



Institute for Development

**A NEW PARADIGM OF THE EU
REGIONAL DEVELOPMENT IN THE
CONTEXT OF THE POLAND'S
NATIONAL SPATIAL
DEVELOPMENT CONCEPT**

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A new paradigm of the EU regional development in the context of the Poland's National Spatial Development Concept

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Abstract

New factors inspiring spatial and regional policies in Poland have come out in the recent years. They complement the traditional, hardly spatial, paradigm of the socio-economic development with the concept of place-based economics. The paradigm shift was possible largely thanks to the contributions and inspiration from World Bank as well as the OECD. Additionally, new economic geography has contributed to that. New economic geography underlines the importance of space and its management for the enhancement of growth and development as well as for the formation of economic profiles of the regions or countries. In the EU member states the process has been facilitated by the entering into force of the Reformed Treaty (known as the Lisbon Treaty) which complements the social and economic cohesion with a new dimension of the territorial cohesion. A better understanding of the condition and tendencies of spatial development of Europe has been also possible thanks to the ESPON efforts. They continuously contribute to the ongoing debate on modification of the Cohesion Policy in the next programming period starting in 2014. Important milestones in these discussions are given by the EU Territorial Agenda of 2007 and the Barca Report of 2009. The work on the update of the Territorial Agenda has just been started. Based on this the authors of the paper present the benchmarks of the National Spatial Development Concept of Poland till 2030 (currently under preparation), allowing evaluation of the extent to which it belongs to the new generation of strategic documents in line with the emerging contemporary paradigm of the socio-economic development.

JEL classification: R10, R50, R58

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A new paradigm of the EU regional development in the context of the Poland's National Spatial Development Concept¹

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1. A new spatial dimension of economic theory

The last decade of the 20th century saw evolution of the mainstream economic theory towards wider application of spatial factors in economic growth analyses and general equilibrium models. Notwithstanding Marshall's speculations (1920) on economies of agglomeration² and rationale for growing economies of scale³ (see Forte 2001), the influence of spatial factors on the most essential indicators of economic processes (such as price, cost and demand) was not addressed in his *'Principles of Economics'* (1920) and therefore not included in the classical canon of economics. As stated by Domański (2002, p. 9), *'There is no (...) systemised economic theory to set a framework for the performance and development of economy in all its spatial variations as a matrix of interrelated places and areas'*. Spatial factors have only been referred to as exogenous variables in partial equilibrium spatial models - as exemplified by settlement network models (see Henderson 1974; 1980; 1988). The classical localisation theory (Blaug 1994, p. 630–632) coined by investigations of von Thünen (1826), Weber (1909), Launhardt (Blaug 1994, p. 621–626), Predöhl (1925), Hotelling (1929), Palander (1935) and Lösch (1940 [1954]), turned out incapable of clarifying real localisation processes in the context of spatial equilibrium. First, the theory prioritised transport cost over other factors, such as: spatial diversification of labour cost and production factors, diversity of social, economic and political actors in the space, and, primarily, spatial discontinuity of benefits and disadvantages of agglomeration economies. Second, as underlined e.g. by Perroux (1988, p. 83), the very nature of spatial phenomena makes it impossible to set them in the paradigm of perfect competition, which was then reflected in the Starrett's spatial impossibility theorem (1978).

By the end of the 20th century the situation has changed. The research work on comparative advantages by Porter (1990) pointed at significance of spatially grounded and immobile indicators of competitiveness, illustrated by: institutional tissue, infrastructure, health and education, quality of business environment and innovativeness. The territorial dimension of

¹ The text was published in: Paweł Churski i Waldemar Ratajczak (eds.) „Regional Development and Regional Policy in Poland: First Experiences and New Challenges of the European Union Membership”, Part 1, Polish Academy of Science, Committee for Spatial Economy and Regional Planning, Warsaw 2010, s.153-171, ISBN 978-83-89693-28-0, ISSN 0860-3375.

² Economies of agglomeration belong to an external category of economies of scale and are related with benefits obtained by firms or urban centres due to spatial proximity (Goodall 1987, p. 16; Healey and Ilbery 1990, p. 88). Hoover (1936 chapter 6) distinguishes localisation economies and urbanisation economies. The former apply to the firms of the same kind, while the latter result from the clustering of different types of economic activity on the same territory.

³ Economies of scale imply reduced cost units with the increased production output (Goodall 1987, p. 146). See also Hayter (1997, p. 91–92) for: external economies of scale, positive and negative externalities, localisation economies of scale.

the Porter's competitiveness ideas was reflected in the notion of cluster (Porter 1990; 2001). Clusters are comprehended as a form of a spatial organisation of industrial and service sectors featuring a high ability to sustain the development (Markowski 1999) and to generate and maintain comparative advantages (Porter 1990; Meyer-Stamer 1999). The essence of spatial factors in development processes was also emphasised in controversial studies by Florida (2005; 2005a) on the so called creative class. His theory proclaims that metropolitan regions with high concentration of high-tech workers, artists, musicians, etc. correlate with a higher level of economic development. According to Florida this creative class fosters an open, dynamic, personal and professional environment which, in turn, attracts more creative people, as well as businesses and capital. Also several Polish researchers herald the rising importance of the territorial context in investigations on historical, cultural and institutional foundations for societal accumulation of knowledge and for interrelations between actors in the socio-economic environment (e.g. Pietrzyk 1995; Zaucha 2007, p.137).

