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Central European Regional Policy and Human Geography

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The journal aims to publish relevant contributions especially in Central European regional policy and human geography nevertheless it also welcomes high quality papers from other subject areas. An important objective is to promote academic and applied research based on interdisciplinarity with a complex local and global approach.

The content of the publication is intended for a heterogeneous community made of students, teaching staff and practitioners who have deeper interest in the processes taking place in Central Europe and would like to understand the context of the events.

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REGIONAL POLICY OF THE EU TOWARDS POLAND

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Abstract: The regions of the European Union and the people living in them are not all equally well off in economic and social terms. Because problems of regional development are quite important in the Member States, especially in the new member countries, the EU undertakes efforts to ensure that all regions and their citizens can take full and proportionate advantage of the European Single Market. The aim of this paper is to give a brief summary about the history of the European Union regional policy and investigate its impacts on Poland.

Keywords: European Union, regional policy, Poland

The regions of the European Union and the people living in them are not all equally well off in economic and social terms. Because problems of regional development are quite important in the Member States, especially in new member countries, the EU undertakes efforts to ensure that all regions and their citizens can take full and proportionate advantage of the European Single Market. According to Article 158 of the Treaty on European Union, the Community shall develop and pursue its action leading to the strengthening of its economic and social cohesion in order to promote its overall harmonious development. In particular, the Community shall aim at reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions or islands, including rural areas. In order to stimulate economic activity in the less developed regions, private sector investment needs to be supplemented by finances from the EU budget public actions.

The EU regional policy has three main goals in the budgetary period 2007-2013. Objective 1 of the regional policy is to help those less developing regions whose development is lagging behind to catch up with the more developed European regions. Regions qualify for Objective 1 of regional policy are the regions whose per capita gross domestic product (GDP) is below 75% of the EU average during the last three years period. Since the Polish GDP is far below the established level of 75% of the EU average, this means that all Polish regions are "lagging behind well developed European regions" and are treated as eligible to be financed under Objective 1 of the regional policy. For the realisation of the Objective 1 of regional policy, the EU spends the most aids constituting about 76% of financial resources of the Structural Funds. Objective 2 of the regional policy of the EU is dedicated to support economic and social conversion in industrial, rural, urban or fisheries-dependent areas facing structural difficulties. Overall 18% of the EU population lives in crisis-hit areas which receive 11.5% of total funding. Objective 3 of the EU regional policy is to modernize systems of training and promote employment. Measures financed by Objective 3 cover the whole EU except for the Objective 1 regions

where measures for training and employment are included in their catching-up programs. Objective 3 receives 12.3% of the total funding.

Structural Funds are the basic instruments to conduct the regional policy of the EU. They allow the EU to carry out the goals of regional policy and grant financial assistance on the basis of four principles: 1. additionality which means that EU assistance should complement the contribution of the Member State rather than replace; 2. partnership which implies the closest possible co-operation between the European Commission and the appropriate authorities on the national, regional or local level from the preparatory stage to the implementation of the measures; 3. programming that results in multiannual development programmes culminating in the measures being taken over by public or private projects promoters in process having number of stages; 4. concentration which obliges that the EU assistance measures should be concentrated on the three (formerly six) priority areas. Additionally, the Structural Funds – like the other actions of the EU – are governed by the principle of subsidiarity which in the view of Article 5 of the EC Treaty means that “Community may take action in areas which do not fall within its exclusive competence” only if and in so far the objectives of the proposed action cannot be sufficiently achieved by the Member States and can therefore, by reason of the scale or effects of the proposed action, be better achieved by the Community.

The most important EU Structural Fund is the European Regional Development Fund (ERDF) which aims to promote economic and social cohesion in the European Single Market by supporting actions aimed at reducing inequalities between regions and social groups. ERDF acts to achieve cohesion by redressing the main regional imbalances through support for the development and structural adjustment of regional economies. These actions include the conversion of declining industrial regions and regions lagging behind, support for cross-border, transnational and interregional co-operation (European Union, 2006a). The ERDF is by far the largest of the EU Structural Funds which contributes to the financing of: productive investment primarily in small and medium-sized enterprises, investment in infrastructure, development of endogenous potential by measures which support regional and local development, improving infrastructure. The ultimate effect of its assistance is the creation of jobs through fostering competitive and sustainable development in regions. The ERDF focuses its actions on three thematic priorities: 1. Convergence – supporting sustainable regional and local development through operational programmes aimed at the modernization and diversification of the economic structure and the creation of sustainable jobs. Its financial aids are used for supporting research and technological development, information society, local development initiative, environment, tourism, investment in culture, transport investment, energy, education, health and social infrastructure investment; 2. Regional competitiveness and employment – which focuses its assistance on sustainable development promoting innovation and the knowledge economy (enhancing regional R&D, stimulating innovation and entrepreneurship, creating financial engineering instruments), environment and risk prevention (stimulating investment for rehabilitation of the physical environment, investments in NATURA 2000, renewable energy production, clean and sustainable public transport, coping with such natural risks as desertification, droughts, fires, flood, etc.), access to transport and telecommunication services of general economic interest; 3. European territorial cooperation – which focuses its assistance on the development of cross-border economic, social and environmental activities by encouraging development of SMEs, tourism, culture and cross-border trade, joint protection and management of natural and cultural resources, supporting links between urban and rural areas, reducing regional isolation through improved access to transportation and information.

The second Structural Fund, the European Social Fund (ESF) (established in 1960), is the main instrument in carrying out the EU social policy. Its task is to contribute to the priorities of the EU with regard to strengthening economic and social cohesion by improving employment and job opportunities, encouraging a high level of employment and more and better jobs (European Union, 2006b). Within the framework of the Convergence and Regional competitiveness, ESF supports such actions as: increasing adaptability of workers, enterprises and entrepreneurs to the economic changes, lifelong learning and increased investment in human resources by enterprises, especially SMEs, the design and dissemination of innovative and more productive forms of work organization, enhancing access to employment and the sustainable inclusion in the labour market of job seekers and inactive people, preventing unemployment, in particular long-term and youth unemployment, modernization and strengthening of labour market institutions. It supports job search, outplacement and mobility, self-employment, reinforcement of the social inclusion of disadvantaged people, participation of women and migrants in employment, acceptance of diversity in the workplace. ESF combats discrimination in accessing the labour market, enhances human capital in particular by promoting reforms of education and training systems. Moreover, by increased participation in education and training throughout the life-cycle, development research and innovation through post-graduate studies and the training of researches expanding networking activities between higher education institution, research and technological centers and enterprises, it improves investment in human capital.

Assistance from the third Structural Fund – Cohesion Fund is to support actions in two fields: 1. trans-European network, in particular priority projects of partner countries' common interests; 2. the environment within the priorities assigned to the Community environmental protection policy. The Cohesion Fund acts in the areas related to sustainable development which clearly presents environmental benefits, energy efficiency and renewable energy. In the transport sector it finances efforts to develop rail, river and sea transport, intermodal transport system, interoperability, management of road, sea and air traffic, clean urban and public transport (European Union, 2006c).

In the budgetary programming period 2007-2013, Poland is going to receive far more financial aids than in the pre-accession period under the Phare programme. According to evaluation made before the accession in the report elaborated by the Centrum Europejskie Natolin, the payments from the EU to Poland would grow systematically from 3.214 billion euro in 2004, 5.665 billion in 2005, 6.051 billion in 2006, 9.589 in 2007, 11.711 in 2008, 13.565 in 2009, 14.190 in 2010, 15.11 in 2011, 15.935 in 2012, and 16.632 billion euro in 2013. The budget in 2007 should – as it is predicted – have brought about nearly a double increase in net transfers. According to their rather farfetched assumption the gradual increase in the EU transfer to Poland may be equal to the amount Spain was receiving after the comparable membership in the former budgetary period. As for the share of Poland from all Structural Funds spending, it may reach even 19% in the budgetary period of 2007-2013. The payment from the EU devoted to Poland on the basis of the Brussels compromise would grow systematically: as of 2007 from 7.744 billion euro, 8.063 billion euro in 2008, 8.389 billion euro in 2009 and 2010, 8.702 billion euro in 2011, 9.011 billion euro in 2012, and 9.358 billion euro in 2013. Budgetary transfers ought to reach about 2% of Polish GDP in 2007 and would remain at more the same proportional level until 2013. Consequently, a positive balance of cash flows from EU would be improved: at the end of 2007 it should reach the level of 5.2 billion euros. In the whole period we would be able to get more than 60 billion euro from the EU with a view to spend them for different investments. The sum is higher than it was: firstly, the British proposition amounted to 57.3 billion euro but less had been

offered by Luxembourg during its presidency. The whole EU budget will amount to 1.045% of the sum of the GDP of all Member States.

In 2005 the EU faced deep crises due to failing the constitutional referendum in France and in the Netherlands, and the dispute over the Community budget for the period 2007-2013. If the EU had not reached a compromise and the EU budget for the period 2007-2013 would have not been accepted, then the Community budget would have had to follow the so-called provisional revenue and spending; in practice, that means the prolongation of the budget from 2006 to 2007. However, the provisional budget wouldn't have been a profitable solution for the 10 New Member States of the EU. For Poland it would be connected with losing structural support of more than 3 billion euro: according to the provisional budget, in 2007 Poland should receive 4.6 billion euro against 7.7 billion euro support as offered by the Brussels compromise.

Table 1 Cohesion policy and allocation of financial aids in 2007-2013 (million euro, 2004 prices)

	Convergence		Regional competitiveness and employment	European territorial co-operation	Total
	Cohesion Fund	Convergence			
Belgium	0	579	1 268	173	2 019
Czech Republic	7 830	15 149	373	346	23 697
Denmark	0	0	453	92	545
Germany	0	14 326	8 370	756	23 450
Estonia	1 019	1 992	0	47	3 058
Greece	3 289	14 158	584	186	18 217
Spain	3 250	20 161	7 628	497	31 536
France	0	2 838	9 123	775	12 736
Ireland	0	0	681	134	815
Italy	0	19 255	4 761	752	25 647
Cyprus	0	194	363	25	581
Latvia	1 363	2 647	0	80	4 090
Lithuania	2 034	3 965	0	97	6 097
Luxembourg	0	0	45	13	58
Hungary	7 589	12 654	1 865	344	22 452
Malta	252	495	0	14	761
Netherlands	0	0	1 477	220	1 696
Austria	0	159	914	228	1 301
Poland	19 562	39 486	0	650	59 698
Portugal	2 722	15 494	843	88	19 147
Slovenia	1 239	2 407	0	93	3 739
Slovak	3 433	6 231	399	202	10 264
Finland	0	0	1 426	107	1 532
United Kingdom	0	2 594	6 232	624	9 468
Bulgaria	2 015	3 873	0	159	6 047
Romania	5 769	11 143	0	404	17 317
Non allocated	0	0	0	392	392
Total	61 558	189 604	49 127	7 750	308 041

Source: Inforegio, Biuletyn Informacyjny, Komisja Europejska. Dyrekcja Generalna ds. Polityki Regionalnej, Lipiec 2006, p.3

Due to the gained compromise and elaborating budgetary programming of the EU for the period 2007-2013, Poland will have 59 683 million euro at its disposal for cohesion policy of calculated by the 2004 prices (Table 1). It is equal to 19.3% of the total cohesion policy financing by the EU and it is more than any other member country of the

EU is going to get in the period 2007-2013. For cohesion policy Poland will receive 19 562 million euro (31% of all EU budgetary disposal resources for this goal in 2007-2013), more than the Czech Republic, Hungary and Romania will receive. For convergence policy, in 2007–2013 Poland is going to receive (39 486 million euro - 20% of all EU resources) more than Spain, Italy, Czech Republic, Hungary and Romania. For European territorial cooperation, Poland will receive 650 million euro – 8.3% of all aids for the development of this cooperation. As a less developed country covered totally by Objective 1 of regional policy, Poland will not receive support from the EU under the title of regional competitiveness and employment.

From a sectoral point of view, in the years between 2004 and 2013 the most important beneficiaries from the Structural Funds in Poland would include agriculture - 31% of all transfers, transport infrastructure - 23%, development of human resources - 16%, and environmental protection – 15%. The highest position in the allocation of the Structural Funds are allowed to investment of local self-government - 40.6 billion euro, ahead of infrastructure - 28.6 billion euro, investment of enterprises - 12 billion euro, decreasing of the unemployment and training of the workers - 9.5 billion euro, and environmental protection - 9.1 billion euro. Financing of other fields would exceed 18 billion euro. Co-financing was estimated at over 18.2 billion euro: 11.8 billion from public sources and 6.4 from private sources. In 2007-2013 altogether, the above-mentioned funds will reach about 104 billion euro.

In the first five years of the realisation, the Structural Funds in Poland had a positive transfer in the balance of payments. In 2004 Poland received 840.9 million euro (3 574.1 million zloty) as an advance payment for the Structural Funds, 286.6 million euro (1 218.2 million zloty) for the Rural Development Programme, 10.7 million euro (45.7 million zloty) for market intervention under CAP, 541.3 million euro (2 367.7 million zloty) as an instrument improving Polish budget liquidity, 103.4 million euro (420.6 million zloty) under the Schengen Financial Instrument. Besides post-accession structural financing transfer to Poland were continuing under the pre-accession funds from Phare – **546.7 million euro (400 million zloty)**, SAPARD – 171.7 million euro (730 million zloty), ISPA – 273.4 million euro (1 162.2 million zloty). In 2004 we received in sum from the EU – 2.42 billion euro structural aids, in 2005 – 3.99 billion euro, in 2006 – 5.05 billion euro, in 2007 – 7.57 billion euro, and in 2008 – 7.39 billion euro. This growth of transfer from the EU to Poland was not only seen in absolute numbers but also in comparison with the period preceding the EU accession. The cost of receiving the Structural Fund Support is also a Polish contribution to the EU budget which we have transferred since the start of our EU membership to the EU budget.

As we can see from Table 2, during the five years period of its membership in the EU, Poland has received a total of 26.5 billion euro of financial aids. The biggest financial flows came from the Structural Funds: 14.1 billion euro (European Regional Development Fund – 6.4 billion euro, European Social Fund – 2.3 billion euro), under the Rural Development Programme – 4.4 billion euro, direct aids – 3.4 billion euro, cash flow facility – 1.5 billion euro and from the European Agricultural Guidance and Guarantee Fund – 1.1 billion euro. The transfer of money from the EU to Poland grew progressively from 2.41 billion euro in 2004, to 4.01 billion euro in 2005, 5.05 billion euro in 2006, 7.62 billion euro in 2007, and 7.39 billion euro in 2008. The decrease in financial flow from the EU to Poland in 2008 was temporary in comparison with 2007, and was connected with passing from the budgetary period 2004- 2006 to the next period 2007-2013 finishing their financing in 2008. Although in 2005 Poland received only 2.4% of the EU transfers under the Cohesion Policy, but in 2007 index grew to 11.4%. In the period 2004-2008 some financial transfers lost their importance for Poland, for example

the cash flow facility, the Schengen facility programme, the Phare and Sapard came to the end. On the other hand, transfers from Structural Funds, especially from the European Regional Development Fund and Social Fund, became more and more important. Transfer from the ERDF grew more than 5 times from 0.49 billion euro in 2004 to 2.39 billion euro in 2008; and in the same period from the European Social Fund it grew more than three times from 204 million euro to 753 million euro. Direct aids in the five years period of the Polish membership in the Common Agricultural Policy grew from null to 1.04 billion euro in 2008. The 12 New Member States of the EU received 14% of the total CAP direct aids, from which 5.8% was transferred to the Polish agricultural sector. Since 2007 the Cohesion Fund, the Rural Development Fund and the direct payments became the key sources of funding from the EU to Poland.

Table 2 The EU funds coming to Poland after 1 May 2004 (in thousand euros)

	2004	2005	2006	2007	2008	Total
ISPA/Cohesion Fund	209 178	229 083	520 761	1 292 208	1 671 658	3 922 888
Structural Funds	840 975	775 490	1 624 940	3 448 258	3 498 095	10 187 757
ESF	204 244	174 632	301 015	922 133	753 869	2 355 893
ERDF	497 279	431 394	992 494	2 179 697	2 394 812	6 495 676
FIFG	20 183	32 416	38 985	0	111 550	203 134
EAGGF	119 269	137 048	292 446	346 428	237 863	1 133 055
<i>Subtotal</i>	<i>1 050 153</i>	<i>1 004 573</i>	<i>2 145 701</i>	<i>4 740 465</i>	<i>5 169 753</i>	<i>14 110 645</i>
Direct payment	0	702 685	811 581	935 102	1 037 601	3 486 969
RDP	286 640	662 101	932 868	1 767 574	846 533	4 495 716
Market measures	10 786	165 722	181 896	62 431	134 629	555 464
Other agricultural transfers	0	11 574	11 101	5 263	12 398	40 336
<i>Subtotal</i>	<i>297 426</i>	<i>1 542 082</i>	<i>1 937 446</i>	<i>2 770 370</i>	<i>2 031 161</i>	<i>8 578 485</i>
Direct transfer	53 365	72 896	100 204	77 342	143 981	447 860
Transition facility	0	10 345	25 561	33 730	16 762	86 398
Cash flow facility	429 009	612 044	514 293	0	0	1 555 346
Schengen facility	103 352	103 858	106 664	0	0	313 875
PHARE	118 293	339 077	12	0	34 716	492 099
<i>Total</i>	<i>2 416 344</i>	<i>4 018 055</i>	<i>5 052 162</i>	<i>7 622 763</i>	<i>7 396 372</i>	<i>26 505 697</i>

Source: 5 Years in the EU, <http://5.lat.ukie.gov.pl/en/raporty>

On the other hand, Poland was also required to pay the full contribution to the EU budget. As a result of the accession negotiation of Poland to the EU (in 1999 prices) we contributed 1.32 billion euro (5 825 million zloty) to the EU budget during the 8 months of 2004. In the first year the Polish contribution to the EU budget was divided into 3 components: 1) customs duties and traditional own resources (TOR) – 92 329 euro; 2) 178 115 euro as a fraction of the volume of VAT – 3) 1 048 537 on the basis of GDP based resources. In 2005 our contribution to the European budget amounted to 2.38 billion euro, in 2006 – 2.55 billion euro, in 2007 Polish yearly contribution to the EU budget rose to about 2.77 billion euro, in 2008 to 3.4 billion euro and in 2009 to 3.61 billion euro (Table 3). In total, during the first five years of its accession to the EU, Poland had paid 16 billion euro to the common budget: 11.42 billion euro on the basis of GDP, 2.73 billion euro as a fraction of VAT and 1.88 billion according to traditional own resources. All components of our contribution rose steadily: the fastest proceeds derived from customs

duties, traditional own resources and VAT share. Polish contribution to the EU budget in 2009 was 2.7 larger than in 2004. Whereas in 2005 Polish contribution represented only 1.99% of EU budget proceeds, it rose to 3.1 % in 2009 that accounted over 35% of the total contribution of the EU 12 New Member States.

