

Regional development as a presumption of general development of society

Regionální rozvoj jako předpoklad celkového rozvoje společnosti

J. HOMOLKA

Czech University of Agriculture, Prague, Czech Republic

Abstract: The contribution firstly mentions a determination of possible approaches to the problems of regional development. The contribution content is the characteristics and comparison of the regional policy level in the European Union and the Czech Republic. In the European Union, this policy has developed for a long time and it has been modified to the form which it has at the beginning of the 21st century. In this, it is a continuous process. On the contrary, in the Czech Republic during directive management, regional policy was not formulated and most of decisive processes were centralised. Since the beginning of 90ies, significant changes have taken place and in 2000 it was possible to say that the necessary presumptions for the use of efficient regional policy principles had been created.

Key words: regional policy, economic development, integration, structural funds, euroregion

Abstrakt: Příspěvek nejprve uvádí vymezení možných přístupů k problematice regionálního rozvoje. Obsahovou náplní příspěvku je pak charakteristika a srovnání úrovně regionální politiky v Evropské unii a v České republice. V Evropské unii se tato politika dlouhodobě vyvíjela, upravovala až do podoby, jakou má na počátku 21. století. V tomto případě se jedná o kontinuální proces. Naopak v České republice v období direktivního řízení regionální politika nebyla zformována a většina rozhodovacích procesů byla centralizována. Již od počátku devadesátých let jsou patrné výrazné změny v uvedené problematice a v roce 2000 bylo možno konstatovat, že jsou vytvořeny potřebné předpoklady pro uplatňování principů účelné regionální politiky.

Klíčová slova: regionální politika, hospodářský rozvoj, integrace, strukturální fondy, euroregion

INTRODUCTION

The end of the 20th and beginning of the 21st century are accompanied by significant social phenomena as globalisation process and beside this also processes of regionalisation. On the one hand, borders of states and continents become unsubstantial for the course of world-wide political and economic processes, and on the other hand, specific features and the character of smaller regional units than the state, so called regions, are emphasised.

AIMS AND METHODS

The aim of the contribution is to discuss the significance of regional development and to compare regional policy level in the conditions of the Czech Republic and the European Union. The source of information for fulfilment of the mentioned aim were official documents, studies about possibilities of regional development and some statistical data. The processing is based on comparative analysis of chosen problems.

The contribution is a part of solution of the research intention MSM 4111100013 "Efficient integration of the Czech agrarian sector into the frame of European structures – presumption of sustainable development".

RESULTS

The term "region" is neither explicitly defined nor clearly determined. In the most general conception, it is understood as a certain area delimited by natural, demographic, social and economic conditions. This area is characterised by a specific homogeneity of the gained economic and life level and problems connected with it. It bears a relationship to a certain territorial-administrative centre which is outwardly and inwardly the main bearer of the regional policy.

The economic theory distinguishes two basic types of regional economic policy:

- The first type is based mainly on state interventions and co-ordinations of relations between the national economic branches and regions. In the centrally planned

The contribution presented at the conference Agrarian Perspectives X – Sources of Sustainable Economic Growth in the Third Millennium: Globalisation Versus Regionalism (CUA Prague, September 18–19, 2001).

economy, it was considerably deformed in form of strong re-distributive processes and maximal centralisation. This type of regional policy was not able to be reformed and it has been overcome.

- The second type is noted for promotion of liberalism at the state and regional level. There is a presumption of use of market powers at both levels. State interventions are significantly restricted and elements of decentralisation of political and economic events in society are promoted. There are interaction links between regions and the centre.

A region has to be understood as an integral part of an area of a given state and therefore regional aims and interests have to be in harmony with the aims and interests of the whole country. In case of a significant infraction of this principle, the uniform system of management of the given state is weakened.

STRUCTURAL AND REGIONAL POLICY OF THE EUROPEAN UNION

This policy occupies in the long term one of the decisive positions in the frame of the total economic policy of the EU. During the community existence it developed gradually.

In the first period of 1958–1973, it is characterised by an individual approach of particular member states without co-ordination at the supranational level. There was a presumption that introduction of common market will balance regional differences inside the community because there were no significant differences among the founder members.

In the period 1974–1985, regional dimensions of the common EU policy were strengthened as a consequence of the fall of economic growth and growing structural problems. By setting of the “The European Fund of Regional Development” (ERDF) in 1975, the common regional policy was introduced. The fund became a tool for levelling of the already existing significant regional differences in the EC.

