



INFORMATION BROCHURE

**Strategy for
Socio-Economic
Development
of Eastern Poland
until 2020**

MINISTRY OF REGIONAL DEVELOPMENT

Information brochure

**STRATEGY FOR
SOCIO-ECONOMIC DEVELOPMENT
OF EASTERN POLAND
UNTIL 2020**

Warsaw, December 2008

Strategy for socio-economic development of Eastern Poland until 2020 was adopted by the Council of Ministers on 30 December 2008 (Resolution No 278/2008)

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1. Introduction

Eastern Poland for the purpose of the Strategy and Operational Programme – Development of Eastern Poland has been defined as the territory consisting of five voivodships: lubelskie, podkarpackie, podlaskie, świętokrzyskie and warmińsko-mazurskie. These are five regions that count among the poorest ones in the Community, since gross domestic product per capita, measured by purchasing power parities, in 2006 in none of them exceeded 40% of the average in European Union. These voivodships constitute a spatially compact area of 32% of the area of Poland. Less than 22% of country inhabitants live there and they make about 16% of gross domestic product. The basic problem of this macro-region is a very low level of economic, social and territorial cohesion.

European Union suggested that, in the period of programming policies and budgets for 2007–2013, the macro-region defined in this way was a beneficiary of special tool started by means of European cohesion policy, aimed at areas in Community of the lowest socio-economic development. Since Eastern Poland, irrespective of future evolution of Community's policy, shall remain the beneficiary of instruments aimed at the poorest regions in European Union for next several years, it is essential to create a comprehensive strategy constituting the frames for actions taken. The next period of programming policies and budget of the Community shall probably last five years and relate to years 2014–2018. Considering the year 2020 as the timescale of the Strategy it results from the rule $n+2$, which means that financial liabilities from the subsequent budget perspective shall become liabilities until the end of 2020.

Project of the Strategy for the Development of Eastern Poland is the result of cooperation of government administration, self-governments, academic circles and partners. This is the first in Poland, formulated after the administrative reform of 1998, macro-regional strategy covering several voivodships. The strategy shall be systematically monitored and every three-four years renewed.

Achieving success by Eastern Poland requires not only substantial funds intended for supporting socio-economic development, but also applying variety of modern instruments of regional policy, cooperation of different partners, deve-

loping endogenous development potential as well as using the opportunities that result from being a member of the European Union. The Strategy shall be the basis for taking the public actions aimed at supporting socio-economic development of this region.

2. Course of works and description of Strategy document

Works on the Strategy were taken in June 2006 by the Team appointed by the Minister of Regional Development. During the first phase of works 19 thematic expert opinions, 5 regional expert opinions and 3 foreign expert opinions were prepared. On this ground experts: J. Szlachta, J. Zaleski and W. Dziekmianowicz prepared the draft of the Strategy. It was the subject of inter-ministerial consultations and public debates on thematic and regional conferences since December 2006 until the end of January 2007. After approving the draft of the document by the Council of Ministers Committee it underwent the environmental impact assessment. After correcting and completing the document which was the result of the assessment, opinion of the Minister of Environment and social consultations as well as inter-ministerial arrangements, the Minister of Regional Development prepared the final version of the Strategy, which was approved by the Council of Ministers on 30 December 2008.

Document of socio-economic development Strategy of Eastern Poland until 2020 consists of introduction and six parts entitled: (1) external conditions of Eastern Poland development, (2) Strategies of voivodships development, (3) Eastern Poland development Potential, (4) Swot Analysis, (5) Objectives and directions of development of Eastern Poland and (6) Conditions of achieving success. In the appendixes the course of works on the document and evaluation of the influence on the environment is presented.

In the first part national policy to Eastern Poland and the situation of this area with regard to competition for development factors, inhabitants, tourists and

investors have been presented. Content of currently in force strategies of socio-economic development of five voivodships of Eastern Poland has been evaluated in detail as well as synthesised. Analysis of the potential of Eastern Poland was carried out in the structure of four segments: social, economic, institutional and spatial, on the level of basic units of administrative division of the country. This analysis revealed the essential differences in the situation between those five voivodships as well as inside them. SWOT analysis carried out by means of workshop method allowed to identify good and bad points, opportunities and dangers of Eastern Poland. In the subsequent part priorities and directions of action until 2020 has been presented, separating plans connected with implementation the strategy by 2015. In the final part of the document the most important conditions of achieving the objectives of the strategy have been presented.

3. Guidelines and objectives of development of Eastern Poland

Records included in the National Development Strategy 2007–2015

A key document defining development policy of Poland is National Development Strategy. The document approved by the Council of Ministers in November 2006 defines the strategic objective of the regional policy of the state as ‘creating conditions for growing competitiveness of all regions in such a way that it helps improving economic, social and territorial cohesion as well as aiming at equalising developmental opportunities of the voivodships’. In the strategic part of the document the need of conducting special actions for Eastern Poland was defined: ‘Separate task of National Development Strategy is supporting the areas the least developed. These are especially voivodships of Eastern Poland. Giving the developmental impulse to these areas and improving the level of their economic development as well as of the rates of participating in social life (education, work, health) are the fundamental objective of the National Development Strategy’.

Strategic assumptions concerning attitude towards development of Eastern Poland

The Strategy assumes that in 2007–2020 funds available from European Union to support socio-economic development of Eastern Poland shall be similar to the contribution of this area to the population of the country, i.e. about 21,5%. The strategy also assumes that fundamental shift of the register tendencies in 1997–2003, when the systematic deterioration of statistic indicators for Eastern Poland occurred in relation to the average 25 for European Union. The strategy assumes being based on endogenous development potential, skilfully aiding by external funds. Many problems hindering development of Eastern Poland requires system dealing with them on the national level. However, a lot of problems can be dealt with in separate voivodships of Eastern Poland. The strategy assumes consistent leading the development policy on the national level (interregional) as well as through particular voivodships (intraregional), aimed at breaking the syndrome of backwardness of Eastern Poland.

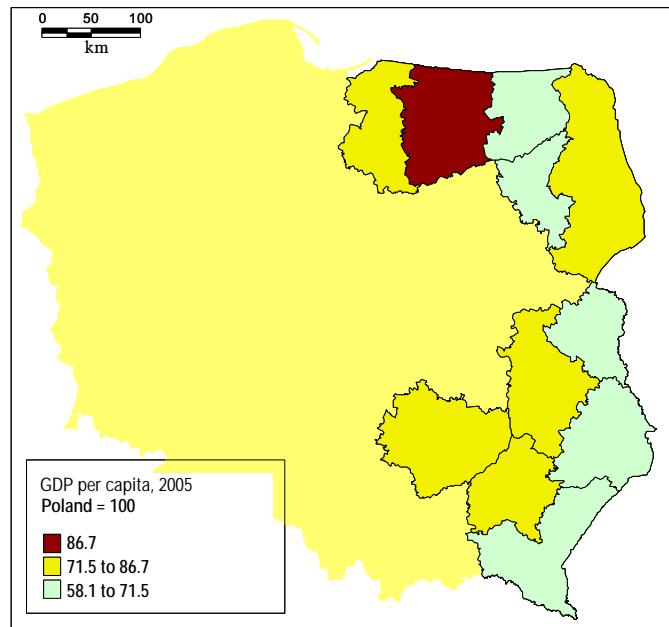
Strategic objective of the policy for development of Eastern Poland

Strategic objective of the national policy in 2007–2020 is increasing the level of economic, social and territorial cohesion of the whole Eastern Poland and each of its voivodships in broadened European Union, including the rule of permanent and balanced development. Diagnosis revealed that the main source of developmental problems is a very low level of cohesion of Eastern Poland in all the three aspects: economic, social and territorial. In the last few years, before our country had joined the European Union in most of the voivodships of Eastern Poland it could be observed that the level of cohesion was declining in relation to regions of the Community. In 2007–2020 the level of cohesion of all the five voivodships of Eastern Poland in all three aspects shall significantly increase.

Economic cohesion

Economic cohesion, measured in the gross domestic product (GDP) index per capita verified by purchasing power parity (PPP), is expected to be raised in 2007–2020 and that would be the reverse of the tendencies observed in the period 1997–2003. The long-term dynamics of the gross domestic product in the European Union amounts to around 2.5%, while in Poland it is nearly 5%. The strategic aim is to stabilise the growth of GDP long-term dynamics close to 5% within several upcoming years in Poland. Since it is not feasible that Eastern Poland develops quicker than the rest of the country in the near future it is advisable to maintain the average annual economic growth of Eastern Poland. The average annual GDP dynamics of 5% will result in the rise of 98.0% within 14 years, which means doubling the value of the gross domestic product.

Fig. 1. GDP in sub-regions



Source: developed on the basis of Central Statistical Office (GUS).

