

**POLISH ACADEMY OF SCIENCES
SYSTEMS RESEARCH INSTITUTE**

**STRATEGIC
REGIONAL
POLICY**

**A. STRASZAK AND J.W. OWSIŃSKI
EDITORS**

PART I

WARSAW 1985



SYSTEMS RESEARCH INSTITUTE
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STRATEGIC REGIONAL POLICY

Paradigms, Methods, Issues and Case Studies

A. Straszak and J.W. Owsinski
editors

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PART I

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II. REGIONAL POLICIES IN A SYSTEMS CONTEXT

NEW STRATEGIC GOALS IN THE REGIONAL DEVELOPMENT
POLICY IN HUNGARY*

Laszlo Lacko

Ministry of Building and Urban Development
Hungary

At the end of the 70s and in the beginning of the 80s new conditions of economic development were established, the pace of growth slowed down and the concentration tendencies had been reduced. The order of priorities between the factors of living conditions changed, new requirements presented themselves and the problems and requirements of the environment became more and more important. Within the settlement system structural changes took place which gave rise to new development trends. Therefore elaboration of a new long-term settlement development concept became necessary. This is connected with the new phase of the development of the economic management, with the modernization of territorial administration and with the processes of strengthening of democratization and processes bringing the local forces into light.

Strategic goals

In accordance with the expected development conditions in the following one and a half decade and with the most important social and economic tasks the settlement development strategy can be formulated as follows:

- Assisting the development of production forces adopting itself to the differentiated territorially specific features and the strengthening of local co-operations, the rational local connections.
- Assisting better utilization of local natural resources, improvement of education level of population and labour force.
- Contributing to moderation of the unreasonable differences in building up and use of infrastructure in different territories.

* According to Draft provided by the Author (eds.).

- Facilitating the increase of demographic capacity of villages to make them able to retain their population, moderation of travels over long distances, widening of the urbanization process, reduction of immigration into cities, harmonic development of settlements and of their environment.

- Paying prominent attention to the strongly handicapped villages and spaces, territories along the frontiers, to touristical settlements, agglomerations and regions with unfavourable situation.

- Helping in the increase of independence and responsibilities of the the local councils, in the co-operation of councils, population and economic partners based on mutual advantages, and drawing of material strength of the population - depending on its load-bearing capacity - into the realization of settlement development goals.

Ways leading to goals

1. Within the frame of the settlement development principles and practice the individual settlements should be managed as equal members of the settlement system, there should not be differences of sub- or superordination between them, special features and historically established division of labour should however, be recognized. There should be a striving for the getting on of population living in the different settlements and its social equal changes not depending on the circumstances of the individual settlements.

2. The natural, economic and demographic peculiarities should be utilized better than before.

a) In the settlement development the explored but not utilized natural resources, their possible ways of utilization, their positive and negative consequences and their eventually opposed aspects (e.g. extractive industry, tourism) are to be weighed. Special attention should be paid to protection of the arable lands of the country. The settlement development should be solved as far as possible within the boundaries of the internal territories without further essential reduction of agricultural lands.

Stronger attention should be paid to protection of natural peculiarities accounted for tourism and recreation in the country, to rehabilitation of environmental damages and to moderation of environmental harms. Various aspects of rational territorial management should be harmoniously validated. The ways of territory-saving expansion and maintenance of technical infrastructure network should be emphasized.

b) Development of demographic conditions is one of the decisive factors of long-term development. It is an important task to moderate the unfavourable demographic tendencies and to create the proper conditions for positive processes related to distant future.

Aging of our society is similar to that of the most part of Europe where unfavourable demographic processes take place. On the basis of demographic prognoses it is expected that by the end of the century the population of the country will decrease by 300-500 thousand, whereas the share of the aged will permanently increase. Moderation of differences between the demographic attitudes of the basic settlement categories (town-village) is probably a long-lasting tendency. The demographic capacity of villages will decrease, while that of towns will increase. Within this context positive demographic processes will develop among the populations living in small and middle towns.

One of the most serious demographic problems is quicker than average aging of the capital. Deterioration of the age structure of rural population represents also a significant problem.

