

Acta Universitatis Palackianae Olomucensis  
Facultas Rerum Naturalium

# Geographica 40 | 1



Palacký University Olomouc  
Olomouc 2009

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The journal publishes only articles representing original work in fields of both physical and human geography and research reports including short communications and book reviews. The articles should deal with theoretical and methodological issues, ideally supported by empirical analyses or case studies, or they should have practical significance. The articles should be grounded in the relevant literature. The journal has no specific regional profile but some attention is paid to research from the Central European countries. The articles are reviewed.

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## THE OLD AND THE NEW IN THE GEOGRAPHICAL PATTERN OF THE POLISH TRANSITION

Tadeusz Strykiewicz

Institute of Socio-Economic Geography and Spatial Management, Adam Mickiewicz University,  
ul. Dziegiełowa 27, 61-680 Poznań, Poland, tadek@amu.edu.pl

### Abstract

The process of transition which started in Poland (and the other countries of Central and Eastern Europe) after the breakdown of the communist system in 1989 has many dimensions. One of them is a spatial dimension. Gradually new 'regional geographies' are being shaped, and there emerge regions which can be called the winners and the losers.

The aim of this paper is to identify, analyse and make generalisations about the following issues:

1. main factors influencing the process of transition,
2. regional differences in the pattern of this process,
3. some mechanisms determining the process, and
4. future challenges.

Changes in the sectoral and spatial structures of the Polish economy have been the result of the domestic systemic transformation overlapping with the transformation of the world economic system. In the early 1990s the former process was of primary significance, whereas today - owing to the opening of the country's economy, its inclusion in the European Union, migrations, and the activity of transnational corporations - the other process is gaining prevalence.

The process of transformation of the socio-economic system has not only petrified the old differences in Polish space, but also created favourable conditions for forces leading to an increase in inter-regional disparities. They are best discernible in two dimensions:

- (a) western vs. eastern regions, and
- (b) metropolitan vs. rural areas.

The discrepancies are supposed to be diminished by regional policy modified after Poland's accession to the European Union in 2004. However, it is too early yet to assess its results fully.

The general pattern of transformation of Poland's spatial structure in the first years of the 21st century has confirmed the importance of metropolitan areas as 'growth engines' and of chief infrastructural axes as channels of the spatial diffusion of innovations. Where the assumptions adopted at the start of the transition have proved not quite right is the role of the western borderland as a potential area of accelerated growth (thanks to easier contacts with the economically stronger partner). So far, however, this accelerated growth has only been observed in selected enclaves, e.g. round border crossings or major roads. This shows that the future regional policy should put more emphasis on the conceptions of endogenous development.

**Key words:** Poland, transition, dynamics of geographical pattern, accession to EU, spatial differences, regional policy

## INTRODUCTION

The close of the 20th and the beginning of the 21st centuries marked a pronounced change in the political and economic position of the Central and Eastern European states (including Poland) in the global arena. There were three processes responsible for the change:

1. a world-wide evolutionary process of structural transformation of the economies and societies;
2. a systemic transition started in 1989, i.e. the passing from a command system to a market-oriented and democratic one; and
3. European Union's enlargement.

Each of those processes is multi-dimensional, with a spatial dimension being one of them. Gradually, new 'regional geographies' are being shaped, and there emerge regions that can be seen as winners or losers of the processes. Their identification and classification have recently been the topics of many studies in Poland. Noteworthy among them are those by Szlachta (1994), Czyż (1994, 1999, 2002), Korcelli (1995), Gorzelak (1998, 2000, 2002), Gilowska (2000), Pietrzyk (2000), Pyszkowski (2000), Chmielewski (2002), Grosse (2002a, b), Grzeszczak (2004), Adamczyk and Borkowski (2005), Churski (2005), Churski and Stryjakiewicz (2006), several publications by the Committee for Space Economy and Regional Planning of the Polish Academy of Sciences [KPZK PAN], the European Institute for Regional and Local Development of Warsaw University (edited by Kukliński, Jałowiecki and Gorzelak), as well as the Research Centre for Economic and Statistical Studies [RECESS] of the Central Statistical Office and the Polish Academy of Sciences. These studies open the way for the

formulation of new tasks for regional policy, which has become one of key issues after EU enlargement.