Table 3 Polish contribution to the EU budget in the years 2004-2009 (in euro)

	GNI	VAT	TOR	Total
2004	1 048 537	178 115	92 329	1 318 980
2005	1 751 508	359 033	268 843	2 379 385
2006	1 859 314	418 377	274 759	2 552 450
2007	1 937 863	503 468	334 968	2 776 299
2008	2 413 187	551 392	437 530	3 402 108
2009	2 515 093	620 347	476 000	3 611 441
Total	11 426 630	2 732 602	1 884 429	16 043 661

Source: European Union Department, Ministry of Finance and the EU budget for 2009.

So after the deduction of the contribution to the EU budget, Poland received positive structural funds aids net, which rose progressively from 1.1 billion euro in 2004, to 1.63 billion euro in 2005, 2.50 billion euro in 2006, 4.84 billion euro in 2007 and 3.99 billion euro in 2008 (Table 4). In the whole period 2004-2008 Poland obtained from the EU budget more than 14 billion euro net, what means that by this sum of money, the transfer from the EU to Poland was larger than the transfer of contribution from Poland to the common budget. Funds transferred to Poland have been systematically rising, except for 2008 when there was a nearly 3% drop in comparison with 2007 connected with the launch of the New Financial Perspective. Some money transferred to Poland has not been used which explains the small discrepancies in calculation between the transfer net and the total structural aids minus the Polish contribution. This money had to be refunded to the EU budget and accounted for less than 0.6% of the assistance received by Poland: in 2005 it was 22 969 euro paid back to the EU, in 2006 – 4 046 euro, in 2007 – 45 064 euro and in 2008 – 7 826 euro.

Table 4 Balance of payments between Polish and the EU budget in 2004- 2008 (in billion euros)

	2004	2005	2006	2007	2008	Total
Structural aids from EU	2.42	4.01	5.05	7.62	7.39	26.49
Polish contribution to the EU budget	1.31	2.38	2.55	2.78	3.40	12.42
EU Structural Funds transfer net to Poland	1.11	1.63	2.50	4.84	3.99	14.07

At present, the local governments are the largest public investors in Poland. The amount spent on EU funded projects almost doubled every year during 2002-2006. In 2002, the expenditures on EU co-founded projects constituted less than 5% of local and regional investments, but in 2006 it was already close to one third of the total spending (Kozak, 2006). For the period from the accession in May 2004 to the end of 2006, a total of 21.75 billion from the EU Structural Funds and Cohesion Fund had been spent for the New Member States. In the case of Poland, in 2004-2006 we had received effectively about 12.8 billion euro within the framework of structural assistance (6% of the total EU assistance in that period). One third of this amount was spent through the Integrated Regional Operating Programme which realised the following priorities:

1. Development and modernisation of the infrastructure to enhance the competitiveness of regions (59.4% of all financial support)

2. Local development (24.5%)
3. Strengthening the human resources development in regions (14.8%)
4. Technical assistance (1.3%)

Taking into consideration the experiences of the other EU member countries, Poland expects that the aids coming from Structural Funds will bring about lot of profit to our economy. However, it should be underlined that it cannot be guaranteed for Poland to receive considerable advantages through the absorption of the Structural Funds. They are potential and can only be achieved in full if the Polish administration as well as final beneficiaries (companies, farms, people, etc.) are able to show a high degree of efficiency in the use of the opportunities offered to them year by year. Before the accession questions were raised whether Poland would be well prepared to absorb external financial aids. Some risk factors were distinguished. The first one included the effectiveness of local administration and the possibility of accumulation of adequate internal means necessary to co-finance European projects. The minimum co-financing rates account for 25%, 50% or 75% of the undertaken investment. The eurosceptics underlined the difficulties of local governments to accomplish investments co-financing and managing effectively the financing and controlling of European projects. Because of low local budget and high indebtedness ratio in communes, the projects would not be likely to be financed by local resources. Thus presenting their projects for acceptance and co-financing, communes, communal associations and other local government units would have difficulties with the timely accumulation of funds in sufficient amounts. Moreover, public funds in disposition with a view to carry out regional policy used to be connected with a low flexibility of this expenditure. In effect they would have to be support by commercial banks, which is a rather difficult task in the time of the financial crisis which began in 2008.

The second risk mentioned by the critics was the degree of institutional and organizational preparation of the public administration to act in line with the principles of regional policy. The effective administration is of course a necessary prerequisite for absorbing EU development aid in each cohesion country. However, after the administration reform, the Polish regional institutions were granted a limited set of functions and even more limited financial resources to carry out regional policy. It was the effect of the lack of confidence between regional institutions and potential beneficiaries treated as potential thieves trying to fraud an underserved grant. Low level of trust usually evokes complex procedures of formal control on the stage of application, overcomplicating in the implementation of projects, excessive burden placed on financial control. On the regional level, the regional government shared the power with the governor appointed by the central government which created the possibilities of overlapping competences and mutual conflicts. Hence the regional authorities remained dependent on the central government which considerably limited their discretion in delivering the regional policy. Overall it is thought that the general preparations of the Polish administration to participate in the utilization of financial resources of Structural Funds was better on the central, voivodeship level but it was still far from the desired situation on the local level (gmina, powiat). The third risk was related to the question of the ability to prepare a sufficiently large number of projects on time because of its complexity and strict administration exigencies. The efficiency of the structural funds procedure requires establishment of not only administration and appropriate organizational structures, recruitment, training of people employed as competent staff in Marshall Offices, communal office, small districts but also of abilities enterprises, associations, schools, universities and so on in preparation of suitable projects (Grosse, 2005).

Resources under Structural Funds are allocated on the basis of programming periods: the present being the period of 2007-2013. Financial assistance is in the form of

non-reimbursable grants, subject to co-financing from the public Polish resources and channelled through the national development strategy. At the start of each programming period, Poland submits proposals, in the form of regional development plans, to the European Commission for receiving Structural Funds. On the national ground the Structural Funds are put into effect by the National Development Strategy and it is further divided into 5 horizontal operational programmes and 16 regional operational programmes. Each operational programme consists of several priorities, which are subsequently divided into particular measures. On the national level the Structural Funds are governed by the Ministry of Regional Development, which may delegate the responsibility of particular operational programmes to respective ministries or agencies. Authorities of the Operating Programmes are the competent ministers and regional governments. Regional self-governments are responsible for project identification and selection of which they sign the contracts for and pass the money to the final beneficiaries.

The National Development Strategy is the principal strategic document which delineates objectives and priorities of the development policy in Poland in the period 2007-2015. The National Development Plan by its priorities has founded its vision of the development of Poland. The main goal of the Polish National Development Plan is to raise the level and the quality of life of Poland's residents: individual citizens and families. The six priorities of this plan are as follow:

1. Growth of competitiveness and innovativeness of the economy
2. Improvement of the condition of the technical and social infrastructure
3. Growth of employment and raising its quality
4. Building and integrated social community and its safety
5. Rural development
6. Regional development and improvement of the territorial cohesion

The first priority is implemented mainly by the following actions: creating sustainable basis for development, development of entrepreneurship, access to external financing and investment, increased expenditure on research and development, innovation, development of informational society, protection of competition, development of services, restructuring of declining industries. The second priority is realized by the improvement of: transport infrastructure, housing infrastructure, data communication, power industry and environmental protection, educational infrastructure, development of health care and social welfare, culture, tourism and sport. The third priority includes improvement of: conditions encouraging entrepreneurship, flexibility of labour market, equal opportunities on labour market, adjustment of the educational offer to the labour market needs, social dialogue, work safety, efficiency of institutional activities related to the labour market, effective migration policy. The fourth priority encompasses: building trustworthy and efficient public authorities, supporting self-organization of local societies, promotion of social inclusion, ensuring national and internal security, public order. The fifth includes: development of entrepreneurship and extra-agricultural activity, improvement of the competitiveness of farms, technical and social infrastructure in rural areas, improvement of quality of human capital. Finally, the sixth priority is focused on the ability of regions and societies to use their own resources and to attract external investors.

The objectives and priorities of the National Development Strategy are implemented through actions provided for in the key government documents: the Convergence Programme, the National Reform Programme, the National Cohesion Strategy for the period 2007- 2013, and the Rural Development Operational Programme 2007-2013. The critics of the National Development Plan indicated that it is composed of

diverse often overlapping sectoral projects and not a clear action plan involving the entire government. The Plan lacks a clear indication that which initiatives constitute a priority and which are supplementary or secondary. The dominance of European money has brought about the priority of the EU objectives over the domestic ones (European Union, 2009). In the period 2007-2013 the EU resources for Poland (a total 67.3 billion euro) is to be distributed in compliance with the National Development Strategy and among operational programmes as follow

1. OP Infrastructure and Development – 41.5%
2. 16 Regional Operational Programmes – 24.6%
3. OP Human Capital – 14.4%
4. OP Innovative Economy – 12.3%
5. OP Development of Eastern Poland – 3.4%
6. OP European Territorial Cooperation – 1.1%
7. OP Technical Assistance – 0.8%
8. OP European Territorial Cooperation – 1.1%

The Operational Programme Infrastructure and Environment mainly supports projects for a list of individual key projects. The majority of the funding is earmarked by road construction, rail, air and sea transport (19 074 million euro). It is expected that newly built infrastructure should give important impulse to the development of the regions, especially where transport service accounts for more than 10% of GDP. As a result of such huge investments in transport infrastructure, building, telecommunication and transport firms engaged in construction and delivery of goods and services may take additional profits and transfer it to other sectors of the economy, which will be economically flourishing. Also, environmental protection may account for an important part of local investment (4 749 million euro) mostly for municipal sewage.

The Integrated Regional Operational Programme is consistent with the basic orientation of development resulting from the Community policies. Poland has introduced 16 EU-subsidized regional development operating programmes. It seems to be a correct attitude for dealing with the problems of regional development because regional development programmes cover the 16 different voivodeships and are connected with decentralisation and reform of government spending. The advantage of the regional approach lies in a more effective resource allocation and spending. The first round of negotiations of the 16 Regional Operation Programmes started on 22 May 2007 until the end of June 2007, the second round of negotiations lasted in July-August 2007, and in September-October 2007 the programmes were finally approved by the European Commission and the Polish Council of Ministers. In the Regional Developments Programmes for the period 2007-2013 the following priorities have been distinguished:

1. Transport – 26.1%
2. Research, technological development, innovativeness, entrepreneurship – 24.7%
3. Environmental protection, counteracting threats – 10.8%
4. Social infrastructure – 10.4%
5. Information society – 7.9%
6. Renewal of rural and urban areas – 5.6%
7. Tourism – 4.8%
8. Culture – 3.9%
9. Technical assistance – 2.9%
10. Energy - 2.6%
11. Administrative capacities – 0.2%
12. Reform of Employment – 0.1%

The Operational Programme Innovative Economy is managed by the Polish Agency for Regional Entrepreneurship on a national scale and supports highly innovative

investments. The goal of this activity is to support implementing technological innovation in companies not older than 3 years and funding for projects over 2 million euro up to 40 million euro. The programme is divided into 8 priorities which include: environmental protection, energy, CO₂ emission reduction and increase in thermal and electric power production, infrastructure and development innovation potential.

The Operational Programme Human Capital is financed by the European Social Fund disposing 14.6% of the total resources of Structural Funds. The overall goal of the programme is to enable the full use of human resources, increase employment, adaptability of enterprises and employees, and reduce areas of social exclusion. The Human Capital Operational Programme consists of five priorities on the central level (1. employment and social integration; 2. development of human resources and the adaptive potential of enterprises, 3. high quality of the education system; 4. higher education; 5. good governance) and 6 priorities on the regional level (1. prevention, promotion and improvement of health condition of working age; 2. labour market open for all and the promotion of social integration; 3. regional economic staff; 4. development of education and competence in regions; 5. partnership for rural areas development; 6. technical assistance).

Under the programmes of the European Territorial Cooperation Objective the Structural Funds are going to be allocated in the following manner during the period 2007- 2013: a) cross-border cooperation programmes (78.6% of total allocations, 438.5 million euro): 1. Poland-Germany: Zachodniopomorskie Voivodeship - Mecklenburg (8.9%), 2. Poland-Germany: Lubuskie Voivodeship – Brandenburg (8.9%), Poland-Germany: Lubuskie and Dolnośląskie Voivodeship – Saxony (12.6%), Poland-Czech Republic (20.8%), Poland – Slovakia (15.4%), Poland – Lithuania (7.5%), Southern Baltic (4.5%); b) Central-Eastern Area – 71.5 million euro (12.8%) is to be transferred for activities included in the Neighbourhood and Partnership Instruments along the border between Poland, Belarus and Ukraine, and Poland and the Kaliningrad District of the Russian Federation.

The reason for the Operational Programme Development of Eastern Poland is to help to speed up the economic development and to overcome stagnation in the five most disadvantageous Polish voivodeships: Lubelskie, Podlaskie, Podkarpackie, Świętokrzyskie and Warmińsko-Mazurskie. These provinces are characterised by the low living standards of their residents, lack of modern branches of industries and services, small investments, poorly developed and inadequate transport infrastructure and peripheral localisation. The program is specific and covers different areas of intervention under the four main priorities: 1. modern economy - building up university infrastructure, information society infrastructure, support for innovation, promotion and cooperation, 2. voivodeships development centres - municipal public transport systems, congress and fair travel infrastructure; 3. transport infrastructure - road infrastructure, bicycle routes, 4. technical assistance: support for the implementation process, information and promotion activities. It is worth to note that the structural support under the Development Programme of Eastern Poland does not overlap with the other operational programmes but only acts in a complementary way to supplement the other activities.

Since as we mentioned above, one of the conditions for the effective absorption of the Structural Funds is to provide appropriate administration organisation on the national and local levels, then the goal of the Operational Programme Technical Assistance is to ensure support for the management, implementation and monitoring process of realising the European projects and to ensure that the Structural Funds are used effectively and in compliance with the Community law. It is worth to add that according to the common opinion of experts, the procedures of the implementation of the Structural Funds in Poland seem quite complicated. It frequently happened, especially in

the first period of the realisation of the regional policy in Poland in 2004-2006, that concomitant administration procedures were more complicated than the EU required. There was plenty of bureaucracy coming from overregulation, time consuming application, not transparent and political sensitive project selection, unclear allocation of responsibility, high costs imposed on final beneficiaries. Management of the Structural Funds was overburdened by bureaucratic pedantry, low managerial skills, legal flaws and political culture characterised by clientelism. It was argued that this complicated procedures were among the main causes of problems in timely utilize the Structural Funds aids in Poland (Polish Government, 2007).

Summing it up, the accession of Poland to the EU is to be positive in terms of the balance of transfers. Taking into consideration the total payments from the EU to Poland and the total contribution by the part of Poland to the EU budget from the first year of the accession Poland received net 1.1 billion euro financial support from the EU budget. In 2005 Poland received 1.62 and in 2006 twice as much as in 2004 – net 2.49 billion euro, in 2007 we received net 4.79 billion euro and in 2008 it was 3.99 billion euro. According to the compromise reached in Brussels, Poland will get less money than it was shown in simulation before the accession, but continuously raising the sum of transfer to 9.3 billion by 2013. The danger indicated by pessimistic analysis elaborated about the difficulties of absorption by Poland before the enlargement, the Structural Funds seems now to be exaggerated. As soon as in the second year of the membership, the net position of transfers in the Poland-EU relationship exceeded 1% of the GDP, in 2007 net payment from the EU budget to Poland attained approximately more than 2.0% of the GDP. The most important barriers which Poland faced in the first years of the accession were the complicated bureaucratic system of utilisation of the Structural Funds. This bureaucratic barrier to Poland was not only imposed by the EU law but was increased also by Polish regulations (for example, public procurement) and administration practices. Moreover, in the first period of the accession, Polish enterprises pointed out also to a mismatch between the Structural Funds support and their real needs. In their opinion a majority of the EU structural aids should have served the purpose of increasing the productive investment but not to channelling them into several actions supporting a lot the consulting and training activities. Up to the March 2006 Poland took advantage of about 700 million euro from 8.5 billion of Structural Funds support which accounted for only 8.2% of the sum devoted to Poland for the whole period of 2004-2006. In comparison, in the same period of time the payment agencies transferred only 2.5% of all money from structural aids for final incumbents in the Czech Republic and 19% in Latvia. As we can see it in Table 5, the worst effects were shown in the realisation of the structural projects in the transport sector (4.4% of devoted grants) and in the stimulation of enterprising (4.52% devoted grants), while the best impact was the implementation of the project connected with the realisation of Integrated Programme of Regional Development: 1.116 billion zloty from 11.6 billion zloty of devoted grants. To the end of the year 2006, Poland had transferred bills to the European Commission on 242 million euro on the investments already accomplished. Especially the large investment projects in the transport sector were in danger of not utilising the full aids for Poland previewed by the Cohesion Funds.

Table 5 The utilisation of the EU Structural Funds in Poland at the beginning of 2006

	Planned Structural Funds in 2004-2006 in billion zloty	Utilisation of Structural Funds in billion zloty and %
Transport	4.5	0.2 (4.4)
Stimulating of enterprises	4.8	0.217 (4.52)
Training	5.7	0.344 (6.03)
Regional development	11.6	1.116 (9.62)

Source: Rzeczpospolita, 10 Marca 2006, s. B3

At the beginning of 2007 we observed some improvement in the utilisation of the Structural Funds in Poland. In March 2007 the global sum of money, which had been transferred as a refund to the final beneficiaries, reached the level of 12.1 billion zloty that means 36% of all allocations of Structural Funds to Poland in the period 2004-2006. Up to this period the programmes in the most advanced stage concerning the utilisation of Structural Funds were the following: Integrated Operating Programme Restructuring and Modernisation of Food Sector and Rural Development – 45.3%, Integrated Operational Programme of Regional Development – 42.2%. Less progress had been achieved in the Integrated Operating Programme Transport: only 19.3%, and in the Community Initiatives Equal and Interreg: 21.9% and 20%, respectively.