A policy of settlement development facilitating moderation of migration flows should be followed from the point of view of the benefit to both the economy and the society. The deliberate influencing upon the migration processes requires multi-aspect measures. The reduction of the pace of migration into the capital agglomeration could be facilitated by carrying out properly the functions of larger development centers in the country and by essential improvement of the direct transport and communication relations between the capital and the

centers and among them. The building-up of a subcentral system in the agglomeration ring, the intensive infrastructural development of the narrower and wider zones have a favourable effect upon the population movement between the capital and its wider agglomeration.

The extensive growth of larger towns can be slowed down by accelerating the infrastructural development of their outer zones. The stabilization and proliferation capacity of the medium and larger villages could be strengthened by the enrichment of their scope of functions.

Travels over great distances should be facilitated by means of settlement development, too. Its improvement should extend over the development of the structural network (concentration of the road network, modernization of the railroad network etc) and over the tasks to be solved by organization (coordination of the time of passage, increase of the number of lines etc.) as well.

3. When influencing the spatial location of production - especially of the industry - there should be an intention of transforming the larger towns into the centres of production control, innovation and research, while material production in the narrower sense should develop further in the settlements of the attraction zones of centres.

In the traditional industrial spaces, besides the reconstruction of existing factories, the development of the background industry and of new production profiles will become necessary in order to improve the living conditions of the population. In this process a better utilization of the intellectual potentials of settlements will play an ever increasing role.

Economic considerations prevailing in the development of agriculture urge more intensive utilization of the areas with favourable conditions. The horizontal relations system of agriculture will be strengthened further in the future, therefore the range of the innovation centers should be widened. It is necessary that the production units take an inten-

sive part in the development of settlements in order to improve their own labour management.

A change in directions of cultivation in areas with unfavourable conditions could result in important development together with the transformation of the production structure.

4. In connection with the improvement of living conditions when developing further the spatial system of supply the basic principle should be to moderate the unreasonable differences existing in the infrastructural supply in towns and villages in all the territories of the country.

In the interest of security of life, social mobility and equality of chances, unjustified territorial and inter-settlement differences should be reduced in relation to the social benefits, conditions of consumption of the population and to the infrastructural supply and the system of preferences connected with it as well. It is also important to provide the conditions for full and efficient employment.

5. Preservation of the environmental values, reduction of the environmental damages and their rehabilitation will belong to the basic conditions of the social and economic development in the future. When developing settlements, harmony of the nature and the artificial elements, as well as preservation of the aesthetical and biological conditioning effects of the landscape should be taken into consideration. Provision of public utilities of the settlements is also important from the point of view of the environmental protection. Rendering the waste water and refuse harmless would facilitate protection of the water resources usable as potable water and elimination of the contamination of surface waters and the soil. By proper allocation of production units, by use of up-to-date methods of heating, road transport regulation and development of transportation system of the inner areas less of harmful material should be emitted into the air, disturbing noise effects be reduced and the environmental factors of the quality of life in settlements should generally improve.

6. The wide development of the urbanization process and its extension over an ever increasing proportion of the population and the settlement stock should be facilitated. The present quantitative and qualitative characteristics will prevail in the long-term period. The quantitative increase of the urbanization will be necessary in several territories of the country, in the first place in the urbanizing large villages and districts without town centers. In relation to the turning to two-step administration approximately 40-60 larger villages will become towns as it is expected.

The quantitative increase of urbanization means the rise of the population of the towns, the establishment of supplying institutions extending over the attraction zone and the development of certain spatial concentrations of production and supply as well.

In regions characterized by quality factors, however, the moderate growth of the urban population or its stagnation, the improvement of the qualitative level of supply, a strong shift of the layers of employment (in favour of the non-productive branches) can be prognosticated. So the quantitative and qualitative characteristics of urbanization represent themselves differently in space but at the same time. The settlement development can serve the purposefulness of the urbanization process by determining different goals of the individual regions and by its appropriate means.

As to the interrelations of the towns and villages, the basic task of the settlement development is the facilitation of development of interrelated system based on harmony and equal rights of the "town and its countryside".

The starting-point is that either the development of towns or the growth of villages should not be realized by isolated system of goals and means in the future. The modernization of administration facilitates the solution of this task of the settlement development. The widening of the opportunities of employment in the villages, the improvement of the transport and communication relations between towns and villages facilitate the deepening of the division of labour between the

settlements and the foundation of the propagation capacity of the villages as well.

In spite of the improvement of the relations between towns and villages the differentiated development of villages, the further deterioration of territories with small villages and multiply handicapped conditions are to be expected.