At the same time the Castells's theory of the network society (1996; 1997; 1998) points at growth implications of interactions in post-modern social and economic reality. Castells maintains that the organisation of economy, state authorities and human self-identity drive social transformations, in which modern information and telecommunication technologies as well as change in traditional human interaction patterns play the main role. Exposure of information as a new central value in that respect implies a rise in global importance of technopoles – cities fostering the development of modern technologies.

Therefore the 1990s saw emergence of economy of places and economy of flows as new conceptual streams in the economic theory. They were accompanied by efforts made by Krugman (1991;1991a;1992;1998) to perceive space as an endogenous variable in general equilibrium models (monopolistic competition) giving origin to so called new economic geography (Fujita, Krugman and Venables 2000; Fujita and Thisse 2002; Baldwin, Forslid, Martin, Ottaviano, Robert-Nicoud 2003). A distinctive feature of the new economic geography is seen in cumulative economic mechanisms of spatial dispersion and concentration as well as impact of spatially-related factors (such as distance and prices of immobile production factors) on dynamic economic processes in the space (see Zaucha 2007, p. 53-77; Zaucha 2008, p.64-68). Models of the new economic geography bear significant implications for the territorially bound economic policy-making as they highlight:

- *A cumulative (sustainable) character of economic processes shaping the territory (once triggered, they tend to last fuelled by market mechanisms);*
- *A selective effect, as the modest public intervention in subliminal situation (below threshold) affects the spatial development trajectory (first and foremost – knowledge availability and infrastructure);*
- *Threshold indices for the critical mass that signal catastrophic transformations, as even short-term and insignificant policy modifications may result in durable spatial reallocations followed by the lock-in effect. That particular effect may, in turn, after an initiated cumulative feedback allow for retreating from the policy intervention with no damage for the end result;*
- *Relativity of spatial policy, i.e. its impact on policy interventions made by authorities of other countries and regions;*
- *Significance of subjective factors for clearing the thresholds, which underlines the importance of information in creating adequate expectations and subsequent relocation actions within the framework of the spatial policy (so called coordination effect);*

- *Significance of seemingly non-spatial policies (such as trade and employment), which through changes in the equilibrium between centripetal and centrifugal forces may affect the spatial location of production (so called regional side effect)⁴.*

The new economic geography vastly broadens the spectrum of spatially and regionally bound policy tools and pinpoints opportunity of achieving desirable spatial changes by applying and not constraining the market mechanisms.

2. Discourse on the worldwide regional development policy doctrine

The above presented efforts to introduce spatial dimension to the growth theory, followed by empirical research that promoted the role of spatially-related factors in the socio-economic development processes, brought about principal modifications in policies run by prominent international institutions. In particular, such a modification has become visible in policy documents of the World Bank, OECD and European Union.

World Bank

In one of its latest global development reports the World Bank (2009) puts strong emphasis on the significance of spatial processes, as proved by the very title of the release ('Reshaping Economic Geography'). In the contents of the report, the following factors are considered integral to development: growing cities, ever more mobile people, and increasingly specialised products. According to the World Bank experts, nourishing of these factors will remain essential for economic prosperity. The report pays also attention to specific mechanisms and barriers for growth, namely: economies of agglomeration (referred to as the 'density' and seen in the growth of cities), 'distance' as a barrier to integration as well as institutional and administrative constraints (attributed to varying legislation, economic turnover culture or language, named 'division', and perceived as border restrictions to flows of goods, capital, ideas, and people). Each of those factors plays a different role respective of the geographic scale. At a local level, the economies of agglomeration are regarded the most essential contributor to development, while at the national level this role is fulfilled by accessibility issues, and by institutional constraints (or rather the shortage of) at the international level (see Table 1).

