PERSPECTIVES ON REGIONAL ECONOMIC DEVELOPMENT POLICY AND STRATEGY

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- Abstract -

Economic systems are dynamic entities, and the nature and consequences of changes that take place in these systems are of considerable importance. The regional economics represents a framework within which the spatial character of economic systems may be understood. The Role of regions in national economies has changed significantly in recent times as a result of globalization and structural adjustment.

Understanding these processes of change is crucial for undertaking regional economic analysis and in planning for regional development. To compete successfully in the global economy, regional organizations and businesses need to understand the implications of the paradigm shifts occurring in economic policy and strategy, and to build the flexible strategic infrastructure to do so.

Key Words: *Regional Development, strategy, policy*

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1. INTRODUCTION

Humans, since they have become social beings, have been organizing the utilization and operation of their geographic environment. A conscious human activity aims at the use, the assessment and the control of different elements and levels of the space (natural environment, economy and cultural-intellectual sphere), as well as the organization of relationships between individual spatial structures in order to meet the demand of the society. The task of regional development is creating the conditions which enable the practicing of the social fundamental functions through discovering and utilizing the relations between the spatial endowments, opportunities and the spatial elements (in other words: improving the standard of living of the population) with enforcing the principles of social equity and fairness (i.e. the will to reduce the objective differences between the living standards) (CHAPMAN-WALKER, 1991).

This strategic system is realized differently due to the various spatial and time conditions, thus various combinations of elements can be found in the development of different types of space. In order to realize the aim of development, several instruments are necessary. Therefore, the set of instruments of regional development include various elements. Their application can also be various due to the economic policies and the spatial problems of the different countries and regions. Regional development can usually be realized with the help of the following instruments:

1) Financial incentives (capital benefits, state subsidies, soft loans, interest benefits, tax allowances, fast depreciation process, support to improve the mobility of labour and the retraining)

2) Centralized regulations (territory-related development restrictions, diminishing activities, relocation of activities, spatial planning and programming, setting up state-owned companies, preferring state orders, decentralization of state institutional system, development poles, definition of development areas)

3) Infrastructural investments (complex formation of a favourable environment for the economic developments: energetic system, water supply, transportation system, industrial zones, R&D capacity, training of experts, development of financial-economic-market services).

The implementation of regional development tasks, the detailed definition of general objectives adjusted to the regional endowments, the selection and application of the development instruments are carried out by a vertically- and

horizontally structured institutional system. The organizational system of spatial development have undergone several changes due to the increasing role of the state, the growing number of spatial development tasks, the change in the size of territories involved in the development as well as the widening range of instruments (DICKEN-LLOYD, 1990). In the beginning, some tasks to develop small territories had been carried out by some central organizations as supplementary tasks. Nowadays, we can observe individual regional policy in every developed country involving the development objectives of spatial elements and structures as well as the instruments and institutions necessary for such developments.

1.1. Factors influencing regional policy in Europe

The European Union, with establishing the single internal market, has created special, unprecedented conditions on the Western part of the continent. The large number of common policies, including the economic and monetary union too, means such a high level of cohesion that it has become justified to examine the European Union as a single one region (HORVÁTH, 1991).

According to the American economist, Simon Kuznets, the countries in the modern world pursue such economic- and social policies (taxation, welfare systems, infrastructure-development) which have so much impact on the spatial processes. Therefore, the states must be dealt with as individual regions regardless the natural endowments. If the widespread state regulation and state economic role form the regions, it must be also true for European Union.
The Union, as a large region with serious economic cohesion, needs to be examined differently from the member states, due to its geographic size. This new approach is already included in the document titled as European Spatial Development Perspective which dealt with the spatial processes and the perspectives in European dimension.

Natural endowments

Two-third of the population within the European Union lives on territories with favourable natural conditions - climate, precipitation, soil, landscape -, while one-third lives under extremely unfavourable conditions. Because of the harsh climate and the oversupply and the restricted subvention on the agricultural market, people who used to live on traditional agriculture had to give up their activity and migrate to other places. Therefore, these locations are endangered by depopulation. In the Mediterranean areas, on the Iberian- and Apennine peninsulas as well as in Greece, the danger of desertation and lack of drinking water is higher and higher. Moreover, there are two factors which increase the danger further. On one hand,

the Mediterranean coastline is the number one touristical target and the number of residents is increasing. The higher number of population causes greater load on the water supply, furthermore, because of the expected impacts of global warming up the surface water supply could also decrease. So, in these areas, safe water supply will be one of the key points of regional development programs in the future.