Table 6 Utilisation of resources of Cohesion Funds by the EU Member States in 2007 (%)

Ireland	89.8	Slovakia	60.8
Malta	77.2	Greece	56.5
Spain	72.7	Hungary	51.9
Latvia	68.2	Poland	47.6
Slovenia	65.9	Romania	42.9
Czech Republic	61.1	Bulgaria	37.5

Source: Rzeczpospolita, Warsaw 20 October 2008

As to the Cohesion Funds, Poland used 2.7 billion euro from the accessible 5.6 billion euro in 2008. Up to November 2008 Poland used only 47.6% of all resources of Cohesion Funds devoted to Poland. As we can see from Table 6, the degree of utilisation of the resources of the Cohesion Funds was far less in Poland than in Ireland, Malta, Spain, Latvia, Slovenia, the Czech Republic and Slovakia. The best result in the utilisation of the Cohesion Funds in Poland was achieved in the case of railway investments – 0.9 billion euro (60%), but was less in the case of environmental protection – 1.3 billion euro (30%) and road infrastructure – 0.4 billion euro (20%).

In the first half of 2009 Poland has sent to Brussels the applications with request for refunding the money for 92% of all planned quotas of 2.8 billion zloty. Some ministries, like the Ministry of Regional Development, applied for 355 million zloty – 118.4% above the planned, the Ministry of Interior Affairs and Administration applied for 264.7 million zloty – 21.2% above the planned, the Ministry of Economy – 186.7 million zloty – 198.7% above the planned, but the others were more passive and they have not sent any application during that period (like the Ministry of Environment, the Ministry of Science and High Education). Due to the financial crisis, some ministers decided to pass on their investment plans later (for example, in the operational programme of infrastructure and environment) up to the moment that they will receive official recognition by the European Commission about financing their projects.

From 1 May 2004 up to 2009 the European Union Structural Funds financed 98 000 different projects in Poland. In 2004–2009 the EU spent a total of about 16 billion euro on the Polish economic development. The highest amount of financial support (20.6 billion zloty) was allocated to the Polish transportation sector. The EU helped us to build 400 km new railroad and nearly 5 thousand km new roads: 192 km new motorways, among others A2 highway between Konin and Łódź, A4 highway between Legnica and Wrocław. With the help of Structural Funds, the Polish General Direction for country roads and highways built 142 km new expressways and 92 new circular roads. In comparison, in the same period the Polish government supported by only its budgetary

resources to build: 20 km highways, 28 km expressways and 230 circuit roads. Additionally, we are now in the process to build 99 km long new superhighways and 170 km new expressways with the financial participation of structural aids. With the day of the accession to the EU we took responsibility to adjust to the EU standard (pressure 11.5) more than 3000 roads, but in this respect we were able to improve only half of them until 2009. Overall, during the five years of our accession to the EU we were not able to construct a coherent country transportation link. The opinion is being shared that that realisation of the motorway programme in Poland was the greatest failure in the utilisation of European aids.

Although, there were lots of inevitable bureaucracy, which hampered speed and smoothness of Structural Funds implementation in Poland, the Polish local administration and businessman used the European money in an effective way for the local projects. Against the scepticism of the eurosceptics, from the first pool of the Structural Funds started in 2004 to help small and medium-size enterprises (4.3 billion zloty) nearly all financial sources had been spent by 2009. The money has been used not only to finance new investments, but also in an indirect way by lending funds, guarantee funds or consulting firms. According to E. Kryńska from the Institute of Work and Social Affairs, the Structural Funds helped to create 400 000 new jobs during the five years of membership of Poland in the EU. The European Social Fund helped to train 2.3 million Polish workers: 520 thousand of them were employed in the firms which used the structural aids to improve their qualifications; 650 thousand were unemployed persons who attended the courses financed by the EU to get new useful qualifications to re-enter the labour market. The European Social Funds delivered grants to introduce new active forms fighting against unemployment: aids to set up new firms, professional courses, professional consulting, which was among then greatest success of utilisation of the structural aids in the first period of the Polish membership in the EU.

At the end of 2009 the EU allocated more than 7 billion euro to Poland which means about 10% of all Structural Funds resources previewed for the period 2007-2013. In 2009, the EU has transferred proportionally more resources from the Structural Funds to Lithuania (17.4% of all resources for the period 2007-2013), Estonia (14.8%), Latvia (12.9%), and less for the Czech Republic (9.7%) and Slovakia (9.5%). During 2004-2009 the European Structural Funds helped Poland also to set up 13 000 new small firms, 126 industrial and scientific-technological parks, incubators of enterprising, 172 lending and guarantee funds. Up to 2009 the European aids helped also to buy 9 thousand new items of equipment for Polish hospitals, 671 new investments to set up athletic infrastructure, and 661 new tie accesses for broadband internet. Despite all drawbacks, the EU assistance has contributed also to animate regional institutions to manage effective regional policy in Poland. Thus far from the total sum of Structural Funds, Poland used up to about 20% of all allocation in the budgetary period 2007-2013. It is said that the latest speed up in spending European grants was caused by the economic crisis when the Polish provincial government decided to increase subvention for local investments in enterprises and infrastructure.

The structural aids for Poland were not evenly distributed among the regions (Figure 1) in the period 2004-2008. The most beneficial regions in this respect were the Mazowieckie voivodeship where the capital city Warsaw is located with the total aid worth 11.87 billion zloty, the most populous Śląskie voivodeship (9.48 billion zloty), Dolnośląskie (6.5 billion zloty), Wielkopolskie (5.27 billion zloty), Małopolskie (4.73 billion zloty), Łódzkie (4.35 billion zloty), Pomorskie (3.93 billion zloty), Zachodniopomorskie (3.9 billion zloty), Kujawsko-Pomorskie (3.9 billion zloty), and Lubelskie voivodeship (3 billion zloty). The most numerous European projects were presented by the Mazowieckie region (14.3 thousand), Śląskie (9.48 thousand), Lubelskie

(9.6 thousand), Wielkopolskie (9.5 thousand), but the least numbers of projects were presented by two small regions: Lubuskie (2.1 thousand) and Opolskie (2.75 thousand). According to regional structural aids calculated per capita, the most beneficial Polish regions are Mazowieckie, Śląskie, Dolnośląskie, Zachodniopomorskie, Warmińsko-Mazurskie, the medium amount of aids were directed to the regions of Wielkopolskie, Kujawsko-Pomorskie, Pomorskie, Lubuskie, Łódzkie, Podlaskie, Opolskie but the value of aids per one inhabitant was the least in the regions of Lubelskie, Podkarpackie, Świętokrzyskie, Małopolskie.



Figure 1 Regions of Poland

Table 7 compares the degree of the utilisation of the Structural Funds in Poland in two budgetary periods: 2004-2006 and 2007-2013. As we can see it, in the period 2004-2006 Poland used more than 94% of all Structural Funds in disposition for the period 2004-2006. It was a very good score that placed Poland among the three most efficient countries among the EU members which received Structural Funds. On the other hand, at the end of 2008 we can see a little advancement (only 0.35%) in regard of the degree of the utilisation of Structural Funds for the 2007-2013 perspective. From all programmes included in the National Cohesion Strategy at the beginning of 2009, Poland have signed

agreements for 12.98% of all funds for the human capital operational programme, 4.53% for innovation economy, 3,74% for the operational programme for the development of Eastern Poland, and 1.95% for 16 regional operational programmes. From that Poland has effectively invested only 1.97% from the funds devoted for human capital, 0.12% for 16 operational programmes, and 0.07% for the programme directed to Eastern Poland. A little progress could be observed at the beginning of 2009: up to June 2009 Poland used 8.5% of all resources at the disposition for Poland for the whole period of 2007-2013.

Table 7 Utilisation of Structural Funds in Poland from 2004 to 2008

	Total amount (in billion euro)	Degree of utilization (%)
National Development Strategy 2004- 2006	8.6	94.00
Cohesion Fund	5.5	56.00
National Cohesion Strategy for 2007- 2013	67.3	0.35

Source: European Commission, Bruxelles 28.12.2008

Before the EU accession, the Polish transport infrastructure didn't constitute an integral part of the European connections which meant an important barrier to the development of the entire economy. Therefore, it was expected that one of the main benefits resulting from the accession of Poland to the EU is to be improve the Polish infrastructure. Poland is located in Central Europe at the crossroads between the core EU countries and the Eastern European countries. The central location of Poland in Central Europe results in the country being crossed by transportation infrastructure corridors. The well developed transport infrastructure is important not only for the Polish economy but also for the development of the EU business connections with the huge Russian and Ukrainian market. However, the Polish transportation and mass transit network were in a very bad shape. There were not enough roads, motorways, high speed rail network, the narrow and winding roadways were in a very bad state requiring repair, and the damaged bridges and flyovers slowed down transit transportation from West Poland to East Poland. Roads in Poland were mostly of inferior quality and did not sustain increasing vehicle loads Thus, Polish roads required upgrades, especially surface replacement. By the day of the EU accession, there were, for example, only 398 km of motorways in Poland which means 0.13 km/100 km² – far less than the EU average of 16 km/100 km². Moreover, there were great differences in the road infrastructure among the regions: with a relatively low road density in the north of Poland (Warmińsko-Mazurskie, Podlaskie) and higher in the south (Śląskie, Małopolskie, Dolnośląskie). Road infrastructure was especially insufficiently developed both in the west and east part of Poland and in the rural areas.

Also, railways of fundamental national and international importance in Poland required modernisation and alignment with the European standards. Railways in Poland were 23 000 km long with a density of 7.2 km/100 km², even above the EU average of 5 km/100. However, over 95% were standard gauge lines, of which about 50% was electrified not being adequate for developing the European railway corridors.

The Polish accession to the EU was of course connected with an increase in the demand for goods and passenger transport. Therefore, one may indicate the following benefits resulting from the quality improvements of the Polish infrastructure:

- demand fuelled growth of Polish economy connected with construction work;
- improving transport accessibility to the EU trade partners and eastern neighbours;
- creating new jobs in construction industry;

- increasing the mobility of society and flexibility of the labour market;
- growth of export and transit transport from the EU to the Eastern European market;
- lower transport and production costs of firms involved in international trade;
- integration of the Polish transport system with the TNA which has a positive impact on the more rational allocation of economic resources.

It was a common opinion expressed before the accession of Poland into the EU that the benefits should prevail over the costs in all areas of the Polish transport. The accumulated positive effects of transport investment of course will appear in the long term (not earlier than in 5-10 years). The EU structural support covers all Polish regions because all of them have an income considerably below 75% of the average income of the Union and are treated as less developed regions. However, those regions located in the western part of Poland that lie relatively the closest to the border with Germany ought to be the first to achieve benefits. In the short term, the greatest profits from accession to the EU should be seen in the road transport and in the air transport which had the strongest international connections with the EU transport system.

In the period 2004-2006 the Polish transport was supported by several European programmes. The Cohesion Fund had invested in the infrastructural development of Poland – 2.78 billion euro in 2004-2006, European Regional Development Fund invested an amount about 1.8 billion euro used both for the Sectoral Operational Programme Transport (1.025 billion euro) and the Integrated Regional Operational Programme (768 million euro). In the transport infrastructure about 40 billion euro was invested under the cross-border cooperation programme INTEREG III. It is worth to add that the Cohesion Fund is designated to co-finance infrastructural projects of great significance to the national economy. Some financial sources were invested in infrastructure as well by the European Agriculture Guidance and Guarantee Fund to support building primary roads in smaller towns and country municipalities. So, in total the EU had invested in the development of the Polish infrastructure: 4.744 billion euro in the short run (2004-2006). In the long run (2007-2013) Poland may receive maximum 28.2 billion euro on infrastructure goals. The majority of investment in the transport infrastructure is planned under the Operational Programme Infrastructure and Environment: in the new financial perspective 2007-2013 Poland is going to receive: 20 billion euro under the Operational Programme Infrastructure and Environment; 4.2 billion euro under the 16 Regional Operational Programmes; and 1.1 billion euro under the Operational Programme Development of Eastern Poland.

In the period 2004-2008 the majority of the EU supports was spent on the upgrading of the Polish road transport system. As we can see it in Table 8, in this period the Structural Funds of the EU co-financed to build about 192 kilometres of new motorways, 141 kilometres new expressways and 91 ring roads and bypasses in Poland. The roads built with the help of the Structural Funds were much longer than the roads built by license holders and with the help of the national budget only: nearly ten times longer in the case of motorways and five times longer in the case of expressways.

Table 8 Kilometres of national roads built in the period May 2004-December 2008

	Motorways	Expressways	Ring roads and bypasses
Built by using EU funds	192.56	141.39	91.65
Built by using budget funds only	20.30	27.70	231.51
Sections built by licence holders	75.80	0.0	0.0
Total	288.66	169.09	323.16

Source: 5 years of Poland in the European Union, Warsaw 2009, p.104.

In 2004-2008, despite many legal and administrative problems, and the building materials prices increasing, about 457 km of new motorways and expressways were opened in Poland. Moreover, contracts for the construction of another 540 km were signed, including 220 km of motorways and 320 expressways and bypasses. According to the government programme for 2008-2012, 632 kilometres of new motorways, 1 980 kilometres of expressways and 54 bypasses measuring 428 kilometres in total are being planned. The development or improvement of 1 560 kilometres of national roads is also included in the current Polish government strategy. Until 2015 Poland will be the biggest construction site in Europe. The Polish government has signed up to an ambitious road-building programme to 2012 – to the date of the football master of Europe organised jointly by Poland and the Ukraine. The Transport Ministry has planned to build some 1 145 kilometres of motorway, 2 817 kilometres of expressway and 62 ring roads measuring 487 km in total. In addition to this, a further 1 990 kilometres of roads have been earmarked for modernisation. But the magnitude of the plan is treated with open scepticism.

According to the plans of the Trans European Road Network (TEN), Poland is to be crossed by four European transport corridors. The first one connects Helsinki, Tallinn, Riga, Kaunas and Warsaw. The planned link expressway S-8 in Poland begins at the Polish-Lithuania border crossing at Budzisk and will connect Wrocław and the A4 at the Polish-German border. The construction of a two-ways expressway in the following sections: Wrocław–Wieluń and Piotrków Trybunalski–Warsaw will cost 2 005 million euro and the construction of a two-ways expressway between Wyszaków and Białystok will cost 625 billion euro. The second plan: A2 highway is to design to match Berlin and the German highway A12 in Świecko with Belarusian M1 magisterial road in Kukuryki. 252 km of the A2 highway had been already completed in 2007 and it stretched from Poznan to Stryków near Łódź. By the end of 2010, the western part of the road will be opened between Germany and Warsaw. The concession to build and maintain the road has been allotted to the Autostrada Wielkopolska Company. The section between Stryków near Łódź and Warsaw is to be built in the public-private partnership system and the last section is expected to be opened in 2014. Thirdly, there are also planned west-east highways in the southern part of Poland as part of the Trans-European Road Network. The so-called A4 is to be the continuation of the road leading from Berlin in Germany to Lvov and Kiev in Ukraine. The highway will be 670 km long and will connect the Polish-German border in Jędrzychowice near Zgorzelec with the Ukrainian border in Korczowa. The section between Krzyżowa and Cracow 376 km long has already been opened. The construction of the highway between Kraków-Rzeszów-Korczowa will be built by 2011 with its estimated costs amounting to 1 325 million euro. Fourthly, the EU considers it essential not only to connect the western and eastern parts of Poland but also the Baltic Sea coast and the Czech Republic. The corridor runs from one of the most important seaports in Gdynia to Torun's and Łódź's suburbs and to the agglomeration of Silesia. The A1 is designed to end at the Czech border in Gorzycki. The road will not run through Warsaw, hence the capital city will be accessible through S7 expressway. Construction works of the parts between Nowe Marzy-Toruń, Toruń-Stryków and Pyrzowice-Sońnica will be carried out in the period up to 2010 and it will cost 1 498 million euro.

Additionally, the road system in Poland must be – in view of the Accession Treaty – fully available for vehicles with axle weight of 11.5 tons as of 1 January 2011 which means an obligation to adjust certain international roads to that standard. Of the total 3 006.7 km roads used in international transport, Poland has upgraded 1 800 km up to 2009 and about 1 200 of them still need to be adjusted to the axle weight of 11.5 tons.

Most of the project financed by the Operational Programme Infrastructure and Environment are connected to upgrading the road infrastructure (about 58%), while the

second biggest share is constituted by investments in the development of the railway infrastructure (25%). In Poland until the end of 2008 the following railway lines have been built with the help of European funds: Warsaw-Łódź railway line, section Łódź-Skierniewice, E-30 railway line, section Legnica-Węgliniec, E-20 railway line, section Rzepin-German border, E-20 railway line, section Mińsk Mazowiecki-Siedlce.

Before its accession to the EU, Poland was characterised by poor use of air services. But after the accession the Polish air transport market and international connections developed dynamically. New passenger flights and new connections assume an obvious task to build and modernize Polish airport infrastructure. For example, the limit of operational capacity set at 6.5 million passengers annually in Warsaw airport-Okęcie was exceeded with over 7 million passengers handled in 2005. So far no new airports were opened in any Polish cities. But in Warsaw, new investments had been undertaken at the Airport Okęcie to build the new Terminal 2 which essentially enlarged the space of the airport and its capabilities to transit new passengers. Additionally, it is planned to spend 500 million euro from Structural Funds to enlarge and modernise the airport infrastructure in such Polish cities as Kraków, Wrocław, Poznań, Katowice, Bydgoszcz and Rzeszów. New airport is to be constructed in Lublin. Negotiations were taking place to build a new airport in the Świętokrzyskie region near Kielce, but the European Commission is sceptical to participate in financing this investment.

The investments in the transport links, of course, have long term consequences. It was not possible to build compatible transport infrastructure with European standards quickly and effectively in a few years after the accession taking into consideration the huge deficiencies in this area at the date of the accession. However, some remarkable progress has been made: the accessibility of some regions, especially in the western part of Poland and of the cities has been improved and transport barrier for development of Poland is reduced year by year. On the other side, there is a public view that the development of transport infrastructure in Poland progresses very slowly and it seems to be the greatest failure of the integration process. The realisation of investment is retarded and excessively fragmented, public procedures are excessively complicated, new governments constantly change their plans, conception and preferences.

Regional policy of the EU, as one of the most important section of the European policy directed towards especially less developed members countries and its regions, gives rise to the fundamental question about its impact on the economic development in Poland as a whole and its regions. K. Piech (2008) by the help of three macroeconomic models (HERMIN, Mamor2, CGE-type model. Model endogenous) assessed that with the aids of the EU funds, which are going to be spent in the period 2007-2013, Poland will be able to reach almost 70% of the EU25 GDP in 2020 and without Structural Funds – about 3% points less. About one-sixth of the level of development in Poland in 2020 will be a contribution of the resources coming from Structural Funds. Infrastructure Investments and Environment Operational Programme will have an important positive impact on the Polish economy. The EU funds will generally positively contribute also to the regional convergence among the Polish regions. In 2020 Mazowieckie voivodeship will still be the richest region in Poland, but the poorest regions will upgrade significantly crossing the threshold of 80% of the country average (<http://5.lat.unkie.gov.pl/en/raporty>). Only one Operational Programme the Development of Eastern Poland – is expected according to the macroeconomic modelling – to deliver additional GDP of 1.38% and up to 13 610 new jobs annually in five of the least developed Polish voivodeships (Litwiński, 2006). Realisation of the EU regional policy has forced the regional authorities in Poland to learn and adjust their practices to European rules, enlarge their capacity, reinforce the competency of Polish regional authorities. The financial aids of Structural Funds helped Polish regions to become more and more important actors in achieving the goal of

development, transport, education, technology, industrial and environmental policy on the regional level.