The aim of the present paper is to analyse the diversification of the Polish space that started at the close of the 20th century under the impact of the combined results of the above-mentioned processes. In particular, attention will be focused on the effects of the socio-economic transition and EU building on the regional geography of Poland and Polish regional policy. The article has a synthesising character and refers to recent Polish regional studies.

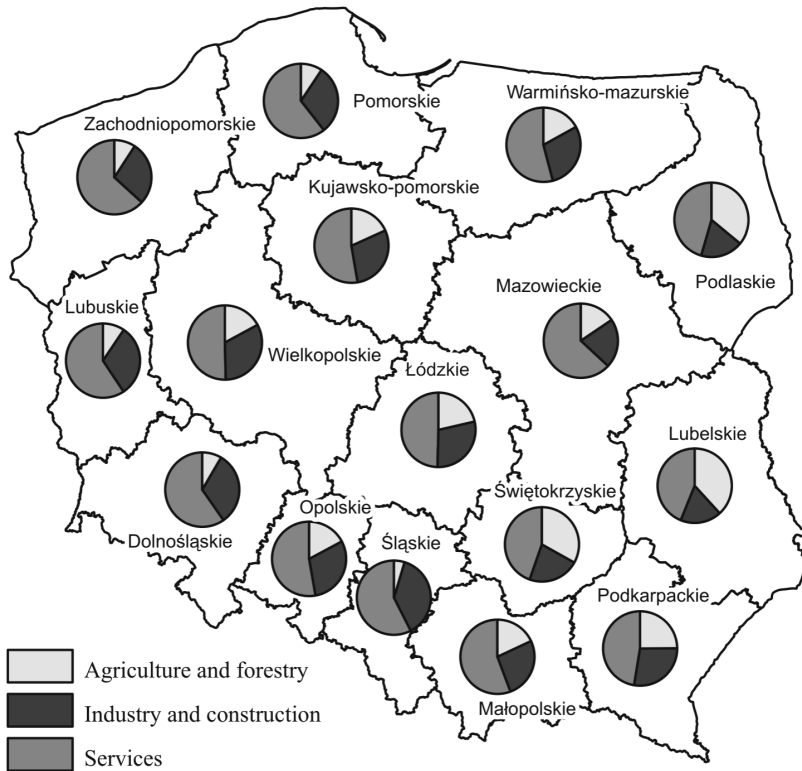
## DIVERSIFICATION OF POLISH SPACE AND THE PROCESS OF SOCIO-ECONOMIC TRANSITION

Poland has traditionally displayed marked regional contrasts which go back to the period of the country's partition (1795-1918) among three different political, social and economic systems (Russia, Prussia and Austria). The systemic transition initiated in 1989 has not only petrified the old spatial disparities, but also opened the way to very strong forces leading to new regional inequalities. As a result, there has been a growing polarisation of the regional system, especially along two dimensions:

- (1) poorly developed eastern regions versus western ones with more advanced economic potential, and
- (2) rural versus urban (in particular metropolitan) areas.

In terms of the structural change of the economy, in the initial period of the transformation Polish regions responded to the so-called 'shock therapy' in two ways (for details see Stryjakiewicz 2000):





**Figure 1** Employment structure in Poland by sectors and regions (voivodeships), 2007.

Source: own compilation based on Regional Data Bank, Central Statistical Office.

