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Innovations in Tourism Policy: the Case of Poland

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ABSTRACT

Competitiveness depends to a large extent on innovation. This is true about tourism also. This article focuses on the differences in innovations implemented in the field of tourism policy. The main aim of this article is to evaluate the differences in innovations in tourism policy. The key hypothesis suggests that in the countries undergoing the process of transformation, introduction of innovations is difficult and depends to a large extent on the capability to adopt the new post-industrial tourism paradigm. Poland serves here only as an exemplification of this phenomenon. An additional hypothesis suggests that public policy employs in practice more often “goal substitution” (instead of complex and demanding goals; for instance modernization or renovation instead of urban regeneration or culture or tourism), whereas the business sector is more product-oriented (in line with the new post-industrial paradigm). The article analyses public 2007-2013 strategies (and, to some extent, projects for 2014-2020), but first of all it compares the implementation of the strategy within the operational programs and in private sector activities. Finally, referring to Poland as part of the European Union, the paper proposes that new EU regulations may bring a change in non-product approach to tourism development policy.

Keywords: Poland; Innovations; Regional Tourism Development; Knowledge based economy; 2007-2013

Konkurencyjność sektora gospodarki zależy w dużym stopniu od innowacji. Ta prawda dotyczy także turystyki. Główny cel tego artykułu to ocena różnic innowacji w polityce turystycznej. Kluczowa hipoteza brzmi, że w krajach przechodzących transformację wdrożenie innowacji jest trudne i w dużym stopniu zależy od zdolności do akceptacji nowego, przemysłowego paradygmatu turystycznego. Polska jest jedynie przykładem. Hipoteza pomocnicza brzmi: polityka publiczna częściej, niż sektor prywatny, w praktyce stosuje “zastępstwo celów” (zastępowanie celów złożonych przez

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prostsze i mniej wymagające, np. remont zamiast rewitalizacji czy turystyki). Sektor biznesowy jest częściej zorientowany na produkty (w zgodzie z nowym paradygmatem). Artykuł jest poświęcony strategiom publicznym i ich wykonaniu w okresie 2007-2013 (tylko w pewnym stopniu rozwiązaniom na okres 2014-2020), ale w pierwszej kolejności porównuje strategiczne wdrażanie programów operacyjnych. W końcu twierdzi, że nowe rozporządzenia EU mogą przynieść radykalną zmianę w podejściu unikającym dotąd w praktyce inwestowania w polityce rozwoju turystyki w nie-produkty. Artykuł jest głównie o Polsce jako składowej UE.

Keywords: Polska; Innowacje; Rozwój Turystyki w Regionach; gospodarka oparta o wiedzę; 2007-2013

Introduction

The main aim of this article is to evaluate the differences in innovations in tourism policy. The paper's main hypothesis suggests that in countries undergoing the process of transformation (including Poland), introduction of innovations is more difficult and depends to a large extent on their ability to adopt the new tourism paradigm appropriate for knowledge based economy and information society. The term of knowledge based economy stems from fuller recognition of the place of knowledge and technology in modern countries (OECD, 1996). Information society is the term stemming from increasing codification of knowledge, transmission of knowledge via computers and networks, connection with technology and increasing role of human (and social) capital (ibidem). Similar definitions are used by other sources. The knowledge based economy is defined by EUROSTAT (following OECD) as an expression coined to describe trends in advanced economies towards greater dependence on knowledge, information and high skill levels, and the increasing need for ready access to all of these by the business and public sectors. Information society is seen by the EUROSTAT as part of science, technology and digital society and understood as covering a range of issues, most notably: research and development (R & D) statistics, innovation statistics and statistics on human resources in science and technology and researched in several fields: internet access (incl. broad band internet access), internet usage, internet users experiencing security related problems, ordering goods and services).¹ An additional hypothesis suggests that in practice public policy employs more often the "substitution of goals" approach (instead of complex and demanding) (Merton, 1968). On the other hand, the business sector is more product-oriented (in line with the new paradigm). The article analyses public strategies of 2007-2013 (and, to some extent, the regulations for projects of the 2014-2020 programming period, although until late 2016 there were no projects finished yet) in Poland. Another reason for such a choice of material is that the strategy for 2007-2013 was approved later than the operational programs, so its potential to establish goals for tourism development is meaningless. Still, the first and foremost objective of this paper is to compare the implementation of the strategy within the operational programs and private sector activities. A short analysis of the paradigm and the changes in the approach to innovations in tourism serves as an introduction to the analysis of Poland's case.