Social cohesion

Social cohesion is characterised synthetically by means of two indicators – unemployment rate and employment rate. The employment rate in Poland is approximately 57% (in 2007) and significantly differs from the average level of 65.4% in the European Union, not to mention the USA, where it is 72%. The strategic programmes of the Community assume that in several upcoming years the employment rate will gradually reach 70%. It means a challenge for our country, and especially for Eastern Poland. The actions focused on the increase of the special mobility of the employed through improving the transport connections between the economic development centres and the rural areas, the growth in quality of the qualifications, and other actions related to the labour market will be widely spread in Eastern Poland, so as to assure a similar pace of the social cohesion improvement as in an average country.

Territorial cohesion

The level of the territorial cohesion in Eastern Poland is one of the lowest in the continental part of the European Union. Very low level of the spatial accessibility is one of the obstacles for the socio-economic development of this region and deprives the citizens of many possibilities that the modern market-based economy gives. It not only influences negatively the allocation of the foreign direct investments undertaken in new places but also weakens the efficiency of the local economic sector. That disadvantageous situation concerns the rail, road and air transport accessibility. The synthetic measures of special accessibility are not very favourable in Eastern Poland. Hence, trans-European transportation networks shall be built in this area to link Eastern Poland and the rest of the country and the Community as soon as possible. Building new or rebuilding the existing airports located near the voivodship capitals as well as the local ones is the condition for the regions development that would eliminate the isolation. At the same time it is necessary to improve the transport connections in the area as well as within individual voivodship so as to avoid the consequences of the opening to the competition from the outside. It will make possible for the cities in Eastern

Poland to contend for the investors and for the citizens to benefit from the opportunities that the market-based economy creates with relation to the mobility.

The Strategy priorities – the key actions, realised in order to achieve the strategic goal and the specified goals, are:

1. Influencing the improvement of the quality of human capital;
2. Creating an informational society, based on knowledge;
3. Supporting the economy, supporting the functioning of the SMEs sector;
4. Increasing the transport accessibility of Eastern Poland through developing the transport infrastructure;
5. Benefiting from the position near the eastern border of the EU, developing the cross-border co-operation;
6. Supporting the metropolitan functions of the cities in Eastern Poland;
7. Preserving and using the natural resources and protecting biological diversity.

The conditions of the realisation the Strategy in every year of the period 2007–2020

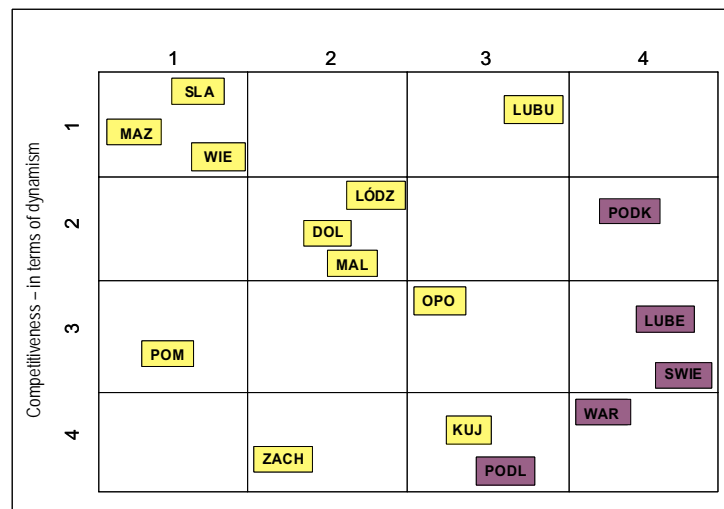
Poland's national development policy will be very much related to the cohesion policy of the European Union in the upcoming years. This situation results from the fact that the main part of the public development funds in Poland will be taken from the European Union funds. Additionally, the rule of financial engineering will cause binding the significant amount of Polish public funds and private funds when the sector will be the beneficiary of the European cohesion policy with the sources from the EU. Thus, the solutions valid in the Commission are so important. The European Union programmes its policies and budget in a range of years. The current programme concerns the period between 2007 and 2013. Another one will be five or seven years long. That is why different legal regulations will be in force in the range of years of this strategy. It means, that the solutions serving the effective policy of the development of Poland should be flexible, adjusted to the changing paradigm and the context of the European cohesion policy.

The conditions of the successful development mission in Eastern Poland

There are many conditions to be met to accelerate the efficient socio-economic growth of poor and peripheral regions. Indispensable financial resources planned and allocated in a wide range of years guarantee and enable the realisation of the development strategy. However, their accessibility is not a sufficient condition for achieving success. To break the syndrome of the region underdevelopment and poverty, attention should be paid to such conditions:

- 1) the development should rely on the endogenic resources of the region in accordance with the norms and rules, including the environmental protection;
- 2) the quality of the human capital is decisive in the success of the strategy;
- 3) partnership for the development is indispensable on the side of the most important regional and national actors;
- 4) social pathologies, like corruption or mafia organisations eliminate effectively the best development strategies.

Fig. 2. Competitiveness of the regions



1 – the highest level or dynamism ... 4 the lowest level and dynamism
 Source: W. Dziernianowicz, 2006 Warmia i Mazury – why is it so difficult be competitive.

The specificity of the development actions undertaken in Eastern Poland

In 2007–2020 the basic part of the development actions in Eastern Poland will be founded from the European Union resources. The allocation structure of the European Union funds in 2004–2006 in Poland was leading to the voivodships in Eastern Poland having lower share in the infrastructure outlays than the rest of the country. It resulted from the role of the Cohesion Fund, which was located mainly in the most developed parts of Poland. This actions caused a paradoxical situation of Eastern Poland having the poorest infrastructure with it being poorly financed. Between 2007 and 2013 a new instrument appears – interregional operational programme oriented to Eastern Poland, which will improve the negative and somewhat incomprehensible situation. Moreover, this programme enables to attempt the multi-regional issues concerning more than one voivodship. Another change in the model of the European cohesion policy is accepting the rule of single-funding in the period 2007–2013, which means that financial activities cannot be taken from both funds: the European Regional Development Fund (ERDF) and the European Social Fund (ESF) under one operational programme. It is a significant impediment for all voivodships, not only those in Eastern Poland, since in this situation the regional operational programme can be financed only from the ERDF. Another problem is the relocation of the European Agricultural Fund for Rural Development (EAFRD) to Common Agricultural Policy starting from 2007. This of particular significance for the voivodships in Eastern Poland where the significant part of the economic potential is concentrated in the rural areas, which, and as a consequence, will benefit significantly from the funds in respect of it. When two diverse politics and two different financial resources are inefficiently coordinated there is a risk of designating the politics of rural areas development and the general politics of regional development. In the 2007–2013 period the support scheme of the development policy in Eastern Poland will be more complex than in other regions of Poland, which stems from the European Union conditions. The European model of the development policy will also be the basic determinant for the actions undertaken in Eastern Poland starting from 2013 and this is why no drastic simplifications should be expected.

The public sector possible impact with respect to the stimulation of the socio-economic development in Eastern Poland

The public sector possible impact with respect to the stimulation of the socio-economic development in less developed regions of Poland are very limited under the market economy conditions. It results from the growing sensitivity to the rules of public support and the acceptable scope of this help, the fear that the support causes the more expensive producer of goods or services oust the less expensive due to the fact that the first can benefit from various forms of support. The situation that will occur in the coming years means that; first of all, the basic funds for the support of the poorest regions will come from the European Union and secondly, that the possible support will mostly concern the supply factors. Hence, the impact on the quality of the human capital, business environment parameters and the condition of technical infrastructure will be of primary meaning. The direct impact of the production sector will be concentrated on the small and medium-sized enterprises sector. The traditional methods of funding new jobs, locating new enterprises will be of little significance. The leading role of the Community funds means subordinating to the implementing intervention of the Lisbon and Goteborg Strategy that is to develop the information society and knowledge-based economy in poorly developed regions.

The role of local and self-governments in the implementation of Eastern Poland development strategy

As the strategy of development of Eastern Poland is realised voivodships as regional government communities shall more and more rationally make use of all possibilities resulting from structural changes in the economy and shall more efficiently react to the potential possibilities of development. Actions intensifying the strong points of voivodships shall be the essence of the matter. Particular voivodships shall rationally define market niches accessible for its economies through making use of their possibilities to achieve considerable competitiveness in chosen areas. Pursuing policy of development of voivodship shall be the basic own

duty of voivodship government. Regional programmes serving to realise the strategy of particular voivodships include specific undertakings enabling realisation of the strategy goals, define local and supra-regional partners and specify sources of financing the undertakings within the programme. Realisation of the voivodship strategy shall require taking initiatives concerning cooperation with other entities particularly including local governments and businessmen. The important aspect of local strategic planning is the identification of resources found on the particular territory and local strategy of their exploitation in a way that brings desired results for the community including such areas as: recovery of the local economy, new jobs creation, improvement of the educational and medical care system, building of new technical infrastructure, strengthening of the security, development of tourism or natural environment care. The identification of local and regional chances requires precise identification of the development barriers as well. Moreover, it is important to build a new philosophy of the development of particular voivodships which includes belief that the regional development is not a total of actions steered by the capital of the voivodship but cooperation and partnership of all who accept the jointly defined programme of development.