During the long-term development the further development of the division of labour of territories and settlements, the utilization more purposefully and coordinatedly of the different conditions and the stimulation of joint initiatives should be considered as basic principles. The joining international, European macro-regional and infrastructural systems and the structural transformation of the internal settlement system serving the satisfaction of the requirements of the society and economy should be supported.

Territorial strategies

The settlement ensembles concentrate 60 per cent of the population (61 per cent of the active employees), 60 per cent of the housing stock, 73 per cent of industrial plants, 75 per cent of the persons employed in industry and nearly 80 per cent of the industrial assets in 25 per cent of the territory of the country. The settlement ensembles represent the different grades of agglomerations, and during their formal development - with some exceptions (e.g. Budapest, Miskolc, Pecs etc.) the first phase of urbanization, the absolute concentration prevailed in them even in the second half of the 70s. The signs of relative concentration presented themselves only in such territories which had a longer past in the field of the industrial development, and in which therefore the absolute concentration phase had begun at a former date, too. In the developed settlement ensembles the population increased by 10,5 per cent in the 1970-80 period. The demographic conditions of settlements belonging to the settlement ensembles are more favourable than the average in villages. In these settlements it is a real expectation that the propagation capacity will

increase and the development will be more balanced. The settlement ensembles represent an essential economic potential not only in the field of industry but in the agricultural production as well.

In the agglomeration of the capital the majority of functional relations between the centre and its district have remained one-side, the surrounding settlements are depending on the capital in an excessive extent. The further prevailing of the relative deconcentration phase - which presently presents itself - would mean an unfavourable perspective in the development of this territory (an ever increasing part of them would be dependent on the capital). Therefore it is reasonable to slow down this process by developing a subcentral system in the outer ring and to stimulate the deconcentrated development within the material production in a narrower sense.

Where the characteristics of the relative concentration development phase are in the stage of realization (e.g. the settlement ensemble of Miskolc, Pecs etc.) the deconcentration of the medium level institution network and the further development of the transportation system facilitating manysided functional relationships are needed in order to provide further development.

There are such settlement ensembles wherein the establishment of the first development stage should be facilitated in the future, too. In these ensembles the growth of population of towns, the increase of the number of the dwelling stock are desirable later on as well. It is necessary that the extensive growth take place together with the components of the town development quality.

2. In the territory of our country there are 24 territories suitable for recreation which extend over approximately 40 per cent of the country's area. Altogether it relates to approximately one thousand settlements in which there is a possibility of satisfying about four million persons' recreation needs. Between the different regions there are considerable

rable differences as to the level of development, the level of equipment and to the existing capacities and so they gradually become suitable for satisfying the recreation function.

In the long term it is reasonable to:

- facilitate the utilization of the resources of the national economy and of the individual territories and of the natural and artificial conditions by the development of the recreation districts in such a manner that to provide the preservation of the values of the natural landscape, the artificial establishments representing the organic part of the national wealth and of architectural values and the substance of the village dwellings as well,

- to take into account the suitability for recreation activity determined by the recreation conditions of the territories in question when developing the individual recreation districts,

- to establish a more proportional recreational spatial structure and to solve the present territorial concentration of the highest degree,

- to free the presently overcrowded recreational districts of the burdens,

- to establish the suitable receiving capacity of the town peripheries and week-end recreation in the biggest districts (towns, urbanized settlements),

- to develop in a complex manner the receiving territories in accordance with the prevailing conditions,

- to moderate the intensive growth of the built-in territories and develop them in accordance with the requirements of land and environmental protection,

- to establish such aesthetic recreational institutional system that makes the systematic physical culture attractive for the population and makes suitable conditions for the improvement of the health state of the population, the wider use of sport, physical training and cultural functions as well.

3. In the multiply handicapped areas (775 settlements) there are about 350 thousand persons living. These settlements represent a continuous zone in certain areas of the country. Their main characteristics are: the demographic deterioration (aging structure, low level of education, a high proportion of agricultural pensioners and of persons needed social support) and the impoverishment in the supplying institutions. The living conditions of the population are difficult because of the isolation and the unfavourable transport, conditions.

During the development process it is a peculiar feature that the majority of the multiply handicapped villages are located in the peripheries of the country, a great proportion of them are the persons of different nationalities and in certain districts there is a proportion of the gypsies.