Unlike in a global analysis by UNWTO (2015, p. 2), the share of tourism in Poland's GDP is less than 9% (almost 6%) (MSiT, 2015, p. 3). It is probably due to the fact that Poland is at the final (but not yet finished) phase of the paradigm shift from industrial to post-industrial.

1. Innovation in tourism

As is the case of most services, innovation came to tourism from other sectors. Schumpeter's work (1952) on the productive sector defines innovation (understood as transformation of patent or idea into a product) as the introduction of:

- new product;

- new production method;
- new market opening;
- new source of resources or parts;
- new organization.

Applying innovation to tourism Abernathy & Clark (1985) and Hjalager (2002) suggested that it may be in general divided into:

- regular innovation;
- niche innovation;
- architectural innovation (change of infrastructure and capacity);
- revolutionary innovation.

In a new overview of the approaches to innovation in tourism, Hjalager (2010) came to the conclusion that innovation is treated by researchers as:

- product (service) innovation;
- process innovation;
- managerial innovations (new ways of internal collaboration);
- management innovations (i.e. loyalty programs development);
- institutional innovation (new structures).

As said before, researchers are – as a rule – of the opinion that most innovations in tourism originate in other sectors (transport, ICT, etc.) (see Cantner et al., 2010; Nordin, 2003; OECD, 2006; Pechlaner et al., 2005). According to the OECD (2006) there are three groups of factors that can be attributed to success in tourism innovativeness:

- supply or supply driven determinants;
- demand drivers;
- (influenced by globalization) level and pace of competition.

An interesting thesis comes from Goldenberg et al (2001), who – after examination of the reality – came to the conclusion that more moderate and tested innovations (as less risky) have better chances to succeed. It is interesting to observe that – despite growing interest in innovation and its role in tourism development – the Encyclopedia of Tourism devotes to the definition of innovation (see Hjalager, 2000, p. 310) less than ten lines.

Taking into account the changes in the tourism paradigm (for instance experience tourism, which is entering into all forms of tourism) one cannot disagree with Hjalager's (2010) suggestion that significance of endogenous factors (social or institutional factors) steadily grows (D'Agostino & Scarlato, 2015). This finding is in line with the thesis of this paper suggesting that recent changes in the reality (transformation of the economic, social and political structures) are much faster than the mentality shift.

2. New tourist paradigm

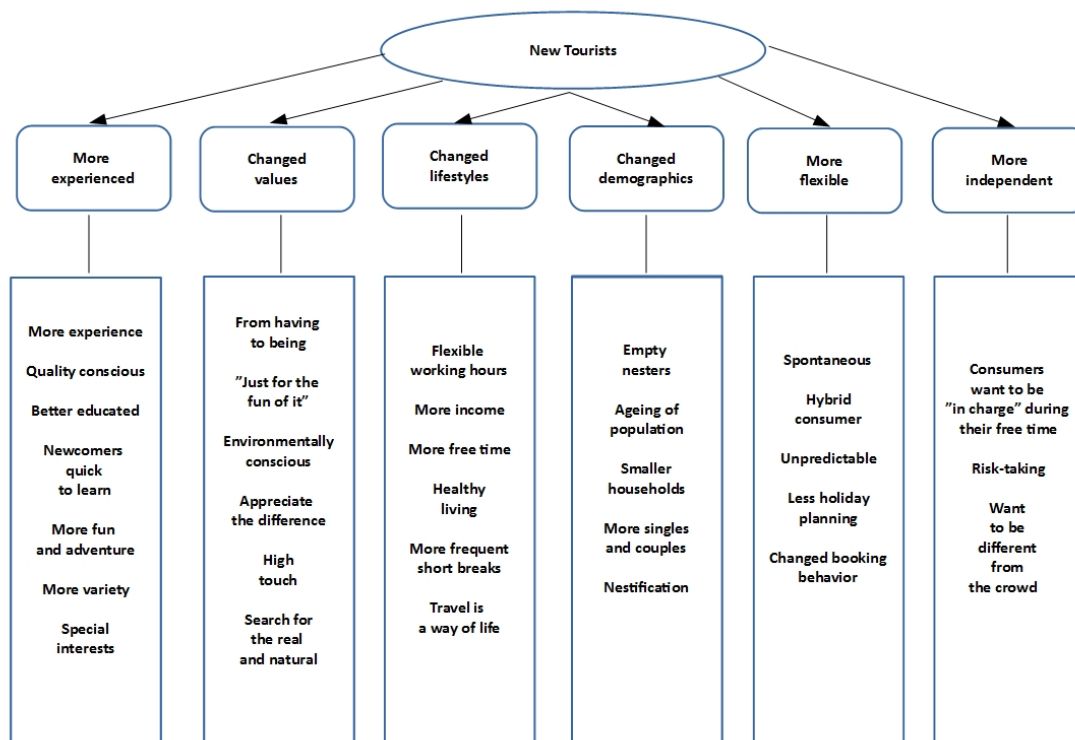


Figure 1. The new tourists

Source: Adapted from Wall & Mathieson (2006, p. 31)