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SOME ASPECTS OF HUMAN CAPITAL PRODUCTION IN HUNGARIAN HIGHER EDUCATION

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Abstract: As a result of social, economic and political changes, the traditional academic type of higher education went through a transformation. Hungarian higher education, too, has gone through radical changes during the two decades after the political transformations. As shown by various surveys, statistical data and the analysis performed by ourselves, higher education degrees have had prestige and reputation in Hungary in the years after the turn of the centuries. From looking at the value of various higher education qualifications, it appears clearly that candidates most welcome by labour market are from the fields of economy, technology, computer science and commerce. Higher education ensures the required qualifications for labour market, although in certain fields there is an excess in numbers (fields of law, humanities, teacher training).

Keywords: higher education of Hungary, human capital production, fields of training

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INTRODUCTION

The oldest function of universities is to produce human resource, i.e. train human capital. Higher education institutions have been crucial factors in European development since medieval times but the priorities in their roles have changed many times in history, in relation with the ever changing demands of society and economy. The value of knowledge rose and human resource requirements changed in the post-Fordist economy of the second half of the twentieth century, which had an effect on higher education as well. Economic, social and political transformations that are witnessed today boost the development of universities: unprecedented changes are experienced, especially as regards to the new European higher education system.

Life-long learning, one of the most important achievements of knowledge-based society, evoked by demographic and economic changes means a great challenge for higher education. Transformation started in the second half of the twentieth century when the academic type of Humboldtian university concept was replaced by higher education that

serves mass education (Mezei, 2007). The number of people participating soon reached 50% of the age group concerned, and 75% in a few Western-European countries (the target in Japan is 100%). Initially, the changes were driven by a demand for increased democracy. All this well illustrates that the transformation from elite universities into universities for the masses has not occurred as an intention to meet expectations, and that the new higher education system itself goes through constant changes. The environment around higher education, as well as the social-economic space, keeps transforming, together with the composition of students, the level of standards, motivation, and labour market demand (Hrubos, 2006).

HUNGARIAN HIGHER EDUCATION

After becoming a member state of the EU, Hungary joined the programme aiming at establishing a uniform European space for higher education, then, as a stage of this, introduced the Bologna training system. The series of education reforms opened up a wide gate for young people wishing to continue their studies, and higher education slowly transformed from being an elite training institution system into a mass-producing training structure (M. Császár and Németh, 2008). All this has meant a series of new challenges for Hungary. Among these, there are some crucial issues that have been continuously discussed since the political transition, sometimes even becoming a popular issue, yet the final answers and solutions are still to be found out: the issue of numbers, i.e. whether or not we need so many degree holders. Do we need so many higher education institutions with training going on in them? In this study we are trying to look at these questions as well, with regard to the objective set out in the introduction.

Currently, in 2009, there are 70 higher education institutions operating in Hungary, of which 12 universities, 11 colleges and 5 higher education art schools are under the supervision of the Ministry of Education, whereas the rest are managed by churches, civil foundations or are supervised by other ministries. The transformation of the spatial structure of this system went through, along with the enlargement of the institutional system, the increase in the number of state-financed student vacancies, and the change of training forms and character (Figure 1). Among the planning and statistical regions, the largest number of students is admitted by the Central Hungarian Region including the capital Budapest (nearly 180 000 people in 2005), whereas the lowest number of people study in institutions of the Western Hungarian Region (about 33 000 in 2005). If the regional distribution of changes in student numbers is analysed in comparison with an earlier point of time, it appears that the greatest growth occurred in Central Transdanubia (5 800 in 1994, followed by 30 000 in 2005). The changes are spectacular not only in respect of figures but spatially as well. Today there is not a single county seat in Hungary without a higher education institution, and even most of the middle-sized towns have either a training institution or an affiliated organisation of one of the universities or colleges (Rechnitzer and Sramó, 2007).

The currently existing highly divided system is well illustrated by higher education admission figures in 2009. The four major science universities (Lóránd Eötvös University: ELTE – Budapest; and the universities of Debrecen, Szeged and Pécs), together with the Budapest University of Technology and Economics made up about nearly half of the students admitted to state-financed programmes. Students belonging to the other half were admitted to one of the remaining 64 institutions among which several could not fill up their quotas. Besides certain faculties of the above four major universities, the other smaller institutions had even greater problems with some of their programmes or departments in that they are too small to be profitable. Questions keep

arising in higher education discussions whether or not the prestigious elite programmes with European reputation but with low student numbers should be closed down such as Turkish Studies, Japanese Studies, Philology of Classics, etc. But it is also becoming a question how those natural science programmes could be kept alive that have continuously decreasing numbers of applicants.

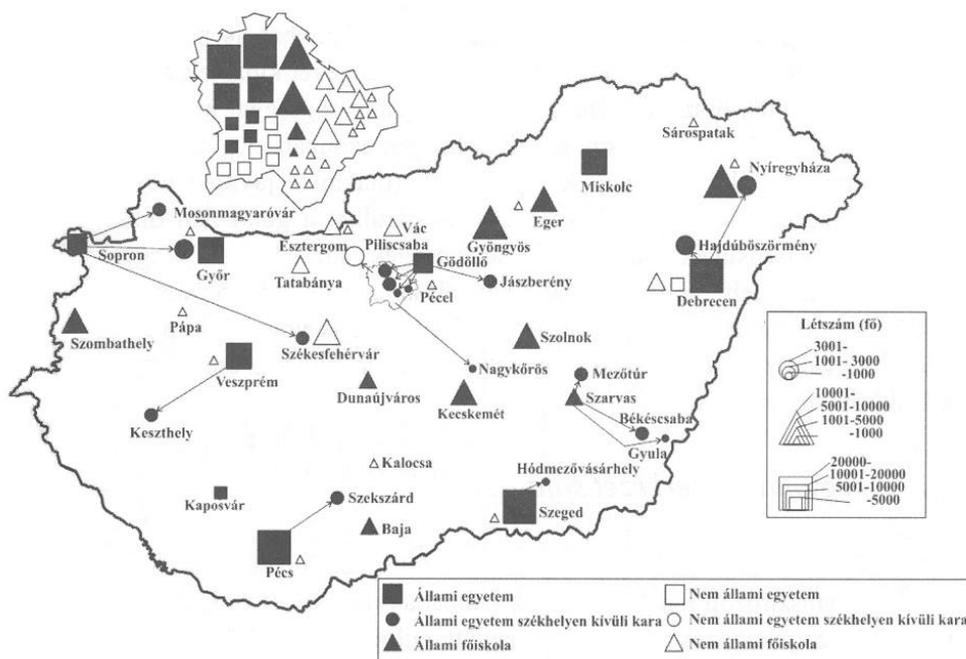


Figure 1 Location of higher education institutions in Hungary in 2005/2006

Állami egyetem – state financed university, Nem állami egyetem – non state financed university, Állami egyetem székhelyen kívüli kara – faculty of state financed university situated in other city,

Nem állami egyetem székhelyen kívüli kara - faculty of non state financed university situated in other city, Állami főiskola - state financed college, Nem állami főiskola – non state financed college

Source: Rechnitzer and Sramó, 2007

Diminishing student numbers, thus, appears as a serious problem everywhere. Keeping their survival in mind, most of the universities have their hopes lying in students that pay tuition fees, but these numbers, too, keep decreasing year after year. In the competition for admissions it appeared that smaller institutions, mostly colleges, can hardly keep up with larger ones: despite launching new, seemingly marketable programmes, the number of applying and admitted students continued to decrease. According to forecasts, the true trial for these institutions will start in two years when the number of students graduating from secondary schools will be less by 20 000. If the current tendency continues, it may turn out that larger schools, especially the ones in Budapest, attract the majority of applicants, allowing only the universities in regional centres to survive (Heti Világgazdaság, 2009).

The huge boom in student numbers has a great degree of difference among various branches of training. In the early 1990s, these were the humanity and law faculties that experienced major growth in the numbers of applicants, and the case was similar for institutions providing economic, technical and agricultural types of training. This change in interest was a new phenomenon, because student numbers at humanities, natural

sciences and economics were very low in the years of state communism. After the political transitions, the most dynamic increase in the number of applicants was experienced in economic studies. As shown by statistics, students at institutions providing technical type of training also had high representation in Hungarian higher education. This had to do with the fact that such schools were offering certain subject combinations as well that included economic and business subjects. (Ladányi, 2002).

As a general observation it can be stated that in comparison with former years, almost all of the higher education institution types have had an increased number of applicants since the early 1990s, the only exception being day-care and teacher training colleges where the number of applicants was lower in absolute figures too (yet, still remaining high in a European comparison). Though following slightly different admission policies, the various institutions generally could open their gates wide, thus the growing number of applicants was accompanied by an increase in admissions too.

Table 1 Distribution of students among fields of training between 2001-2009

Percentages of students participating in various fields of college- and university-level education		
Field of training	2001/2002	2008/2009
Teacher training, education science	15.1	8.1
Arts	1.5	2.1
Humanities	7.4	8.3
Social sciences	9.5	8.8
Economics and management	21.4	25.5
Law	5.6	4.9
Natural sciences	1.7	3.4
Computing and information science	3.5	3.7
Technical sciences	13.9	14.7
Agriculture	3.6	2.6
Health and social care	8.1	9.3
Services	8.1	8.5
Total	100.0	100.0

Data source: Education Yearbook 2001/2002, 2008/2009

When looking at the professional structure of higher education, some minor elements of transformation can be experienced. The number of people applying for basic level training programmes indicates that teacher training (for elementary schools and day-care institutions) is becoming less popular, and there are certain fields that have remained strikingly popular: social sciences, economics and law, the latter two belonging to the most attractive ones despite the saturation of labour market in these fields (Table 1). However, when looking at full-time master programmes, it strikingly appears that the priority ranking of the various fields is changing gradually. The field of humanities and philosophy has the highest priority, followed by social sciences, and the third place is occupied by the fields of teacher training and economic science (both with a rate of about 14% of applicants).

The fifth field is natural sciences attracting 12% of applicants to full-time programmes. Although here there is quite a degree of specialisation, it may happen (e.g. among training programmes of social sciences or natural sciences) that the degree obtained in basic-level training will not be marketable in labour market, thus entering into the master level will be almost inevitable. It is also possible, though, that when applying, students had the aim of studying science and acquiring a higher level of

knowledge after secondary school, and that was why they applied for the basic level training of the aforementioned fields of science (research looking at the personal motivation of applicants to master level programmes still needs to be done). The former belief that in Hungary there is low interest in technical and natural sciences, seems to be denied as indicated by tendencies both in basic level and in master level education. It is also important to consider that politicians dealing with higher education have been communicating recently towards potential students, in various forums and through various media, that there is high demand for people with higher-level qualification in technical fields; moreover, they also raised the admission quotas to such fields.

When looking at higher education application data of the current year of 2009 (Table 2), it clearly appears that part of the students prefers fields that have higher prestige and possibly ensure a higher standard of living, such as tourism, economics, information technology and law. Also, the attractive power of the media has remained considerable: strikingly many people have applied in recent years to the communication or media science related programmes running in most of Hungary's higher education institutions. The good perspectives of being employed abroad have made the medical doctor and nurse careers increasingly popular.

Table 2 Number of applicants to different programmes

(Full-time basic level or undivided training programmes are considered, based on application forms submitted to institutions indicated by the applicant as highest priority. First 20 most popular programmes)

Ranking 2009 (2008)	Major / Subject	Number of applicants 2009 (difference compared with 2008)	Difference compared with 2008 in % (mean difference = +22.5%)
1. (1.)	tourism	5 042 (+886)	+21.3%
2. (2.)	business and management	4 302 (+370)	+9.4%
3. (4.)	engineer–information technologist	3 067 (+592)	+23.9%
4. (3.)	communication and media studies	3 007 (-60)	-2,4%
5. (9.)	finance and accounting	2 978 (+1069)	+56.0%
6. (7.)	law	2 660 (+693)	+35.2%
7. (10.)	mechanical engineer	2 580 (+739)	+40.1%
8. (5.)	commerce and marketing	2 352 (+206)	+9.6%
9. (8.)	medical doctor	2 100 (+161)	+8.3%
10. (6.)	psychologist	1 929 (-81)	-4.0%

Data source: felvi.hu 2009.

The spatial distribution of the different trainings shows an interesting picture, in the case of the first five most popular and disposing positive growth bachelor trainings we can observe the following facts. The number of applicants for tourism and hospitality

bachelor's degree programme has increased by 25% in 2009, and it is distributed among 12 higher education institutions. Five universities and seven colleges have that kind of basic trainings in their education programmes. Analysing their spatial berth – without Pécs-Szekszárd and Szolnok – a south-western north-eastern axis shows up between Székesfehérvár and Miskolc (Figure 2).



Figure 2 Higher education institutions offering tourism and hospitality bachelor's degree programme

1-Corvinus University, 2-Budapest Business School, 3-University of Debrecen, 4-Eszterházy Károly College, 5-Harsányi János College, 6- Heller Farkas College, 7-Károly Róbert College, 8-Kodolányi János College, 9-Pannon University, 10-University of Pécs Illyés Gyula Faculty of Education, 11-Széchenyi University, 12-Szolnok College, 13-University of Miskolc

Source: based on the facts of felvi.hu edited by R. Németh Júlia

In the past, training institutions were concentrated in Budapest but nowadays they are completed with new tourism training centres (Székesfehérvár, Szekszárd, Szolnok) and non-governmental university colleges (Kodolányi János College, Harsányi János College). Beside the graduate programmes, adult education and post graduate programmes came to the front. If we examine the spatial distribution of tourism vocational trainings we can notice the expansion of new centres (Baja, Kaposvár, Dunaújváros, Nyíregyháza). The proportion of tourism in training programmes has passed 10% and in the university vocational training programmes passed 4% (Table 3). This is a significant advance that ameliorates dynamically professional standards of employees in the tourism and hospitality sector and broadens the circle of foreign language speakers. However, in some places the fast growth of vocational programmes led to over-qualification.

The offer in tourism vocational institutions of Budapest emerges from the national level. It can be explained by the fact that the Central Hungarian Region, principally Budapest, is an important tourist target area. The tierce of visitor turnover and 60% of the commercial accommodation services receipts concentrates in this region. The tierce of tourism and hospitality sector workers is employed here.

From the economics bachelor degree programs, the territorial repartition of management training programmes is quite symmetric, it can be found almost in every

higher education institution (29 institutions), except in the theological institutions (Figure 3). Universities and 18 colleges cover the western and north-eastern part of Hungary.

Table 3 The number of candidates for tourism and hospitality bachelor's degree programme by institutions

	Institution	Number of candidates
1.	Budapest Business School, Faculty of Commerce, Catering and Tourism	1 497
2.	Corvinus University, Faculty of Business Administration	493
3.	Kodolányi János College	363
4.	Pannon University, Faculty of Economics	362
5.	Budapest College of Communication and Business	338
6.	University of West Hungary, Apáczai Csere János Faculty	239
7.	Károly Róbert College, Faculty of Economics	197
8.	Szolnok College	163
9.	Harsányi János College	124
10.	Eszterházy Károly College, Faculty of Economics and Social Sciences	120
11.	University of Pécs Illyés Gyula Faculty of Education	53

Source: felvi.hu 2009.

In our opinion, this territorial arrangement can be interpreted as in the traditionally important university centres always offer these kinds of programmes. On the other hand, the rest of the territories are economically thriving areas – Székesfehérvár and Dunaújváros –, and there is a demand for highly trained professionals. However, with the emergence of the economic crisis, it seems to be problematic for the young graduates to find a job on the labour market in these regions.

The middle parts of the Great Plain show the image of an inner periphery where we cannot find any institutions offering management training programmes. Usually, they take advantage of this uncovered area to establish outplace departments or start new institutions. The start up of a practice oriented management training programme produces an opportunity to form a local, qualified professional team which can assure the long-term rise of the rural territories (Kalocsa, Nyíregyháza).

If we have a look at the choice preferences of candidates, it is evident that big and important universities head the registration rank. Behind this reality there are different determinative facts: the attraction of a big city, the quality of the tuition or programme and the value of the diploma (Table 4).

In the case of the further three disposing positive growth bachelor trainings the law programmes - not surprisingly - are traditionally attached to big universities, their territorial distribution is concentrated in large cities.

The computer engineering programmes are hosted at technical universities and technical colleges principally in Budapest, besides them there are representative colleges in Dunaújváros and Kecskemét. In both places - maybe thanks to these education programmes - there are important industrial investments (Mercedes Benz – Kecskemét).

The spatial distribution of the finance and public accountancy BA programmes shows similarity to the territorial distribution of the management programmes. However,

less college launch this kind of trainings, mainly big universities are significant in this field, too.