The intensive development of these districts is necessary by the virtue of national and international districts as well:

- In these territories the social equal chances can be attained by radical transformation of the demographical structure. For this the retaining of the younger generation and/or its movement back are needed.

- The elimination of the handicaps of territories without a centre justifies the development of about 18-20 small regional centers. These small centres serve as the place of new agricultural enterprises and village tourism if the local resources and the reserves in the organization and these centres altogether will be included into the "blood circulation" of the country.

- In the improvement of the handicapped situation the development of the transportation and communication relationships will play a decisive part.

- An essential proportion of the multiply handicapped villages suitably preserve the relics of the people's national culture, the traditions of the nationalities and the material relics of developing their living environment as well.

- It is desirable to widen the territorial relationships with the neighbouring countries in the areas in the vicinity

of the frontiers. A good base of this would be the widening of the planning cooperation in the vicinity of the frontiers with the neighbouring countries.

Means of realization

The goals can be attained by the means of the Hungarian economy striving for modernization. Beside the model of "regulated market" it is assumed that the planning will be modernized, the behaviour of the production partners will be more elastic, the management and control will be modernized, the local energies and the interests of the councils will prevail more vigorously.

The modernization of the means system of settlement development adopted to these goals and its unification are justified by several factors. In the intensive phase of the economic growth the interrelationships of the society and space are changing. The role of the potential peculiarities of certain territories will be increased, the favourable economic regions will get more value and at the same time the economically interpretable differences between "negative" and "positive" areas will become more sharp. Because of the increase of the social expenditures of transport, energy and water the favourable territories will reach a more favourable situation whereas the settlements not having these favourable conditions will reach a more handicapped situation.

All these require a more conspicuous regulation while purposefully forming the behaviour of partners interested in settlement development.

It is a basic requirement that settlement planning take place there where the reliable information is abundant and where the responsibility of execution is directly realized. In the settlement planning the interrelationships of development conceptions and physical planning should be strengthened and made continuous.

The frequency of the elaboration of plans should adopt itself to the individual stages of economy organization as well as possible, whereas the conceptual structure and details should correspond to the magnitude and function of the given settlement. During the conceptual phase of planning the thinking in alternatives should be strengthened.

In the planning activity the local conditions and peculiarities, the requirements of the economic realization and operation the architectural level should be strongly emphasized.

The essential harmony of plans to be elaborated for the different territorial units should be provided and the continuous maintenance should be solved.

In view of the relationships of administrative units and bodies of the councils the role of bodies should be strengthened and their opinion should be requested in such a stage when the establishment of the main directions are to be planned.

In order to strengthen the professional background of planning it is necessary to increase the co-operation of the councils' designing organizations and the scientific and professional organizations.

In the process of planning and during the realization of plans the participation of the population, the role of social organs and forums should be strengthened.

The regulation of settlement development should be solved within the frame of the general economic regulators and administrative means.

In the economic regulation the normative elements and the principle of the greater contribution of companies and institutions to the costs of realization and operation of infrastructural establishments necessary for their operation are to be gradually realized.

The managing organizations should support more intensively the settlement development. It is a continuous possibility to in-

fulence the choice of plants and development of the managing units through the moderation or release of the territorial fees, the reduction of contribution of the development of the public utilities and through the subsidy from the development funds by the councils.

In order to rationally establish the settlement structure the managing units should be more sensitive for the costs of transport, land use and environment protection resulted from the different locations as to the normative price and tax policy. All these may be facilitated by the gradual independence of the companies' plants.

The improvement of the conditions of employment and the solution of the multiply handicapped regions should be facilitated by special territorial regulators as well (territorial development fund).

The order of establishing, distributing and utilizing financial means serving for the development and operation of the population infrastructure should facilitate the essential growth of the local means in proportion and they should serve more strongly the self-financing activity as well.

The economic regulation should stimulate the local councils for increasing the local resources, strengthening their responsibility and interests in the more efficient use of means of their disposal.

In the distribution of the development means the role of the country councils should decrease, whereas the co-operation of the councils and of other economic partners should be strengthened.

The co-operation of councils based on mutual interests should be stimulated, in the first place for developing and operating supplying networks and for creating the necessary financial means.

The councils' entrepreneur ability and their essential management should be strengthened (e.g. foundation of companies building lot management).

A further condition of the realization of this conception is the active participation of the population, of the local political and social organizations, managing organizations and scientific institutions.