- (a) service orientation of the regional economies (following the general worldwide trend) in the west of the country: a decline in industrial employment was accompanied by a relative increase in service employment; and
- (b) agricultural reorientation of the regional economies (hence their structural retrogression) in the eastern part: here the decline in industrial employment was accompanied by an increase in agricultural employment, which was connected with the return of discharged peasant-workers to their tiny farms after the collapse of many industrial enterprises.

The current spatial differences in employment by main economic sectors are presented in Figure 1. It shows, among other things, that in some regions (voivodeships<sup>1</sup>) the proportion of agricultural employment is close to the 'old-Union' average (e.g. in Silesia, at 4.7%), while in others it is considerably higher (Lublin 38.2%, Podlasie 36.0%).

The east-west split in the Polish space can be readily observed along many dimensions and characterised by many indicators concerning

<sup>1</sup> The Polish territorial-administrative system is a three-tier one and embraces: provinces (called voivodeships) corresponding to the NUTS 2 level, districts (poviats) – NUTS 4, and towns and communes – NUTS 5.

not only technical and social infrastructure and economic phenomena (such as per capita regional GDP or an inflow of foreign investment), but also entrepreneurial culture, the diffusion of innovations, attitudes towards the transformation process, 'external openness' of regions and localities, and election results.

Among the areas where beneficial effects of the systemic transition are the most readily visible are a few metropolitan regions, such as Warsaw, Poznań, Cracow, Wrocław, and the Tri-City of Gdańsk-Gdynia-Sopot. The regions leading the way in transformation (the 'winners') are characterised by:

- (a) relatively diversified economic structures,
- (b) well-developed services (including academic centres) and good infrastructure,
- (c) a highly skilled and diversified labour force,
- (d) regional and local communities displaying a high level of entrepreneurial activity,
- (e) a concentration of intellectual and professional potential resulting in above-average management efficiency and capacity for efficient operations, and
- (f) extensive external links (cf. Szlachta 1994, Gorzelak 1998, 2002).

The crisis-breeding regional structures have none of the above features.

The process of transition also reveals other spatial regularities which can be summarised as follows:

1. The preservation and reinforcement of the overly dominant role of the state's capital city in the regional structure inherited from the communist system. It is related, on the one hand, to Warsaw's better infrastructure (e.g. the

concentration of air connections there), and on the other, to continuing excessive dependence between the economic sphere and power centres, and hence the role of lobbying or a rapid flow of information between them. This bears out the statement by Enyedi (1990) that the new formation of regional development schemes appears in a reversed way compared with the West European experience. In the latter the regional policies developed as the government intervened into the local development. In East European countries local communities work at reducing the traditional impact of central authority. It should be emphasised, however, that this statement refers primarily to the most dynamic local and regional communities.

2. New regional growth centres are emerging (Poznań, Wrocław, Gdańsk) unconnected with the old industrial districts. Those latter, in turn, employ the influence of the traditional lobbies of the mining, power and metallurgical industries as well as of trade unions to maintain their privileged position. The Upper Silesian Industrial District, in spite of the ongoing, partly successful, process of its restructuring (with the help of both the central government and the EU), is still one of the most troublesome problem areas not only in Poland, but also at the European scale.

3. Other problem areas are the typically agricultural voivodeships of the so-called eastern wall as well as some of those of northern and western Poland where state-owned farms used to predominate during the communist period. The low profitability of agricultural production and the deeply ingrained employed-worker mentality discourage people from buying the land that