During less than the life of one generation, between 1970 and 2000, most of the countries that relied on industry as a major source of national income and employment, entered a new, post-industrial, era, described also as knowledge based economy and information society. Ca. 60% of Poland’s GDP is being produced in the services sector (while in Germany it is ca. 69%, in the UK 82% or in the US 60%) according to the CIA Factbook.²

Fast technological transformation in other sectors (transport, ICT, work organization, etc.) resulted in changes in the tourist sector also. They originated as well from changed social patterns, resulting from improved education, new culture, lifestyles and similar. One of the most visible changes refers to the role of infrastructure, which in the industrial era used to stimulate development, whereas in post-industrial one, is no longer seen as a sufficient condition of development (although it is needed wherever development exists). That is why, nowadays, the technical infrastructure follows development and not causes it (Gorzela, 2007). Certain European countries (like Spain, Greece, Portugal), investing heavily over last years into infrastructure, were – unlike Poland – in a deep crisis (Grosse, 2004; EC, 2014).

However, due to a number of landmark events (the fall of the iron curtain, widening of NATO, OECD and the European Union, years of accelerated economic growth, etc.), the step from the industrial to post-industrial era remained unnoticed by many people. Social awareness has been growing only recently. Consequently, many society members are in a “lock-in” situation – using old, ineffective solutions (like infrastructure) to solve current development and many other problems. This can be

easily observed also in Poland (see the analysis of operational programs), where the most typical substitution of goal takes the form of spending most of the funding on infrastructure, thus reducing all (or most of) development problems to infrastructural ones (Kozak, 2014). It is little wonder that EU institutions decided not to support the UEFA 2012 stadiums and UEFA related infrastructure, and from 2014 resolved to impose more strict conditions on Cohesion Policy Funds (for instance tourism support is possible only at the regional level) (PA, 2014). Does the new strategy project take these changes, proposed by the EU and the Polish Government, into account?

It is worth noting that about 2.2 million Poles have emigrated in search for economic and social security (GUS, 2014). Such a large scale of emigration cannot be explained by infrastructure underdevelopment only.

2. Public sector approach to support of innovation in tourism

Public policy approach to tourism innovation in Poland can be best studied by an analysis of the tourist strategy adopted and its implementation within selected operational programs.³ Let us start with the national strategy (under the title of “Directions of tourism development 2007-2015”) adopted in 2008 (that is after the operational programs were agreed upon).

The main objective of the Polish strategy (and in general also of the short introduction added finally to the project of the strategy just before its adoption by the Council of Ministers in September 2008) seemed modern and promising (following the line of the new paradigm): to use tourism as a development factor. In theory, this means that tourism development policy moves finally from a romantic approach to tourism, understood as a social phenomenon, to the economic approach seeing tourism mainly as a sector of the economy, influencing local, regional and national development.

The main priorities (MSiT, 2008) serving to attain the main objective of the strategy were the following:

1. Highly competitive tourist products (plus 5 specific operational objectives)
2. Cadres for tourism development (plus 3 specific objectives)
3. Marketing support (plus 2 specific objectives)
4. Shaping up tourist space (plus 2 specific objectives)

All four of the main priorities sound rational until we take a closer look into the meaning attached. For instance, the listing of proposed products contains also tourist trails, which – in most cases – cannot be treated as products (something payable). Although in the Tatra National Park there is a small fee for entering the Park and access to trails, tourist trails in Poland are usually free of charge. Needless to say, tourist trails construction (infrastructure) in most cases replaced “highly competitive products”. The Dolnośląskie region (Table 2) is one of the examples. Another example refers to a very important and highly needed “shaping up tourist space” priority, which in fact was, to a large extent, not a space-oriented activity but the one that financed construction or overhaul (renovation) of roads and streets. This propensity to replace difficult products with simple projects was typical to most, if not all, of the EU funds priorities. Even

without providing other examples referring to further priorities, one should notice that the authors of the “Directions” show that “selected” forms of tourism to be supported actually cover all widely known forms of tourism (MSiT, 2008, p. 67). This is not at all surprising, taking into account that the same authors wrote openly that the “Directions” sought to accommodate all the opinions and interests voiced by tourist activists. This also seems to explain the structure and nature of projects co-financed from the EU cohesion policy resources by national and regional managing authorities (from now on mentioned as MAs).