The citizens can take a part in the settlement development activity in two ways, namely:

- on the one hand, by using their own material resources (private housing, public utility associations, contribution to settlement development, different forms of taxes and other contributions), by their social work which is to directly form their settlement and habitation environment,

- on the other hand, they help the settlement development and planning and following them up with their proposals and opinion.

It is reasonable to create a more organized and efficient order of the information flow in both directions (population - council), the public democracy should be increased in agreeing the opinion of population, in the decision-making and in the process of its realization and control (statutory reporting).

The activities of the social and political organs represent themselves in collecting and summarizing the opinions, in eventual proposals, rarely, as an interested party or expert, in agitative propagation of knowledge and in organizing the realization. Their controlling activity should be made more organized and systematic.

The local social and political organs should be made active in the preparation phase of conceptions and they should take a part in all the stages of planning and implementation as well.

The specialists of competent scientific bodies and associations should be initiated in the discussion of the actual issues of settlement development as well.

The first condition of the realization of the concept is the active participation of the individual in the process of learning. This is achieved through the use of various methods and techniques that stimulate the student's interest and motivation. The second condition is the active participation of the individual in the process of learning. This is achieved through the use of various methods and techniques that stimulate the student's interest and motivation.

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DISCUSSIONS

Paper by A. Straszak

Discussion participants: K. Polenske, S. Ikeda, R. Espejo,
A. Straszak.

Main point of discussion was the question of influence exerted by introduction of new technologies ("intelligent production systems emerging from combination of robotics, automation, artificial intelligence and specialized computer applications") on the society in general and on the labour force and its structure in particular. Notwithstanding some analyses which suggest that the net result would be decrease of the higher skill jobs' share, it was indicated that obvious historical trends still point towards more of intellectual work and less of the physical one in the future. This was also the main factor behind the move towards the "information society", as witnessed in the Japanese national/regional plans and schemes, where it is combined with a broader quality-of-life view of regional problems.

Paper by L. Lacko

Discussion participants: R. Bolton, K. Polenske, L. Lacko.

Two questions were taken up, mainly for clarification: the contents of "background activities", which are those not needing big factories or sophisticated equipment and therefore only small input capital, and the notion of responsibility, which refers to local organizations, able to carry greater responsibility, having at their disposal greater financial resources.

Paper by G. Gavrilov and O. Panov

Discussion participants: K. Polenske, R. Espejo, R. Bolton,
L. Lacko, S. Ikeda, G. Gavrilov.

The first question touched concerned the notion of "private strategy" used in the paper. This notion refers to these strategies (substrategies) which are worked out by and for the individual organisms and which could only afterwards be inte-

grated into an overall strategy. Such strategies were said to be the leading ones on the present stage of development in Bulgaria.

Another question concerned participation of local bodies in the planning process. Thus, it turned out that local authorities are interacting in Bulgaria with the central, national level ones through the strategically-oriented dialogue with sectoral organisms, mainly ministries. Formal planning is more concentrated on elaboration of one-year and 5-year plans.

A clarification point was also raised connected with the environmental issues and resources accounted for. Thus, it was stated that over a given territory all strategically important resources are taken into consideration.

The last question concerned similarities and dissimilarities between Hungary and Bulgaria and was answered by L. Lacko.

Thus, among similarities in planning for regional dimensions were quoted: care for infrastructure, environment, and recreation and tourism facilities. Dissimilarities were said to mainly reside in planning and management system. For Hungary the double approach of socio-economic and physical planning was quoted.