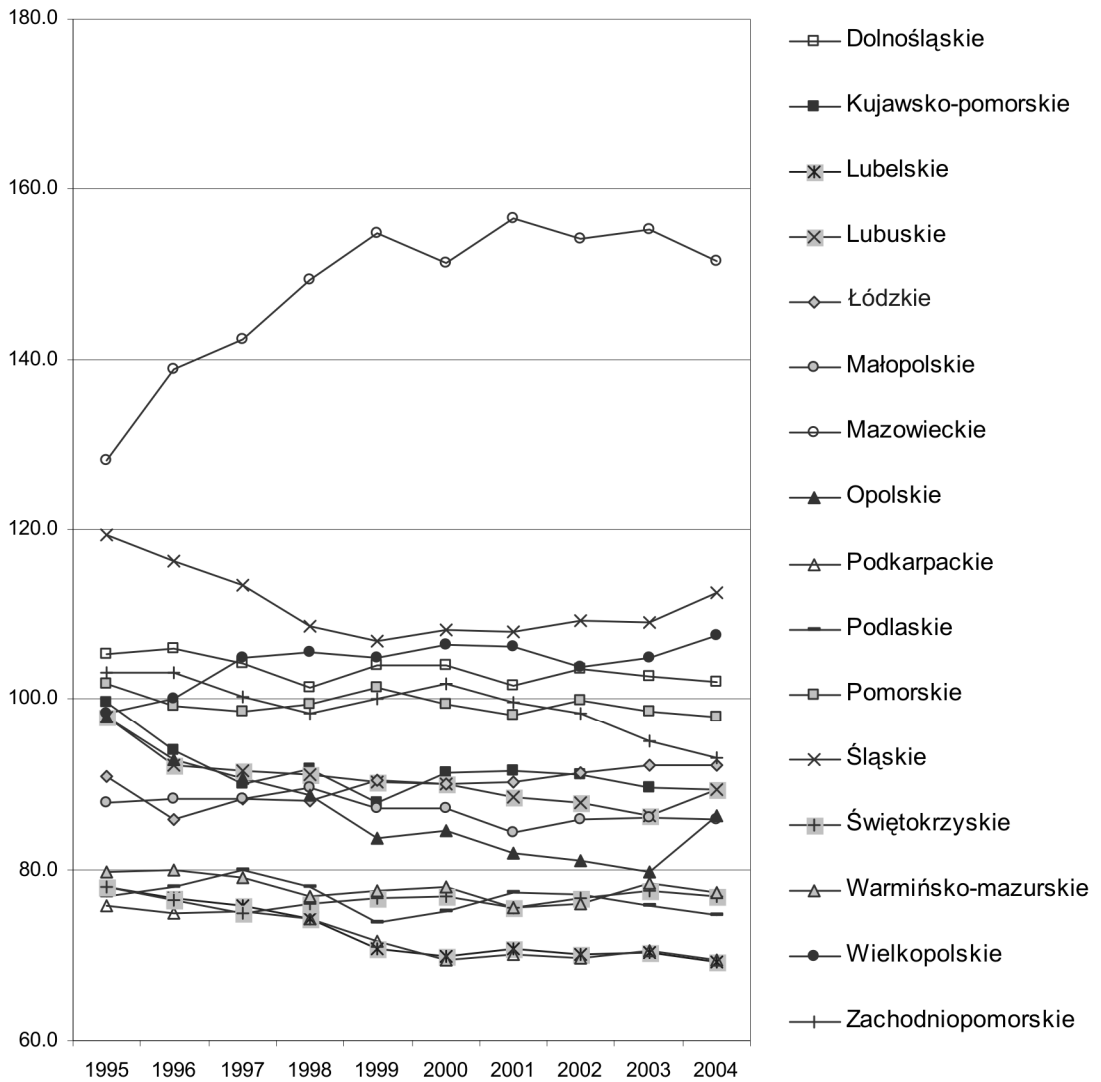


Figure 2 Dynamics per capita GDP by regions (voivodeships) in 1995-2004 (Poland 100).