More than 50% of the Union's population lives in the valleys of the 15 largest rivers. On these places the density of population, economic activities and transportation networks is extremely high. Those locations which used to be favourable for living, due to the work of centuries to regulate the rivers, could become unfavourable from one day to another because of the global warming up. The risk of water management of the large rivers has become higher because the floods have become and can become bigger and more frequent. This makes the risk-minimalization necessary so that life and properties could be protected. Since the flood areas and dams of the rivers cannot be increased in the cities, the new regulation of rivers and the land- and water-management must be dealt with as an integrated way. The aim of the integrated approach is to increase the water-preserving capacity of agricultural lands and forests (with maintaining the production on these areas) so that the bigger floods could be prevented and in other times the lack of water could be avoided. The Community members need to import mineral raw materials and fossil fuels because there is not enough supply within the Union and the related costs are very high. However, the member states exploit several energy source locations causing crisis in the industrial centers depending on those minerals or energy sources.

In general, we can state that though the role of natural factors in the formation of spatial processes was temporary moderated, nowadays their role is steadily increasing due to the global environmental changes. Although the unfavourable natural factors increase the production and transportation costs or even make the living conditions of the population more difficult, but at the moment they do not make them impossible.

Social factors

The geographic structure and diversity of the European territory is not only due to the natural conditions, but also to the variety of nations, ethnics, languages and cultures. In 27 member states of the European Union there are 23 official languages, belonging to 4 big language families. In addition, there are several other regional languages and dialects spoken - Bask, Scottish, Welsh, Celtic, Lapp. This colourful picture is further proportioned by the traditions, habits and religions of the different areas. Because of the language obstacles the migration between the countries is low, while that of between the regions is relatively high.

The demographic trends of the Union are reflected by the low (0,1%) natural growth, the relatively high (0,2%) immigration and the aging population. If there was not immigration, Europe's population would start to fall after 2020. The number of immigrants is increasing and most of the births are in such families. The direction of migration is towards the regions with high population density and low rate of unemployment, favouring for North-Western Europe. The other extremes are the Iberian-peninsula, France as well as the areas near the Nordic pole, whose population continues to fall. The flexibility of workforce within the Union is quite low because of the overregulation and the restriction on competition.
The inflexibility of wages on the Community's labour market is fundamentally important, which is even further increased by the work contracts for indefinite period, the relatively high compensation commitments for dismissal and the collective agreements on wages. Part-time jobs, contracting agreements, work with definite period as well as the large number of SMEs would increase the flexibility of labour market.

An important factor of the flexibility of labour market is the variability of regional labour costs. The difference between the lowest and the highest hourly wages in the Union is more than fivefold: the lowest hourly wage is about 5 EUR, while the highest is around 25 EUR. The wage differences among the regions and countries of the EU are higher than the productivity or the value added per time unit would justify. From the companies' side, the differences can be only partly explained with the difference in the productivity. The differences between the regional GDP per capita are also due to the differences in productivity. It is because the effects of high employment rate and income can be observed in every sector of the regions, not only in those which operate in the international competition.

The moderate migration and the inflexibility of the labour market result in imbalanced economic growth and low employment rate. The special consequence of these labour conditions is that regional differences in the EU decrease during strong economic growth due to the low mobility of workforce, when the economic growth creates the funds for job investments in the less-developed regions. In spite of this, in the USA regional differences may decrease even during an economic recession because the workforce move from the crisis areas to more prosperous states. The migration of workforce reduces the labour supply i.e. the unemployment in the crisis regions. While during economic recession, the migration of population and the decrease in the number of population moderate the drop in the GDP.

Here comes the speciality of the European spatial- and rural development policy, namely that the Community wishes to provide reasonable standard of living for all

the citizens with keeping the population or at least keeping a certain level of sustainable mobility. However, in the European Monetary Union, it may cause serious disadvantages if the low interregional migration of the workforce does not help to solve the unfavourable effects of the country-specific asymmetric shocks, thus the population migrates from the crisis regions. In that case, crisis management does not have the chance to choose in which region it must intervene and how. Crisis management must maintain the sufficient level of employment in the crisis regions, or it must achieve it with job investments, even if the capital would have more favourable investment conditions in other regions.

