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MODERN DETERMINANTS OF REGIONAL DEVELOPMENT (ON THE EXAMPLE OF POLAND AND TURKEY)

1. Introduction

At the beginning of this new millennium, regional economies are confronting important changes. The globalization of trade and economic activity is increasingly testing their ability to adapt and maintain their competitive edge. There is a tendency for income and performance gaps to widen between and within regions, and the cost of maintaining social cohesion is increasing. On the other hand rapid technological industry and greater use of knowledge are offering new opportunities for local and regional development but demand further investment from enterprises, reorganization of labour and production, more advanced skills and environmental improvements [*Territorial review...* 2008]. What is more, globalization accelerates changes in law and political emancipation of local and regional societies. As a verification D. Bell's sentence can be quoted. He believes that the paradox of modern country is that it is too small to manage the global challenges and at the same time too big to solve regional (local) problems effectively [Szczepański 1992, pp. 155-156]. The only solution of this situation is subjecting of local and regional societies. However, this happens at different intensity in different regions. We may distinguish such regions with many resources and high potential, which cope with new conditions very well and become leaders, however they are the minority. Others which lose because they cannot handle the competition and finally these ones which do not even try to compete and become peripheral regions. Doubtless the endogenous factors, which are becoming an important element of competitiveness in the global economy, are more and more important in the new conditions.

Recent decades have shown how settlement units went through remarkable structural transformations at the economic, political, social and spatial levels. Rapid

development in telecommunication and transportation technologies, economic internalization and European integration have radically changed the fundamentals of territorial areas, especially urban regions. Liberalization and globalization have significant implications for the spatial organization. Research has pointed out the importance of the fact that specific economic activities, like production and finance, have become less geographically tied. The mobility of these activities could globally affect the whole structure of some urban regions, while others could position themselves to take advantage of these opportunities, attracting international business and capital. European integration also fundamentally affects European cities. To achieve economic and political unification, as well as social cohesion within Europe, it has joined a number of actions like establishing single market, single currency, European citizenship and common policies in key areas [Padoa-Schioppa 2007].

2. General characteristics, trends and determinants in modern regional development

A general trend visible in an economy in the process of globalisation is increasing competition and the attendant polarization processes. In the metropolitan areas all over the world one can observe the progressing concentration of the principal modern development factors: science, innovativeness, technological progress and highly-skilled personnel. An increasing role is being played in such processes by human factors – skills, mobility, work ethics and efficiency [<http://nb.vse.cz/icre/books/sb-002/szlachta.pdf>].

Nowadays one of the most important factors of regional development is innovation and widely understood initiative. What usually comes to our mind in connection with those is technology. Improvements in transportation and communication played a significant role in the pattern of urban change. Creating innovation, also in regions is concerned with the ability to connect information with knowledge which leads to emerging new products, new services and organizational ideas [<http://www.institut.info/IIIkonf>].

Development does not only relate to a general increase in income but also to an improvement in the diversity of development factors. There are close relations to the measurement of quality of life and prosperity. Taking into consideration the future expectations and needs, internal and external conditions and financial possibilities, it is not possible to satisfy all potential beneficiaries of the development policy. Ensuring new work placements in the country, creating conditions for stable economic growth, reaching as high as possible in quality of life, these are the aims which belong to the most important ones.

Faster growth translates into greater development diversity in the scale of the country and within the regions, since it is powered by growth centres, which are mainly urban agglomerations and metropolises. It is widely known that innovation builds a competitive economy, but the implementation of large innovation requires high investment outlays and good cooperation with the scientific and research

background. Making specific choices requires a strategic vision, based not only on knowledge [Olechnicka 2000, p. 37] and experience, but also using a democratic and pro-social system of values [<http://bip.mrr.gov.pl>].

Due to increasing disproportions among regions it is starting to be more and more important to focus on research that would describe the theories concerned with regional development, the attempt to define the mechanism, requirements and main factors to build this process. Economy's disproportions are the main problem of modern economy. It is relevant to stimulate the development, not only by redistribution of available financial means, but particularly by stimulating inter growth in less developed regions, even if that means slower growth in more competitive regions. The growth should be seen as a quantity change, whereas development as a quantity change, but what is more relevant as quality one.