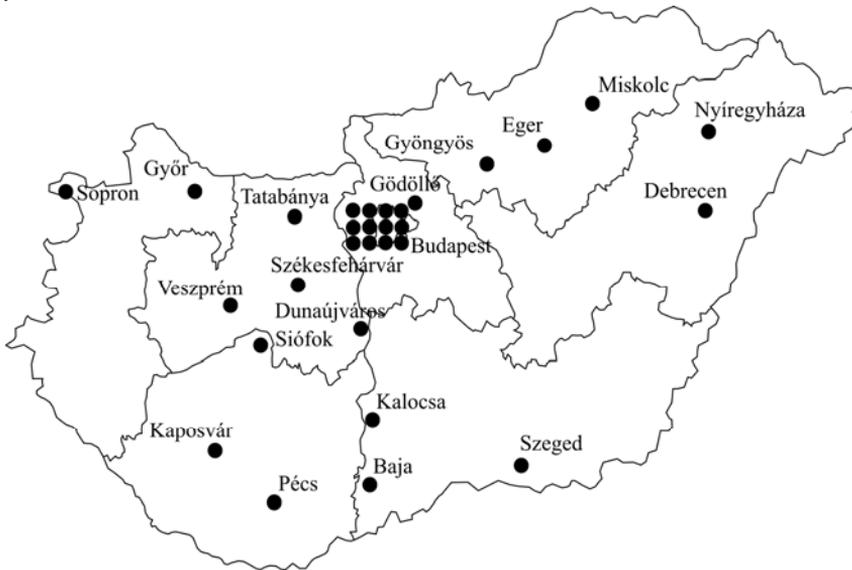


Figure 3 The higher education institutions offering management bachelor's degree programme
Source: based on the facts of felvi.hu edited by R. Németh Júlia

Table 4 The number of candidates for management bachelor's degree programme by institutions

	Institution	Number of candidates
1.	Corvinus University, Faculty of Business Administration	555
2.	University of Debrecen, Faculty of Economics	370
3.	Budapest College of Management	287
4.	Budapest Business School, College of Finance and Accountancy - Budapest	271
5.	Budapest University of Technology and Economics, Faculty of Economic and Social Sciences	243
6.	University of Szeged, Faculty of Economics and Business Administration	215
7.	University of Pécs, Faculty of Economics	159
8.	College of Nyíregyháza, Faculty of Economics and Social Studies	158
9.	Széchenyi István University, Kautz Gyula Faculty of Economics	157
10.	University of Miskolc, Faculty of Economics	106
11.	College of Dunaújváros	94
12.	Eszterházy Károly College, Faculty of Economics and Social Sciences	94

Source: felvi.hu 2009.

As a summary, we can point out that the Hungarian higher education institutions have succeeded more or less in trying to comply with the social and economic challenges they face in a global competition. They have a quite significant share in human capital production, ensuring the acquisition of a competitive professional knowledge in certain fields and in the most popular institutions.

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AN EXAMINATION OF THE EFFECTS OF THE TRIANON PEACE TREATY IMPEDING SOCIAL AND ECONOMIC PROGRESS IN THE BÁNSÁG (1918-2008)

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Abstract: The Bánság, as a separate region has its own development curvature, structure, and relation systems. The region has internal cohesion and particular texture which is reflected in the fact that the people living there today are aware of this entity. The Banat based on local and situational energies, a separate region, was born from the social-economic self-development, where the social-economic processes and the changes of the state organisation reflect the combination of regionalisation and regionalism, and their concentration dependence.

Keywords: Trianon Peace Treaty, Bánság, social and economic processes

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INTRODUCTION

Nowadays, the role of state orders has been largely revised, partly because of the development of technology classic defense functions are no longer as important as they used to be; while the political role of the border its functions in maintaining law and order have been fore grounded (Kókai, 2006a). For the Hungarians living in the Carpathian Basin, the gravest shock in the twentieth century was undoubtedly the Treaty of Trianon (Tóth, 1997). There have been sensitive issues that are still not solved, one of these being the ethnic boundaries of the Hungarian people which lie far behind the state borders (Süli-Zakar, 1997). Furthermore, the peace treaty did not only take away territories and millions of Hungarians from the mother country, but it also disrupted - then centuries old - the process of the evolution of the nation and state. It offered no chance for unity later in history, and broke our faith and confidence in the future.

PLACE AND ROLE OF THE BÁNSÁG IN THE HISTORICAL HUNGARY

The Bánát (Banatus Temesiensis), i.e. the Temes Bánság, (Figure 1) is a region of the Carpathian Basin with an area of almost thirty thousand square kilometres (28 522 km²) that is different from the rest of the regions of the historical Hungary due to its characteristic social-economic development. These characteristics were underlined by

that the area was placed under military administration after the Treaty at Požarevac (Hungarian: Pozsarevác) (1718) until 1778, and it was governed directly from Vienna as a border guard region. The indirect and direct interactions of the Royal Chamber of Vienna were changed after the restoration (1779) of the patrician counties (Torontál, Temes and Krassó), however, the traces of the effects covering all of the elements of the social-economic-urban space and bearing the characters of the enlightened mercantile absolutism are detectable even today in this region. It is doubtless that the regional reorganisation initiations of the Habsburgs in power are well traceable in the development of the Temes Bánság in the 18th-19th centuries and besides the separation of Croatia and Transylvania the Bánság is the only extensive region in the historical Hungary where regionality was accounted in the administration, the regional development and in the settlement policy between 1718 and 1920 counter counting and sometimes disagreeing with the Hungarian constitutional law traditions.

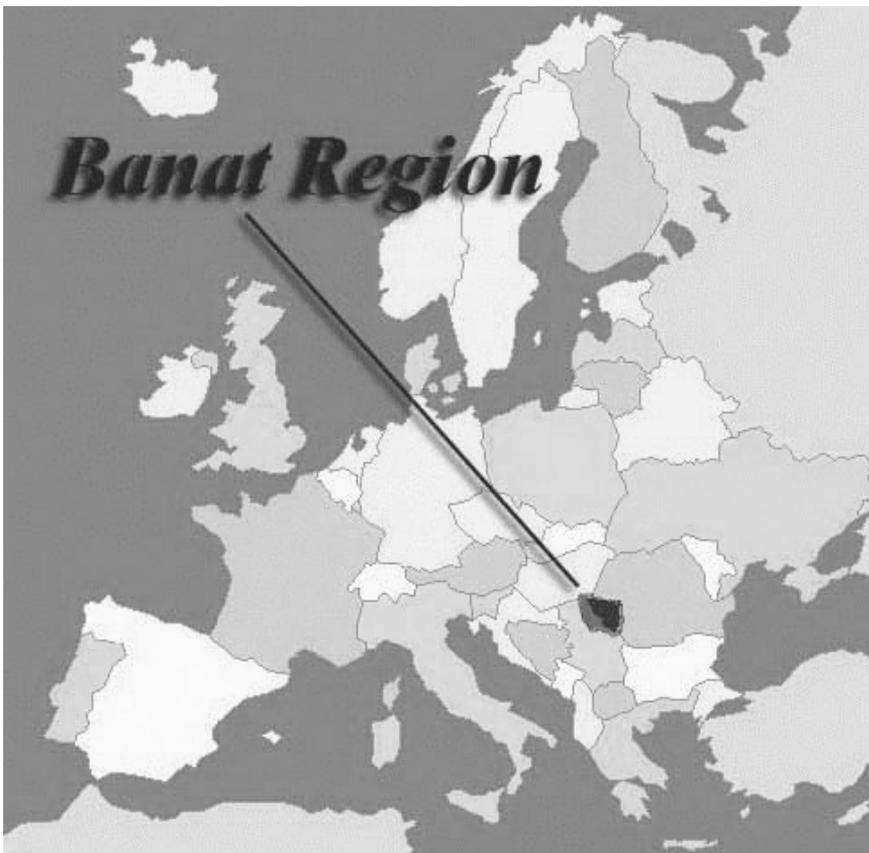


Figure 1 Location of Banat Region

The development in the 18th and 19th centuries mobilised those local and positional energies that helped the ethnicities (e.g. Krauts, Serbians, Romanians, Bulgarians, etc.) and Hungarians dwelling here to from the region to that having the most developed culture in the historical Hungary (Kókai, 2006b). The special social-economic characteristics of the Bánság (e.g. lack or subordinate role of farms, dense railway network, formation of modern factory industry, establishing the bases of modern trading, 70% of the agricultural productions of the Bánság were transported by traders from

Temesvár, its spice trade was the most significant, and its cattle markets the largest, etc.) can be detailed further on, however, it can be established that it is a specific individual region of the Carpathian Basin separated markedly from both the Great Hungarian Plain and the other regions of the South Lands and Transylvania onto which the new borders drawn in Trianon brought space schizophrenia and economic recession forming underprivileged border side peripheries – the problem of which is unsolved even today.

CHANGES OF THE POPULATION OF THE BÁNSÁG BETWEEN 1910 AND 2002

According to the data of the national census of 1949/53/56, 1 622 564 people lived on the 849 settlements of the region, this is 3.25 per cent higher (51 169 people) than in 1910 (804 settlements = 1 571 395 people). This population growth means an unfavourable tendency, because the region witnessed a 17.62% (235 406 people) increase of population between 1870 and 1910 (Kókai, 2007a). According to the data of the time between 1910 and 1950, the population of Torontal increased by 6.53% (38 770 people), while the population of Temes and Krassó-Szörény county decreased. Until the year of 1930 the number of Serbs increased by 30 000, while the Hungarian population decreased by more than 15 000 only in Torontal County. In the zone of the border (30-50 km) there were many settlements where the Serbs were in majority outnumbering Hungarians (for example, Deliblat, Kubin, Pancsova, etc.). In this region they created new settled villages (for instance, Aleksandrovo, Vojvoda Stepa, Banatsko Karadjordevo, Mileticevo, etc.).

On the area of the Serb Bánság (Szerb-Bánság) the number of Romanians decreased by 8-10 thousand in the 1920s, because of moving to Romania (Figure 2). According to László Gulyás's data, 19 226 families settled down in the Kingdom of Serbs, Croats, and Slovenes (Bácska, Bánság, Szerémség) between 1919 and 1941 - if we count with 5 family members on average then it means approximately 93 440 people. In the Szerb-Bánság 10 933 families was settled down (approx. 54 665 people). In the Szerb-Bánság the settlers created 42 new settlements between 1919 and 1941 (Gulyás, 2007). The spontaneous migration-assimilation processes were determined in the Román-Bánság (Kókai, 2007b). The establishment of the Romanian settled villages did not take place. On the area of the Bánság 592 049 Romanian people lived in 1910, while this number was 594 005 in 1930. The Romanians in the Bánság had low natural reproduction, and this was not compensated for by the inhabitation of Romainans from Havasalföld and Moldva. Because of Trianon and the Second Vienna Award a lot of Hungarian people moved from the area of the Roán-Bánság. By 1931, the number of the Hungarian population decreased by more than 23 000 . Most Romanians were characteristically found in the big cities (for example, Resicabánya, Temesvár).

The study of the population number of the Bánság settlements has shown significant differences both at the local level and in micro and macro respects. The region witnessed a 14% (13.74%) increase of population between 1950 and 1990. This alone is a favourable tendency. Only 116 settlements had natural increase (mainly in the agglomeration of Belgrade and Temesvár (Timisoara), as well as the areas of Nagybecskerek, Orsova, Moldova, Resiczabánya). More than 700 settlements (710), however, have got into a state of constant decrease of population.

The natural decrease appeared differently; it was dramatic along the borders of the counties and along the Trianon borders turning them into multiple disadvantaged regions. Along the Serbian-Romanian border this decrease was remarkably different both in connection with the regions and the territories. As a result of these unfavourable economic and social circumstances and possibilities the 238 settlements of the above mentioned zone

along the border involved in the survey (a width of about 20-20 kilometres, on both sides) had a population decrease of 14.7% between 1950 and 1990. (Only 17 settlements saw population increase during this period.) As a result of this, by 1990 only 128 remained from the 826 settlements of the Banat region where the Romanians or the Serbs have absolute majority. Of these only 8 settlements can be found in Hungary (with homogeneous Hungarian population) and 60 settlements are in the Román-Bánság, and another 60 settlements are in the Szerb-Bánság territory with Romanian and Serbian minorities. The following data show that these two nations became stronger: the number of the Romanians swelled to almost 1 million (988 641 people = 53.56%) while the number of the Serbs became almost half million (474 831 people = 25.73%) and it can be even more if we take into consideration the other 32 527 Yugoslavian people (Kókai and Bottlik, 2002).

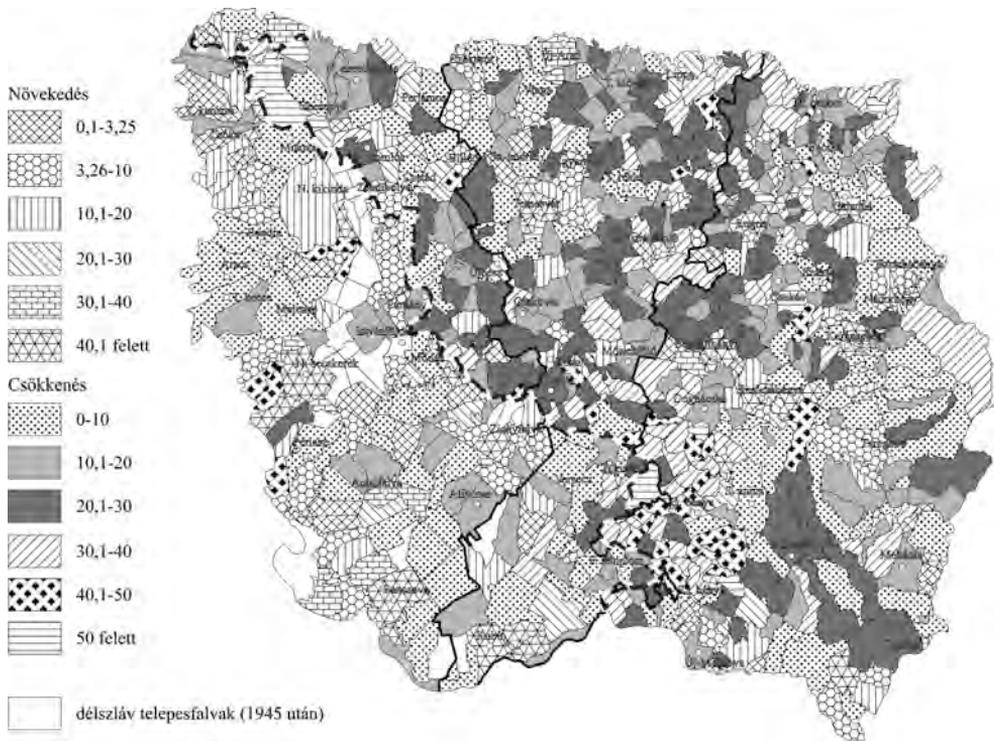


Figure 2 Population growth and decrease between 1910 and 1950
Növekedés – increase (%), Csökkenés – decrease (%)

It is regrettable that the number of Hungarians decreased (152 609 people = 8.26%) just like the number of other small nationalities (except for the Gipsy population, 13 108 people = 0.71%) and the increasing number of the Gypsies resulted in their absolute majority in the village of Maguri.

In the border zone three microregions developed which can be characterised by a dramatic natural decrease (Figure 3). One of these is the region of the Hungarian-Romanian-Serbian tripartite border, where the rate of decrease might reach 50% in certain villages (e.g. Egyházaskér 59.8%, Porgány 77.7%, Bolgártelep 80.7%, etc.).

The second microregion is between Nagyikinda, Versecz, along the Serbian border, and between Zsombolya and Delta along the Romanian border. The village of Zichyfalva was the only settlement of the area that had a natural increase; otherwise, the

rate of natural decrease here is above 30%. This region constituted a hinterland for the population increase in Temesvár and Nagybecskerek.

The third microregion with natural decrease lies south of the Delta-Versecz-Fehértemplom line, a settlement network of small villages where the unfavourable transport-geographic location resulted in a 20% decrease. The fact of natural decrease in this region is remarkable because it is related to the ethnic composition of the Bánság.

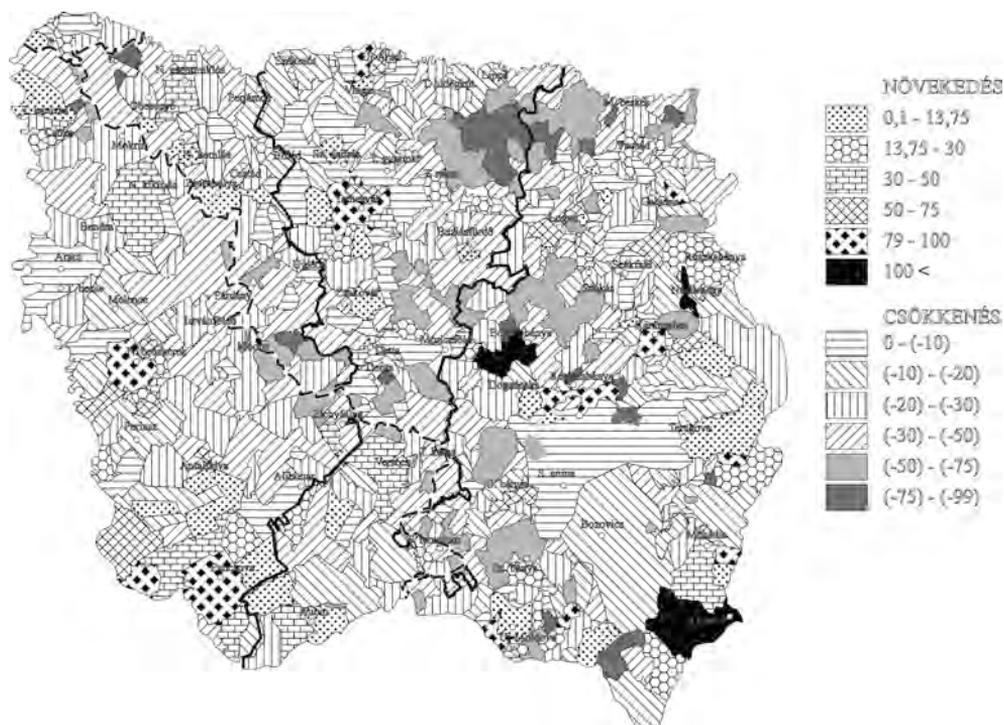


Figure 3 Population growth and decrease between 1950 and 1990
Növekedés – increase (%), Csökkenés – decrease (%)

The region witnessed an 8.3% (153 241 people) population decrease between 1990 and 2001 (Kókai, 2008). Only 16 settlements had natural increase (mainly in the agglomeration of Belgrade, Temesvár (Timisoara) and Szeged, as well as in the areas of Nagybecskerek, Orsova, Moldova, Resiczabánya). The natural decrease happened in different ways and manners: it was dramatic along the borders of the counties and along the Trianon borders turning these into multiple disadvantaged regions (Figure 4). Along the Serbian-Romanian border this decrease was remarkably different both in terms of the regions and the territories. As a result of these unfavourable economic and social circumstances and possibilities, the 238 settlements of the above mentioned zone along the border involved in the survey had a population decrease of 9% between 1990 and 2001. One of these is the region of the Hungarian-Romanian-Serbian tripartite border where the rate of decrease might reach 15% in certain villages. The second microregion is between Nagyikinda-Versecz, along the Serbian border, and between Zombolya and Delta along the Romanian border. This region constituted a hinterland for the population increase in Temesvár, Nagybecskerek and Pancsova. The third microregion with natural decrease developed south of the Delta-Versecz-Fehértemplom line, a settlement network of small villages where the unfavourable transport-geographic location resulted in a 10% decrease. These ethnic and contact zones have changed irreversibly.