For the space sake we will look at the national and regional (local) projects qualified by the MAs as tourist products (using the Grant Map of the Ministry of Infrastructure and Development, MIR, as of Sept. 1, 2015). It is worth noting here that the Ministry changed its name: until August 2015 it was known as the Ministry of Regional Development (MRR), from September 2015 as the Ministry of Infrastructure and Development (MIR), and most recently it is known as the Ministry of Development (MR). The analysis will cover NUTS2 regions of Dolnośląskie (one of the most visited by guests), Podlaskie (one of the least visited) and Warmińsko-mazurskie (before 1989 considered one of the best known and most-visited tourist regions). Regional programs were co-financed by the EFRD resources. The reason to use them in this article is simple: only the EU programs report progress (although before ex-post evaluation is published, only the financial progress data are available). In general, public authorities prefer to disburse the funding earmarked for innovation (and R&D) on technical infrastructure. Podlaskie region is a good example of such an approach (see Table 1).

Table 1. Podlaskie region, projects 2007-2013 finalized (as of Sept. 1, 2015)

Type of project	Quantity of projects	Million PLN from EU cohesion policy	Main beneficiary
1. Aquapark, water sport centre	4	26.6	public
2. Concert/theatre/conference/sport /tourist/integration/exhibition canters etc.	27	107.4	public
3. Declared “urban regeneration”, overhaul of streets, gardens, restaurants	6	25.7	mostly public
4. Local stadiums, swimming pools	6	57.7	public
5. Golf course	2	4.1	mixed (one sport NGO)
6. Other, (promotion, etc.) unidentified historical park (for 27.0 million)	11	33.7	mostly public
7. Hotel, motel, pension, camping sites (2 private camping sites for 2.4 million)	40	92.4	private
8. Sport/recreation/tourist areas	4	35.2	public
TOTAL	100	382.8	Almost exclusively public

Source: MIR, (2015), Mapa dotacji [Grant Map], Ministry of Infrastructure and Development. Retrieved from <http://www.mapadotacji.gov.pl/projekty>

Interestingly, in the case of national programs even the supraregional one, which is supposed to support the five least developed regions of Eastern Poland, is not meant to impose any specific activities developed in regional operational programs by the five individual regions. As a result, until the 1st of September 2015, the only finalized projects were the ones supporting exhibition/congress centers and one promotional project.

The most significant resources were spent on modernization and development of an exhibition and congress centre in Kielce, Świętokrzyskie region (62.3 million PLN from EU Cohesion Policy funds). Two public companies received 41.0 million PLN and 37.9 million PLN for development of the Arena Ostróda Exhibition and congress center in Ostróda (a town in Western Warmińsko-mazurskie region). The Targi Lublin (Lublin Fairs) public company also received significant support for the second stage of construction of the regional exhibition and trade center in Lublin, the capital of Lubelskie region (16.0 million PLN). Other funds were spent on sustainable tourism development, a project implemented by the Polish Tourist Organization (19.4 million PLN) (MIR, 2015). Most of “tourist” projects were also of public infrastructural character.

High propensity to allocate money mainly for the public sector (included public enterprises) and mostly to hard (infrastructural) projects definitely stands in contradiction with the new development paradigm, where infrastructure is considered a needed, but not a sufficient development factor. Therefore, investment into infrastructure (as is always the case) should be integrated with products and based on high quality justification.

Data presented in Table 1 for Podlaskie region show that most of the financial resources went to the public sector (municipalities, districts, museums, etc.) and that they were spent primarily on infrastructural investments, but not always on development products. Most of the completed investments served, first of all, the needs of the local population, not the tourists' ones (with urban regeneration, meaning de facto renovation of a swimming pool or a local stadium, various halls or “tourist-recreation centers”, aquaparks, etc.). Only ca. ¼ of total funds disbursed ended up in private sector productive investments (hotels, SPAs, gastronomy and similar). Needless to say, co-financing for public projects reached the level of ca. 50-60%, while in the case of private projects it did not exceed 30%. What is important, this still limited support to private sector went to lower standard projects.