Economic factors

In the Union, the so-called Blue-banana is the core development zone, ranging from Northern-Italy, through Southern-Germany and the Benelux-states to London, including Paris. In this zone, on 20% of the territory of the Community 40% of the population lives and more than 50% of the Union's GDP is produced here. At the same time, there is a new phenomenon: the central regions of poorer member states - Dublin, Lisbon, Barcelona, Athens, Bratislava, Prague, Budapest – sometimes take over the poorer regions of richer countries e.g. concerning the GDP per capita.

Other two important factors of the regional imbalances are the high unemployment rate and the transportation infrastructure. One-third of the Union's population lives in the agglomerations of metropolises, while other one-third lives in small and medium-sized cities outside the agglomerations. The population of rural areas, which is one-third at the moment, is decreasing. The risks of the network of cities are caused by the fragmented network of cities of small countries not connected to each other. For example Vienna will never be able to become a metropolis of 5-6 million population without a background which is big enough. There are only two metropolises with global roles in the Union: London and Paris. None of the cities after them in the ranking is able to grow so much to enable them to play global roles. Only the Ruhr-area and Randstad agglomerations have chance to reach that goal. The existence of real metropolises is inevitable because the production processes and the spatial management of capital investments depend on these cities, since the decisions made in these cities influence fundamental capital investments or withdrawal in small countries or regions.
The foreseeable time horizon of economic decisions has shortened, while the spatial dimension has widened due to the telecommunication industry and the development of air transport (HORVÁTH-ILLÉS, 1997).

Serious changes have happened in the economic basis and the possibilities of cities, too. Those cities which used to have heavy industry, must carry out restructuring and develop the service sector because of the degradation of coal mining and

metallurgy. The volume of foreign capital investment in 1995 exceeded ECU 350 billion. By the end of 2007, about 30 billion EUR foreign capital has inflown to Hungary. The capital investments form the spatial labour distribution, in many cases they partly replace the lack of mobility of workforce, forcing the local and regional municipalities to make their regions attractive for the foreign investors. The monetary union will make the competition even tighter on every part of the market.

The regions of large cities are increasing, while the economic role of agricultural rural areas is steadily decreasing. In addition to a limited level of mobility, this can be offset only with job creating regional policy. The development paths of rural areas with high population density near metropolis agglomerations are different from other – scarcely populated – areas. On the areas with low population density, the development is usually small and slow. Infrastructural developments usually avoid these areas because of the high per-unit costs. Since the population must be kept in the rural areas and the natural and cultural inheritance must be preserved, several actions are necessary. Rural areas with high population density near the large cities have very intensive work share with them. The agriculture is the most intensive on these areas and the risk of degradation of the natural resources and soil is also the highest there. Intensifying the agriculture caused the reduction of agricultural jobs and biodiversity as well as the increase in the pollution of the environment. Consequently, the producers' and consumers' approach to organic production has changed, increasing the number of organic farms.

1.2. Major factors influencing the regional development directions

The EU is characterized by high level of urbanization and strong regions. Nevertheless, only one-third of the population lives in large metropolises. In spite of other continents, the settlement structure of the EU is characterized by densely populated rural areas. About one-third of the population lives outside agglomerations in small- and medium-sized cities. Europe's decentralized history of independent states, most of which have been created from smaller regional states, has favoured for a strong polycentric network of cities. A complete network of cities has been created which is built up from large, medium and small cities, and which serves as a basis for urban spatial structure throughout Europe, even on the agricultural territories. Technological, political and economic changes also have impact on the network of cities, on their functions and the spatial correlations. These changes mean great challenges for the urban- and spatial development (HORVÁTH-RECHNITZER, 2002).

Large cities tend to cooperate with each other and to pool their own resources. For example they often establish supplementary functions or use common facilities or

services. Such cooperations can be useful for regional development because they improve the service supply and the economic conditions of the region, thus improving their competitiveness. There are more and more cross-border cooperations between cities and regions. The precondition of the cooperation is, however, that the partners have equal rights and similar scope of power. Therefore, the difference in the political or administrative system can be the obstacle of such cooperation. The initiatives of Saar-Lor-Lux (Saarbrücken, Metz, Luxemburg) and Tornio-Haparanda on the Finnish-Swedish border indicate that cross-border cooperations can operate successfully. That is why the European Territorial Cooperation objective (3rd) has been defined for the period 2007-2013.