Tab.1 Main market forces and the main policy response at each of the three geographic scales

Unit	Geographic scales		
	Local Area	National Country	International Region
Examples	Guangdong (178,000 km ²) Rio de Janeiro State (44,000 km ²) Lagos State (3,600 km ²) Greater Cairo (86,000 km ²)	China (9.6 million km ²) Brazil (8.5 million km ²) Nigeria (933,000 km ²) Egypt, Arab Rep. of (995,000 km ²)	East Asia (15.9 million km ²) South America (17.8 million km ²) West Africa (6.1 million km ²) North Africa (6.0 million km ²)
Most important dimension	Density Of rural and urban settlements	Distance Between lagging and leading areas	Division Between countries
Second-most important dimension	Distance Because of congestion	Density Of population and poverty in lagging areas	Distance To major world markets
Third-most important dimension	Division Between formal settlements and slums	Division Between areas within countries	Density Absence of large country in the neighborhood

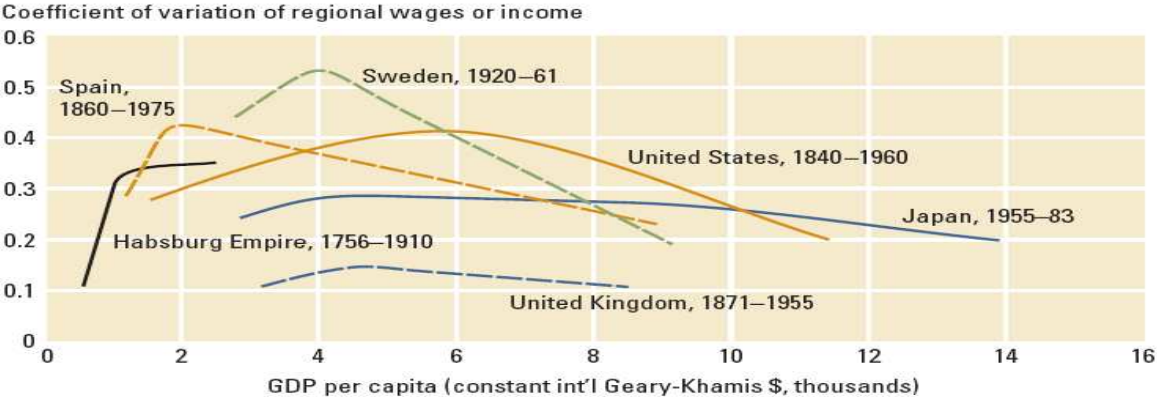
Source: World Bank 2009, p. 7

To increase the density, lower the distance and diminish the divisions manifest themselves the main aims for the "regional" or - broader - for development policies both in the spatial and regional context.

⁴ This context also favors an interpretation of research work by P. Nijkamp towards the territorial dimension of monetary policy

The World Bank underlines that the growth processes follow their own principles, the overruling of which would lead to suboptimal effects, at the best. In particular, any actions aiming at curbing the market with redistribution logic, i.e. to put the market in the position of an arbitrator for equity and egalitarianism, would cause stagnation, which not only may endanger the effectiveness of a policy but also may inhibit social goals. According to the report, the concentration of production is unavoidable, objective and natural. ‘Today, a quarter of the world’s GDP can fit into an area the size of Cameroon, and half into one the size of Algeria’ (World Bank 2009, p.10). Such a concentration trend gets strengthened along with the level of development. As nations start to develop, people concentrate in towns and cities. However, polarisation is not a ‘never ending story’. It appears to slow or stop at per capita incomes between \$10,000 and \$15,000 (World Bank 2009, p. 9). After a rapid divergence period as incomes increase, the living standards and incomes tend to converge; however, it requires much more time (see Fig. 1).

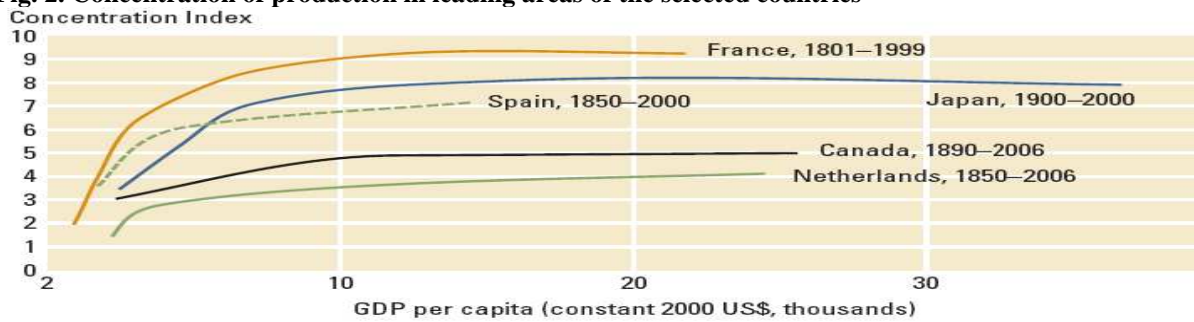
Fig 1. Income divergence followed by convergence trends between the leading and lagging areas of the selected countries



Source World Bank 2009, p.86

The convergence processes show the highest magnitude in relation to household consumption, while a medium intensity relates to the access to basic public services, and the lowest denotes the levelling of wages and incomes. The report links the revealed facts and figures with the spatial convergence accompanying an increase in national prosperity. This process is fuelled by migration of the labour force (World Bank 2009, p.62) and diffusion of prosperity, as on account of adequate infrastructure, high quality and cheap products and services become available outside the production site. On the other hand, several opinions point at the role of public policy in securing the spatial convergence as ‘fast growing countries everywhere have been able to quickly translate economic progress into spatial equity in these more basic living standards’ (World Bank 2009, p.11). The recalled data (Fig. 2) prove that spatial convergence does not result from the dispersion of economic activity in the space as that activity is still heavily concentrated. Rather, the labor force migrates to prosperous places.