The third period 1986–1993 started with the project of the Unified Internal Market and passing of the Act of Unified Europe. After the accession of Spain and Portugal into the EC, the so-called the Mediterranean programs were exerted. In that time, a new element appeared in the form of a medium term planning of regional programs. Considering the maintenance of economic and social consistence of the community, it was necessary to realise a reform of regional policy. “The Community develops and realises activities leading to the support of a total harmonic development and to strengthening of its economic and social consistence. The Community focuses especially on decreasing of non-uniformities among various regions and concentrates on undeveloped regions which get the biggest support” is the definition originating from 1986. The stress was put on the most efficient way of realisation of this policy.

In 1988, the EC authorities decided about the integration of regional policy together with part of the social and

agrarian policy into the so-called structural policy and five aims of this policy were determined:

- Aim 1 – support of development and structural changes of lagging-behind regions;
- Aim 2 – transformation of the regions which are jeopardized by economic recession;
- Aim 3 – fighting of the long-term unemployment and support of the integration of young people and unemployed into labour process;
- Aim 4 – a support of workers adaptation to economic changes and changes in production;
- Aim 5 – support of the rural regions development.

The fourth period began in 1994 and ended in 1999. In this time, the above mentioned aims of structural policy proved competent and stayed valid with the fact that in 1995, after the entrance of Finland and Sweden, further aim was formulated.

- Aim 6 – development and structural changes of regions with extremely low population.

The fifth period began in 2000 and is presupposed to continue up to 2006. For this period, the six above mentioned aims were adjusted into three complex aims: two have regional character and one horizontal character for human resources.

In the document “Europe 2000”, there is a discourse about the development of the European space in relation to the perspective enlargement of the EU after 2000. A document “Principles of the development policy of European space” is connected to it. Their starting point is regional planning as a base of harmonic development of the Community and the reality that the unified internal market advantages can be use better if the regional or local problems are solved or at least improved. The new conception of the EU regional policy contains:

- strengthening of significance of the so-called soft measures (non-tangible investments),
- orientation on the human resources sphere, e.g. re-qualification programs, education of the adults etc.,
- consultancy for villages, towns, regions, and entrepreneurial subjects by means of development agencies,
- support intensification of the establishing economic and technological parks as bearers of regional development.

In the European Union, so called Nomenclature of Regional Statistical Units (NUTS – an abbreviation of the French expression) is used for the regional policy needs. These units are significant for both statistic monitoring and purposes of ranking of a certain area under the particular aims of structural policy. Within determination of the NUTS, beside the territorial-administrative principle also a principle complementarity is fulfilled (higher units content a certain number of lower integrated units).

REGIONAL POLICY IN THE CZECH REPUBLIC

In the period of directive economics, no regional policy was formulated, in fact as a result of the considerable concentration of political and economic decision making in the centre. There was a decision making about formu-

lation of various industry agglomeration, about distribution of the more extended investment by national economy branches and distribution of public means and all these under a direct pressure and control political authorities. A significantly negative role in this sense was played by the orientation to mining, metallurgical and heavy industry. The whole republic and also some regions will face out the consequences of the past mistaken decisions for many years.

A diametrically changed approach to the problems of state regional policy in comparison with the directive period is contained in the Governmental Resolution No 759/1992 Coll. under the notation "Principles of regional economic policy of the Czech Republic government", formed in 1992. Principles determining the approach to the regional policy:

- support of efficient market functioning on the whole state area regarding regional dimensions of economy,
- support of regional political system creation based on the interaction functional linkage between the centre and regional bodies,
- support of villages and towns autonomy deepening as a manifestation of free will of citizens.

Fulfilment of these principles during the 90ies was very difficult because this period was noted for the transformation process of the whole national economy according to the principles of market economy and wide property transfers took place in the process of restitution and privatisation. Further changes were realised in the orientation of former directive economics having belonged to the formerly existing socialistic block to developed countries with the functioning market economy. Political and economic isolation from these countries was removed. The whole Czech economy opened more towards the external environment from which higher requirements regarding competitiveness of Czech enterprises. The result of these influences is a significant inhibition of textile industry, footwear production, machine industry, and coal mining. A substantial decrease was shown also in the extent of agricultural production. Impacts of these restrictions and the termination of economic activity were uneven and depended just on the concentration of the mentioned production in different regions. Therefore, impacts of this inhibition on economic and social level in different regions were different. Very soon after opening of west republic borders, forms of over-border cooperation in form of Euro-regions began to be established. E.g. the Euro-region Nisa in the North, the Euro-region Egrensis in the West and so on. The main aims of the founders are the following:

- improvement of environment of life
- cooperation in territorial planning
- development and infrastructure improvement
- development of border contact and tourist movement
- culture development
- improvement of interpersonal relations etc.