Complementarity of actions of local and self-governments to the policy of government with reference to Eastern Poland

Actions of voivodship, district and community governments of Eastern Poland shall be in the same way complementary to the policy of the government directed to Eastern Poland as well as the regional policy of the government shall support and complete the development actions of local and self-governments. The important duties of the voivodship government include modernization of local road network connecting local centres of development with each other and capitals of voivodships, supporting actions concerning protection of the environment and natural values, development of highly specialist hospital health care and promoting the region to gain foreign investors and touristic movement as well. District governments shall support the regional development by modernizing the system of district roads and professionalism in actions of services and inspections cooperating with investors and businessmen. Local governments, with a special

role of governments of big cities – centres of development of Eastern Poland, shall realise local policies of development in the scope of pro-investment system of local taxes, preparing of location for investments creating jobs by assuring full technical infrastructure for which the community is responsible for (water supply, sewage disposal etc). All grades of government as bodies directing schools of all levels crucially influence the quality of higher education and in this way support the development of human capital.

Instruments of Strategy implementation in 2007–2013 and forecast concerning instruments in 2014–2020

During the whole period of implementing the Strategy its instruments shall be formed by the Community. During this period the basic part of the public development funds accessible in Eastern Poland shall serve co-financing of accessible funds of the Community. Detailed solutions defining the method of public intervention in processes of regional development within the European Union shall change during next periods of programming not undermining the general rule that because of the aspiration for cohesion the basic direction of this policy shall be the poorest Community regions having remoteness syndrome. The two structural funds shall function as instruments in 2007–2013: the European Regional Development Fund, the European Social Fund and the Cohesion Fund. They finance realisations of operational programmes: regional and national. The European Agricultural Fund for Rural Development which is an instrument of the Common Agricultural Policy shall be also important for the development of Eastern Poland during this period. It results from the range of resources within this fund and meaning of rural areas in all regions of Eastern Poland. Credits given by the European Investment Bank shall be of an increasing importance for Poland. It shall be assumed that the priorities of development after 2014 remain similar and the changes may concern rather accents not basic directions of intervention. Most of all the increase of the range of expenses for the widely understood informational community and the knowledge-based economy shall be expected. Because of the deficit of public development funds in our country special programmes for Eastern Poland financed from the public funds shall not be planned.

The range of predicted financing using the European funds and associated Polish public funds in 2007–2020

Obviously, the right strategy has a fundamental meaning for the development of Eastern Poland. However, the potential range of funds in the following years shall be also important for the realisation of the Strategy of Development of Eastern Poland. In Eastern Poland to a higher degree than in the whole country it shall mean European funds Allocation for Poland in 2007–2013 within the Cohesion Policy shall cost EUR 60 billion according to its exchange rate in 2004. Because Eastern Poland has a much worse access to planned expenditure within national operational programmes which particularly concerns the Cohesion Fund. Therefore, in the regional segment the algorithm favouring the poorest voivodships was accepted which shall result in similar allocation accessible for an inhabitant of Poland within the European Cohesion Policy regardless of the place of residence. This would mean that Poland would gain 22% of the whole allocation which is close to EUR 13 billion according to exchange rate in 2004. It is much harder to define the range of funds within the Cohesion Policy that shall be accessible for our country after 2014. Pessimistically assuming that the range of transfers for Poland remains at the level of 2007–2013, it would mean their significant decrease with regard to the increasing gross domestic product of Poland. However, the allocation assigned for Eastern Poland shall increase in the following years because part of Poland (the richest regions) shall lose the rights for preferential access to the funds as the areas of low level of development. Conservatively assuming it shall mean another EUR 13 billion in 2014–2020 (according to its exchange rate in 2004). Taking under consideration the financial engineering in force in European Union it resources that EUR 26 billion of European funds shall be added to EUR 4.5 billion of Polish public funds what even while omitting the investments of the private sector means more than EUR 30 billion for the development actions, according to its exchange rate in 2004.

Increase of possibilities of financing the development actions in Eastern Poland using own resources

Analyses concerning co-financing the European funds by self-governments indicate that greater part of own resources of self-governments in Eastern Poland in 2007–2013 shall co-finance structural funds. The situation in two voivodships: warmińsko-mazurskie and lubelskie nearing the end of this period becomes critical, because 90% of own development resources accounts for allocation of the Community financial engineering. This data confirms that it is essential to advance the changes concerning the public finances meaning moving part of the public funds to the regional level and general increase of financial possibilities in the scope of development actions of Eastern Poland self-governments. In case of failure to act it may happen that accessible European Union allocations for the regional development would not be able to use in Eastern Poland after 2013. Another problem to be solved is the economic fragility of many self-governments of Eastern Poland which may hamper applying for allocations accessible within structural funds.

Indexes of strategy goals implementation monitoring

Indexes of strategy implementation shall relate to the whole European Union after eliminating statistical effect resulting from another enlargements of this organisation. Measurements shall be listed for the whole Eastern Poland and each of five voivodships. Because of the risk of not using the EU funds by the self-governments of Eastern Poland it is essential to introduce – in revived each 3–4 years strategy – information of possibilities of co-financing by particular voivodship government of Eastern Poland the projects implemented with resources coming from the EU budget in 2007–2013 and after 2013 with the detailed description of possible difficulties during those realisations. In case of economic cohesion the index shall be gross domestic product per capita at par of purchasing power. It shall be assumed that the higher pace of development would lead to the annual improvement of indexes by 0.5% for all voivodships of Eastern Poland in 2007–2020 It would mean that all regions of Eastern Poland

would reach 40% GDP per capita of European Union. In case of social cohesion two indexes are presented: the unemployment and employment rates. Both indexes are the worst among all of 25 Member States. Eastern Poland except for warmińsko-mazurskie voivodship does not negatively stand out against the remaining areas of the country. It is assumed that these indexes shall be systematically improved in the following years. The assumption is that the pace of improvement of situation in the labour market in voivodships of Eastern Poland in 2007–2020 shall be similar to this in the whole of Poland. It requires that the employment rate would increase by 10% in 2007–2020. The level of territorial cohesion of Eastern Poland shall be measured by meters of rail, road and air transport. It is assumed that the accessibility of all five voivodships of Eastern Poland shall significantly improve in 2007–2020 thanks to the development of rail, road and air transport and the parameters of accessibility would be similar to other European regions of similar features of geographic position.

The process of reporting on implementation of the strategy and its revival

The European Union assumed for 2007–2013 preparation of three reports on cohesion: in 2007, 2010 and 2013. The cohesive reports are associated by reviews concerning the Cohesion Policy conducted by Member States in a year preceding its publication. It is suggested that the reports concerning the implementation of the strategy shall be prepared in the same rhythm i.e. every three years. These reports shall also include recommendations and proposals concerning the future policy with recommendations and proposals for Eastern Poland taken into consideration. Active participation in the process of preparing future Cohesion Policy after 2014 shall be essential as the regions of Eastern Poland would be the country's most important beneficiary of European Cohesion Policy at that time.

4. Actions until 2020

Digital Poland in the eastern Poland, i.e. development of consultancy and training services for small and medium-sized enterprises in knowledge-based economy

The key element for the development of SMEs sector is an appropriate tradition, knowledge and culture in running a business activity. Creating a wide group of modern entrepreneurs is a long and labour-intensive process. At the same time, such group is a basis for the development of knowledge-based economy-oriented SMEs. The knowledge and investment readiness development system is necessary, as well as promoting innovation implementation for adults willing to establish their business activity and for experienced persons willing, or forced, to turn into a single proprietorship system. A training system, as well as individual consultancy, should be created for them during their business activity. Special treatment of persons who had already been running their business activity and were forced to close down or their bankruptcy was declared, is an important issue. Apart from entrepreneurs and executive staff prepared for acting in knowledge-based economy, the education in modern technology and servicing techniques of workers is also needed. It is especially significant to use foreign languages, computers, Internet, information processing techniques etc. An important task of mass-offered training courses is to stimulate the entrepreneurship among local teenagers via opening the digital content market. The support will result in specific minor business undertakings with the purpose of creating and updating local digital content and providing local digital services in a limited, well-specified scope. The issue of development management is one of the main reasons for the enterprises not utilising their developmental potential. They need development capital and often do not know where and how they should look for it. A year or two after the establishment, many enterprises become liquidated. The most frequent reasons for the bankruptcy of enterprises is the lack of capital for further development, growing competition and lack of new markets for given products and services. A system of consultants for small and medium-sized enterprises,

supported from public funds and prepared to assist in the scope of knowledge-based business, is indispensable. It is particularly significant in the poorly developed areas, such as the Eastern Poland.

Innovative support for the SMEs sector development

Gaining capital for SMEs sector is a significant developmental problem. Financial barriers result from the information asymmetry and large risk related to SMEs functioning, which is hard to secure. Problems related to new, innovative and not verified undertakings are larger. Especially in the Eastern Poland, savings and accumulated private property at the disposal of a potential entrepreneur is usually not sufficient to undertake economic activity in a wider scope. This leads to a situation, where SME, since the very beginning, suffers from the lack of liquidity, credit capacity and limited chance for development.