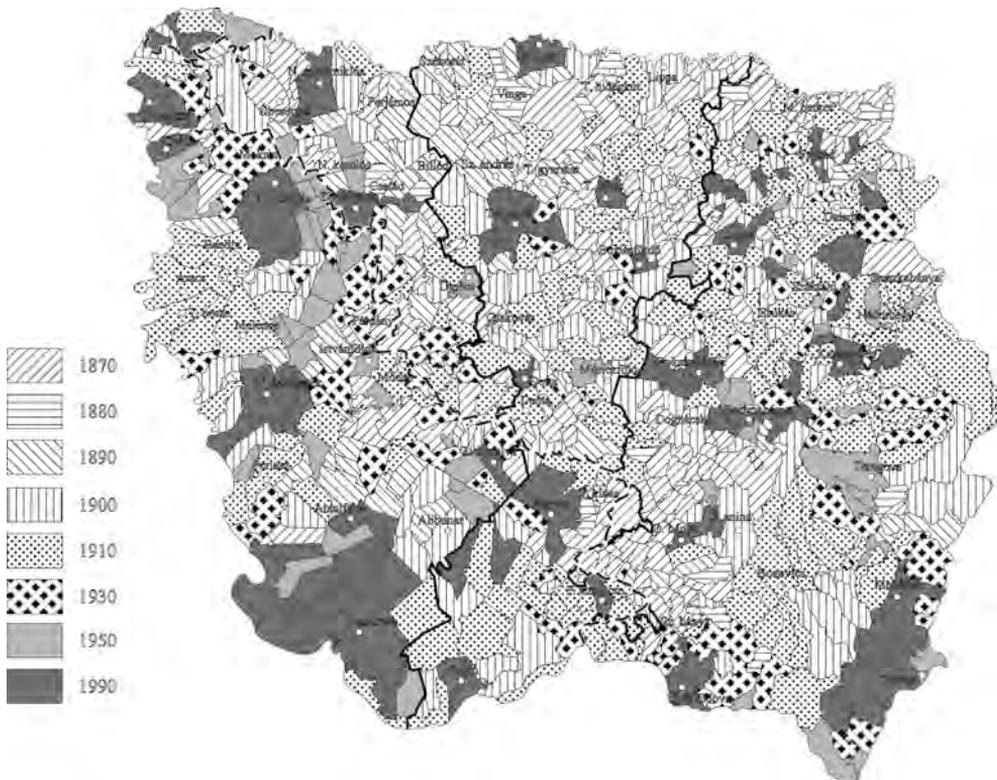


Figure 4 Maximum population in the settlements of the Bácság

ECONOMIC CHANGES IN THE BÁNSÁG (1920-2002)

After the First World War, the Bácság belonged to the relatively developed regions of the Kingdom of Serbs, Croats and Slovenes and Romania, although it was continuously losing its advantages for many decades. The traffic conditions of the Serbian Bácság (9296 km²) had changed disadvantageously after the Treaty of Trianon. The railway network was cut through at 14 places by the border lines. Until 1922 there was no direct railway connection between the historical Bács-Bodrog and Torontál counties, the railway bridge between Zenta and Csóka was built at that time. The main railway line (Szeged–Temesvár) was divided into 3 pieces by the borders (for instance, the settlement of Valkány was transferred to Romania, however, its railway station got to the Kingdom of Serbs, Croats, and Slovenes. Nowadays, the Serbian Bácság has connection with the Romanian Bácság through 3 railway lines (Versec-Temesvár, Módos-Temesvár, Nagyikinda-Temesvár). The area of the Serbian Bácság has 4 international main roads which join to the area of the Romanian Bácság. The former regionally significant roads are either used for local transport or they are out of order.

The economic situation and role of the Serbian Bácság is peripheral within Serbia and the Vajdaság compared to the Bácska. Nevertheless, it has 5 crossing points on the River Tisza (towards Bácska) and 2 other on the River Danube (towards Serbia) which make possible for this region to be the part of the economic life of Serbia (Figure 5).

In the Northern Bácság the agriculture of the region of Csóka provides more than the half of the GDP. The same in the district of Törökkanizsa means only one third, in

contrast with the district of Nagyikinda, where the exploitation of oil and natural gas provides one third of GDP. In the area of Nagyikinda the building material industry is also important. In the area of the Central Bánság three-quarters of the GDP is formed in Nagybecskerek where construction industry has a high share (13.0%). In the district of Magyarcsérnye, Begaszentgyörgy and Torontálszécsány agriculture has a principal function (Table 1). The agricultural sector preserved its importance; and at the same time its emphasis has continuously decreased since 1960s. In the Southern Bánság the 70% of GDP is produced in Pancsova, and thanks to that the industry of Versec (especially the metal industry, and except for the sugar industry) started to decline after the Second World War.

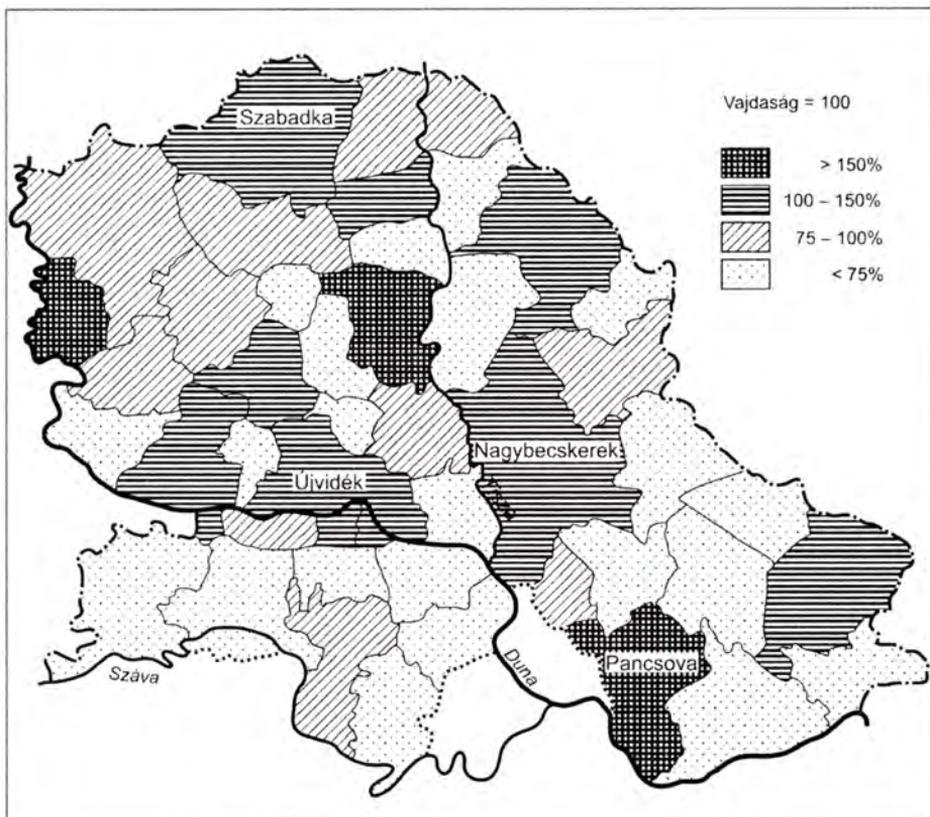


Figure 5 The territorial differences of the GDP in the Vajdaság (2005)

The conditions of the traffic infrastructure set financial limits to the communication between the two sides of the border (Serbian-Roman) because there are only two public roads and two railway crossing points. In contrast with it, at the Serbian-Romanian border approximately 20 crossing opportunities would be possible thanks to the settlement network.

The geographical situation of the Romanian Bánság is less beneficial compared to Transylvania; however, the Vest region is called “the gate of the West” by the Romanian scientists. The transport connections of the region towards Transylvania is the valley of Maros, towards Olténia is Turnu Severin, and towards Hungary there is a public road crossing place (Csanád-Kiszombor) and a railway crossing point (Lökösháza-Kürtös).

There are differences on the level of development within the region: Temes county gave approximately 3% of GDP, while the Krassó-Szörény county gave approximately 0.3% of GDP in Romania. Significant difference can be detected in the distribution of the GDP and the employment rate (Table 2). The situation is the same with the density of the population: in Krassó-Szörény (39 people/km²); in Temes (78 people/km²).

Table 1 The economic development of the Serbian Bácság

District	Area	Population (2002)	Population density (2002)	Un- employment (2001)	Development index*	GNP distribution (2003)		
	(km ²)	(people)	(people/km ²)	(1000 people)	region**=100%	agr.	ind.	serv.
						(%)		
Törökkanizsa	305	12 975	43	101	100-120	35	50	15
Csóka	321	13 832	43	83	Under 80	51	29	20
Nagykikinda	782	67 002	86	114	100-120	17	67	16
Törökbecse	609	26 924	44	106	80-100	33	50	17
Nagybecskerek	1324	132 051	98	119	100-120	12	47	41
Begaszentgyörgy	525	20 399	39	108	80-100	63	21	16
Magyarcsernye	273	12 705	47	165	80-100	67	18	15
Torontál- szécsány	523	16 377	31	106	80-100	65	20	15
Versec	800	54 369	68	103	100-120	6	73	21
Zichyfalva	383	13 337	35	145	Under 80	50	22	28
Alibunár	602	22 954	38	74	80-100	48	19	33
Antalfalva	419	27 890	67	122	Under 80	52	17	31
Ópáva	203	11 016	54	140	Under 80	30	32	38
Pancsova	759	127 132	168	139	100-120	2	80	18
Kevevéra	730	36 802	50	97	80-100	41	23	36
Fehértemplom	353	20 367	58	114	80-100	30	41	39

* The development index is according to 4 indicators: GNP/person, rate of employment, infrastructural development (asphalt roads), and HDI (doctor/100people)

** region = Vajdaság

Source: Republican Statistical Office

On both sides of the Trianon border the following peculiarities may be observed: ageing population, decreasing population, low economic performance, high unemployment rate, deformed economic structure, accumulated disadvantageous situation.

Table 2 The economic development of the Romanian Bácság (2005)

Country	Employment (%)			GNP (%)		
	agriculture	industry	services	agriculture	industry	services
Arad	25.9	31.6	42.5	11.8	28.0	60.2
Krassó- Szörény	37.8	24.1	38.1	16.4	18.8	64.8
Temes	24.9	28.0	47.1	8.8	31.3	59.8
Romania	31.9	23.5	44.6	9.5	27.9	62.6

CONCLUSION

The Temesi-Bánság, as one of the historical Hungary's most developed cultural scenery, did not disappear without leaving behind its traces. In 1990 a new form of the region (DKMT) seems to resurrect. The processes are not stopped at the territorial borders, but socialites and local and regional communities search their place in the globalizing world. They realize, that other like-minded people live, act and are ready to cooperate in the neighbouring countries. This cooperation can only be successful if we will explore the past and the relations of the region in order to understand the historical-geographical unity. The cross-border co-operation means working out ways and reduces the difference between the social, economic and settlement levels and force field of the neighbouring countries based on the existing of ethninc, linguistic and cultural minorities.

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RURAL BIOLOGICAL RESOURCES - A TOOL FOR REGIONAL DEVELOPMENT (AN INTERREG CASE STUDY)

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Abstract: Renewable energy is a crucial issue of recent regional development in Hungary. The spatial dimension of its utilisation is an important topic of the strategic documents, articles and EU co-financed projects. In the EU the transition of the energy sector towards a more sustainable and renewable-based way is an urgent problem. Rural areas in many parts of Europe can be characterised by low economic dynamism and a relatively high rate of unemployment. The production and utilisation of different types of renewable energy resources can give an effective tool for rural development, the use of biomass can generate a large potential for added value. We face serious challenges when trying to set up green-energy systems, such as the growing competition between food and energy production. In some Member States (Germany, Austria, Italy, etc.) of the EU experiences have accumulated in the last decades on the organisation and management of similar projects. In our article we are going to show some details of the international RUBIRES project concerning these issues.

Keywords: renewable energy, European Union, RUBIRES

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RUBIRES – A PROJECT OF INTERNATIONAL CO-OPERATION

The original project idea of RUBIRES (Figure 1) was first worked out in 2005, its proposal was submitted in the call of the INTERREG III B programme. The project was not supported at that time, but project partners kept in touch and started to discuss the details of a new project at the beginning of 2007. Some national and international meetings took place in the possible partners. The final details were fixed at two international in Berlin (9 July 2007, 25 October 2007) where the special situation in each partner region was presented and the objectives and activities were agreed on.

Originally ten partner organisations signed the agreement, but after the launching of the project our Polish partner had to quit because of financial difficulties (Table 1).

The general objectives of the project are to increase regional value-added in every partner region, to secure and improve employment, to strengthen sustainable development, to implement new technologies in energy production and to reduce the emission of CO₂.

Based on the specific objectives, the project can be divided into different working packages (WPs).



Figure 1 The logo of the RUBIRES project
Source: www.rubires.de – accessed: 09.09.2009.

Work Package 1 is about project management and coordination, it focuses on overall coordination and implementation of the project activities, including communication between the partners and the work packages, coordination and preparation of conferences/workshops/partner meetings, the writing and checking of reports, official representation of the project, financial management, project controlling/monitoring. The responsible partner is the Regional Planning Authority Altmark.

Work Package 2 consists of communication, knowledge management and dissemination concerning project promotion of outputs and results. As defined in the project plans, it is planned to offer qualifications for enterprises and stakeholders operating in the regional added value chains. Another important issue is a competition for schools in order to gain wide public attention. The responsible partner for it is the Eszterházy Károly College.

The title of Work Package 3 is material flow management, it focuses on the development/improvement of methods be aware of regional potential and manage material flow. During this WP a regional analysis including a SWOT-analysis and assessment of material flows of agricultural/forestry origin and additional potentials as well as demands for energy/resources are to be done. The responsible partner to coordinate this WP is Havelland-Flaeming.

The name of Work Package 4 is regional land-use management. It focuses on approaching new instruments for an optimised land-use management. All regions must analyse and evaluate the regulatory framework and present planning instruments for territorial planning and their eligibility for legally binding regulations in terms of saving and developing biological resources. After joint selection of useful and practical criteria an optimising model of land-use can be developed – leading to a draft version of a territorial plan. The responsible partner is the La.mo.Ro Development Agency from Italy.

Table 1 Partners in the RUBIRES project

Partner institution	Logo
Altmark, Hansestadt Salzwedel Regional Planning Authority Altmark Germany Lead Partner	
Regional Planning Authority Havelland-Flaeming Germany PP 2	
District Administration Burgenlandkreis Germany PP 3	
isw Institute for Structural Policy and Economic Development Germany PP 4	
La.Mo.Ro. Development Agency, Asti Italy PP 5	
EU Regional Management East- Styria Austria PP 7	
Eszterházy Károly College, Eger Hungary PP 8	
Euro-Region House Non-profit Ltd., Debrecen Hungary PP 9	
Regional Development Agency of Savinjska-šaleška Region, Mozirje Slovenia PP 10	

Data source: www.rubires.de – accessed: 09.09.2009.

Work Package 5 is about regional value added partnerships level, aiming to support regional economy through the implementation of a management for chosen regional added value chains/partnerships. The project is planning to apply a new method for rural development: management of partnerships in regional added value chains based on a regional concept. Our German partners have developed this method in their LEADER a “Region Aktiv” programmes in the last decade. The responsible partner is the EU Regional Management East-Styria.

Participants from different Member States have different kinds of special knowledge concerning the main tasks of the project. Some regions do have started with the management of material flow, others have experience with the management of value added chains, or different technologies have been successfully applied.

The aim of the project is to present the following results:

1. Planning instruments and managing tools to support a sustainable growth of rural economy concerning material flow and land use
2. Initiation and development of regional value added chains using renewable resources and establishing value added partnerships integrating stakeholders out of economy, policy, administration and interested groups
3. Development of regional projects to use renewable resources for energy and material production, to increase energy efficiency and to optimize the energy production; (pre-)investments to be funded by different sources
4. Creating consistency of the regional and transnational networks to steady the exchange of experience and expertise
5. Improvement of access to expertise, qualifying of target groups and a widespread consciousness of the public concerning the subject of renewable resources

THE UTILISATION OF BIOMASS-BASED RENEWABLE ENERGY RESOURCES AS A TOOL FOR REGIONAL DEVELOPMENT

Our earlier experience made us apt to be the responsible partner for WP2 – communications and public connections, nevertheless, according to the project plan all partners must participate in every WP. For preparing WP3 and WP4 we will have to resort to external expertise as having no such competences in our institution. Our opinion is that for researchers of regional development, the WP5 is the most interesting part of RUBIRES. As we have mentioned earlier, the method coming from our German and Austrian partners is a classic bottom-up approach of development.

The essence of this method is as follows: different groups of interest/stakeholders (entrepreneurs, governmental and non-governmental actors) form strategic alliances promoting an increased use of renewable resources (energy/material) (Figure 2). These groups are called regional value-added partnerships. Their main goal is to find internal regional resources, make products from them and sell it to different markets. Through these value-added chains, the regions can accumulate value and can create jobs for local residents. The value addedness can be realized in all phases of the chain: creation, processing, trade and consuming (Figure 3).

In Hungary this kind of bottom-up approach has been invented by the LEADER EU Community Initiative. This programme has the second phase in progress now; however, until now there were only a few studies written about them. Experiences in Hungary query the success and effectiveness of these projects because of low participation of the entrepreneur sector. Without their involvement local and regional partnerships remain short-lived and economically unsustainable.

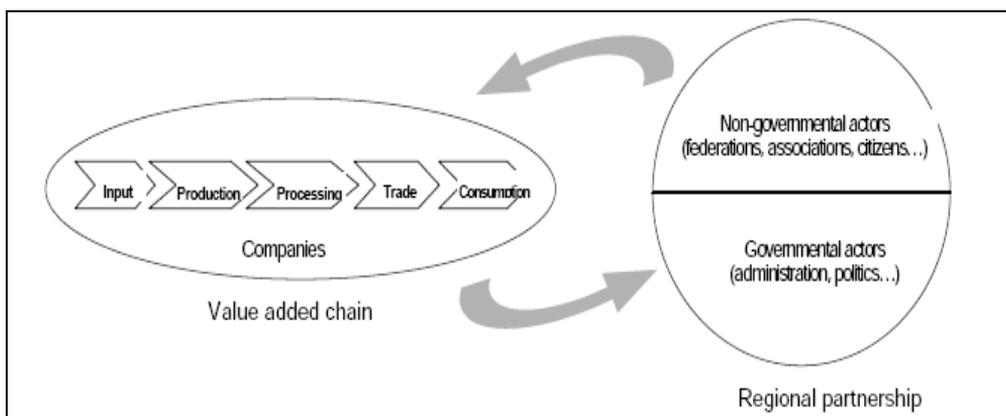


Figure 2 Regional value added partnership

Source: Schubert and Bühler, 2009

It is not an easy way of regional development to organize and operate a value added partnership. There are some typical problems which can make it hard to do:

1. The participating persons do not consult with each other, it is not possible to create a real basis of trust.
2. The partners have communication problems, language problems, communicate at cross purposes, create misunderstandings and are not able to resolve them.
3. Their interests differ: every partner has different expectations of the cooperation.
4. Arrangements on work, appointment and cost distribution (maybe not set out in writing or stipulated by contract) are unclear.
5. The conditions are too different: company size (strong dependence of a "dwarf" on a "giant"), company structure, company philosophy, mentality, distance.
6. The commitment of one party is poor: bureaucratic thinking, fear of novelty, slowness in decision-making, neglect of opportunities, unsystematic approach.
7. The cost-benefit ratio shifts in the course of the project to the disadvantage of one partner.
8. The partners do not have the time and the personnel for cooperation management.
9. Communication and performance of the partners are insufficient.
10. The partner goes into his own business with the new knowledge.