Table 2 reveals yet another approach, in the Dolnośląskie (Lower Silesia) region, which is one of the most visited regions, with slightly worn-out but quite well-developed tourist infrastructure (which is clearly visible when looking at the list of main beneficiaries – apart from biggest cities most beneficiaries have Zdrój (a resort) as part of the name. Unlike in Podlaskie, the Dolnośląskie regional operational program does not provide any funding to private sector.

What is characteristic of both regions is a strong public sector propensity to spend funding available on hard rather than soft projects. The supply is significantly strengthened by the demand on the side of local public sector and public beneficiaries, strongly believing in the old paradigm. Political cycle is yet another factor behind this

approach. In Warmińsko-mazurskie region there is a clearly visible shift towards products and quality development, however, the old paradigm evidently prevails (though less than in other regions discussed) (Table 3), even though the private sector is usually financing mostly hotels and similar products, which may become profitable. The use of the old paradigm (investing mainly into hard infrastructure) has one feature appreciated by managers: it helps to spend the funds available under operational programs' budgets (and may be decisive for managers' performance assessment).

Table 2. Dolnośląskie region, projects 2007-2013 finalized (as of Sept. 1, 2015)

Type of project	Quantity of projects	Million PLN from EU cohesion policy	Main beneficiary
1. Aquapark, water sport canthers	3	2.7	public
2. Concert/theatre/conference/sport /tourist/integration/exhibition canthers etc.	7	42.2	public
3. Tourist trails	10	21.1	public only
4. Urban regeneration, renovation, modernization	13	43.8	public only
5. Local stadiums, swimming pools	8	45.5	public only
6. Sport/tourist/recreation areas	9	26.7	public only
7. Other, promotional, unidentified	8	24.0	public
TOTAL	58	206	Mostly or exclusively public

Source: MIR, Mapa Dotacji [Grant Map], Ministry of Infrastructure & Development. Retrieved Sept. 1, 2015 from <http://www.mapadotacji.gov.pl/projekty>

To sum up this part of analysis, the data for the period of 2007-2013 clearly show that the new (post-industrial) development paradigm was not fully adopted. What is more, the closer to the local level, the higher the propensity to invest into infrastructure construction or modernization. In both Dolnośląskie and Podlaskie regions very limited funding was allocated to products or soft projects (such as promotion, training, etc.). Looking for explanation, one should apply the "lock-in" phenomenon, that is using the old (industrial) paradigm solutions to solve new development problems, typical of post-industrial social, economic, political and institutional environment.

The Warmińsko-mazurskie region (located in North-Eastern Poland), for many years (along with the sea regions) considered the summer capital of Polish tourism, is a good example of a region, which after the fall of the iron curtain and the accession to the EU, could not adjust to the changing situation ("lock-in"): tourists came and will come, the main problem experienced by inhabitants and authorities is low regional accessibility. Seasonality of tourism was not taken into account for years. It was only recently that this region started to support also the quality of services, supporting investment into high standard hotels. In 1992 ca. 0.9 million of tourists used the regional accommodation. This is the author's own calculation on the basis of GUS (1992), where

data are shown only for the first nine months of 1992. Recently (2012), the number of tourists using regional accommodation was equal to 1 million (GUS, 2013), which gives the Warmińsko-mazurskie the 8th rank among 16 Polish regions. It is incomparable to 1992 data, since in 1999 the borders of the regions were changed (16 new NUTS2 regions instead of 49 small regions). Needless to say, due to the crisis there were also significant changes in terms of foreign tourists or visitors.

Table 3. Warmińsko-mazurskie region, projects 2007-2013 finalized (as of 20.09.2015)

Type of project	Number of projects	Million PLN from EU cohesion policy	Main beneficiary
1. Conference/sport /tourist/exhibition/trade/centers/halls etc.	20	173	Public sector
2. High standard hotels 4-5 stars	8	67	Private sector
3. Other hotels, pensions and other accommodation below 4 stars	19	30	Private sector
4. Restaurants	8	9.5	Private sector
5. Cultural institutions (objects, like theaters, philharmonics, churches)	9	55.5	Public sector, catholic church
6. Promotion (mostly local)	16	12	Mainly public sector; some NGOs
7. Reconstruction, renovation, modernization of unspecified objects	6	17	Public sector
8. General projects of sport-recreation infrastructure (unspecified)	8	86	Mostly public sector
9. Tourist trails (mostly for bikers)	14	14.5	Public sector
10. Tourist and recreation areas development/modernization	17	58	Public sector
11. Other (incl. resort function development)	6	39	Mix, mostly public sector
TOTAL	138	561.5	Mostly public sector, but not exclusively

Source: MIR, Mapa Dotacji [Grant Map], Ministry of Infrastructure & Development. Retrieved Sept. 1, 2015, from <http://www.mapadotacji.gov.pl/projekty>

The data on the projects supported by the ERDF in Warmińsko-mazurskie region show a mix of elements of two different policies: traditional support offered mostly to public infrastructure (trails, reconstruction or renovation, etc) and significant support to high-standard accommodation (products).