Sensitivity to external risks leads to immediate threat posed to the existence of an enterprise, payment obstructions, delays in settling taxation commitments. SMEs sector does not have funds for the development and technological novelties. Due to low capital resources, problems with liquidity and short history, small and medium-sized enterprises cannot fulfil the criteria for banking loans. The government attempts to solve the problem of access to the loan market by SMEs by means of State warranties funds and loan funds system. This activity needs to be expanded and strengthened in the Eastern Poland by means of preferences as part of the nationwide system.

Development of the information society and building knowledge-based society in the Eastern Poland

Development of the information society in Poland, i.e. universal willingness and capacity of residents, entrepreneurs, learners, teachers, officials etc. to use digital technologies in everyday social and economic life, is a basis for the efficient development of knowledge-based economy. This will trigger appropriate demand for digital services and electronic economy products. That is why permanent promotional, informative and training campaign is necessary.

The instruments should be as follows: (1) training courses for the residents of sołectwa and cities, implemented in conformity with the largest access to recipients rule; (2) development of Public Internet Access Points, particularly concerning the Eastern Poland; (3) telecentres which by promoting the information society may function as job centres, training centres, taxation consultancy points etc., contributing to the education of rural society, promoting rural tourism, integration of rural and small town societies, creating and supporting small business, (4) rapid development of digital television and facilitation of access to it, as a universal and efficient medium for the purpose of participation in electronic economy and lifelong learning.

Combating digital exclusion via developing telecommunications infrastructure

He grates risk for the development of the information society and knowledge-based economy is the problem of social exclusion, i.e. division into those having access and those without access to digital techniques. The reason for exclusion is a part of the country's residents not keeping up with social and economic development. If there is an acceleration in the development of new economy, based on digital technologies, then the emergence of a new social division, leading to geographic, economic or social exclusion, should be prevented, which concerns the Eastern Poland residents to a large extent. Development of the information society and knowledge-based economy is facing basic obstacles related to poor telecommunications infrastructure, since telecommunications network is of limited range and is technically insufficient to provide broadband access to Internet. The following issues are essential in the Eastern Poland: (1) quick construction of public, accessible within the entire area, telecommunications network providing access to broadband Internet and granting access to it to local government units, enterprises, schools and other entities; (2) granting access to it to final users via existing and new telecommunications operators; (3) broad encouragement of residents to the intensive use of the access to broadband Internet for economic, educational and social purposes. We need to consistently aim at the situation, where the supply of services in this scope is always in excess of demand and the

telecommunications infrastructure development programmes are linked to the entrepreneurship and education development programmes. Features of the spatial structure of the eastern Poland are responsible for areas where limited demand density requires undertaking these actions as public ones. The important element of these actions is the universal access to computers, which is significant both for enterprises and individuals. Programmes using public funds, facilitating the purchase of a computer and Internet link for home use, should be implemented in the eastern Poland. These programmes should be diverse: for workers, universities and schools and ensuring equal opportunities (pensioners, poor families, etc.). The universal access to broadband Internet in the eastern Poland must be accompanied with professional preparation of users for the use of the abundance of opportunities offered by the Internet.

Creating conditions for efficient implementation the “e-Poland” programme in the eastern Poland

Generally, we should avoid building separate systems in this scope for the eastern Poland alone. However, its specificity demands taking into account preferences for this area in the case of instruments commonly used in Poland. This results from cultural, financial and market barriers, overcoming of which requires instruments adjusted to situation. The process approach, executed by means of electronic transaction technology, recommended in the strategy, does not require the uniformity of various institutions' IT systems, which is impossible, despite being constantly proposed in different programmes. The electronic economy requires the algorithmisation of procedures leading to their automation and simplification.

Informatisation of public administration (e-administration)

In order to achieve fast and decisive improvement in a relatively short time, a decided and systematic transfer from paper economy to electronic economy in the public sector is essential. At the same time, such an approach exposes a special role of the public sector, besides education, in transforming economy and society in accordance with the Lisbon Strategy objectives. The public sector is

particularly important, because: first of all, in the new, knowledge-based economy, the public sector operating in the old (paper) way impedes the economic growth, but if it operates in the new (electronic) way, it stimulates economic growth; secondly, since the transformed public sector using electronic business technologies constitutes a model for enterprises, standardises electronic information transfer and promotes knowledge about new, electronic methods of implementing business processes, therefore it facilitates the participation of small and medium-sized entrepreneurs in electronic economy. Adjusting the public sector to the requirements of electronic economy includes: process organisation of the public sector, rendering services via network, algorithmisation of procedures, creating and making information resources accessible.

Informatisation of education system (e-education)

The younger generations should gain practical knowledge on entrepreneurship and knowledge-based economy. This process begins as early as in school where teenagers should gain knowledge on running business activity. The practical approach is important here: internship, meetings with entrepreneurs, travels to others parts of the country or abroad in order to look at various business models. School programmes should take into account business plan contests and practical learning via learner and student entrepreneurship. The system of knowledge and investment readiness development for adults willing to establish their business activity or already existing micro-enterprises, should be a continuation of a school programme. The demand on knowledge-based products and services depends on educated society, whereas the economic growth mostly depends on the national demand on these products and services. It is essential to undertake actions leading to the development of continuing education system, including distance learning. Therefore, it is essential to: (1) restructure the education system to enable children and teenagers being prepared for lifelong learning at school, i.e. develop the need and skills of self-learning; (2) create the state-supported adult education programmes in the eastern Poland; (3) elaborate the efficient adult education funding system, consisting in public-private and interested parties' partnership.

Informatisation of health care (e-health)

Contemporary medicine utilises modern diagnostic equipment. Using it not only requires acquiring appropriate equipment, but also employing appropriately qualified medical personnel. This is a basic obstacle regarding the access to medical services of appropriate quality in small towns. Development of diagnostic equipment based on digital technology and development of telecommunications combined with rapid limitation of costs allows using distance specialists' help by health care units. It is natural that specialists work in resilient academic centres and large urban agglomerations. Therefore, e-health is a chance for those voivodships which lack best-qualified physicians. Another scope is transferring information about the current health of a patient staying at home and equipped in diagnostic sensors. Both uses of e-health require access to telecommunications networks on a given area, including broadband Internet.

Creating conditions for tele-work (e-work)

Tele-work should constitute one of the pillars supporting the labour market. In order to strengthen this pillar, we need actions improving infrastructural equipment in the eastern Poland (Internet) and accessibility to computers, as well as strengthening foreign language education, particularly English. It is necessary to activate labour market institutions in regards of promoting this idea, which also requires change in many of the residents' mentality. Therefore, actions aiming at improving qualifications essential for "e-workers" will be supported, as well as actions aiming at building competence networks, improving the level of knowledge concerning the advantages of tele-work among entrepreneurs and in business circles. The attractiveness of living space in the eastern Poland will attract experts and top-class specialists from the entire country, who will be able to work via Internet.

Stimulating the development of scientific research potential and participation of institutions and researchers from the eastern Poland in the European Research Networks

Improving the quality level of science and research centres is one of the conditions for improving the regional economy innovativeness. This could be achieved mainly via linking their operation with more resilient national and foreign centres, as well as via creating scientific cooperation network within this macro-region, using the most resilient research centres as leaders. Such activity should be initiated by voivodship authorities in the eastern Poland. Independent development of weaker science centres will make it unable to free themselves from the peripheral science sphere, therefore financial reinforcement of such centres is legitimate only if we expand their contacts with more resilient science and research centres. Acquiring highly qualified scientific workers from top academic centres and supporting the development of local scientific workers should be continued.

Possible full utilisation of endogenous potential of the eastern Poland

Experience indicates that constant development is achieved through concentrating actions on those elements of regional economies, which currently show a certain level of specialisation and have achieved a strong competitive position on the national and international levels. It mainly concerns stimulation of development of existing production clusters and creating climate for the maturing of such production and service structures. Several positive examples of that kind could be indicated in the eastern Polish voivodships. Regional and local authorities should become important partners for the emerging, specialised industrial centres, linked internally by means of competition and cooperation networks. Instruments supporting the emerging production and service clusters should be specified within a short period of time, by means of, inter alia: supporting the business environment and common actions, applying instruments for the SMEs sector development, supporting learning

and education for enterprises and cluster servicing and developing the relations between entities included in a cluster and regional science and research environment.

Development of effective regional and local institutions serving the purpose of supporting entrepreneurship, with special emphasis placed on innovation support and technology transfer networks

Products and services produced in the eastern Poland require a considerable improvement in the modernity level. Possible impact of the public sector in this scope is limited mostly to SMEs sector. A special role should be assigned to the development of innovation support and technology transfer system, which should be a regionalised, nationwide system, providing access to national and foreign data on innovations and technologies to everyone willing to use these data, with a possibility to develop and expand the system further.