This means that positive changes happen only in chosen, locked areas in space called innovative islands. This type of enclaves, caused by the difference in the resources of information (knowledge), results in different abilities to create innovations, which is the reason of spatial asymmetry [Gorzalak, Smełkowski 2005, p. 18]. The effect of this situation is a tendency to divide space into sectors, which can be illustrated by the generalization of the theory of technological dualism in regional dimension. It turned out that the vital element of the region is its innovation based on endogenous factors (especially such as: social capital, cooperation, knowledge, pro-innovative policy of local and regional authorities) and starting the new system of flexible specialization, which was formed by the usage of the latest achievements of science in everyday life. The result of these changes is the time and space's compression, which caused the revaluation of the localization conception. Only those regions which treated the changes in a creative way became the areas of innovative activity's generation. On the other hand their social and economic structure is orientated towards the innovations' absorption, created both inside and outside this region.

3. Polish regions: drivers of growth and challenges for innovative development?

The development of the market economy in the countries in transition and the accelerating process of globalisation have created a new context for the functioning of the entire settlement system. The changes that are currently taking place and their effects on the functional structure of regions are already clearly discernible. The systems operating on areas of intensive industrialisation are undergoing radical transformation both in their functional and spatial aspects. The rate and direction of these changes depend, among others, on such factors as: the character of the area's existing functional and spatial structure, type of new growth-driving functions, size and location of raw-materials base, and adopted conception of local and regional development [Liszewski, Maik 2000, p. 313].

Changes that have for three decades been taking place in the mechanisms of global economic growth have significantly modified the proportions of exogenous and endogenous potentials of settlement units (especially regions). Two processes seem to be of particular importance in this respect [Gorzela 2000, p. 100]:

1) change in the growth pattern, namely the reduction of the role of resource-intensive industries in favour of services and so called knowledge-intensive industries;

2) decentralization, consisting in the diminished role of the state in managing growth processes in territorial systems, which is connected, among others, with the shrinking scope of the so-called welfare state.

We can observe these transformations also in Poland which is defined by OECD as one of the fastest growing countries in the OECD: average annual growth rate in Poland was above 4% between 1995 and 2005. However, the growth of GDP is not distributed evenly throughout the country. Poland has one of the OECD area's greatest territorial disparities in terms of GDP *per capita* at intra-regional level. Moreover, the disparities have increased since 1995, as the growth dynamics have been concentrated in certain locations. Three sets of disparities are visible [Territorial review... 2008, p. 35]:

- a) a persistent gap between eastern and western Poland,
- b) a gap between Warsaw and the rest of the country,
- c) rising intra-regional disparities, in particular in the regions of Warsaw (Mazowieckie), Poznań (Wielkopolskie) and Cracow (Małopolskie), which are largely due to rising disparities between large urban areas and rural ones.

It is worth underlining that the growth rate in Polish urban areas was among the OECD leaders for 1998-2003. While some challenges are specific to urban and rural areas, the need to hasten the move to the knowledge economy and to improve the transport infrastructure is common to all regions.

One of the basic problems of analyzing the regional development in Poland is its operational definition. Generally, the term of regional policy is defined as a conscious and deliberate activity of public authority representatives aiming at regional development, namely having as its objective the optimal utilization of regions' resources to provide steady development of these regions [Vanhove 1999, pp. 57-63]. The vision of contemporary regional policy in Poland was presented in the National Strategy for Regional Development 2001-2006 (Resolution of the Council of Ministers on National Strategy of Regional Development 2001-2006) [Woźniak 2006, p. 180].

A big challenge to Poland's regional policy is to establish an appropriate framework which would enable to make use of opportunities brought by integration, and at the same time to reduce and counteract unfavourable socio-economic processes [Nowakowska 2006, p. 108]. The main instrument of shaping this policy is the

National Development Plan which has the status of medium-term strategy of the country's economic, social and regional development [*National Development...*].

Since February 2004 the work on the National Development Plan for the Years 2007-2013 interpreted as the Polish edition of the renewed Lisbon Strategy has been underway. This complex programme of Poland's social and economic development implemented in the conditions of Poland's full membership in the European Union is also the basis for the negotiations of the Structural Funds resources with the European Commission. **The European Union funds are/will be** allocated for individual operational programmes (Figure 1).