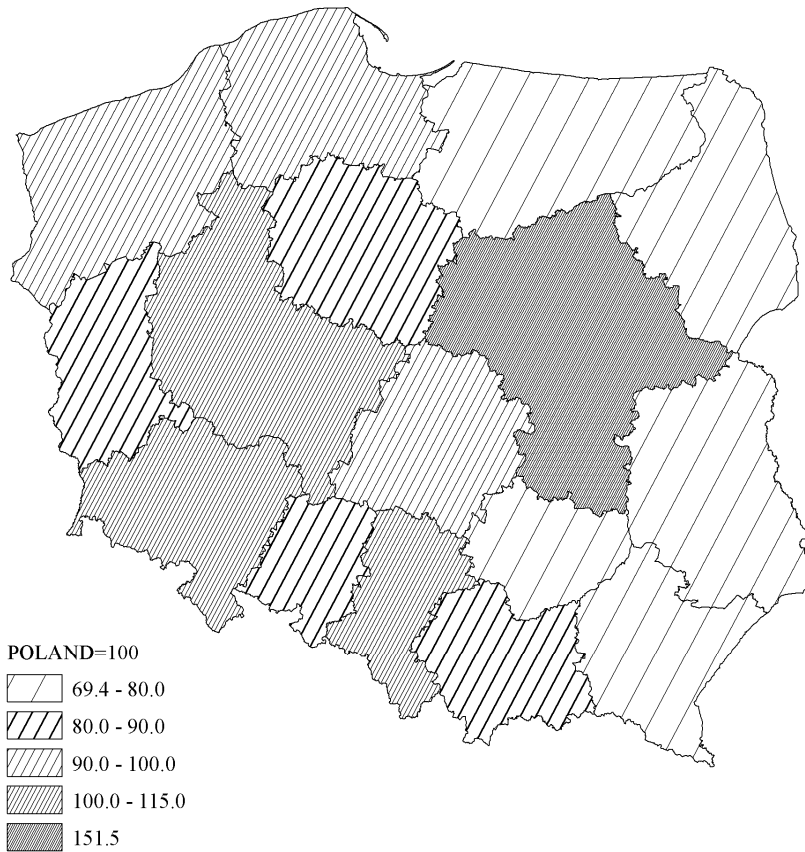
Source: own calculations based on Regional Data Bank, Central Statistical Office.

used to belong to those farms and a large proportion of agricultural land lies fallow. These are also depopulated areas with high unemployment rates. There are still considerable regional differences in the efficiency of agricultural production.

The best way to give a synthetic assessment of the effect the transformation has had on the

advancement of the Polish regions is to present the GDP dynamics (in spite of all the reservations concerning this indicator).

Figure 2 shows the unquestioned leader to be Mazovia, or more precisely the Warsaw metropolitan area within it. This corroborates the global tendency towards the rise in importance of metropolitan regions, but on the



**Figure 3** GDP per capita in 2004 by voivodeship.

Source: Central Statistical Office 2005.

other hand also the old centralisation tendency going back to the communist period. Apart from Mazovia, only a few other voivodeships, also including metropolitan areas, show a narrowing of the gap separating them from the EU average. The peripheries (mainly the eastern voivodeships) do not tend to close the distance. This also refers to Opole, a specific voivodeship with a substantial proportion of people holding a double Polish-German citizenship. The opening of the boundaries in the early 1990s offered them an opportunity to earn money in Germany and thus contributed to a serious population outflow. Unfortunately,

the money earned abroad was only minimally invested in the region, and thus it did not contribute to its growth. As Figure 2 shows, it was only Poland's accession to the EU (2004) that reversed this tendency, but it is too early yet to assess whether or not it is permanent.

The spatial distribution of per capita GDP by voivodeship is presented in Figure 3. In the expanded European Union the Polish voivodeships, especially the eastern and some central ones, are among the poorest regions. The strongest voivodeship, Mazovia (in 2004 its per capita GDP amounted to 78.6% of the EU-

27 average), corresponds roughly to the poorest regions of southern Italy or the former East Germany (Brandenburg-Nordost, Mecklenburg-Vorpommern). The other relatively well-developed Polish regions, such as Silesia, Lower Silesia and Wielkopolska (52-57% of the EU-27 average), have per capita GDP figures at the level of the poorest regions of the old EU-15, such as Dytiki Ellada and Anatoliki Makedonia Thraki in Greece. The 'eastern wall' voivodeships: Lublin, Podkarpacie, Podlasie, Świętokrzyskie and Warmia-Mazuria, are among the poorest regions of both, old and new member states of the EU. Their GDP amounted to 35-40% of the EU-27 average. It should be emphasised that per capita GDP in those voivodeships is lower than it was in the poorest regions of Greece, Portugal and Spain on their accession to the EU. Even poorer (24-28% of the EU-27 average) are only some regions of Bulgaria and Romania.