Creating mechanisms for the pro-developmental use of European Union funds

In the forthcoming several years, the basic part of development resources in the eastern Poland will come from the European Union funds and, due to economic weakness of those voivodships, the majority of own development resources of these regions will co-fund the available Community expenditures. The scale of structural changes required in the eastern Poland means that the European resources should accelerate the required structural changes, instead of impeding them, by means of paralysing ineffective economic systems. It is particularly disadvantageous to allocate European funds on the broad consumption. Therefore, the implementation of an indicative European Commission recommendation to expend 60% of funds on actions related to the implementation of the Lisbon and Goteborg Strategy should be systematically monitored on the voivodship level.

Improving the potential in the scope of undertaking development measures in the eastern Poland

Building potential in the scope of implementing modern development policy on the regional level is a long and complex process. The achievements of economic policy performed in other developed countries, especially in those where the efficient stimulation of social and economic development in problematic regions has taken place, should be applied more extensively in Poland. Even in the eastern Poland there are some positive examples for the efficient overcoming of extremely unfavourable conditions for development. The work on the strategy has revealed certain significant spheres of knowledge deficit, shortage in essential analytical data and deficits in systematically performed research and programme work. Therefore, it is crucial to immediately specify the most important spheres of scientific research concentration regarding the eastern Poland, which should be launched in cooperation with local research centres, also in an international system. Modernity-oriented actions concerning the local public administration, focusing on the implementation of strategic functions, are very important. That is why all technical assistance segments should contain actions adjusted to the context of the eastern Poland in the scope of, inter alia, creating development products.

Introduction of integrated palette of instruments having impact on the human capital quality, serving the purpose of improving the overall qualification and skills level

The improvement in the human capital quality will require actions in each phase of human development, with actions improving the quality instead of quantitative measures being the most important. Supporting the human capital quality requires the improvement in the quality of education, from kindergartens to higher education centres. The discussed support should primarily reach rural populations, with lower chances in the labour market, due to worse educational start. It is necessary to increase the role of early foreign language teaching on the primary school and gymnasium level, as well as to improve access to computers and the Internet and support career counselling as early as in the last class of gymnasium. Actions

for the purpose of improving flexibility of educational offer on the professional, post-secondary and tertiary level will be particularly important. Development of industry and the need to create bonds between tertiary schools and economy requires the development of engineer and science faculties and support via programmes involving vocational schools learners and students into cooperation with regional employers. These actions must be supplemented by qualification-raising instruments directed at persons who finished their secondary or even higher education, but willing to improve their qualifications in a given field. This is connected with the need to improve the operational quality of Life-long learning centres, the use of new teaching techniques and cooperation with employers.

Improvement in the level of social participation in the labour market (employment indicator)

The employment growth can be achieved by creating new jobs or encouraging to run economic activity on one's own. Without excluding the possibility of considerable inflow of foreign capital creating modern jobs, we should pay attention to low entrepreneurship indicators among the eastern Poland residents. It concerns rural areas to a large extent. Actions serving the entrepreneurship growth should concentrate on issues serving the improvement of investment climate, workforce quality and business environment. It is necessary to take the challenge of important labour market transformations, requiring the change in current and future workers' mentality (e.g. popularisation of rotational and temporary employment, telework); The improvement in the local and regional transport infrastructure, taking into account the development of alternative ways of transporting (e.g. municipal transport).

The migration policy preventing "brain-drain" and slowing down population outflow

Halting the population outflow must be considered as a result of a number of activities which play an important role in the attractiveness of a place of residence. One of the ways for giving a place a high level of attractiveness is develop-

ment of a system of schools and colleges offering studies in areas corresponding with the needs of the local labour market and creating new contemporary jobs. However, attention must be also paid to the following factors of success: fellowship incentives which “attach” young people to their region, building a common vision of development, strengthening housing construction and regional transport and communications channels. Special attention must be drawn to this issue in small and medium-sized towns whose residential and leisure facilities should be attractive to persons planning to emigrate. Efforts to promote the qualities of life in Eastern Poland should become an important component of the migration policy.

Working on the quality of public administration in Eastern Poland

Public administration is becoming an increasingly important factor shaping the conditions for a broad social development. This holds true especially for the less developed areas where expectations of public services and significant support for the efforts of local and regional authorities are very high. The performance and efficiency of many activities carried out by the administration directly translates into the life of the people, their possibilities to develop business and public activities. A modernisation of public administration in Eastern Poland should lead to building an efficient public sector able to effectively support regional and local economic and able to provide good conditions for the development of the people’s business, social, and civic activity as well as meeting their needs. These efforts should lead to equipping the public sector with tools based on latest IT and communications technologies that will allow quick and enormous growth of the sector’s efficiency. A key factor here is developing the ability to anticipate and evaluate a variety of risks, combined with the ability to manage them. Another important element is to ensure appropriate management of competence present at public administration structures. Knowledge of the local staff can stand for a basic resource representing a value in itself and, at the same time, a source of competitive advantage. Building an adequate ethical culture

within the administration, openness, partner-like attitudes, and transparency with special regard for the prevention of the conflict of interest is another important area to address. All this will help to mitigate corruption in the administration.

Improving public administration's skills in making regional development policy supported by European Union funds

Building an efficient administration structure requires improvement of the skill of pursuing strategic goals and management in the public sector. This, in turn, requires the ability to absorb information, design and implement appropriate strategies combined with the skill of unassisted and effective project management. The skill of strategy implementation stems from the ability to develop operating work programmes which allocate the respective human, material, and financial resources to each particular general objective and from efficient and successful programme and project management. This requires the application of tools supporting public management, such as, risk analysis and risk management and control system adequate for the identified risks. Another important thing is the skill of developing and operating systems which monitor progress in strategy implementation, especially in their part producing mid-term effects.

Stimulating partnership for the development of Eastern Poland

An important direction of work should be building a system of co-operating administration structures which join hands to reach common goals as a group of strong and independent decision-making centres. Administration of this type works out fine when the local, regional, and central administration structures are all involved ensuring efficient and successful collaboration of all the regional development policy stakeholders. Another very important factor is co-operation between Eastern Poland's local government structures in the area of initiating, planning, and implementing projects relying on co-operation with other local government structures in every voivodship (voivodship) involved. Providing a competitive advantage based on jointly exploited local and regional resources

and developing vertical and horizontal co-operation bonds among business units, including farmers, is an important line of co-operation. Another direction should be strengthening the civic society. The responsibility of local and regional public authorities should consist in supporting all initiatives coming from the community. It is important to support initiatives in the field of local economic development, creation of new jobs, education, charity, etc. A major objective of the national and local government should be to support the civic society, the possibilities to express and articulate the interests and needs of the people, and to work for the cause of their implementation.

Building an atmosphere encouraging civic society development and mobilisation of the potential of non-governmental sector

The non-governmental organisations are one of the driving forces in social and economic development. The activity of the non-governmental organisations should be promoted especially in programmes which need their being close with the local community. This is why it is so necessary to counteract the social consequences of unemployment, strengthen the quality of labour force, improve the existing and build new relations among people, build and reinforce relations between businesses and business-related institutions, making the people aware of the ecological issues and spreading-through education-the ecological knowledge among various social and occupational groups. Considering the fact that the civic society may show up in a variety of aspects, the non-governmental organisations should actively support the process of monitoring too.

Providing conditions for better utilisation of women's human capital

The key legal provisions concerning the equal opportunities of men and women are set forth at the central level. This does not mean, however, that what is done at the local level is less important. It is necessary to support regional and local public and economic initiatives leading to professional and social activation of women. An important factor here will be making the labour market more

flexible to allow women to work from home and, in this, way combine their jobs with child care. A dramatic increase of women's participation in the labour market is a problem of Eastern Poland.

The strategic role of making Eastern Poland more accessible

A key problem of Eastern Poland is its remoteness from the big centres of economic and social life, and from markets where goods and services produced in the region are being sold. National roads connecting the region with the network of motorways and expressways are extremely important for the improvement of Eastern Poland's accessibility from other parts of the country. Modernisation and upgrading the existing roads to the capacity of 11.5 tonne/axle and for the required traffic load, is as necessary as building town by-pass roads. The development of roads must come together with improved accessibility within the regions themselves and among them. Rail and air transport should be strengthened to keep a low impact of roads on the natural environment. International connections must be taken into consideration since Eastern Poland is a border-zone region. Efforts should be made to ensure that the border is not a barrier for economic and social contacts and advantage is taken of all the above factors and resources of the region. Studies show that international connections do not play a dominating role. External traffic along Via Baltica is a little higher but (except for the border crossing points) the share of international traffic does not go higher than 20%. The economic development of Eastern Poland will, however, generate more traffic and it will probably change the currently observed rates.

Road accessibility with international and domestic transport channels

As regards accessibility of Eastern Poland's voivodships, their connection via national roads with the system of motorways and expressways is of top importance. The main transport routes in the region are national roads Nos. 8, and 4 as they are part of the trans-European road network TEN-T. Roads Nos.