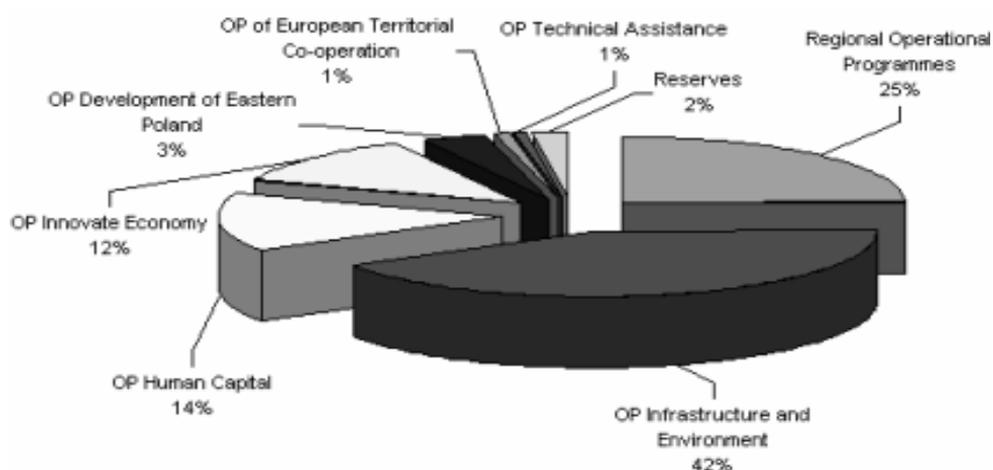


Figure 1. Operational programmes in Poland between 2007 and 2013

Source: <http://www.mrr.gov.pl/english/National+Cohesion+Strategy/>.

As we can see, Poland's membership of the European Union gives an enormous opportunity to eliminate our development gap compared with the highly developed societies. In order to be able to fully use this opportunity it is necessarily to set up an appropriate legal, financial and institutional framework that shapes the national and regional policy of development.

On the other hand, the observations of realities in day of processes of globalization and world markets' liberalization have caused verification of mechanisms, which enable individual regions to enter the following paths of social and economic development. Nowadays it is noticed that the basic factor of regional development is the development and accustoming new technologies because of enterprises' growth. Technologies' transfer is connected not only with thoughts flow, but also with counselling and technological mediation, information on new technologies' flow, assistance of innovative ventures, development of advancement' s system of innovative ventures and enterprise, which basic feature is the complexity of

operations of private and public subjects within the confines of a region [Matusiak 1994, p. 173]. The administrative authorities have as a task to fulfil the creation of favourable conditions for economic activity and advantageous climate for enterprises' development. They make this supporting pro-innovative activity and technologies' transfer from public means and because of that the authorities decrease the risk of failure, which is very high in this type of activity and they motivate businessmen for further work. Therefore, the assistance of state and regions influences directly the increase of level of industry's innovative dynamics.

Analyzing trends, modern instruments and challenges, which are mentioned above, we can formulate the following conclusions for regional development in Poland:

a) the increased competitiveness of Polish regions in European Union and world-wide context should be seen as the main priority,

b) the innovative development of Polish economy should base on the largest, multifunctional metropolitan regions with a high concentration of human, financial and scientific/technological capital,

c) Poland's economic and spatial structure, marked by deficient urbanization and an excessive proportion of rural population and employment in agriculture is a potential threat; stimulating change in this area is a key issue of the national structural policy.

4. Trends and problems facing regional development in Turkey

Turkey is divided into 81 provinces,¹ called *iller* in Turkish [Nalbant 1997]. A province is administered by an appointed governor (*vali*) and was formerly termed a "governorate" (*vilayet*). The provinces are divided into a number of different districts. Each province has a government centre (*il merkezi*) in the central district (*merkez ilçe*) and may include other districts (*ilçe singular, ilçeler plural*). The government centre usually bears the same name as the province; the exceptions are Antakya (in Hatay), İzmit (in Kocaeli), and Adapazarı (in Sakarya). The provinces of Turkey are organized into 12 census-defined regions (*bölge*). The regions as defined in this context are merely for statistical purposes and do not refer to an administrative division (Table 1). Turkish provinces are divided into 923 districts. The district usually bears the same name as the district capital and may cover both rural and urban areas. The central district is administered by an appointed "vice-governor" and other districts by a "sub-governor" (*kaymakam*). Each

¹ Provinces are the most important sub-national units in the public administration system in Turkey. What characterizes this system is strong centralization of political power plus administrative decentralization enabled by the principles in the Constitutions of 1961 and 1982. The administrative division of Turkey presents a typical example of French System in public administration (inclusive governorship system). In this system, the governors have administrative power over both local administrative units and provincial institutions of central government.

municipality (*belediye*) in the urban zone (*belde*) of a district is an administrative division subject to elections depending on a province. On the lowest level of territorial structure there are villages, which have elected *muhtars* taking care of specific administrative matters such as residence registration. Furthermore, each quarter (*mahalle*) of a district centre and *belde* has a *muhtar* as well. The designation slightly differs (*köy muhtarı* for a village *muhtar*, *mahalle muhtarı* for a quarter *muhtar*) and also the tasks, which are largely similar but adapted to their locality.