Fig. 2. Concentration of production in leading areas of the selected countries



Source: World Bank 2009, p.9

Regional and spatial policy guidelines are clear. The development logic laid down by the World Bank experts pinpoints a leading role of places of a high economic density. A key issue in that respect is a shift from spatial targeting to spatial integration. ‘The challenge for governments is to allow – even encourage – ‘unbalanced’ economic growth, and yet ensure inclusive development’ (World Bank 2009, p.20). This can be done by bringing the lagging and leading places closer in economic terms. Economic integration necessitates application of market mechanisms, with economies of agglomeration and benefits of migration and specialisation at the frontline. The set of instruments to be used for that purpose, respective of the problem scale and complexity, includes, in the view of the report’s authors:

- Spatially blind policies (institutions) in their design and universal in their coverage, available to everyone regardless of location (e.g. regulations affecting land, labour and international trade and social services, such as education, health and water and sanitation) – central in resolving mono-dimensional challenges consisting in a shortage of density, as, inter alia, the areas of incipient urbanisation (local level) or countries with sparse lagging areas (national level);
- Infrastructure as a means for connectivity – indispensable in solving bi-dimensional challenges related with a shortage of density and low accessibility, as e.g. areas of intermediate urbanisation (rapid urbanisation congesting area, increasing economic distance and choking off agglomeration economies) or countries with dense lagging areas;
- Spatially targeted programmes (interventions), such as fiscal incentives for some areas to reduce social and economic divisions – crucial at mastering complex challenges, e.g. disparities within urban areas at a stage of advanced urbanisation.

Table 2 presents the essence of such an approach based on investigations made in Brazil, Ghana, India, Mexico, Russia and Uganda. They clearly show a privileged position of spatially blind policies (referred to as ‘institutions’) as the most effective tool in reducing interregional disparities and mitigating income divergence. Further, that particular tool does not require specific tradeoffs between effectiveness and equity issues.

Table 2. Performance assessment of area development policies

Performance criteria	Reduce inequalities across regions? (interregional equity)	Pro-poor? (interpersonal equity)	Avoid tradeoff with spatial efficiency?
Institutions	Yes	Yes	Yes
Infrastructure	No	No	Yes
Incentives	No	No	No

Source: World Bank 2009, p. 259

In case of mono-dimensional problems (shortage of density) spatially and regionally bound policies are not imperative (World Bank 2009, p.24) and needed solely at emergence of complex conflicts (problems with density, accessibility and divisions), which cannot be coped with by market forces of e.g. migration and economies of agglomeration. Such possible conflicts include: racial, ethnic and religious tensions or a vicious circle of poverty, corruption and crime. Subsidizing of lagging areas brings about benefits only when those areas threaten the development of a larger entity in the context of a public good – e.g. environmental protection, transport infrastructure etc. (World Bank, p. 269-270). Yet, even here the policies ought to consider injection of subsidies to both the weakest and the strongest areas as the latter have a decisive role in running development actions in such fields as: satellite communication, safety and security or combating diseases. A policy aimed to retain a local population though creating new workplaces or new infrastructure to deploy a critical mass for development, as recommended by the new economic geography, has not won support by the World Bank experts, being regarded detrimental for economies of agglomeration, which in their view are essential in the context of ‘density’.

European Union

The European Union has been active in running a regional development policy, which – enriched with a spatial dimension – is referred to as the Cohesion Policy. The recent years have brought a reorientation of the Cohesion Policy towards a more efficient implementation of the renewed Lisbon and Gothenburg Strategies. Such a change entails that the European regional development policy would be to a lesser extent dedicated to traditional compensation measures but would in turn be employed to enhance an endogenous competitive potential of the regions (Szlachta 2009, p.153). In this spirit the Barca’s report (2009) recommends reformulation of the EU regional policy to a place based policy, which tailors interventions to specific territorial contexts and to their spatial linkages, and elicits and aggregates the knowledge and preferences of local actors (Barca 2009, p.4). Therefore, it counterpoints the traditional policy focused on the compensation for regional differences in unit capital costs (due to productivity gaps) and on the rebalancing of labour and capital flows. This old strategy has been ‘centered on subsidies to firms or sectoral interventions, often with an exclusive focus on the creation of jobs or on physical connections between places. It has been often based on the replication of best practices through a top-down method’ (Barca 2009, p.4). The new formula puts emphasis on endogenous potentials (both already accumulated and potentially obtainable by given territory) and adjusts intervention to the spatial (territorial) context of local or regional specificity. As stated by Barca (2009, p.4), such an approach shows an intentional focus on: ‘the place specificity of natural and institutional resources and of individual preferences and knowledge; the role played by the (material and immaterial) linkages between places; and the resulting need for interventions to be tailored to places’.