Undoubtedly, over the last 25 years tourism in Poland has made a significant and visible progress, not only thanks to the financing from the EU funds after the accession in 2004. However, this progress was not slower, and often even faster in other, competing countries. In particular the main difference is in the “value for money” relation, which was hardly (or even not at all) addressed during the 2007-2013 programming period.

It is worth noticing, however, that in some regions (such as Warmińsko-mazurskie) the move towards the quality development is evident. Even in these regions however, some money was spent on short-term products, such as development of high quality sport center in Ostróda for teams visiting Poland during the European Football Championships EURO 2012. In every case, we can easily identify projects (sometimes quite costly) that have nothing to do with tourism (reconstruction or modernization of areas and buildings, local sport and recreation projects, etc. rather improving the quality of life of local inhabitants than being a tourist attraction).

3. Partnership Agreement and new tourism strategy for 2015 – 2020

The Partnership Agreement (from now on mentioned as PA), adopted in May 2014, expects significant influence of tourism on development. Based on the International Tourist Organization data, the PA suggests that tourism share in the national GDP should reach 5.8%. Taking into account the fact that international organizations data are based on information of national institutions undefined in the Partnership Agreement, it is of little impact. Nevertheless, the Partnership Agreement pays significant attention to tourism. Cultural and natural heritage are considered important factors stimulating development of the tourist sector (PA, p. 31). It is expected that environment protection will have a positive influence on integrated activities and the development of integrated tourist infrastructure (PA, p. 56). Additionally, it says that culture-linked thematic objectives 6 and 8 should be based more on justification and analysis (evidence based) (PA, p. 117). The Partnership Agreement also suggests that infrastructure in natural areas is important, as well as, the support to border regions (PA, p. 219).

As for the new strategy (initially “Directions of...”, finally “Tourism development programme until 2020”, approved by the Council of Ministers in 2015), it is definitely more oriented on thematic objectives than any of its predecessors. The main objective in the English version reads: “to promote the development of competitive and innovative tourism through supporting the tourism sector enterprises, organizations, institutions and initiatives, while respecting the principles of sustainable development” (MSiT, 2015, p. 33).

As stressed by the authors, the strategy is strictly connected to other European and national development strategies and to the National reform program. And rightly so, as most changes in the strategy or the program were imposed by the EU 2013 European Structural and Investments Funds (ESIF) identical regulations for the period of 2014-2020.

To attain the key objective of the strategy the following operational objectives have been proposed:

- Operational objective 1: To develop innovativeness, attractiveness and quality of tourist services and products, as an economic competitiveness factor;
- Operational objective 2: To strengthen social activity and entrepreneurship in the tourism sector and to increase the competence of human resources;
- Operational objective 3: To promote priority tourism products of the country and the regions, as well as, their economic specializations based on tourism;
- Operational objective 4: To develop and modernize space for the development of tourism and tourist infrastructure while complying with the principles of sustainable development and environmental protection regulations (MSiT, 2015, p. 34).

Although very general, most of operational objectives look modern, promising and in line with the new paradigm (innovation plus entrepreneurship). The final assessment can be made, however, only after first two or three years of implementation. There is still a risk, however, that some beneficiaries will try to use the “goal replacement” and magic words like “increasing tourist competitiveness of the region through...”, which gives “justification” and “evidence” to any sort of activity financed. And with regret, one should say that the strategy was ready only in August 2015, when all the regional operational programs were already adopted (so the strategy again had no influence on the programs). For safety sake let us say that tourism was not allowed in the national (sectoral) programs, while it could be promoted on the regional operational programs level. Interestingly, in almost all regional programs it always took the name of tourism and “something” (except for 3 regions): tourism and culture; tourism, culture and urban regeneration (revitalization); tourism and cultural environment etc. Only two out of the 16 Polish regions did not prepare a tourism, or tourism and “something”, priority (EC, 2015).

4. Business (private) activity and its role in innovation introduction

As we have already seen, some regions (like Dolnośląskie, according to the Grant Map) did not support private sector and generally tend to spent most of the EU resources on public investments.