Table 1. Provincial indicators of socio-economic development in Turkey by selected provinces (NUTS 3), 2000

Provinces ^{a)}	Development rank ^{b)} among all provinces	Region ^{c)} (NUTS 1)	% of urban population in total population	% of university graduates aged 22+	Infant mortality per 1000 live births	Access to an improved water source % of population	% of industrial employment in total employment	Manufacturing value added <i>per capita</i> (million Turkish Lira)	% of gross domestic product
Istanbul	1	Istanbul	90.69	11.92	39.00	60.00	32.15	579	22.11
Ankara	2	Western Anatolia	88.34	16.86	36.00	98.54	13.41	264	8.33
Kocaeli	4	Eastern Marmara	59.94	7.60	42.00	99.31	20.32	2556	4.55
Izmir	3	Aegean	81.07	11.47	40.00	94.91	20.58	817	7.30
Tekirdag	7	Western Marmara	63.40	7.42	39.00	97.40	26.22	1601	1.07
Adana	8	Mediterranean	75.58	7.87	44.00	91.30	14.41	342	3.05
Zonguldak	21	Western Black Sea	40.66	6.15	45.00	55.67	15.36	178	1.18
Kayseri	19	Central Anatolia	69.06	7.49	42.00	99.57	16.42	390	1.22
Rize	37	Eastern Black Sea	56.09	5.80	32.00	76.38	9.44	224	0.45
Gaziantep	20	Southeastern Anatolia	78.52	5.21	44.00	76.74	21.28	282	1.36
Elazig	36	Middle Eastern Anatolia	63.95	7.57	39.00	83.27	6.01	85	0.65
Erzincan	58	Northwestern Anatolia	54.35	6.74	37.00	93.29	4.17	28	0.24

^{a)} In this column, the most developed provinces of NUTS 1 regions and all provinces of Kocaeli sub-region by T.R. Prime Ministry State Planning Organisation's (DPT) classification on socio-economic development in 2003 are given.

^{b)} These numbers represent development ranks according to the socio-economic development classification of 81 provinces in Turkey made by DPT in 2003.

^{c)} Here, 12 regions at NUTS 1 level in Turkey rank from the most developed one to the least developed one.

Source: [Dinçer et al. 2003].

On the other hand, it is possible to distinguish a specific settlement unit in Turkish territorial system. It is a greater municipality (*büyükşehir belediyesi*) reserved for metropolises like İstanbul, Ankara or İzmir, which have become larger than the district centre and have an extra administrative layer.

Characterizing modern regional policy in Turkey it should be noticed that this country already belongs to key Western clubs [Kubicek 2004, pp. 2-27]. Turkey was a founding member of the United Nations in 1945, became a member of the Council of Europe in 1949, joined NATO in 1952, was a founding member of OECD in 1961 and participated in OSCE in 1975. At present the membership of the European Union is an important policy for the Turkish Republic and it has encouraged the country to introduce a the series of fundamental reforms [*Towards the Enlarged...* 2002, p. 79]. For example, as regards regional policy, the definition by Turkey of a provisional map for regional development purposes according to NUTS classification criteria has been completed and approved by Eurostat. However, the use of this classification for planning and regional policies has not yet started. No effective regional development strategy in line with the EU standards has been developed. Nonetheless, the persistent disparities in aggregate growth and the large difference in wealth of Eastern and Western regions have been the main concern of the policy makers in Turkey. There were worked out a lot of reports referring to polarization's phenomena in social and economic space. One of the results of these elaborations was a statement that South East and East Anatolia regions achieve a higher speed of convergence compared to other regions, implying that Five Year Development Plans, which give investment incentives and priorities to underdeveloped regions of Turkey, worked well for the Eastern and South Eastern regions [Yildirim 2006, p. 192].

Recapitulating, Turkey does not fully meet all EU criteria connected with regional development. It needs to continue the present reform processes to achieve macroeconomic stability and competitive sustainability in regional economies. Nevertheless, the effective adoption of already taken reforms is an important signal of the determination of the majority of Turkey's political leaders to move towards further alignment with the values and standards of the European Union.

5. Conclusions

The spirit of the new regionalist ideology is in particular captured by the terms of "an agent" and "an entrepreneur" which, clearly, aim at positing the regions as subjects and not just objects of developmental processes. In congruence with the most recent trend in the ERDF (European Regional Development Fund), one should necessarily complement the listing with the naming of the regions as sources/producers of innovativeness and competitiveness [Kukliński 2007]. As regards the above-mentioned considerations connected with modern determinants

(like technological progress, the evolution of informative society and economy's globalization making new operation's conditions for regions) in regional development it should be hoped that two example countries – Poland and Turkey – will take into account these trends, mechanisms and new opportunities carrying on their policies.

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