There is another factor, which makes the cooperation and synergy between the cities necessary, but at the same time more difficult, is the great distance on the scarcely populated areas. For example, Sweden has gained positive experience when it linked the medium-sized cities to each other with high speed railway so that the economic potential and capacity could be concentrated on those areas as well.

The competition for investments between the cities and regions is increasing, and maintaining the competitiveness is important task for most of them. Many cities must develop new economic potentials in the future.
The old industrial cities and regions must continue to modernize their economies. Those cities and regions, which greatly depend on one single economic sector, e.g. public administration, tourism, port services, must widen their economic base. In cities of rural or peripherical regions will have difficulty to maintain and develop their economy. But there must be cities even in the peripherical regions which have enough economic force and are attractive enough for investments. Those cities, which can function as "gates", could take advantage of their peripherical location.

Those cities and regions, which are aware of the way how they can exploit their own economic potentials, do it in a way, which do not hurt others, but they contribute to the strengthening of the status of the EU in the global competition. In this sense, this competition is really positive; because it is important that the competition between the cities, regions and member states is related to the whole society of the EU and it is also environmental responsibility. The competition without conditions „using all the instruments available" may cause damages to the cities and regions in medium terms and does not contribute to the sustainable development of Europe (RECHNITZER, 1993).

Due to the increasing number of households and the increasing average size of the living area per capita, the demand for urban real estates is gradually growing. In several large cities new flats are being built partly on the existing urban areas and

partly on new locations. This has been carried out in a planned and organized way in several cases, but there were other cases when it was not true. This latter growth is usually accompanied by the increasing level of private transport. It boosts the energy consumption, makes the infrastructure and services more expensive and has negative impact on the quality of rural areas and environment.

On many areas, the increase in the welfare accelerated the demand for the second home, resulting that several settlements are nowadays called as „weekend cities". In several urban areas of the EU, the pressure on the areas around the cities has caused serious problems. Therefore, it is necessary to find sustainable solutions with joint efforts for the planning of and dealing with the urban growth. In many countries of the Union, especially on those areas where the lands available are limited, innovative steps have been carried out in the urban planning. Such steps were the Dutch „compact city" concept or the British and German „territory-reusage", or the so-called „target group approach", meeting the housing needs of defined social groups.

The social isolation and shattering do not mean problems themselves. However, in such places where the economic status is unfavourable, cultural and ethnical differences exist, there is unemployment and social stigmatization, and where great integration efforts are required from the population, there is high risk of social exclusion. These problems must be dealt with not just because they are widespread in Europe, but because they highlight the importance of social dimension in the sustainable development of European urban areas. In order to successfully solve the problem of poverty, social exclusion and "gettoing", forcing back the long-term unemployment is of primary importance. Some member states have already tried to solve these problems with launching integrated, multisectoral programs in order to revive and develop the economy of disadvantaged urban areas.

2. POSSIBLE TARGET AREAS OF REGIONAL POLICY

It is the individual values due to the spatial characteristics which define the strategic principle of the postmodern regional policy. Their recognition, their endogenous and exogenous development may lead to success and to the creation of new forces in the spatial economy. Postmodern regional policy can achieve these values through several strategies, which are determined by the major possibilities of the economy, society and the natural endowments of the region. Below, those strategies are listed up which can basically influence the improvement of the quality of life in the regions.

Improving the quality of urban environment

Most cities have already taken measures to fight against environmental problems like noise-, air- and water-pollution, traffic jams, waste management and overuse of water.
In spite of this, the quality of environment requires further improving measures in many urban areas. Furthermore, the urban development measures reduced the traditional historical sense of community and the urban identity in many towns. This has negative impact on the quality of life and health of the urban population and it has also an economic effect. The attractiveness of the city becomes weaker, thus the investments, jobs and incomes fall. Obviously, due to the globalization of the economy and the location of the service sector close to the market, we need to consider the growth of towns and the related migration trends of the population. Accordingly, to make the urban environment more livable is a very important priority (FOGARASSY-LUKÁCS, 2007).