In the present programming period (2007-2013) the Cohesion Policy has gained the third, territorial component, materialized through mainstreaming of all three Interreg strands (cross-border, transnational and interregional). Although in the 2007-2013 period this Objective 3 of the Cohesion Policy received mere 8.7 billion euro (2.5% of the Structural and Cohesion Funds envelope) it is foreseen that the territorial cooperation will gradually grow in importance and financial allocation on account of the EU Commission's current efforts to develop macroregional strategies, commenced with the EU Strategy for the Baltic Sea region (European Commission, 2009).

The Barca's report also highlights a need for making the EU Cohesion Policy even more territorial. It underlines the essence of spatial factors (e.g. economies of agglomeration) for fine-tuning of the development policy and advocates for networking of present and predictable endogenous potentials – 'For a region to grow often requires strong "network effects" to be at work, i.e. that it is able to benefit from the growth occurring elsewhere because of transport, energy, ICT and other connections. In Europe, where space for large agglomerations to grow is limited and polycentrism is high, economies of scale and growth can be generated by "networking between major agglomerations and their hinterland" and by "dense networks of big or middle sized cities"(Barca, 2009, p.18).

The anticipated further territorialization of the Cohesion Policy is anchored in the Treaty of Lisbon, which entered into force on 1 December 2009, and which stipulates in Article 3 that: 'It [The European Union] shall promote economic, social and territorial cohesion, and solidarity among Member States'. Thus, territorial cohesion has become the legitimate component and dimension of the EU Cohesion Policy. In effect, social, economic and territorial challenges shall be addressed on equal footing, which subsequently points at a need to integrate spatial and regional policies. In order to upgrade the strategic dimension of European documents on spatial development, an updated EU Territorial Agenda is already now in the works and shall be presented by the Hungarian Presidency in 2011. The preparatory actions for the Agenda intend to uplift the territorial cohesion to a new paradigm of the EU development policy and to harmoniously integrate in it the issue of vulnerability of different territories to economic fluctuations and energy shortages and to other global phenomena such as: climate change, migration, new global economic order (globalization of economy) etc. Admittedly, the challenges of globalization, climate change, demographic change and rising of energy prices were placed at the core of the previous Agenda, yet with hardly specific focus on their territorial context. The updated Agenda compensates for that and, additionally, features the transborder relations and cooperation (cross-border and broader neighborhood), a social dimension of the cohesion, territorial aspects of sustainable development as well as integration of land and sea space. Gradually, first reflections on the integration of the spatial and regional policies at the EU, national and regional levels may necessitate the preparation of a new integrated European spatial development policy, which would replace the European Spatial Development Perspective document (ESDP) endorsed in 1999.

Some researchers (e.g. Szlachta 2004, p. 4; ESPON 2004, p. 118), however, bring up an issue of non-existent operational definition of the territorial cohesion. Despite several efforts, there has been no uniform guideline on this notion (ESPON 2004 - glossary, p. 84)⁵. In the

⁵ E.g. ESPON 3.1 project (ESPON 2004, p. 132) recommends interpreting the territorial cohesion as a synthesis of social and spatial cohesion. The latter is not precisely defined although may be attributed to the state and mutual arrangement of spatial structures (points, lines and patches) allowing for social and economic interactions.

discourse, the territorial cohesion has been perceived a major objective (second-rank) of the European spatial policy (ESDP) and an umbrella concept, which encapsulates spatial aspects of the socio-economic cohesion and which draws attention to spatially bound assets⁶ (e.g. interactions between elements of the settlement network, accessibility, quality of the natural and cultural environment etc.) in the growth processes of individual regions and subregions. The Third Cohesion Report associates that notion with the spatial integration and subregional cooperation (European Commission 2004, p. 27). According to the Green Book (European Commission 2008, p.3), „territorial cohesion is about ensuring the harmonious development of all these places and about making sure that their citizens are able to make the most of inherent features of these territories. As such, it is a means of transforming diversity into an asset that contributes to sustainable development of the entire EU’.

In the EU member states the meaning of the territorial cohesion slightly varies. The most common interpretations are summarized below:

- Territorial cohesion as a measure for enforcing territorial aspects in general, and in economy, social planning and decision-making, in particular,
- Territorial cohesion as a method of planning and development, which considers the territorial capital (potential) of places, settlements and regions, and their interrelations,
- Territorial cohesion as an addition to economic and social cohesion, to consider also areas with geographic disadvantages (like mountain areas, islands, areas with severe climate, geographically remote areas or border areas).