(FEDERAL MINISTRY FOR ECONOMICS AND LABOUR 2003)

According to the experiences of the responsible partner, a value added chain based regional partnership can be successful only if the majority of the next factors are available:

1. A shared vision of partners
2. A promoter to mobilise actors early stages
3. Confidence/respect – former positive experiences with each other
4. Clear, verifiable objectives (Figure 4)
5. Benefit for all participants
6. An early success
7. Learning aptitude among partners
8. Adequate participation and strong supporters
9. Available resources for the co-operative actions
10. Process skills at the partnership level

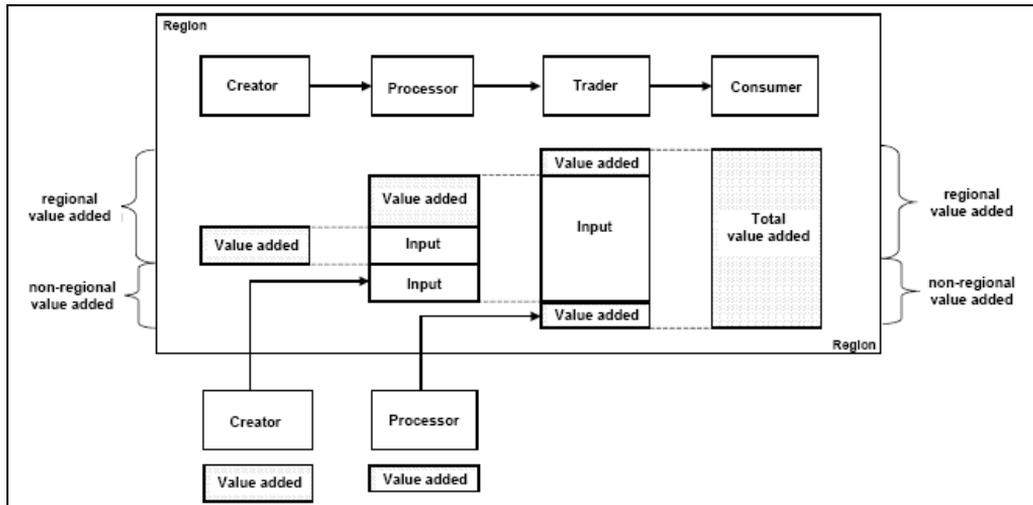


Figure 3 Regional value added effects along the value added chain
Source: Schubert and Bühler, 2009

These 10 factors concern the inner circumstances of value added regional partnerships, but outward competences must be important as well:

1. Customer orientation
2. Openness for innovation
3. A proper flow of information
4. Top quality of products
5. Effective and efficient logistics and distribution
6. Communication and marketing
7. Customer appropriate price-performance ratio
8. Regional separation
9. Quality assurance
10. Marketing skills

POSSIBILITIES IN THE EGER MICRO REGION

The Eszterházy Károly College has chosen the Eger Micro Region as the narrow target area. According to the needs of WP5, we will have to organise at least three value added chain partnerships. Our preliminary research is going on now with interviewing key actors of the area (Eger Micro Region Development Bureau, Egererdő Corp., Chamber of Agriculture, Chamber of Industry and Trade, etc.).

In the mountainous parts of our micro region, forests constitute the primer agricultural branch and the Egererdő Corp. is the official operator of these. They plan to use woodsticks for energetic purposes after gabbling them off in the forest. Rising prices of fossil energy sources make the utilisation of dendro-mass efficient for local residents, enterprises and self-governments as well. This dendro-mass based value added chain would be very useful for regional value added accumulation as in every part of the process local actors could participate. The consumer side of this chain has not been fixed until now, but some municipalities plan to switch from natural gas to biomass in heating their buildings.

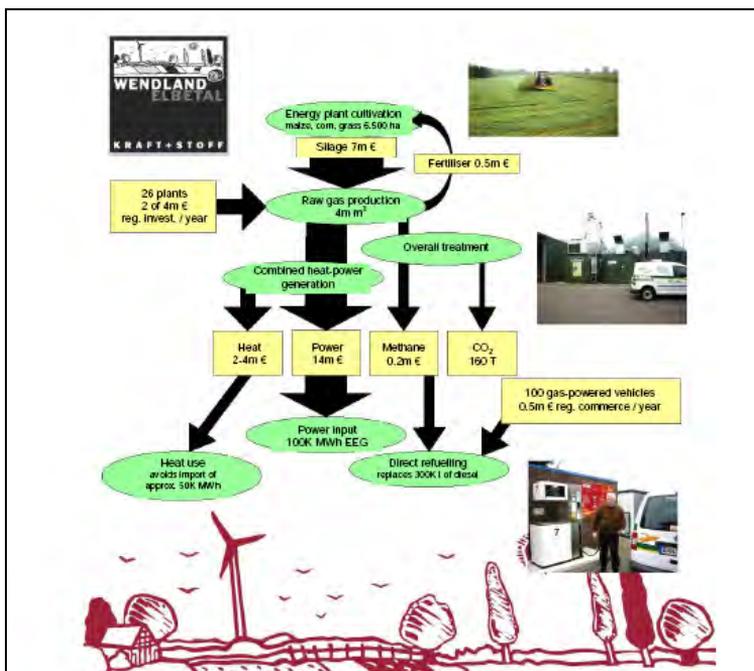


Figure 4 The draft version of a value added chain map
Source: Schubert and Bühler, 2009

Another possible issue could be the transfer of tourism actors to a more sustainable mode of function, such as to the utilisation of local biomass sources for heating.

Our preliminary research is based on some interview with key actors of local economy, civil organizations and governmental factors. Our purpose was to achieve a kind of “brainstorming” spirit during the interviews in order to get new ideas. Unfortunately, the majority of our partners are rather pessimistic about the exploitation of aptitudes. This part of Heves County is characterised by vineyards and wine making. The by-products of wine making (vine, vine-stock) could be appropriate raw materials for biomass-based renewable energy. Recent tendencies in Hungarian agriculture – the cutting down of vineyards because of EU subsidies – make it impossible to plan long-term biomass utilisation projects.

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SOME THEORETICAL ASPECTS OF POTENTIAL CROSS-BORDER HEALTH CARE SERVICE COOPERATION IN THE REGIONS OF BEREHOVE (БЕРЕГОВЕ, UKRAINE) AND CAREI (ROMANIA)

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Abstract: This study investigates the need and possibility of cross-border cooperation in the health service in the border regions of Carei (Romania) and Berehove (Zakarpattia region, Ukraine). Medical service is analysed as a subdomain of cross-border cooperation. A successful example of cooperation in Western Europe is presented. Profiles of health care institutions in Carei, Berehove and in the corresponding Hungarian border zones are surveyed and the conditions of potential cross-border use of these facilities are analysed. It is concluded that, in the studied regions of Hungary, there are only very few communes which would greatly benefit from the use of the Carei and Berehove institutions as potential *main* health care providers.

Keywords: cross-border cooperation, health care, patient mobility, Carei, Berehove

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INTRODUCTION

It is well-known that the border regions of Hungary are characterised by catchment areas broken apart, and this situation has contributed to the social-economic disadvantage that characterises most of the area concerned. The need for the development of cross-border cooperation along the border of Hungary is widely accepted.

However, in the recent relevant Hungarian scientific literature, the topic of cross-border cooperation between certain public service systems, such as health care, is rarely discussed. This is surprising because, along large sections of Hungary's border, "lingual permeability" still exists. (I use the term "lingual permeability" for the situation in which the majority of the population, on both sides of the border, shares the same mother-tongue. Thus, most inhabitants of the region can use this language on both sides of the border, regardless of the language's official status in that state. Of course, in the vast majority of these sections, this means Hungarian lingual permeability.) This situation raises the question: could the inhabitants from one side of the border use health care facilities on the other side, if their "own", domestic health care institutions are located

substantially farther from their home than the equivalent health care providers across the border?

HEALTH CARE AS A SUBDOMAIN OF CROSS-BORDER COOPERATION

It is, of course, clear that cooperation in health care is, for many reasons, a problematic segment of cross-border cooperation (Harant, 2006). First of all, during the European integration, health care policy has remained a strictly national competence. Moreover, health care systems of different countries can vary in many aspects, such as:

- The compensation of the physicians' work (Is it a fixed salary or it depends on the actual service provided?);
- The insurance system (Do patients have to advance a treatment fee to be reimbursed later by the insurance fund/company?);
- The relation between the general practitioner and the patient (Are inhabitants assigned to a general practitioner, or they can freely choose their physician?);
- The way of storing patients' medical records (Are the records stored centrally or at different physicians?);
- The flexibility of the patient referral system (Are referral channels among health care institutions fixed, or physicians have some degree of freedom in referring their patients to other health care providers?).

Moreover, common organisation of the health care service requires international coordination of many domains with regard to legal background and standards, which were settled on national or even lower levels before, such as the legal regulation of the cooperation itself, defining the quality of care, rights of patients, planning and funding schemes, labour law and professional liability, management of the institutions concerned, and the use of new technologies and best practices.

On the other hand, there are factors that contribute to the importance of health care as a component of cross-border cooperation:

- Cooperation in health care directly responds to inhabitants' everyday needs.
- The cooperation can help to optimise the service system, leading to cost reduction.
- Suitable geographical distribution and reasonable accessibility of health care facilities are very important in ensuring high level medical care. In this respect, cross-border cooperation can mitigate a relative lack of resources.
- Hospitals usually enjoy a certain degree of autonomy, so health care cooperation can be initiated at the local level.
- Decisions of the European Court of Justice (ECJ 28 April 1998 Kroll & Decker (158-96 and 120-95); ECJ 12 July 2001 Smits & Peerboom (C-157/99); ECJ 13 May 2003 Müller Fauré (C-385/99) legitimised trans-border patient mobility, while keeping hospital care restricted.
- In the long run, the rapidly growing tendency for people to take jobs outside their own country will press decision-makers of the European Union to further legitimise patient mobility.

AN EXAMPLE TO FOLLOW

It gives reason for optimism that, recently, in many regions of Western Europe, pioneering initiatives of cross-border usage, and even of cross-border development and management of health care facilities can be observed.

One of these initiatives can be witnessed in the Thiérache region (Figure 1), at the French-Belgian (Walloon) border (Harant, 2006; Poulenard, 2002). The region can be considered a periphery in terms of health care as well: local hospital care is provided by scattered, small, poorly equipped hospitals linked by poor transportation facilities. On the other hand, there are strong cultural links between the populations living on the two sides of the border, and there are no geographical obstacles to make border crossing difficult. (These characteristics also apply to several regions along the borders of Hungary, including the regions of Carei and Berehove, the subjects of this study).

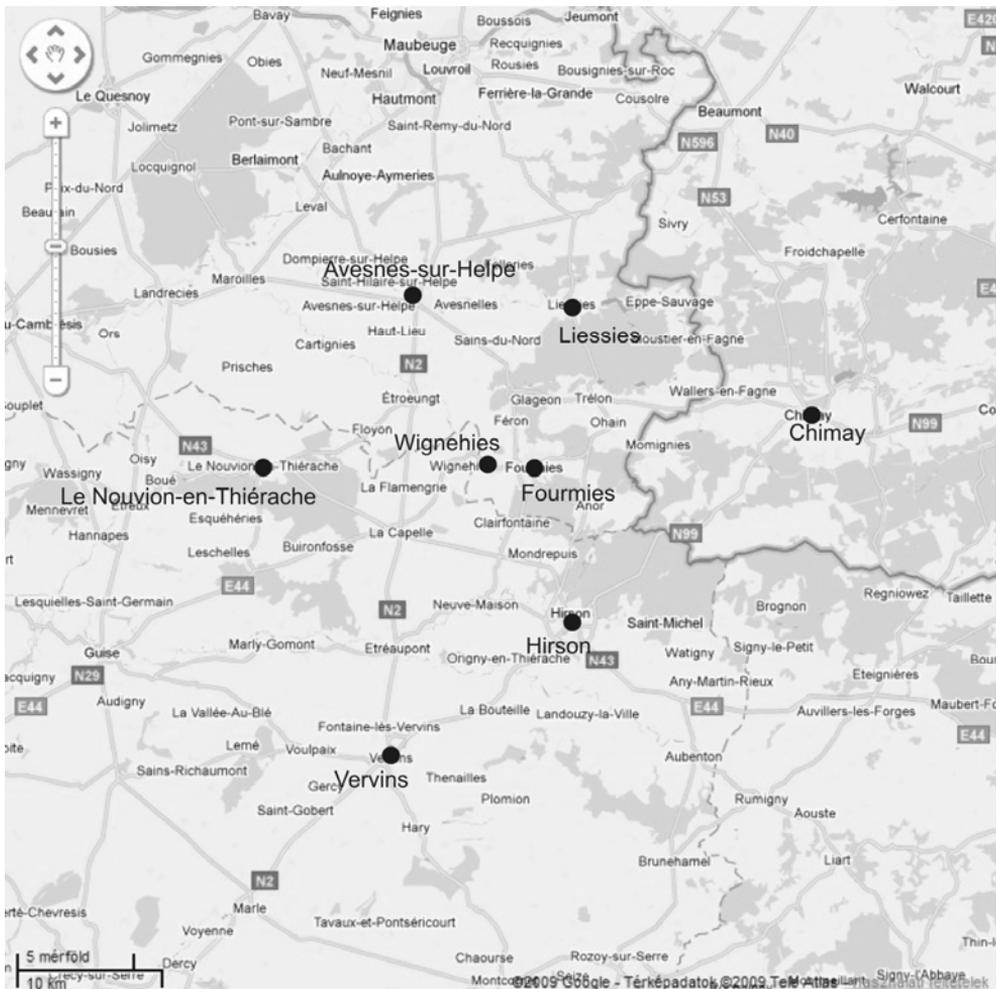


Figure 1 The Thiérache region, with the hospitals participating in the cooperation.
Source: own editing, based on Google Maps

In Thiérache, the cooperation started in the mid-1990s. The basic objective was to achieve a complementation of service profiles of the small local hospitals (from both sides of the border). To have an institutional framework for the objective, a “European Economic Interest Grouping” was created. The cooperation involved joint operation of the emergency service, sharing equipment and professionals, delegation of patients and tasks to each other.

The professional cooperation was followed by a financial one: within the framework of the Transcard project, the health insurance coverage by some French and Belgian sickness funds has been extended, allowing patients to use health care facilities on both sides of the border in Thiérache.

The performance of the system has shown remarkable complementarity between the two sides of the border. French patients used mostly out-patient service on the Belgian side, whereas Belgian patients crossed the border for in-patient care. Consequently, the per capita cost of treatment was much higher for the Belgian Transcard patients. (According to evaluations of the Transcard system in 2002 and 2003, the per capita cost of treatment at Belgian patients having travelled to France was €1950, while the same figure was €150 at French patients having crossed the border - Annual evaluation, Transcard, CPAM de Maubeuge/St Quentin.) This was compensated by the much larger number of French patients using the cheaper out-patient services. (Of people having used Transcard system in 2002, 525 were French and 70 were Belgian. In 2003, there were 608 French and 89 Belgian patients having used Transcard system - Annual evaluation, Transcard, CPAM de Maubeuge/St Quentin.)

THE REGIONS EXAMINED IN THE PRESENT STUDY

As mentioned before, the present borders of Hungary divide a lot of historical catchment areas, many of them still characterised by lingual permeability. Of these areas, I decided to study those in which the potential health care institution is on the outer side of Hungary's border. One reason for this was that areas lacking the former regional centre are expected to be more interested in cross-border cooperation than the other side which "inherited" the former regional centre with the health care facilities. Along the easternmost section of Hungary's border, two regional centres: Carei (in Romania) and Berehove (in Ukraine) meet, more or less, the requirement of lingual permeability. Carei is still inhabited mostly by ethnic Hungarians (In 2002, Municipiul Carei had 23,182 inhabitants, of which 12,596 (54.3%) declared themselves as being of Hungarian ethnicity, and 13,493 (58.2%) declared themselves speaking Hungarian as mother-tongue – Varga, 2010), whereas in Berehove, the ethnic Hungarian community, although constitutes less than half of the population, is still the largest ethnic community of the town. Moreover, Berehove is the centre of a district (район) inhabited dominantly by ethnic Hungarians. (In 2001, the population of Berehove was approximately 26,600, of which 48.1% (about 12,800) were ethnic Hungarians, and 38.9% (approx. 10,300) were ethnic Ukrainians. The Berehove district (Берегівський район) and its centre had altogether some 81,000 inhabitants, of which 67% (about 54,000) were ethnic Hungarians - All-Ukrainian population census '2001).

Hungary's border zone that is located close to Carei (Figure 2) has two health care centres. There is a hospital in Mátészalka and a polyclinic in Nyírbátor. The latter one is operated by the Szatmár-Beregi Kórház és Gyógyfürdő (Szatmár-Bereg Hospital and Spa) of Fehérgyarmat. The profile of the Mátészalkai Területi Kórház (Mátészalka Regional Hospital) is, with regard to in- as well as out-patient care, more comprehensive and diverse than that of the hospital in Carei (Spitalul Municipal Carei). For out-patients, there is practically no medical speciality, which would be available at the Carei hospital but not in Mátészalka, and for in-patients the only such department is psychiatry. Even the out-patient health care unit of Nyírbátor offers a wider range of ambulatory services than the Carei hospital.