Various development ways of rural areas

The future of several rural areas is increasingly related to the development of urban settlements in the rural areas. The cities of rural regions are essential parts of rural development. So, it is important that the city and the rural area develop and implement the regional concepts in cooperation. This relationship is different in the regions with high population density from the other scarcely inhabited regions. In the regions with high population density, the rural areas are under great urbanization pressure with all its side-effects, including of course the negative ones. This latter includes the soil-and water-pollution, the cutting up of green lands and the disappearance of rural characteristics. Some traditionally rural functions, e.g. extensive agriculture, forestry, nature-protection and -development depend on the fact if there is free large and összefüggő rural land available or not. Therefore, the key task of spatial development is to balance the urban development and the protection of free rural areas. The urban and rural areas have very close relations, especially in the regions with high population. The cultural activities in the towns may be benefits for also the rural areas, while the towns may take advantage the leisure-time and holiday facilities of the rural areas. Towns and rural areas are partners and not competitors, in this sense.

The rural areas with low population density, especially if they are far away from metropolitan areas, have better chance to preserve their rural characters. However, in several regions, the small development measures aiming at the development of agriculture and the structure of settlements, had negative impacts on the environment, especially on the quality of landscape. In several peripherical regions of the EU, the migration endangers the lives of both public- and private services. The natural and cultural inheritage of these endangered rural areas are key values which can serve as a basis for economic and social development initiatives and

which can be built – among others – on the areas of sustainable tourism and holiday.

Rural areas highly contribute to the cultural, natural and landscape variety of the EU. Their function is not only to be the trading consumer market for the large cities or to depend on only agriculture or tourism. Their task is not only providing food or preserving the sources of food. In Europe, rural development represents various spatial trends and models and has several influencing factors. A lot of rural areas have successfully overcome the restructuring process and have stepped onto the path of independent development. While implementing the European spatial development objectives, the focus is not only on the large cities and urban areas, but the rural areas are also very important. In order to realize a decentralized and polycentric settlement structure it is a great help if the social-economic functions of the rural areas manage to be stabilized and established for long-terms. One of the key factors is the access to the infrastructure and knowledge. Rural areas also have the potential for economic attractiveness and diversification if they have favourable infrastructural facilities and the possible access to information. Rural areas are of great importance in the development of natural and cultural inheritage.

However, rural development also means that a lot of regions must still face significant structural weaknesses. These may be further worsened by such natural factors, like peripherical location, difficult accessibility (islands, mountainous areas etc.) or unfavourable climate (Mediterranean areas, scarcely populated Northern-Scandinavia, etc). On these areas, agriculture is still the most important way of income earning, but at the same time, the competitiveness of this sector is relatively poor. Aims like diversification, widening the activities or creating alternative income sources are difficult to achieve without support and exchange of experience. Only the future can prove how much the new information and communication technologies are able promote the decentralized development of rural areas.
But there are promising attempts, like one on the Scottish Upland, where the SMEs now have access to the ICTs with the help of the government, thus to the global market. Another significant rural direction may be in the future the spread of economic sectors related to renewable energy sources, since the biomass production may create several jobs in the rural areas.

The direction of changes in the agriculture

The gradual reform of the European agriculture continues in an unchanged way, among the liberalization, cut of public spending and environmental considerations. According to estimations, 30-80% of the agricultural lands could be withdrawn from agricultural production. In certain regions, however, agriculture would

continue to have the leading position, and to serve as a basis for the regional development, economy and employment. Some regions may maintain their competitiveness with intensifying agriculture. It is backed with such production methods which – under extreme conditions – could result such an agriculture that is based on rather logistics and the application of technologies and not on the natural capacity of the soil. It is true that this policy results in increase in the productivity (at least in short-terms) and in the competitiveness of the EU's agriculture, but at the same time it also has negative effects: the job opportunities decrease, the pollution increases, the biodiversity reduces and the landscape may loose its colorful character.

There are regions which develop alternative activities like forest management and village tourism in order to diversify their economic base. So, diversification may be successful in rural areas if they have the appropriate environmental conditions, attractive landscape and if their location is favourable concerning the population centers, as examples show in Southern-Germany, central areas of France and several areas of Southern-and Eastern-Europe. One successful example of rural diversification for long is the small gardens of Scottish islands and Uplands, which are, furthermore, far away from the public centers.