The example of Podlaskie shows that – as a rule – projects by private businesses are about products. Taking into account both global competition for visitors and increased expectations of Polish (and other European) tourists, the product quality determines success. Entrepreneurs, unlike many civil servants and “activists”, concentrate on products, rightly seeing the problem mostly in the shortage of proper quality accommodation, gastronomy, services making tourists’ life more attractive also in the seasonal destinations that try to base their tourist activities on natural resources (sea, lakes, forests, mountains). Thanks to the approach of the business sector, there is a good chance of prolonging the season, thus contributing to regional development.

There are two examples of business activities (out of big cities) that helped to change local environment.

Let us have a look at the family business developed ever since the late 1980s. The Anders Group (created after the fall of the iron curtain) has always focused its activities on the Warmińsko-mazurskie Region. In 1989 the owner possessed experience in state-owned tourist sector, the Anders villa (a three star hotel by the lake in Stare Jabłonki, in western part of Warmińsko-mazurskie region) and a travel agency in the regional capital, Olsztyn. Thanks to the years of high-quality business development undertaken step by step, by 2015 the business became probably one of the largest privately owned enterprises. The Anders Group includes, among others, 4 four-stars hotels (two of them in old castles/palaces – in the towns of Ryn and Lidzbark Warmiński; 2 restaurants and 3 other businesses offering 1200 beds, 2000 places in restaurants and seven thousand seats in conference rooms) (Anders Group, 2015). On top of that there is also a restaurant, offering local food, and a stylish holiday and recreation centre, plus well known international beach volleyball championships. Despite construction of numerous 3- and 4-stars hotels in the region, the Anders Group is considered the largest amongst high-quality tourist businesses. The activity of the Group covers the entire region, offering complex tourist products and taking the lead in the tourist sector. After 25 years the family has established a chain of four-stars hotels, restaurants and other facilities, offering a number of products (services) to incoming tourists. These services are offered both within the establishments and outside. In order to offer a full chain of products, the family invests sometimes into services that complete the chain (bakery, restaurant, guides, tourist information services, etc.). With more than 1000 bed places in a number of hotels, it is actively supporting regional and local tourism development initiatives and successfully disseminates a new to the region, more culture-based, type of tourism. The business successfully influences economic and social development in a number of towns surrounding its hotels and other establishments. Interestingly, already in the late 1990s high-quality tourist products were to some extent copied by investors in four stars hotels located mostly in Western parts of the Warmińsko-mazurskie region, but, unlike Anders group, they did not form a chain of businesses offering differentiated products. Yet, the paradigm shift from industrial to the post-industrial one was by far faster understood in the private sector, sooner oriented on products, than by the public sector.

Another example of sub-regional development may be observed in Jelenia Góra Valley (South-Western Poland), where years ago the owner of a high-class hotel (located in a palace) proposed to establish a foundation aiming to re-create the culture park existing in the area (valley) in the 19th century. The area with the palace of the Prussian king (later the emperor) in Mysłakowice, became popular among top artists, aristocrats and politicians of the 19th century. The Foundation (endowment), initially meant to support individually owned hotels in reconstructed palaces, soon transformed into an NGO with the aim to preserve the heritage, to re-create the valley of palaces and gardens, to support art and culture for guest and local community, as well as to organize cultural life (galleries, lectures, conferences, festivals, free exhibitions, etc). The Foundation's achievements include nomination of 10 palaces for inclusion in the historical monuments list, established and run by the Office of the President of Poland. Another success is the fast development of the Foundation's members who represent private, public and NGO sectors from all over the Dolnośląskie region. Needless to say, there is

a growing demand for local hotels, as most of members represent local (valley located) palaces transformed into high quality hotels, but there are also some former residents on hand (Kozak, 2015). Let us stress here that in the beginning the support of the authorities for the NGO was rather insignificant.

Conclusion

A detailed analysis of all the activities financed in the tourist sector in Poland is far too large for this short article. However, certain conclusions can be drawn up even in such a short presentation. First of all, Polish society is obviously in the process of transformation, where the shift from the industrial to post-industrial era (and thus from one set of development factors to a new one) was not spotted by many, mostly preoccupied with the political events (the fall of the iron curtain, accession to NATO, OECD, EU, etc.). As a result, politicians and civil servants (fund managers) are also oriented mainly on financing of infrastructure rather than on the quality of tourist services and products. Another reason that influences the decision-making on funding is probably the fact that fund managing authorities are supposed to spend all the EU funds available (as this is de facto expected by the EC). And for most of the public funds managers innovation is much more risky than investment into infrastructure. The political cycle seems to exert additional pressures on infrastructural projects, which dominated all the EU cohesion funds in the 2007-2013 period.