8 and 4 are now playing more important role in international traffic than road No. 2. The national road No. 8 Via Baltica (steadily upgraded to an expressway standard) is very important for traffic between Poland and the Baltic Republics but it also connects the city of Białystok with Warsaw. This road runs across many protected areas, among them NATURA 2000 areas. It needs to be re-constructed but a very careful process of corridor planning and negotiation is also required. The national road No. 4, whose main traffic will be shifted to Motorway A4, is very important as a connection with Ukraine and the southern regions of Russia. When finished, the section of Motorway A4 east of Kraków will dramatically improve communication with the city of Rzeszów which now seems a bit remote from the main economic and social centres in this country. The national road No. 2 carries a relatively low traffic (except for its section between Warsaw and Siedlce) but it does connect Eastern Poland with the national capital anyway.

Railroad accessibility with international, domestic, and regional transport corridors

The international transport routes of key importance need to be modernised to appropriate technical standards. Railroads should also be developed in areas of highest natural values. Railways may be a solution mitigating the impacts of road transport and allowing active transit policy and cutting down lorry transit traffic. Development should also be ensured in regional transport where effective restructuring of the railways is an important factor. City railways must be developed wherever geographic and demographic conditions allow.

Eastern Poland's accessibility by air

Each voivodship in Eastern Poland should have at least a regional airport by 2020 located not far from the voivodship's capital town. In this perspective, Rzeszów is in the best situation as it already has an international airport which deserves major expansion to handle the traffic and number of connections with other airports. The construction of new regional airports and expansion of the existing ones near Białystok, Kielce, Lublin, and Olsztyn is a pre-condition of the social and economic development of those regions. Considering the

up-front investment costs of upgrading these airports to their prospective civil aviation functions and, at first, a limited passenger traffic volume, the airport development projects should be done step-wise. All the above-mentioned cities need new passenger and cargo terminals to be built from scratch. The expansion of the existing air connections should be supported by a more intensive exhibition-fair and conference-hosting business, building centres of services and congress tourism, and attracting external investors who often link the location of their new branches with access to a regional or other airport. After that, a network of local airports should be built to support medium and short-distance transport.

Priority goes to improving access to national capital and other economic centres

The geographical features of Eastern Poland's voivodships make access to their principal towns potentially easy-accessible from the nation's capital town. The access of Warsaw from Eastern Polish voivodship capitals will significantly improve in the coming years along both, road and rail. A smooth operation of road connections with the capital of Poland is, to some extent, dependent on not only national roads Nos. 2, 7, and 8, but also roads Nos. 17 and 19. In the case of Rzeszów, the east-west road running along urbanised southern areas (national road No. 4 Tarnów–Kraków–Silesia) is very important. This route shows the highest demand for transport in the whole of Eastern Poland. The road is very busy (traffic close to maximum capacity) and it badly needs upgrading. The national road No. 16 should link the northern parts of Eastern Poland with the Tri-City on the Baltic coast. Modernisation should be done on the roads Białystok–Warsaw and Lublin–Warsaw in the first place, then, the road Rzeszów–Lublin.

Role of better access from Eastern Poland to adjacent voivodships

Transport connections with development centres in the Mazowsze region (Warsaw, Radom, Płock), Pomerania (Tri-City), and in the Małopolska region (Tarnów, Kraków) are very important for the voivodship and powiat towns of

Eastern Poland. These centres may offer important markets and development support to Eastern Poland. Better transport system, however, works both ways and if a more viable business activity is not generated in Eastern Poland, those big centres outside that region will vacuum the most active individuals, groups, and enterprises.

Improvement of transport connections quality in Eastern Poland

An analysis of the size and directions of traffic flows shows that not many places in Eastern Poland currently need much higher road capacity. However, a development of the road network should go on so as to provide the traffic capacity to various sections of the border. There are also some bottle necks where urgent intervention is required. This is especially valid for town by-pass roads and modernisation of junctions. The quality of road surface often needs attention (tarmacs should be brought to EU standards) and so does road traffic safety there. The most important projects improving the internal and external access to Eastern Poland should be localised on national roads Nos. 16, 19, and 17.

“Unplugging” routes to countries neighbouring with Eastern Poland

The roads from Eastern Poland to the neighbouring countries do not, as a rule, limit the required transport throughput. What restricts a more intensive transport along those routes is, apart from formal reasons, the border crossing points with their low number and performance. Efforts should be made to further expand and build new local road connections and bridges along Poland’s eastern border with Ukraine and Belarus, and local border crossings to the Kaliningrad Russian enclave should be re-opened whenever possible.

Role of metropolitan functions developing in Poland’s eastern voivodships

One of the fundamental problems of Eastern Poland is the lack of developed metropolitan centres which strongly inhibits the process of social and

economic development in this macro-region. The natural candidates for such functions are five voivodship capitals: Białystok, Kielce, Lublin, Olsztyn, and Rzeszów which are the biggest cities located in the centres of their voivodships. The actual size of these towns, the advancement level of their various exogenous functions which could give rise to their competitive power in international relations and unfavourable demographic trends suggest that five true metropolitan towns cannot emerge in Eastern Poland during a decade or so from now. Nevertheless, stimulation of a fast development of metropolitan functions in each of these voivodships is necessary for the enhancement of the development of the entire region. This is why integrated programming of social and economic development must become possible in the voivodship capital towns and around them, because their development is usually seen on the outskirts which have good communication with the heart of the town. The investment programmes should allow those cities to start and develop universal and dedicated metropolitan functions. Even if some part of the population leaves Eastern Poland, the population living there should keep growing, also as a result of migration.

Integration of voivodship capitals with their regional vicinity as prevention of their “severance” from the peripheral areas of the region

A pre-condition for achieving permanent development effects in Poland's eastern voivodships through activation and development of metropolitan functions is an institutionalised co-ordination of the construction and a comprehensive and well-timed putting into service various infrastructural projects, among them, first of all: (1) the construction of facilities improving the external and internal accessibility of selected nodal towns, (2) development and access to building grounds for housing and commercial construction offering new jobs, combined with building a new transport infrastructure and supported by the national strategy of promotion of these areas. A good quality of transport connections between voivodship and powiat capital towns determines the development of functional networks of between these towns and expands the area enjoying

the “metropolitan effect” which is extremely important for sub-regional centres which functionally co-operate with voivodship capitals. Another important factor is support for the development of regional public transport which carries children to school and commuters to work from places beyond the direct vicinity of those voivodship capitals.

Development of suburban areas surrounding principal towns of Poland’s eastern voivodships

The political transition has sped up suburbanisation and exerted a strong pressure on the external areas around big and medium-sized towns. This process is going on a little slower in Eastern Poland but forecasts say it may become very dynamic in a decade or so from now, especially around the voivodship capitals. To avoid mistakes of other Polish towns, and to take advantage of contemporary land development policy potential to stimulate the development of those towns, we must provide a possibility of integrated spatial planning for the central towns and their surrounding functional areas.

Role of stimulated development of poviat centres

Eastern Poland has a balanced and internally consistent network of poviat towns. They guarantee access to basic public services for the population of five sub-regions in Eastern Poland which is why the multi-centre pattern of human settlements in the area should be strengthened. Access to these centres must be improved in the coming years because this conditions the inflow of external investors and a better performance of the endogenous economy sector. What should be prevented here is washing away of the local potential which may move to economically stronger parts of the country and Europe after transport and other links are improved among voivodship capital towns. The role of developing services at poviat towns, especially in sub-regional centres that may develop more specialised functions (higher education, health protection, tourist industry) is also extremely important.

Multi-functional development of rural areas in Eastern Poland as a condition of stimulated development

Eastern Polish voivodships are more dependent on farming than other parts of the country. Also the rural population is much greater in this region than in other parts of Poland and the Community. But even here, in these five voivodships, the rural areas are becoming less and less dependent on farming. This means that rural economy should be more diversified by supporting non-farming types of business activity. The process of dropping farm work will take place in Eastern Poland (and in other parts of the country) when the agricultural sector becomes more efficient and, at the same time, some of the people who will stay at farms will take up other additional jobs to earn more. Among the factors which stimulate the development opportunities of rural areas we can identify, apart from farming and food production, also: technical infrastructures in the country (water and sewage systems, roads) natural environment, natural resources, cultural heritage, educational opportunities of rural people, enterprise, investment attractiveness, access to information and advanced communications, quality and access to public services, access to economic development centres, and to main communications routes. Support must be given to measures leading to the creation of new non-farming jobs. This support should include: easier self-employment and starting micro-businesses, better investment attractiveness of rural areas, finding external investors, better transport connections between economic development centres and rural areas so as to improve rural people's commuting and joining the urban labour markets, support for general and vocational education, including life-long learning, of rural people so as to increase their jobbing mobility. Low land prices and natural values, such as the landscapes and culture of the rural areas in Eastern Poland, combined with well-managed modernisation projects are expected to halt the population decline of those areas and trigger their economic revival.