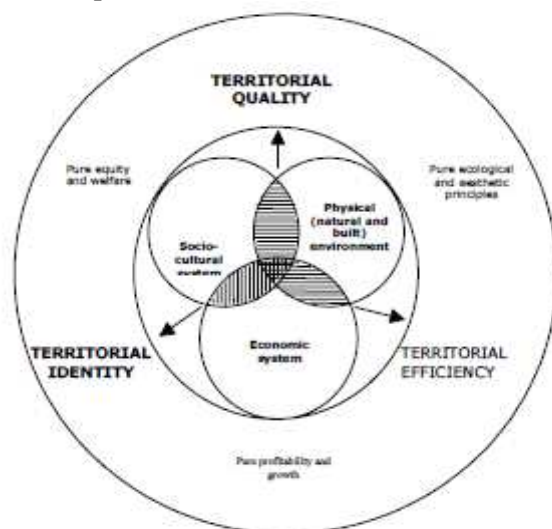
In the European context the notion of territorial cohesion is widely understood as not a mere leveling of social and economic disparities across the space but rather a coherent development of Europe as one entity (mega-region) (EU Ministerial Conference on Territorial Development 2004, p. 16–17). The emphasis is thus placed upon providing more equal development opportunities in accessibility to transport and ICT infrastructure, science and research etc. Hence, the territorial cohesion entails the coordination of sector policies in their spatial context (i.e. to the extent they contribute to the coherent European development) and the coordination of spatial development in the vertical direction (EU working group on Spatial and Urban Development 2003, p. 32). ESPON 3.3 project (ESPON 2005, part 2, p. 77) enumerates the following components for the territorial cohesion: (1) territorial quality (the quality of the living and working environment, comparable living standards across territories, similar access to services of general interest and to knowledge), (2) territorial efficiency (resource efficiency with respect to energy, land and natural resources, competitiveness of the economic fabric and attractiveness of the local territory, internal and external accessibility), (3) territorial identity (presence of ‘social capital’, capability of developing shared visions of the future, local know-how and specificities, productive ‘vocations’ and competitive advantage of each territory).

The diversified interpretations discoursed above raise a need for a precise definition and operationalization of the territorial cohesion concept. Presumably, it will be made by the European Commission based on the categories of: accessibility standards to territorially specific public services, networking of endogenous potentials (in the dynamic context) as well as the development and further extension of functional areas around growth centers. In that context a territorially coherent area of a country or region would appear as a network of mutually linked functional areas of varied spatial ranges to render citizens an access to

⁶ Also referred to as the territorial capital - see e.g. EU Ministerial Conference on Territorial Development, (2004, p. 11).

workplaces and public services indispensable for development and preservation of social and human capital.

Fig. 3. Components of territorial cohesion



Source; ESPON 2005, part 2, p. 78

OECD⁷

A new paradigm of the regional policy by OECD (2009) is associated with the knowledge-based economy and promotes regional competitiveness based primarily on endogenous potentials. A comparison of the old and new paradigm is presented in Table 3.

Table 3. Old and new paradigms of regional policy

Specification	Old paradigm	New paradigm
Objectives	Compensating temporarily for location disadvantages of lagging regions	Tapping underutilized potential in all regions for enhancing regional competitiveness
Unit of intervention	Administrative units	Functional economic areas
Strategies	Sectoral approach	Integrated development projects
Tools	Subsidies and state aids	Mix of soft and hard capital (capital stock, labor market, business environment, social capital and networks)
Actors	Central government	Different levels of government

Source: OECD 2009, s. 36.

OECD (2009) identifies also the most burning challenges faced by the regional development policy. These are: (1) diagnosing regional needs and designing relevant policies; (2) infrastructure investments as a necessary but not sufficient condition for regional growth; (3) fostering of innovative regions through cluster policies and better use of higher education institutions; (4) use of spatial planning as a tool for integrating regional policies; (5) making a new paradigm for rural development policy; (6) developing a new policy agenda for

⁷ After Szlachta 2009a

sustainable urban growth; and (7) strengthening the links between rural and urban regions. A positive response to all those challenges should help build innovative regions in all OECD countries.

In relation to the Polish territory, the OECD analysis (2008) identifies:

- (1) A need to compensate low values of the territorial cohesion through the networking of Polish metropolitan regions, which according to the OECD experts will determine the future development of the country (the largest Polish cities have not reached the threshold of 7-8 million inhabitants, which according to OECD analyses demarcates dominance of diseconomies of agglomeration over benefits of spatial concentration).
- (2) A necessity to apply an integrated (comprehensive) approach to the regional development of the eastern Polish regions, which shall not be restricted merely to the expansion of transport infrastructure.
- (3) Significant asymmetry between governance and public finance fields (relatively deep devolution with regard to competences at limited freedom in the public finance area).
- (4) Unfavorable status of spatial planning as one of the most essential constraints in Poland's regional development (the country's spatial plans are not set in a hierarchical order; the dominance of local planning hampers an efficient implementation of large infrastructural projects; several parts of the country are short of local spatial management plans).
- (5) Disadvantageous situation of rural areas, which remain outside the scope of the mainstream regional policy of Poland.