The above-presented diversification and steady increase in the inter-regional differences in Poland during the transition period (as in most of the other post-communist countries) have made it necessary to work out a new regional policy, especially after the accession to the EU.

## **POLISH SPACE AND THE PROCESS OF EU BUILDING**

### **Poland's way to the European Union**

Poland's way to the European Union was long and hard. In the years 1945-1989 the country was a satellite of the Soviet Union and helped to set up the two East European alliances in opposition to the Western world: military (the Warsaw Pact, 1955-1991) and economic (the Council for Mutual Economic Assistance, 1949-

1991). The situation changed after the 1989 events, that is, after the collapse of the Communist bloc and the restoration of full sovereignty. Since that time Poland's priority among its development targets has been a political and economic integration with the West European states.

Poland's membership of the European Union was preceded by a long pre-accession period spent on adjusting the country's legal system and economic rules to the EU standards. Like the other candidate countries, Poland had to meet three basic criteria: to develop democracy and stable rule of law; to build the foundations of an efficient market economy; and to be able to fulfil the duties implied by the membership. The Polish way to the European Union spanned a period of 15 years, from the expression of the will to integrate to the final signature put on the accession treaty. The crucial stages of this way are presented in Table 1.

Signing the accession treaty was preceded by a national referendum. With a turnout of 59%, 78% of the voters said 'yes' to Poland's EU membership (as against 92% in Slovakia, 91% in Lithuania, 84% in Hungary, and 77% in the Czech Republic). However, the level of support varied with the region, as discussed in the next section.

The integration with the 'old' Union is not full yet, as evidenced by the various transition periods still in force. They are intended, among other things, to protect land and other fixed assets against buy-out by foreigners, a gradual attainment of the EU standards (e.g. ecological or sanitary), and employment limits in some West European states (afraid of a massive

**Table 1** Stages of Poland's accession to the European Union

Date and place	Event
19 September 1989, Warsaw	Signing treaty concerning trade and economic co-operation between Poland and European Communities
16 December 1991, Brussels	Signing European Treaty, agreement of association of Poland with European Communities
8 April 1994, Brussels	Submitting official application for Poland's EU membership to European Council
8 August 1996, Warsaw	Setting up European Integration Committee, chief EU integration organ of Polish Republic
31 March 1998, Warsaw	Start of negotiations for conditions of Poland's admittance to EU
13 December 2002, Copenhagen	End of negotiation process
16 April 2003, Athens	Signing accession treaty by Poland
7-8 June 2003, Poland	National referendum on Poland's EU membership
1 May 2004, Dublin	Official admittance of Poland to EU

Source: based on Kaczmarek and Parysek (2005).

inflow of workers in the face of their own high domestic unemployment). The ever greater economic stability of the East-Central European countries (falling inflation, budget deficit and indebtedness) should soon make them ready to join the monetary union and replace domestic currencies with the euro. In turn, the sealing of the Union's outer limits (including Poland's eastern boundary) is a condition for their joining the Schengen Treaty, which has done away with border control within the Union.