Restructuring of farming in Eastern Poland

As regards farming, the main factor of its faster development will be establishing a network of institutions facilitating the farmer's joining the contemporary agro-business system, in which the domination of large corporations is increasingly noticeable, and improving the transfer of knowledge to the farmers. Special support is required for a simultaneous restructuring of farming, food processing, and modernisation of the rural areas. An important factor in structural changes at those areas will be the structure and purposes for which EU funds for farmers will be spent. Another necessary action to be taken is developing the system of consultation and other measures improving a variety of skills and qualifications among farmers. Structural changes in the farming sector are responsible for the shrinking number of farms and people working them. Therefore, it is necessary to take measures that will help the rural people involved to get jobs/income sources outside the agricultural sector without having to emigrate to some other place of residence.

Use of Community support for rural areas

The basic strategic challenge for rural areas of Eastern Poland is the coordination of activities co-financed from EU and national funds, in order to achieve the maximum complementarity and synergy. The task is extremely complex due to the fact that the volume of funds available to be used is substantial, procedures are complex and the number of entities responsible for the preparation and implementation of measures aiming at rural development extremely high. Certainly, the main instrument in 2007–2013 will be the European Agricultural Fund for Rural Development (EAFRD). Regardless of the changes and corrections of the Common Agricultural Policy, which will take place after 2013, Eastern Poland will remain a significant beneficiary of the transfers, and changes will most probably consist in the increase of the share of expenditures intended for rural development.

Use of the high quality of the natural environment as a reason for stimulating socio-economic development of Eastern Poland

As it was said above, natural resources of Eastern Poland are much richer than in other regions of Poland. In Eastern Poland, there are 9 National Parks. It is also a macro-region, where many areas were notified by the Polish Government as potential NATURA 2000 areas. In terms of natural resources degradation, water, air and soil pollution, Eastern Poland is in a much better condition than other parts of the country. Population density in Eastern Poland, which is lower than the national average, means that the anthropogenic pressure on natural values and resources is also much lower. In the world, the modern economic functions are located to a growing extent in places of most favourable environmental parameters. Therefore, in general, maximum level of counteracting and preventing the effects of natural hazards and serious malfunctions should be ensured. Socio-economic development of Eastern Poland must be sustainable and permanent in its whole territory, and not only in those areas which are protected by law.

Counteracting floods and preventing the effects of other natural disasters

Eastern Poland is susceptible to natural disaster hazards, of which the most significant ones include floods and drought. The 2001 flood in the Wisła basin showed that the hazard refers not only to the area of river valleys in submountain territories of podkarpackie voivodship, but also lowland areas in the valleys of Wisła, San, Wisłoka, Bug. Particular flood hazard is noted in the area of Zulawy Wislane. Risk of drought is an effect of the low level of water retention and negligence as regards small retention systems. Counteracting the occurrence and effects of these natural disasters should consist in skilful integration of spatial management of floodplains with water management directed to increasing the natural capacity to retain flood water in the upper part of the basin and slowing down their downstream flow. This should be accompanied by appropriate structural measures. It is important to create systems of emergency

reaction for the cases of natural disasters and prevention of their effects. In the case of investment activities, such as the construction of retention reservoirs, polders and flood barriers, highest environmental protection standards should be maintained, and compensation measures should be implemented to compensate the negative impact of these investments on the environment. It is also necessary to carry out regional small retention programmes.

Preventive resolution of conflicts within the scope of the use of environmental resources

Preventive consideration of problems and mitigating conflicts occurring in the conditions of socio-economic development of Eastern Poland is of vital importance. Absence of such measures would constitute a risk of negative feedback. Conflicts between environmental protection and other forms of the use of the territory of Eastern Poland could be considered in relation to respective types of use and branches of economy. Development of agriculture, and in particular its intensification remains in a conflict with the protection and conservation of natural environment. In some regions assignment of areas of lowest natural protection standard (landscape parks) is strongly protested against, but also retaining National Parks within their current boundaries. In relation to the development of agriculture, the main problem may be the issue of extensive use of chemical fertilisers and chemical plant protection products, but also introduction of means of plant production which are inadequate to natural environment, as well as monocultures which constitute a threat to biodiversity. Aiming at the creation of new jobs in the industry may bring about conflicts with the environment. The main problem consists in the conflict between the protection of natural values and the existence of mining. This is true in particular for Podlaski National Park, where the groundwater level decreases drastically as a result of coal exploitation in the Lubelskie Coal Mining Area. Emissions from the so-called White Coal basin (Kielce region) has negative impact on the condition of forests in the Świętokrzyski National Park, it needs to be noted, though that recently this negative impact was strongly limited. Excessive suburb development around major cities in the region also constitutes in particular conflict

with nature. These processes lead to a situation, where suburb areas will grow, which will then cause more conflict between the environment and housing settlements. These conflicts will be, however, of local character, but they will occur in numerous locations, posing a threat to local natural systems. An important group of conflicts between environmental protection and other use of the area will be the modernisation and extension of the transport system. Due to the distribution of the road network and location of protected areas this problem is of particular significance in the Podlaskie voivodship. This refers mainly to the route of S8 expressway (Via Baltica) and national roads no 8, 19 and 65 through the area of Puszcza Knyszyńska Landscape Park, through a part of the Biebrzański National Park and through the Rospuda valley. The pressure of intensive recreational use has already negative impact on the pollution of surface and ground water. An important problem is also the extensive housing along the lake banks. Uncontrolled development of areas by tourist facilities and complexes of summer houses has negative impact on visual value of the landscape. The region which is most threatened by the pressure of tourism is the region of Mazurian Great Lakes.

Improvement of medical services accessibility

The level of development of the network of health care units in Eastern Poland is lower than the national average. The whole territory of Eastern Poland is characterised by so-called negative migration of patients, i.e. seeking medical services outside of the territory of the voivodship, appropriate from the point of view of the place of registered residence. Some reasons for this phenomenon cannot be eliminated: (1) these voivodships do not have medical university centres, (2) population number is too small and opening centres providing rare and costly medical services is not economically viable. But the main reason lies in the absence of sufficient number of medical staff with required qualifications. This makes the government and local administration face a challenge of ensuring significant increase in the possibilities of obtaining medical specialisation in deficit specialties. Many health care units in Eastern Poland require the adjustment of their medical services offer to the actual needs of the population,

which requires restructuring – mostly of powiat hospitals – so as to ensure that the financial condition of hospitals allowed for gradual recovery of highly used medical equipment, especially diagnostic equipment. The growing average life expectancy increases the need for medical services characteristic for older age, including rehabilitation services. In Eastern Poland, due to growing economic migration, the problem of care for disabled or dependant older persons appears, who in the past could count on the care of their children and grandchildren. Traditional multi-generation family, also in rural areas seems to disappear, which brings about the need to build care centres and medical-care centres. Moreover, the development of the network of hospitals needs to be directed to expand their offer of medical and care serviced to the elder population of Poland. These could become a speciality of Eastern Poland provided that appropriate medical services are supplied.

Development of tourism basing on unique resources of Eastern Poland

The tourism potential of Eastern Poland is very high and at the same time highly diverse locally. The unique in Europe values of the northern part of Eastern Poland should be used (Lake district, Biebrza bogs, Białowieża forest), which refers mainly to Warmińsko-Mazurskie and Podlaskie voivodships. But in other voivodships there are also other resources which are attractive for tourists. In Europe, the demand for “border” tourism, leisure basing on low density areas and poorly developed areas, as well as active recreation in traditional rural areas (agrotourism) is systematically growing. In coming years, development of the necessary tourism base and modern tourist promotion of the area will be of vital importance. It will also be important to make the values of Eastern Poland available by developing the necessary infrastructure, especially transport infrastructure, and packaging the tourist services. In the case of voivodship capitals, the development of congress and conference infrastructure will be important, as well as transfer of tourists to the whole region. Development of spas and health resorts should be the answer to the process of society ageing and become an appropriate form of making use of the natural potential of Eastern Poland.

Diversity of environmental protection forms, together with retaining the cultural rural landscape is a good basis for promoting and developing specialised tourism.

Measures relating to spatial management in Eastern Poland

The problems of spatial management in Poland require an effective approach and finding a solution for the whole country, not only for Eastern Poland. The basic systemic faults consist in the inability to carry out spatial planning in different scales than those reflecting the territorial organisation of the country. Many important aspects of socio-economic development in voivodship cities in Eastern Poland require a wider spatial scale. Another problem is the inadequacy of spatial management plans of voivodships in Eastern Poland. These plans were drawn up before Poland's accession to the European Union. These plans should be re-developed as soon as possible – taking account of e.g. ESPON works, new edition of work on the spatial development at national scale and significantly changed spatial conditions of Poland's development after 1 May 2004. Of particular importance for the spatial management concept of Eastern Poland voivodships is the fact that within this dozen or so years, the area will undergo revolutionary changes. It is also vital, that the area of four voivodships of Eastern Poland neighbour on the regions of countries neighbouring the European Union: Russia, Belarus and Ukraine. This area should be open and integrating the EU with the area of eastern partners. This mission should remain a priority for spatial management measures in Eastern Poland.