Analysis of OECD documents authorizes a statement that the most developed countries experience a change in the paradigm of the regional development policy, signified by the following phenomena:

- (1) anchoring the development in the endogenous potential of the region and not in exogenous measures and investments;
- (2) growth in importance of small and medium sized enterprises for the socio-economic development of the regions;
- (3) shift in public intervention priorities from the material production to the service sector;
- (4) increasing significance of clusters as modern organizational forms of the economic activity;
- (5) networking of the development through collaboration of various governance tiers and their economic and social partners as an important growth stimulus;
- (6) emphasis on the mobility of society and enhancement of the territorial accessibility of individual cities and regions through better transport connections, leading to higher degree of the territorial cohesion;
- (7) incorporation of new socio-economic challenges in the contemporary regional policy, mostly related with the globalization of economy, climate change, unfavorable demographic processes and rising energy prices;
- (8) more essential role (wider competencies and budget shares) of self-governmental authorities at the regional and local levels on a par with shrinking responsibilities of the state administration;
- (9) tendency towards functional and organizational integration of macro-spatial and regional policies;

- (10) supplementing the social and economic cohesion with the third pillar of territorial cohesion, with further possible incorporation of environmental, political and cultural dimensions.

As a result of the change in the paradigm, an overarching objective of the regional policy is now perceived in the building of strong and competitive regions, instead of managing financial transfers to lagging behind (problem) areas. The latter constitutes a part of measures aiming at unification of regional socio-economic structures and faces a growing scepticism. Gradually, a tendency emerges to accept the widening regional disparities in the level of socio-economic development.

2. A new formula of the National Spatial Development Concept

A new Poland's National Spatial Development Concept, at present under preparation, sets the time horizon to 2030. The process started in 2008 when a background expertise report was delivered and through consultations gave way to the governmental work on the proper document. In light of conclusions drawn from the aforementioned expertise report and the discourse on the new paradigm of the regional and spatial policies, the following reflections may well guide the preparatory process of the Concept so that it responds to contemporary challenges.

(1) Integration of regional and spatial policy issues. The postulate, in line with both the OECD and EU recommendations, points at an obvious bond between the Concept and the National Regional Development Strategy as legitimate components of the National Long-term Development Strategy. The operational part of the Concept should therefore apply regional policy instruments or, at least, specify spatial issues, which need to be solved by means of those instruments. Implementation of the Concept ought to become an integral part of mechanisms supporting the long-term development of the country.

(2) Substantial correction of the country's spatial arrangement vision. Compared with the existing (still binding) National Policy Concept of Spatial Development, which primarily featured development zones spread along main eastbound transit transport axes, the new Concept should be more oriented to current and future endogenous potentials of the Poland's territory and follow the OECD and EU recommendations on their connecting. The main driver for the country's development should therefore be the networking of the largest metropolitan areas (Warsaw, Cracow, Upper Silesia conurbation, Wrocław, Poznań, Łódź and the Tri-city area – supplemented by such urban centers as Bydgoszcz, Toruń, Szczecin and Lublin) facilitated by multimodal transport infrastructure links. The created high-capacity interconnection of the main urban centers of Poland would become synergetic to deploy economic activities enabling those cities to assume a due competitive status among Europe's metropolitan areas. As claimed by the OECD, a network metropolis offers for Poland the most favorable circumstances to boost knowledge economy and cope with global challenges of globalization and negative demographic changes, to name a few. At the same time, urban centers located outside the network metropolis, apart from adequate transport and ICT connections, need to obtain dedicated spatial and regional policy support to stimulate their endogenous potentials. Such an urban tissue, along the imperative of territorial cohesion, needs also to have room for subregional centers, connected with the network metropolis through a system of functional areas.

(3) A new quality in conceptualizing environmental issues. Both OECD analyses and EU experience call for inclusion of the sustainable development principle in spatial development documents, even more essential in the era of climate change. Although that particular principle was applied also in the National Policy Concept of Spatial Development, it now calls for a new interpretation. Sustainable development ought to become an immanent feature of the country's spatial pattern to avoid putting in danger the competitive status of large urban centers, tourist areas and cultural landscapes of smaller towns and peripheral centers. The new Concept should thus: (1) promote a change of the nodal-zonal pattern to a nodal-network one (in order to avoid concentrated 'diffusion' of development along transport axes); (2) enhance expansion of functional areas around the large cities (to mitigate urban spillovers); (3) set forth architectural and landscape standards in areas of high cultural assets; finally (4) prevent seasonally flooded areas from building up.

(4) A new approach to the development of rural areas. The new Concept should break the traditional scheme of addressing functional areas of the large cities through the sector-related rural development policy towards a harmonized policy for an integrated territory. At the same time farther located rural areas need to be provided with appropriate and territory-specific access to public services, in line with the territorial cohesion prerequisite.