Secondly, public and private sectors differ regionally in terms of the level of acceptance for innovation. It is obvious that private business is much more oriented on product development (innovation is de facto of mixed character and contains almost all groups of factors), as the market is the only judge of business success. It is also in line with the Europe 2020 strategy and European Structural and Investment Funds (ESIF) regulations for 2014-2020, which give clear priority to entrepreneurship, research and development, innovation development and other “soft” measures (MIR, 2014), typical of the development in the post-industrial era.

Some regions (e.g. Dolnośląskie) decided not to invest into tourist businesses and products, while other regions analyzed here, differed in terms of the structure of support offered to innovation. Whereas in Podlaskie high-quality products were not supported, in Warmińsko-mazurskie support to quality private sector projects can be spotted easily. In particular, in this case it also means wider support to innovative solutions.

Thirdly, the higher the quality of a product and the level of its complexity, the more innovatively it has been conceived. This does not mean that there is no innovation in a lower standard tourist product, but the risk of innovation is less accepted there. As the cases analyzed have shown, most of innovations come not only from other sectors but also from abroad. There is nothing unusual about it: for safety sake Polish businessmen look for innovation already tested on the market. For the same reason, the higher the standard, the more complex and mixed innovations. In most cases there is not only one innovation that is being implemented in a given enterprise. The public sector is less willing to innovate, but implementing innovation is getting more and more typical also of the public sector. The question remains open whether public and business sector

projects (and projects financed by different programs and funds) are integrated at all. There seems to be no integration in the case of different programs and – in particular – individual funds. The research done in Łódzkie (central) region provides us with information confirming such a diagnosis (Kupiec & Wojtowicz, 2013). Similarly, Integrated Territorial Investments (ITI) (programming period started in 2014) have already proven that coordination and integration of activities of functionally interconnected administrative units is more than difficult (Kozak, 2016).

The period of 2014-2020 with its specific EU regulations brings novelties that may help to change the way of thinking about development factors in tourism. It may help to replace short-termism by strategic, long-term thinking and shift towards more innovative development. One has to remember, however, that any regulation can be circumvented. It remains to be seen to what extent the European Structural and Investment Funds 2014-2020 regulation will be resistant to not only bottom up pressures and whether people will change their understanding of the paradigm (development factors).

Although in general (as in Dolnośląskie region) in Poland there is a strong propensity to finance public policy projects (mostly infrastructural), some regions (e.g. Podlaskie or Warmińsko-mazurskie) spent significant part of the money on private business projects. These regions also less readily used “succession of goals”. Still, the experience with the period 2007-2013 proves that most people (and final beneficiaries) do accept old industrial paradigm (“hard” factors instead of the post-industrial “soft” ones). The initial experience shows that in the period of 2014-2020 coordination and integration of activities of various functionally interlinked local governments would be possibly difficult to reach. Nor the institutional crisis (migrants and refugees influx to the EU) does not make it easier, neither the exit of the UK. Luckily, one may say that both the main and the auxiliary hypotheses have been corroborated to a significant extent.

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¹ The knowledge based economy is defined by EUROSTAT (following OECD) as an expression coined to describe trends in advanced economies towards greater dependence on knowledge, information and high skill levels, and the increasing need for ready access to all of these by the business and public sectors. Information society is seen by the EUROSTAT as part of science, technology and digital society and understood as covering a range of issues, most notably: research and development (R & D) statistics, innovation statistics and statistics on human resources in science and technology and researched in several fields: internet access (incl. broad band internet access), internet usage, internet users experiencing security related problems, ordering goods and services). Retrieved Jan. 1, 2017 from European Commission, EUROSTAT, Glossary, http://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:Knowledge-based_economy.

² Retrieved Jan. 29, 2017 from <https://www.cia.gov/library/publications/the-world-factbook/>.

³ Due to the high number of tourism-related strategic documents (developed on all territorial levels) and operational programs (6 national + 16 regional), this analysis on the strategy aspect will be done on the national level, while its implementation in practice in selected operational programs 2007–2013 only. The focus on the EU supported programs is justified as these are the only public programs (funds, policies) that are publicly reported and evaluated (though ex-post evaluation studies are not available yet). All the data refer to projects reported as finalized.