There are only five Hungarian settlements in the border zone studied (Bátorliget, Mérk, Terem, Tiborszállás, Vállaj; having a population of 5-6,000 people altogether

(according to the population census in 2001, the total resident population of the five communes was 5,829 persons), which are located closer (by road) to Carei than to the Mátészalka hospital. On two of them (Bátorliget and Terem) for the out-patient-only the Nyírbátor unit is the closest medical centre. Vállaj is the only settlement, which is more than 10 km closer to Carei than to Mátészalka. (Nyírbátor is 10 km farther away from Vállaj than Carei). So only several thousand inhabitants from Hungary could belong to the “general” catchment area of the Carei Hospital. But, by mutual, two-directional redistribution of certain specialist tasks between health care centres of the two countries, cross-border cooperation in the region may concern a larger population as well.



Figure 2 The theoretical catchment area of the Carei hospital in Hungary.
Source: own editing, based on Google Maps

For the border zone opposite to Berehove (Figure 3), the „local” health service is provided by two institutions of the above mentioned Szatmár-Beregi Kórház. These facilities, located in Fehérgyarmat and Vásárosnamény, have hospital as well as ambulatory departments. Because I could not obtain data on the services provided by the “district’s polyclinic of Berehove” (Берегівська районна поліклініка), I can compare only the in-patient care profiles between Berehove and the corresponding Hungarian

institutions. Of the Berehove hospitals, only the “district’s central hospital” (Берегівська центральна районна лікарня) was considered here. The “regional psychiatric hospital” (обласна психіатрична лікарня м. Берегово) was not included in this study because it serves the whole Zakarpattia region, which has predominantly Ukrainian population, thus lingual permeability would not exist.



Figure 3 The theoretical catchment area of the Berehove hospital in Hungary.
Source: own editing, based on Google Maps

The profiles of the Fehérgyarmat and the Berehove hospital are similar in terms of diversity; both institutions have departments that are missing from the other institution’s repertoire (only the Berehove hospital has orthopaedic, neurologic and ophthalmologic departments). The Vásárosnamény facility has a special profile: it has fewer in-patient departments than the Berehove hospital, and many of these departments provide care of chronic or rehabilitation character. Therefore, I limited the study to the Fehérgyarmat and Berehove institutions, and examined whether the settlements in the studied Hungarian border zone are closer to the Fehérgyarmat hospital or to Berehove (similarly to the Carei case, I have counted distances from/to the centre of Berehove, but from/to the exact location of the Fehérgyarmat hospital.).

There are altogether 14 villages (located to the north from the dashed line on Figure 3, inhabited by some 9-10,000 people altogether - the total resident population of the communes concerned was 9,313 persons at the 2001 population census), which are located nearer to Berehove than to the Fehérgyarmat hospital. However, the difference in distance exceeds 10 km for only the two northernmost villages, Mátyus and Lónya. Moreover, if in the future the pontoon bridge at Lónya is replaced by a permanent bridge,

providing round-the-year road connection between villages of the region and the nearby town of Kisvárdá, many of these villages will be best served by the Kisvárdá hospital (Felső-Szabolcsi Kórház). In such a case, the potential catchment area of the Berehove hospital on Hungarian territory would shrink to approximately the same size as that for the Carei hospital. However, similarly as at the Carei region, it is worth considering mutual, two-directional cross-border redistribution of certain specialist tasks.

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A FEW ASPECTS OF THE SOCIAL AND ECONOMIC PROBLEMS IN RELATION TO THE CROATIAN-HUNGARIAN CROSS-BORDER COOPERATION

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Abstract When analysing the relations beyond the Croatian-Hungarian border, we find it important to examine and highlight those negative and positive effects and particularities of the regions lying just at the border, which already had in the past, and, will also have in the future, significant factors in the shaping of the relations. We intend to introduce all the characteristics of the border area and the influences thereof, together with the geographical and infrastructural conditions. These are most of all the factors that shape the social-economic milieu where the cooperation takes place. History has also left its marks on these relations, so it is inevitable to know the events of the recent decades.

Keywords: social and economic problems, Croatia and Hungary, cross-border co-operation

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HISTORICAL HERITAGE (FROM 1918 TO THE END OF THE 1990S)

Following the First World War, a major change occurred in the relationship between the two sides of the Croatian-Hungarian border (Figure 1). The former inside administrative border became an external state border. Our homeland suffered a major loss in its territory. The Répás district, after century-long disputes, belonged to Croatia, just like the Drávaszögi Baranya or the Muraköz districts. However, the opportunity to cross the state border partly remained in place. Between the two world wars, citizens of both states owned land on both sides of the border. Crossing was not obstructed by administrative measures. Upon the revision of 1941, the Baranya triangle and the Muraköz were given back to Hungary, but this proved to be only provisional (Hajdú, 2008).

The democratic period, following the Second World War, proved to be too short to enable the “beyond-the-border” cooperation between the two states. From 1949, the relationship deteriorated, and crossing the 621 km long Yugoslavian-Hungarian border almost totally ceased, with the territory becoming an area of open military and political hostility. In the summer of 1951 the building of a 430 km long redoubt took place, which

was fortified with a mine-field, barbed-wire and concrete-works (Hajdú, 2008). Therefore, nothing has become true of the socialist heavy-industrial developments which had been planned before; the border-land regressed into a closed dead-end piece of land, under military control.

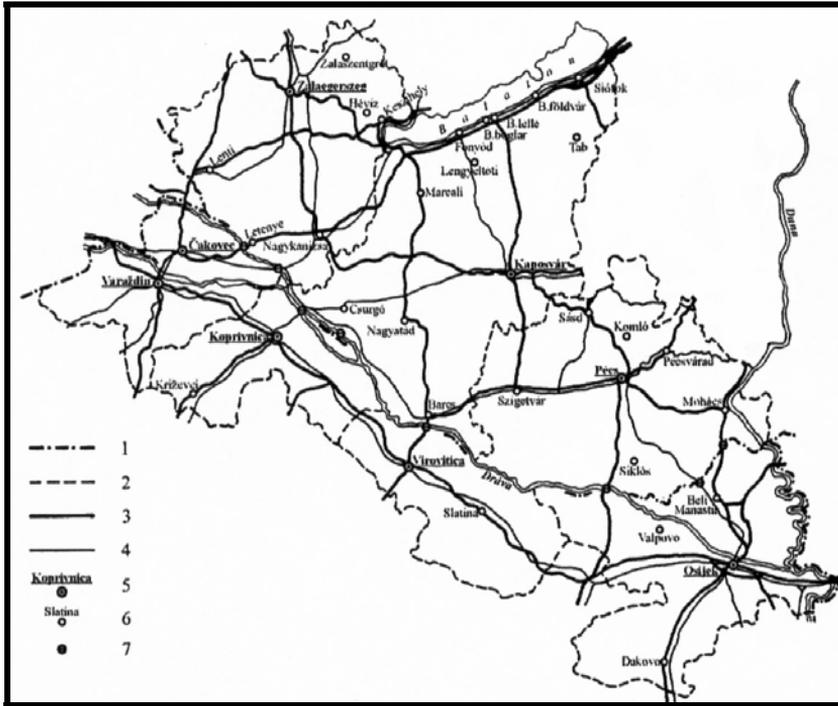


Figure 1 Croatian and Hungarian counties of the Croatian-Hungarian border-area cooperation
 1. state border, 2. county-border, 3. highway/main road, 4. side-road, 5. county capital,
 6. small town, 7. border crossing
 Source: Hajdú, 1998. p. 119

From the end of the 1950s the relation between the socialist bloc and the “non-aligned” (pursuing a policy of neutrality) Yugoslavia became easier, and a certain opening took place towards Western Europe as well. This policy connected our Southern neighbour to our export-import system as an interim country: many consumer goods in the retail sector came to Hungary through the Yugoslavian private import – these goods were not in retail in Hungary (Golobics, 2001).

From the middle of the sixties the relations beyond the borders became stronger and more frequent. There were two types of such relations, the local and the centrally organised ones. To improve cooperation, a number of centrally organised fact-finding and thought-provoking courses were initiated.

The Hungarian-Yugoslavian Urban and Land-management Permanent Sub-committee was established in 1969 with the aim to investigate and develop concepts for the Hungarian-Yugoslavian borderland, and to harmonise already existing concepts. One of the tasks recommended by the sub-committee was the drawing up of the regional development plan of the Órség-Lendvai Hills with special regard to its tourist capacities, together with the Environmental and Regional Development Committee from Slovenia and the Geographical Institute of the University of Ljubljana. The development concept of the Danube-region as well as the feasibility studies of the hydroelectric power plants on

the Dráva and Mura rivers were written in cooperation with the Eszék Urban Institute (Zala, 1988). One of the most relevant issues in relation to the development of the Yugoslavian-Hungarian borderland was the mutual environmentally friendly usage of the Dráva and Mura rivers, already in the era of socialism. In the framework of intergovernmental convention in 1978, recommendations were put forward to solve these problems. Even before the institutionalised intergovernmental planning, a few specific projects were realised, such as the inauguration of the railway bridge at Gyékényes in 1960.

As we have already indicated, the Yugoslavian-Hungarian relations got back to normal only in the 1960s and this enabled the appearance of grass-root initiatives reaching beyond the borders. Official relations between the border counties and cities started in the 1970s. Due to the federal status of Yugoslavia, in the different parts of the common border, different types of relationships took shape. On the common Croatian-Hungarian border, the between-cities relationships (town twinning) were dominant, like the 1973 establishment of the twin town status of Eszék and Pécs, which is still alive today.

Gradually, agricultural cooperation developed as well. Collective farms in the vicinity of Mohács set up an international sugar business together with the sugar factories of Beli Manastir (Pélmonostor), Bellye, and Županija (Gulyás, 2005). The cooperation was based on the comparative advantages. Hungarian factories outdid the Yugoslavian ones in terms of yield on the farms, while the Yugoslavian factories, using the neighbouring German technology, were more successful in terms of sugar output. However, this cooperation was based on the socialist-type economic management: it was the factories that established direct relations with the Hungarian collective farms, but everything was authorised by intergovernmental agreements.

The 1960s witnessed a two-way shopping-tourism, which, at certain settlements, became medical (wellness)-tourism (e.g. Harkány, Nagyatád, Siklós). Shoppers came to Nagykanizsa, Nagyatád, Kaposvár, and Pécs, to Hungary, and the most popular places to go in Croatia were Čakovec (Csáktornya), Koprivnica (Kapronca), Virovitica (Verőce), and Osijek (Eszék). This shopping tourism attracted people from the other side of the border with different consumer goods: Yugoslavia was a door to the West for Hungarians, where they could buy several goods and services, which were not available or were simply prohibited in the Socialist Bloc. In the eighties, due to inflation and the economic volatility, Yugoslavians, mainly citizens from the Vajdaság, put their money into Hungarian banks. In the 1990s, these deposits contributed to the operation of Serbian and Croatian enterprises established in Hungary.

The opening of the new crossing points at the border stimulated the economic relations in the 1970s and 80s. Before, you could only cross the border on public road at Letenye, and suddenly you could now cross the border at Udvar, Drávaszabolcs, Barcs and Berzence, eliminating the so far very concentrated relation and enhancing a swifter development. Udvar in the Danube axis served as a weak counterbalance to the Budapest-Letenye-Rijeka (Fiume) axis, while Drávaszabolcs gave a huge impetus to the shopping-tourism of Pécs and Harkány. The opening of the Barcs crossing provided a new opportunity for the development of the city, which has not been exploited so far.

Altogether what we can say is that before the break-out of the Bosnian war, the cross-border cooperation was characterised by a spontaneously initiated private trade, along with which the state-organised enterprises also appeared, first of all in the framework of agricultural cooperation. Based on today's experiences we may assess that these relations were the first signs of self-organisation, which, looking at their

effectiveness, fell far behind the Western European average. We assume that if the former Yugoslavia had started its democratisation in the 1990s, then the forms of the cross-border cooperation would now be comparable to those of the Austrian results (Golobics, 2001).

In 1991, at the break-out of the patriotic war just after the proclamation of the Croatian independence, Hungarian statesmen, representatives of the municipalities and the economic life had to face a totally new situation. Along the southern border, military operations and war hostilities took place, which were often accompanied by violation of the state border. Due to the war, the population, settlements and municipalities of the southern border had to solve a situation not experienced in the past forty-five years. One of these was the admittance and housing of thousands of refugees. The refugee crisis was especially severe at the time of the East-Slavonic fights (near Szentlászló, Kórógy, Vukovár, Vinkovci). Hungary accepted and housed the refugees – without any reservations regarding their ethnic or religious affiliations. The biggest sacrifice from this point was made by the cities of Nagyatád, Mohács, Kaposvár, Pécs, Harkány and Siklós. With the unfolding of the war, “the previous institutionalised forms of cooperation came to an end, and the economic relations between the two countries were limited to private trade” (Golobics, 2001 p. 142.), which manifested itself in the mass shopping-tourism. Croats arriving at Hungary headed to Nagykanizsa, Letenye, Nagyatád, Barcs, Csurgó, Berzence, Sellye, Siklós and Mohács. On these settlements the use of the Croatian language was an everyday phenomenon, and the traffic became a one-way direction at the crossing points. Most legal relations were replaced by illegal trade and all forms of trafficking.

This primarily meant the Croatian private import of food and consumer goods, while only the import of gas emerged in the other direction. The retreat of economic relations is well represented by the scale and intensity of the border traffic: while in 1990 the total passenger turn-over of the Croatian-Hungarian border was 11.9 million persons, by 1996 this amount did not even reach 700 000. The latter concentrated in the cities of Barcs, Drávaszabolcs and Letenye (Golobics, 2001).

When peace was restored in Croatia, the once operating relations, eliminated by the war, had to be restored as well. It was also the period when the market economy started to evolve in Croatia and in Hungary, both states just tasting the new socio-economic model. The launch was not easy, and the situation was even worse because nearly one-third of the territory of Croatia was occupied, and Slavonia, just at the border, became a site of military operations, totally closed from the economic circulation. However, the Pécs-Baranya Chamber of Commerce and Trade undertook to develop cross-border relations. As of 1998, the Hungarian intention to strengthen relations and help in the rebuilding of Croatia after the war became apparent. At this stage our economic relations with Croatia progressed very slowly, which was, in my opinion, due to the unfounded caution and reluctance of the economic actors, especially from the Hungarian side. Nevertheless, Hungary did its best to deepen these relations, in spite of its uncertain situation after the change of the regime. From 1988, with the liberation of the Baranya triangle and the restoration of the Croatian territorial integrity, a new chapter unfolded in the relations of the two countries. And since 2001 our economic relations have been supported by a free-trade agreement.

CURRENT STRUCTURES OF THE BORDER REGION

The Croatian-Hungarian border region has a diverse geographical and relational structure. Along the 355 km long line, an eastward direction of decline can be noted. But before examining this decline, we have to introduce the geographical characteristics of this border area, on the basis of the NUTS II division, commonly used in the EU. It is not our intention to investigate both sides on the basis of the same method; we would rather focus on the problematic areas directly influencing the cooperation.

On the Hungarian side, two administrative (in terms of planning and statistics) regions are connected to the border: the West Transdanubian Region and the South Transdanubian Region; the relevant counties of Zala, Somogy and Baranya cope with tough situations in their southern parts. This is a rural area with very few urban settlements, except for the towns of Lenti, Letenye, Csurgó, Barcs, Sellye, Siklós and Mohács, but even these towns do not possess a jurisdiction reaching beyond the neighbouring villages. They are unable to generate any beyond-the-border attraction.

As regards the transport in the small regions, their distance to the highways starting from Budapest is a crucial factor. The Southern part of Baranya and Somogy counties, the so called Dráva-riverside is in a weak position, transport wise. When examining the accessibility of the microregions, we can see that at the Croatian-Hungarian border, major territories on the Hungarian side are out-of-the-way and isolated. As a consequence of the underdeveloped road infrastructure, in many places even the county seat cannot be reached within 60 minutes, not to speak about the accessibility of the public road or railway border-crossings. Along the River Dráva, we can distinguish a long, secluded outer border stretch. The microregions of Sellye and Barcs are extremely difficult to access. Also at the Hungarian side of the border, the lack of medium-size towns and the scattered settlement-structure gives a very rural character to this area. The centres of the microregions are always towns, but the capacity of these towns to complete all "city-tasks" is rather limited, they are unable to contribute to any innovation. The situation is aggravated by the bulk of problems triggered by the ethnic-integration problems related to the higher percentage of the Roma population (M. Császár and Reményi, 2007; M. Császár, 2008).

On the Croatian side of the border, there are two statistical regions (Panonska regija, Sjeverozapadna regija) and four counties (Osiječko-baranjska, Virovitičko-podravska, Koprivničko-križevačka, Međimurska). This area belonging to Croatia is much more heterogeneous than the Hungarian border area. The most westward Međimurska county is among the most developed counties in Croatia, while the Baranya region is one of the most underdeveloped. As we go eastward, the economy is less and less developed. This is partly due to the different geographical impact of the war of 1991-1995 and partly to the fact that the innovation-focal points and corridors – which we have already touched upon – are mostly situated in the west. Though in 2009 the northern junction of the Zagreb-Beograd highway reached Eszék, its influence cannot be assessed yet, and whether the positive effects of the economy and innovation will soon appear in the region without the Hungarian Corridor V/C section connecting to this corridor, still remains an open question.

Compared to this eastern part of Croatia, the North-Western corridor of the state, directed towards Vienna, Budapest and Western Europe, with its strong medium-size towns (Varaždin, Čakovec, and Koprivnica) shows different mental and economic patterns. This area is neighbouring the central core area of Zagreb. We also have to mention that these two extremes are divided by such a Croatian territory populated by Hungarians, which totally lacks medium-size towns and has only peripheral little

settlements, between Koprivnica and Osijek. This has resulted in a continuous and heavy migration from these middle- and marginal border areas, creating an even more visible gap. From an economic point of view, the solution lies in the revitalisation of the Zagreb-Beograd axis, but there is little chance for this at the moment, and even if it happened, its impact would be felt at the River Száva after a long time. The economy of the scattered settlement structure first of all lies in the agriculture, but agricultural production is slowed down by the very small pieces of land, and the lack of modern technical achievements.

CONCLUSION

The realisation of the Croatian-Hungarian cross-border cooperation would be ideal if the relevant regions were similar in their socio-economic advantages and not in their deficiencies – except for a short western section, which is better developed. Under the present circumstances the chances for cooperation in the given region are very little. The situation we have just outlined in this paper is unfortunately getting worse with the onset of the global economic crisis, when shortcomings of the marginal regions become more exaggerated than those of the central region. This is all the more valid for the areas we have examined.

However, despite all the problems we have introduced, what we must look at is the growth and development of the Dráva basin as an integrated region. It is only in thinking together where we can see a chance for cooperation on a higher level than the level of nation states, and in the harmonisation of the socio-economic trends. This approach would be beneficial for the now underdeveloped regions such as the Croatian-Hungarian border region.

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