Rural areas may respond to the agricultural changes in another way: this response is the spread of extensive production (extensification). This may include wide range of agricultural-environmental measures, e.g. the organic production. The size of organic farms is increasing in Germany, Sweden, Finland and the Netherlands. After Hungary's EU accession, the National Agro-environmental Management Program is among the most popular development policies. The decrease in the role of agricultural production (marginalization) happens in such cases when it is not economical any more. Marginalization allows new forms of land-use, like forest management, and it may have positive effect on the environment and the landscape. Though, negative effects may also occur, including the possible mass migration from agriculture, the increased risk of soil erosion and forest fires as well as the decreasing quality of landscape. Thus, marginalization may undermine the base of regional economies.

The changes in agriculture highlight the diversity of rural development results. These achievements involve rather opportunities than dangers in the regions of the EU. The increase in intensive farming brings new investment opportunities and it allows space for other activities too. Diversification results in such income sources which less depend on subsidies, provide new opportunities for the nature- and landscape protection and allows alternative income sources. In certain areas, marginalization and the extensive farming increase the chance for nature protection and forest plantation.

Possibilities of transport and network-building

The European transportation and communication infrastructure has been created mainly at national levels. This inheritage is still visible in many parts of the EU. The future's transportation and infrastructural policy has to take the objectives and the policies of the European Community as well as the cooperation between the member states into more consideration. Among these, the followings are important aspects: liberalization, increased efficiency, environment-friendly approach and the integration of networks.

Though the single market and the transportation policy of the Community decreased the effect of the country borders on the infrastructural networks, the existence of these borders can still be felt strongly in relation with the insufficient, less-developed links and services or even the lack of them.
The impacts of difficulties caused by such physical specialities like mountains can still be felt. In the case of rail services, the technical difference has remained between the railways, concerning e.g. the signs, the safety and the energy sources. Organizational problems and the national protection of railways still prevent the wished integration. The deregulation, the technical standardization of the systems and the competitive pricing continue, since these are the preconditions of the creation of a contiguous and efficient transnational railway networks. In the case of domestic waterways there are also cross-border bottlenecks. Significant investments are necessary to improve the integration of these waterways into the multimodal transportation systems. In other words, serious technical, financial, political and organizational tasks have to be carried out so that the EU could have an integrated infrastructural network. These differences were further increased by the 2004 and 2007 enlargements.

The increase in the traffic flow was the highest in those areas where the traffic jams had already been the largest. Consequently, several new bottlenecks have formed in the transportation network, especially in the urban regions and densely populated territories, causing further problems in both the public and the fright transport for both short and long distances. The traffic jams cause high losses in time and money and worsen the quality of life and the environmental conditions. Traffic jams are everyday phenomena even on main transportation corridors like that of the Rhine and Rhone or corridors to Poland. Nowadays, the development opportunities of combined fright transport are limited, and it cannot compete with the road transport under the present market conditions, except for fighting against some natural obstacles in sea crossing-places, like Irish, Ion or the Baltic-sea and the Alps. The short distance sea transportation is also lagging behind in the development.

Both the conditions and the present tendencies of transportation are favourable, especially concerning the combined air transport and the high-speed trains. The rate of air travels for short distance is relatively high in the EU, which involves very high energy use per one passenger-kilometer. High-speed trains have already replaced the air transport in many cases for short distances in Europe. Examples for this are the trains between London and Paris or London and Brussels. This tendency will continue if such high-speed transportation links are established.

Good accessibility of a region in the EU does not only improve its competitiveness, but it also contributes to the competitiveness of the whole Europe. In other parts of Europe, where the accessibility is poor, the territory is less attractive also for the investments. Islands, peripherical areas are usually more difficult to access than the central regions, consequently, they need to find specific solutions. Sweden and Finland have developed a good planned system of regional airports with good connections to Helsinki and Stockholm, from where access to Europe is then guaranteed. Due to the enlargement of 2004, the borders of Eastern-and Central-Europe have also opened up, and the regions neighbouring the EU's current Eastern borders also wish to have central status within the Community. Except for the German developments, the infrastructural network of these areas still reflects the former political borders. In these networks the shortfalls have to be recovered and to revive the relations between the cities and the regions. The relative level of accessibility varies even among the regions with poor accessibility at European level. Cities which are linked to more than one international networks – airport, port, high-speed railways – are in more advantageous situation than the small- and medium-sized cities of the same areas. Thus, the connection between large and small cities has very important role in decreasing the inequalities in accessibility. It is also true for the Central-European regions which must have good secondary networks, supplementing the transeuropean networks under construction.