(5) A broader territorial planning area. In majority of the European countries the sea space has, until recently, been scoped out of the national planning system, while the thematic discussion used to focus solely on the excessive exploitation of sea resources and environmental deterioration. Perception of the sea space as a resource-ample and conflict-free area has yet been changing. The Polish sea space has not been targeted in strategic national spatial documents, while the use of resources has been managed based on ad-hoc permits and concessions. The new Concept should – in the spirit of the Territorial Agenda of the EU – address it as an important and used in a suboptimal way endogenous potential. Not only is the Polish sea space managed less intensively than the land area, but also than aquatories of the neighbouring countries (Zaucha 2009). The growing human pressure and emerging use conflicts pose a challenge for the proper management of the sea space, integration of the spatial planning on land and sea, although on the other hand, they create an opportunity for the national spatial policy (Zaucha 2009a).

(6) A wider range of transborder interactions on land and sea. Along with the advancing European integration the internal EU borders have become penetrable, which even more exposes Poland's spatial management patterns to external circumstances. As revealed in the OECD and EU analyses, clustering and networking processes extend over state borders. Therefore, the new Concept may not restrict itself merely to domestic phenomena. Opposite, the government should, in collaboration with other EU members and also with the EU external neighbors, consciously take up spatial issues, which demonstrate a transborder impact. This, in particular, applies to cases carrying a threat of peripherizing certain areas on account of lack of appropriate policy instruments and incompatible spatial planning systems along the borders.

(7) Clarifying an issue of national problem areas. The legislative act on national spatial planning from 1994 did not require any specification and delimitation of problem areas. The National Policy Concept of Spatial Development identified seven areas for targeted policy of 'selective restructurization', however, some of them were not precisely demarcated and, in total, they covered about 50% of the country's territory. In compliance with the OECD recommendation, the new Concept should apply an integrated (comprehensive) approach to

the regional development of the eastern Polish regions. Further, as stipulated by the World Bank, national problem areas ought to include those territories that may hamper the development of the EU as an entity and therefore may require intervention from both national government and European Commission levels. The other problem areas deemed of national relevance, such as seasonally flooded areas or functional areas of large cities, need to be classified as regional or interregional.

(8) The networking of the Concept preparatory process. The process to develop the new Concept needs to be run in an open manner, even to a wider extent than formally requested by the legislation. The OECD and EU experience accentuate such a necessity so that public debates may considerably influence the shape of the document. Thereby, the preparatory process may leave ground for implementing the Concept by the regions and by respective sectoral policies. Raised awareness on macro-spatial planning as a development incentive is an asset in itself.

(9) Reference to regional spatial management plans. The National Policy Concept of Spatial Development did not show any general (to all regions) and specific (to selected regions) liaisons with regional spatial management plans. Although it contained some features attributable to such plans, the regional authorities were not directly specified as the recipient. As such a scheme does not satisfy the development networking guideline by OECD, the new Concept should include a general set of principles and recommendations to all regional spatial management plans as well as specific sets addressed to each of the sixteen regions. This applies, *inter alia*, to the delimitation of functional urban areas or regional/interregional problem areas.

(10) A move from soft statements to the hard decisions. Compared with traditional (indicative) statements on the role of national spatial policy, the new Concept should present the policy as a means and instrument for strategic development of the country, as recommended by the OECD. This entails supplementing the strategic dimension of the document with operational guidelines featuring formulations of ‘will be done’, ‘will be taken up’ instead of ‘should be’, ‘needs to be done’ etc.

(11) Modification of the time horizon. The OECD suggestion on including the Concept in the country’s development policy system implies the need to set implementation milestones for development initiatives. The strategic national spatial policy documents have so far rarely presented timeframes for postulated actions and investments and for that reason used to contain several important yet too costly tasks. The new Concept ought therefore to define the state of the country’s spatial management till 2030 or even 2030+ but in addition – whenever feasible – to set interim milestones adjusted to the periodicity of the EU financial perspectives. Another implication relates to the much extended time horizon of the document, which requires granting it a status of a rolling document, with a few-year’s update scheme.

(12) The Concept versus monitoring and evaluation of spatial processes. Although the National Policy Concept of Spatial Development set an organizational framework for the Spatial Information System as an informational basis for spatial planning, it featured no particular sets of indicators, which hindered its ability to influence sector policies. Integration of the new Concept in the country’s development policy system implies a need to furnish the document with relevant indicators, capable of measuring implementation progress of the objective and measures for the sake of the monitoring and evaluation of the entire Concept.

(13) Creation of a discussion platform within the European Union. The National Policy Concept of Spatial Development addressed relations between Poland, the EU as a whole and the EU Member States from the candidate country's perspective and tended to undervalue spatial consequences of the accession. Recent years have brought principal discussions within the European Union on the future of the territorial development, which positions the Concept in a catalyst role for the Polish input to pan-European spatial concepts and visions and for defining the country's strategic interests in the European space.

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