Activities referring to local spatial management plans

In Eastern Poland, as it is the case in the whole country, the coverage of the city area with local spatial management plans is especially negative. This makes the measures aimed at obtaining spatial order more difficult. Preparation of such plans should be a priority, since it would allow for the elimination of the key barrier for housing development, infrastructural investments and various development projects. In many cities of Eastern Poland there are no areas intended

specially for investors and equipped with appropriate technical infrastructure. The existing model – consisting in the fact that initial measures in this regard, beginning with the purchase of land, are made only then, when potential investor appears – must be changed. Similarly, in the case of infrastructural measures, the delayed purchase of land often leads to the disturbance in the smooth implementation of such projects.

Developing high quality areas related to the cultural heritage in Eastern Poland

Eastern Poland is a place with unique cultural heritage resulting from civilisational interaction between many nations inhabiting the areas in the past, besides Poles these nations cover Belarusians, Lithuanians, Germans, Russians, Ukrainians and Jews. The area today covered by five voivodships was in the past a place of many borderlines between different national and ethnical groups, which shaped and maintained the original atmosphere of “frontier”. In the future, Eastern Poland should take advantage of the opportunities brought about by historic and cultural richness, even if currently the scope of multiculturalism was significantly reduced as a result of the World War II. As regards the material culture it, inter alia, includes: architecture, spatial development, folk clothing, and cultural products of villages. The development of high quality concerns the development of cultural tourism opportunities, but also establishing conditions for dialogue and cooperation with nations which influenced the cultural richness of Eastern Poland, which on many instances, are difficult.

Promotion of the investment and touristic potential of Eastern Poland within the country and abroad

Eastern Poland and its regions have at their disposal unique advantages. However, the European Union knows little about them, and in many places in the Community a negative image of these areas is lingering on. Poland, as a member of the European Union, has new possibilities as regards making use of advantages of these areas, such as: hospitality, kindness, security, multi-

culturalism, the quality of environment. Therefore, regional marketing should be established and developed which aims at selling to the potential investors and tourists, as well as to the public opinion, a positive image of the area. These advantages should also be promoted on the national market indicating the unique resources, for example the unique location of the University of Warmia and Mazury in Olsztyn or the unique tourist products, such as the Elbląg Canal.

Strengthening cooperation within Eastern Poland and stimulating establishment of joint projects

The situation existing up to now should be changed. In the recent situation the basic relations between individual regions of Eastern Poland are decentralised and other voivodships of Eastern Poland are treated mainly as competition. The majority of regional strategies lack projects of supra-regional significance and scope. A set of such projects should be urgently established at the level of each voivodship, as well as in agreement with neighbouring regions. A basic condition for developing this cooperation is, first of all, significant improvement in the quality of transport infrastructure joining the individual regions of Eastern Poland to each other, and stimulating intra-regional cooperation whenever it is expected to generate a significant added value. This, *inter alia*, concerns: business, scientific, university, promotional, touristic and institutional cooperation undertaken by self-governments and organisations of the Eastern Polish regions.

The European Union external border as a factor supporting development of Eastern Poland

Since 2004 the line marking the border of Eastern Polish voivodships is, at the same time, the external border of the European Union, which is 1,185 kilometres long. We should expect that it will have the same status, at least, until 2020. The border shall be one of the most important axes of division in Europe; hence the situation poses many challenges both before the European

Union, Poland and its border regions, as well as before our Eastern neighbours. It is necessary to develop an efficient mechanism of managing the border. However, in order to avoid a situation in which the border becomes an obstacle for establishing friendly partnership relations between neighbours we should not focus entirely on security issues. The significance of the border exceeds this sphere and the border has an enormous social, economic and cultural meaning also at regional level. We should develop a model of safe and secure border, which, at the same time, aims at development and social activity. It follows from the fact that the relations with Eastern Polish neighbours will be one of the key factors shaping the social and economic development of voivodships in this region. Therefore, while designing the policy concerning our Eastern neighbours it is justified to make the regional cooperation with border regions one of the pillars of the policy concerning Eastern European countries.

Policy within the scope of developing border crossing points and jointly agreed standards on both sides of the border

The density of border crossing points is definitely insufficient as regards the socio-economic needs, and definitively lower in comparison to other borders in our country, which in turn hinders the establishment of socio-economic connections. Establishing connections with neighbouring countries requires development of border crossing points located within the main communication channels. Opening new crossing points, primarily at our border with Ukraine, should be treated as a significant factor stimulating regional and local development. The currently applicable border check mechanisms are incompatible with standards of a modern border, which should support development of comprehensive cooperation. It is important to develop an efficient model of border checks and to use the European Union resources to support the modernisation process of these crossing points on the other side of the border. Developing high quality access roads to these crossing points is one of the elements of these activities.

Developing cross-border cooperation in regions of Eastern Poland

The cooperation between border regions in Europe has many achievements and long history. Multi-nationality of problems and opportunities on both sides of European countries borders is a reason why the cross-border cooperation is an indispensable part stimulating regional and local development. The cooperation has the greatest achievements when it is implemented at different levels and in many forms, but primarily when it is implemented basing on local and regional resources and potential. As regards Eastern Poland, the reasons to establish a wide-scale regional and local cooperation cover: (1) historical reasons – following from the fact that development of this areas is a result of common cultural heritage; (2) political reasons – where cross-border cooperation is a significant factor stabilising and directing development; (3) economic reasons – promoting economic activation of border regions and (4) social reasons – aiming at establishing social contacts, breaking barriers and mutual prejudices, better understanding, building bridges between inhabitants of neighbouring regions.

Using European instruments concerning friendly neighbourhood relations

The year 2007 witnessed the appearance of a new European Union Neighbourhood and Partnership Instrument (NPI) which is used to stimulate cross-border cooperation between seventeen Eastern European countries and countries of the area of the Mediterranean Sea. Poland will take part in two cross-border cooperation programmes implemented under NPI: Poland–Belarus–Ukraine and Poland–Lithuania–Kaliningrad Oblast of the Russian Federation. The NPI programmes are a part of the European Neighbourhood Policy and they contribute to strengthening good neighbourhood relations with European Union partnership countries. The cross-border cooperation programmes will be implemented basing on uniform procedures used by the structural funds applicable both in Community Member States, as well as in partnership countries. The cross-border cooperation under NPI will concern the following priority issues: (1) socio-economic

development; (2) undertaking common challenges concerning, *inter alia*, environmental protection, natural and cultural heritage; (3) improving border traffic and ensuring border security; (4) cooperation between local communities. Releasing funds available to our neighbours under NPI and the structural funds resources allocated to Poland for the purpose will require preparing joint programmes for the border regions and joint projects of cross-border character, which will be financed in accordance with the rules applicable for structural funds. One can expect that after 2013 the scope of measures and the scale of resources allocated to cooperation with the European Union partners will be further increased.

The specific character of support to regional development along the border with Ukraine

The key objectives and components within the scope cover: cooperation within the scope of cross-border environmental protection concerning, *inter alia*, river basin of the Bug river, old sulphur mines and natural resources of Roztocze and Bieszczady, launching rail connections from Lublin and Rzeszów to Lviv, constructing and starting the implementation of the application programme of the Broad Gauge Metallurgical Railway Line (*Linia Hutniczo-Szerokotorowa – LHS*), a complex implementation of extension and modernisation programmes of road and communication networks related to flows and efficiency of cross-border cooperation, opening at least eight (the self-government suggests at least 20) new border crossing points, setting up the Polish-Ukrainian Network University with campuses in Lublin, Rzeszów, Zamość and Przemyśl. Developing common touristic products making use of valuable facilities and areas on both sides of the border can also have a great meaning. Maximum border traffic flow improvement is also of great significance. The perspective of Ukrainian membership in the European Union should be supported with European wide-scale coaching directed at the sphere of public institutions, not only central but also regional and local NGOs. The cooperation between economic entities, including SMEs, should be stimulated via activities undertaken by common chambers of commerce and industry and joint organisation of fairs.

The specific character of support to regional development along the border with Belarus

The key objectives and components within the scope cover: the Augustów Canal reconstruction and making it available to traffic, cooperation within the scope of environmental protection concerning, inter alia, the Białowieża Forest and the Bug river, opening about four (the self-government suggests at least 6) new local border crossing points, setting up an independent Polish-Belarusian University in Białystok and a complex implementation of extension and modernisation programmes of road and communication networks related to flows and efficiency of cross-border cooperation.

The specific character of support to regional development along the border with the Russian Federation

The regional cooperation with Kaliningrad Oblast has great significance for the development of the Warmińsko-Mazurskie Voivodship. The important issues cover a mutual agreement on development of the Vistula Lagoon and its joint environmental protection, including a permit for vessels from other European Union Member States to enter the Vistula Lagoon, improving the information and marketing system, opening 3–5 new border crossing points. In the context of further development of good neighbourhood relations the establishment of joint touristic products should also be considered.