To support various projects at a regional level, a wide financial support from the EU is aimed into the countries of the Central and East Europe in the frame of the PHARE

project. This support enabled many towns and villages to improve significantly their living environment, to build new infrastructure, to renew damaged cultural sights/national monuments and to prepare new development programmes. One of the many examples of this help is the Regional Development Fund which serves as a program of certification of economic development of towns and villages and which started its activity in 1993. The aim of this fund is to create necessary conditions in Czech towns and villages for presentation of their investment possibilities to potential foreign investors. Utilisation of this programme was useful in the area of Southern Moravia and Silesia.

Resolution of the CR government No 235/1998 Col. and the connected Strategy of Regional Development of the CR represent strategic documents of regional policy for the period 2010 as a basic policy concept in the CR and as a starting base of development programmes connected to structural funds of the European Union.

Working out of the strategy can be marked as an important contribution to the development of the newly set regions but also as a significant part of the process of the Czech Republic accession into the EU. A part of the shown strategy are also separate strategies of regional development of the particular regions. These documents will serve to support activities of subjects working in regions and their particular parts.

All newly established regions (14 in total) were analysed from different points of view (demographic situation, settlement structure, level of economic development, territorial division of labour, determination of an area requiring a special attention, and evaluation regional disparities)

The government also determined in its regulation the number and the size of statistical territorial units NUTS II in the Czech Republic (8 in total). A significant role for the gradual application of regional policy principles will be played by the way of regions financing. The chairman of the Parliament Chamber of Deputies Václav Klaus says: "The optimal source of the regions financing is a mixed model composed from a share in the general tax returns and the subsidies from the top. Finding the suitable proportions is in this case a matter of negotiation and political pressures. Regions have to grow financially with the growth of economics".

Tools of regional policy on the base of the analysis can focus mainly on the support of:

- economic activities in enterprises, including agriculture,
- providing the area with the transport infrastructure,
- human resources development,
- creation and protection of the living environment,
- building of institutions to support regional development.

In the pre-accession period into the EU, an important task for all candidate countries is to ensure presumptions of the given country for the use of the EU structural funds as a basic tool of an application of structural and regional policy in a future full membership. For the before-entrance period the EU created funds SAPARD and ISPA

for the candidate countries, use of which should prepare the states to take over the principles of the structural and regional EU policy regarding its legal, organisational, financial and institutional level.

CONCLUSION

Process of globalisation of the world policy and economics is permanent and it will further deepen in particular areas of human life. These processes of the supra-national frame and mutual connection of events in the Earth cannot, however, mean an end of the own identity of state, nation and its particular areas.

Therefore in some coalitions as e.g. in the European Union, a strong emphasis is put, beside the process of still proceeding integration, also on the regional policy. The attention is paid above all to less developed countries where a significant financial help from various subsidiary funds of the community is aimed. The main goal of this policy is to reduce differences among regions levels in the given country and also in the community.

In the frame of the Czech Republic, more complex discussion about the regional problems as a part of the total policy has started since the beginning of 90th and from the viewpoint of practicability since the half of 90th. One of the first considerations referred to a formation of so-called Euro-regions, especially in form of the over-border cooperation. It is dealt above all with well-known

Euro-regions between the Czech border regions and similar areas mainly in Germany, Austria and Poland. The main aims of all Euro-regions are: economic development and increase of standard of living, cultural development, ecology and environment of life, education, sport, tourism, development and improvement in infrastructure.

As the accession into the EU approaches, the CR should be prepared to accept the principles of the EU structural and regional policy. That is why very intensive various activities have taken and still take place in this area.

REFERENCES

- Government resolution No 759/1992 Coll.
- Government resolution No 235/1998 Coll. Principles of regional policy of the CR government
- Hrabánková M. (1999): Structural funds (Strukturální fondy). IVVP MZe, Prague.
- Holá R. (2000): Evaluation of chosen region development (Hodnocení rozvoje vybraného regionu). FEM CUA, Prague.
- EC Council resolution No 1206/99 and No 1260/99.
- Law No 248/2000 about a support of regional development.
- Government resolution No 682/2000 – Strategy of CR regional development.
- Law No 347/1997 Coll about a support of regional development.

Arrived on 19th December 2001

Contact address:

Prof. Ing. Jaroslav Homolka, CSc., Česká zemědělská univerzita Praha, PEF, Kamýcká 129, 165 21 Praha 6-Suchbát, Česká republika
tel. +420 2 24 38 22 85, e-mail: Homolka@pef.czu.cz
