network.

### 3. Money and Time Aspects

The Slovakian economy today stays at the edge. The economic project leaders (brain trust) know about the necessity to invest a large amount of resources into the information technology. They know it for sure that the information technology must be implemented in mass. Because of having very limited sources they are going first of all invest into **strategic application** fields such as : government, civil management, municipality management, financial and top business and industrial management. Sometimes they say that Slovakian industry ( and the other post-communist countries) have the unique advantage given by the backwardness to state of the art in information technology. But there is no choice. They can choose (if want to be a partner) directly only the most advanced technology skipping the 15-20 years of development and apply it entirely instead of evolution from older information technology application.

In manufacturing processes particularly CA-technologies are not a problem or a question of money and time. There are also people factors which correlate to the educational system and social environment resulted by applying the ideological / political system in the past. Suddenly, as a miracle the production processes had been given into the shade of management, business or transfer technology from the West and the production power in machinery should be damaged, devastate and sunk to less then one third of the pre-velvet revolution period.

The big factories (over ten thousand employees) had lost their domain production programmes (mostly on weapon's one) and the future development of the economy or the standard of living of the population in the regions has been in extremely severe problem to find a proper job. The economic policy of the Slovak Government was initially dominated by the aim of eliminating the old-administrative structure and obtaining compensation for a social free market. Socialization programmes are hardly compatible with the integration of the Western community into the EU economic system. Thus the basic decision that is to determine the Slovakian development in the years ahead leads to the restructuring or adopting a new structures into small or medium size factories in private sector preferably.

The most factories suffering from an organic or inorganic disease can not look for a salvage in automation at all. Many firms have been drawn into the innovation processes or upgrading their facilities but the borrowed investments were usually split in unexpected costs. In this case they can not reach the full returnable investment. Thus the insolvency ( first or second order) is dramatically set up and the bankrupt is going to be sure. Of course, to face the situation in not easy. The stronger or privatisation robbers are waiting for their chance. They know that the price of the manufacturing units will be the cheaper in the short time.

#### 4. Share Spiral

If some top management desired themselves to make an investment into automation and they found out that this death-decision did not bring the expected profit then the endangered companies or banks rushed off to play the last game on the pole position of business. As usual they have to do bulk-buying of their own shares (of the borrowed money) hoping to press down the shares value and so to survive as long as possible. This trick effects the actual relation of shares until an stock exchange is not able to react on it from their strategic aspect.

However, if the firm is not able to get together required loan and to buy out its own shares then an avalanche of bankrupt is going to be not returnable. The mentioned firms as a holder of small rate share know that their shares are artificially overvalued and so they try to leave it as soon as possible. This is the moment for business vultures. (*Money lenders are the vultures of society*) They buy out the offered shares for extremely low prices comparing the usual ones. Since last years it can be observed that some firms are looking for their salvaging in a contract or cooperation with the foreign companies. This way the relatively strong foreign firms or corporations gain the big ownership and the major share having the main-decision control in top management. Implemented advanced information technology can not break it.

#### 5. Conclusion

To overcome the backwardness in the area of information processing for top management is a parallel process to a degradation of manufacturing processes in the Slovakian industrial branches. The vast losses in the traditional market territories, ISO standard adoption and the hard impact of the pure commercial invasion of currently running recession on the West market generate the Industrial blackout in Slovakia and many disillusion. In short time a few of them would be from the marketing point of view of the leading companies very interesting and perspective to persuade them to be important to attack the arising market.

#### References

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