The improvement of accessibility itself does not guarantee the economic growth of these areas because suitable development strategies also have to be elaborated to support them. A better accessibility, however, may widen the background areas of economically strong territories. The economies which can be newly accessed have to face large-scale companies operating on more developed areas as well as competitive services. This competition may bring more benefits for the strong regions than for the newly accessed poorer ones. Consequently, the improvement of accessibility has to be taken into account with other sectoral policies and integrated strategies.

Concentration and development corridors

Infrastructural networks usually strengthen the functions of existing industrial centers. The danger of large networks is that they accelerate the concentration, since the investors do not like locating on such areas which have poor access to large networks. Therefore, more and more „development corridors" are created in Europe. These corridors, which are formed mainly on the relatively urbanized areas, are often transnational and cross the borders. So they require an integrated spatial planning process which overcomes the national policies. The tendency of concentration can be observed also in the air transport and refers not only to the road and railway. Links to other continents are concentrated mostly in the central areas of Europe. Liberalization also leads to the further concentration of intercontinental flights at the North-Western European distribution airports, despite that the crowdness of air corridors is already very high (LENGYEL, 2003).

According to a recent publication of the European Commission, 90% of the Union's trade with third countries is carried out on water. In Northern-Europe there are numerous sea ports providing most of the international marine links of Europe. The functional relations of these ports practically cover the whole Europe with some overlapping. These ports compete with each other, with continuous attempts to improve their own positions. However, with higher level of cooperation, both spatial and environmental benefits may be achieved. Several ports on the Atlantic and the Mediterranean sea shore do not have such favourable relationships in the background as the ports on the Northern sea shore, thus they have poor chance to become intercontinental transport junctions. These ports, however, play important roles in their regional economies and many of them may improve their potentials to become sea ports for short distances in Europe.

Opportunities for the spreading of innovation and knowledge

Telemathics is a phenomenon with a potentially huge spatial influence. The radio, television, telecommunication technologies, their combination and the liberalization policy provide such new potential services like distance-learning, distance-healing, distance-working and distance-conference. In theory, these „electronical markets" allow the people and businesses to be more mobile in their activities. Significant opportunities are hidden in it especially for the remote areas, provided that they have the necessary skills and expertise to take advantages of these opportunities. If these „infostructures" and the telecommunication are further developed, it may greatly strengthen the integration between the EU's cities and regions, improving their competitiveness. Although, it cannot be exactly predicted what effects of the „infostructures" will have on the spatial development. They might not replace the traditional infrastructures, but supplement them, supporting and strengthening each other. Therefore, those regions are in advantageous

situation which have good access both to the „infostructures" and the traditional infrastructural networks.

In spite of the significant progress, telemathics has slower growth in the cohesion countries than in the other member states of the EU. Every region of the cohesion countries has carried out significant investments into the telecommunication systems. Digital links reduce the existing difference in the supply. Knowledge, education and training are becoming the fundamental pillars of the economic performance and success. Regions, which provide limited or insufficient access to the information and knowledge, may loose their ability to keep the population and may be unable to attract highly educated experts to the region due to the lack of higher educational institutions, research and training centers. This may accelerate further the migration trends towards areas with good infrastructure, while increasing the pressure on those areas, but decreasing the possibility for a better standard of living in the poorer regions.

Protection of natural and cultural inheritage

The diversity of natural and cultural inheritage in the EU and its preservation are endangered. The increasing threat of this inheritage seems to question even the success which has been achieved in the fields of nature- and ancient monument protection in the past few years. It is important to recognize that the diversity of Europe's natural and cultural inheritage has hidden risks and opportunities. The endangered areas, e.g. coastlines, mountains, muddy areas, storage-lakes, forests and cultural landscapes face serious risks all over Europe.