Paper by R. Domański

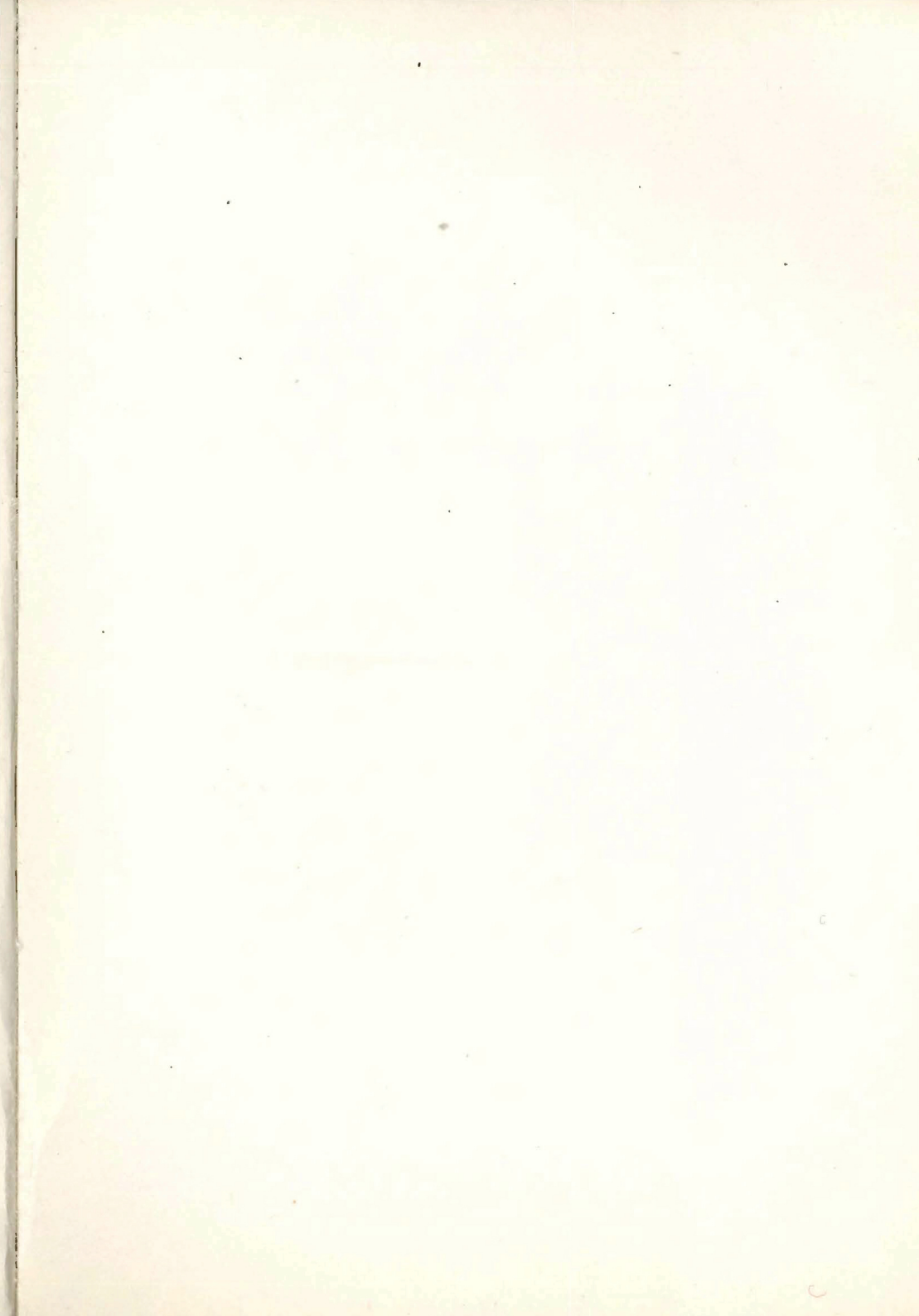
Discussion participants: L. Kajriukstis, U. Loeser, R. Domański.

Two questions were addressed: first, how can such activities as recreation or forestry be incorporated into the model, and second, whether this model can be applied to developing countries, mainly in the Third World, where large urban immigrations are often occurring. The first question was answered by stating that currently the model recognizes such spatial entities as points, lines and circles, and whichever activity can in its spatial aspect be expressed in their terms, can be incorporated in the model. As far as application of the model in developing countries is concerned, it was deemed possible to formulate appropriate mathematical structures in which problems of creation of very large urban centers and local agricultural decline could be accommodated, quite satisfactorily.

Paper by K. Cichocki

Discussion participants: S. Dresch, K. Cichocki.

Discussion centered around the role of consumption in models considered, insofar as consumption is related to the main object of these models, namely investments. It has turned out that in several runs of the models consumption was used as an element of the vector objective function. A variant envisaged takes monotonic growth of consumption as reference to objective function, with the monotonic growth based both upon official statements and on the estimates provided by analyses made by other research centers in Poland.



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Bibl. podręczna

ADDRESS

6, NEWELSKA ST.

01-447 WARSAW

Tel. 36-44-14 , 36-81-50

Telex: 812397 ibs pl