Coastlines, where there are various sensible habitats, are the fundamental territories of human life, and are of significant importance for the tourism, transportation, industry, energy production, agriculture and fishing. These habitats are threatened especially by the urban constructions, mass tourism, overuse of fertilizers and environmental pollution. Mountainous areas provide habitats for wild animals and plants and clean spring water can also be found in those areas. These are both important natural areas and often significant economic locations and residence. The EU's mountainous areas are often threatened by the increasing mass tourism, the exaggerated grazing, the erosion, the lack of barrages, new roads and cultivation. The muddy areas and the rivers and lakes have vital ecological functions, and these areas have rich archeological values as well. The number, the size and spatial integrity of such areas radically reduce due to their drainage and cultivation, the decreasing level of ground water, the reducing number of water flows and the construction of new transit roads. As a result of the river regulations, the natural floods are restricted and river barrages are created. Forests, being Europe's „green lungs" preserve the resources of water and soil and the beauty of the landscape as

well. Forests are an important habitat for the flora and fauna and provide relaxation for humans. The most important threats for the forests are the air pollution, the damaging insect- and fungicide infections as well as the forest fires. We must not forget that each of the endangered area is located near cities, residences, infrastructure where people live and work.

Climate is not only part of the environment, but it is also a natural resource, which is much more endangered by the negative effects of human activities than ever. Gas emissions, due to human activities and responsible for the greenhouse effect, modify the temperature and the distribution of precipitation. This has impact on the soils, endangers the growth of plants as well as increases the intensity and frequency of unfavourable weather. Common criteria on the protected areas are the level of their vulnerability, their individual character, their scarceness or the value that they represent from scientific point of view. In many member states this has led to the protection of natural and attractive areas of great size. The European-level directives on birds and their habitats have helped to preserve and protect areas of European importance.

This inheritage is mainly threatened by the falling apart of these territories. The efficiency of nature protection in many protected areas depends on whether they can appropriately manage the neighbouring lands or not. A harmonized spatial development policy, which involves the different public administration levels and the society, may provide successful protection for the habitats and ecosystems, thus turning back the decreasing tendency of biodiversity. At European level, there is a good example for this. There is an initiative, a European network, called Natura 2000. In order to make it successful, every partner must agree that the natural inheritage of Europe has to be protected to achieve sustainable development. In this context, the European Commission' s communication to the Council and the European Parliament highlights the essential role of spatial planning in the preservation of the various species and details how it could contribute to the preservation and sustainable handling of ecosystems.

Risks endangering the water reserves

The contamination and overuse of the surface and ground water are such issues in Europe which cross the national borders. The intensive economic utilization – partly due to the Community's agricultural policy – continues to cause serious ground water problems. There are such places where the strict water-supply protection successfully reduced the contamination caused by the industry and the households. For example, over the past few years, the quality of Rhine has significantly improved. However, there are still such areas where the quality water, like drinking water and water for holiday, is damaged due to the contamination of

ground and surface waters. The quantity of water supply is imbalanced in the EU. All the member states have sufficient water supply to meet their own demands. Though, there are also geographic and seasonal distribution problems. The water demand is the highest in the dry season in the Southern member states. In these areas – and also in some Northern member states – there are seasonal capacity shortages in the water layers and the ground water level (FOGARASSY-LUKACS-NAGY-BODAY, 2005).

An integrated spatial development policy may significantly contribute to both the protection against flood and the fight against the water shortage. Although these two phenomena have different political and spatial significance, they are still important from the sustainable spatial farming aspect. Water shortage and floods do not always occur by chance in the EU.

In fact, they both reflect structural problems, which are due to the ill-application of spatial development. In the past few years, several European rivers, namely the Rhine, the Moselle, the Poe, the Danube or the Tisza, often have left their beds. Floods have caused significant damages in the properties and also in the economy. The high level of water is due to several factors, most of which are not natural, but caused by humans. Last years of experience shows that it is impossible to have sustainable and efficient water usage or protection against floods without water management measures integrated into the spatial development. Protection against floods can only be efficient on the large European rivers if clear conditions are set up and we intervene into the land-use. Similar approaches refer to the reduction of the water shortage as well. Sustainable water management means that the different ways of water use must be efficiently controlled with the planning and economic tools. This refers especially to the irrigation in agriculture and also the – not wasting – water use in the industry, trade and households.

3. CONCLUSION

After having studied the major streamlines of the European developments it can be seen that several problems could be solved even only with the changes in our lives and lifestyles. However, the major directions of regional strategies must be defined in such a way where while the economic growth is in the focus, the developments are able to contribute significantly to the spatial balance and the harmonious economic development. Their 3 main directions are the followings:

I. To make Europe and its regions attractive for the investments and jobs.

II. The improvement of knowledge and innovation to achieve growth.
III. More and better jobs.

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