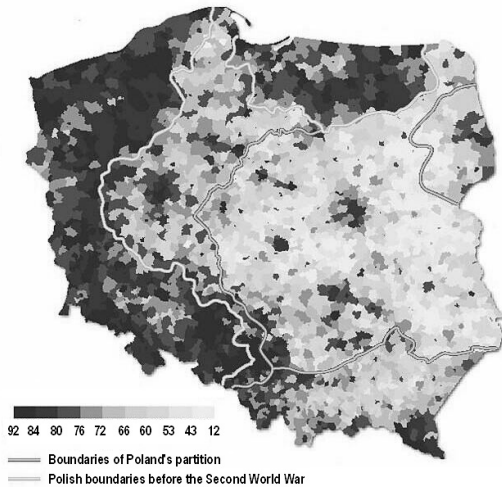
Whatever the difficulties hindering the integration process, it should be emphasised that the enlargement of the European Union has offered Poland an opportunity to overcome the detrimental effects of the division of Europe after the Second World War, and that it has placed the country in a totally new position in the international political, social and economic

space. However, the present paper is not concerned with the international consequences of the Polish accession to the EU, but with its domestic effects. Their spatial dimension is closely connected with the process of post-communist socio-economic transition, whose significance has been predominant. Unfortunately, Poland's EU membership is too recent to allow the formulation of far-reaching conclusions and generalisations.

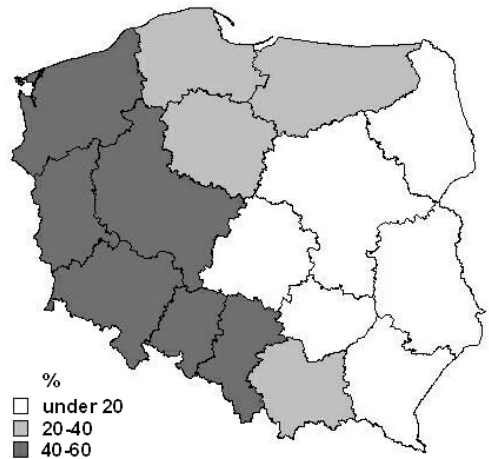
### **Geography of support for European integration and some of its determinants**

The disparities in the level of socio-economic development are reflected in differences in the 'external openness' of Polish regions and localities.

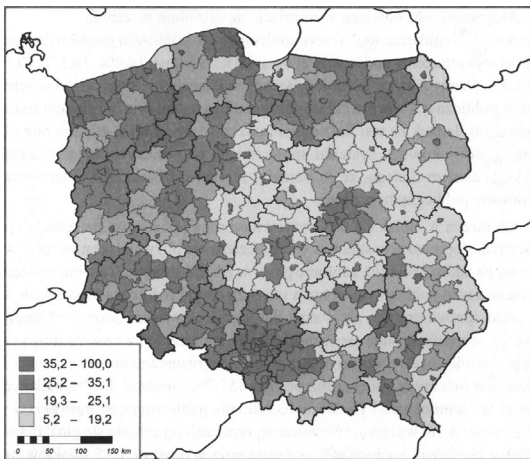
An excellent illustration is the map of citizen support for Poland's membership of the



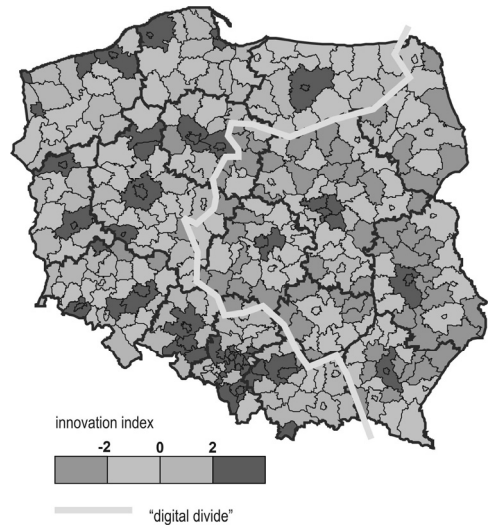
**Figure 4** Citizen support for Poland's EU membership. Source: KBW PKW Warsaw (referendum results); Imagis.



**Figure 5** Share of communes engaged in foreign partnerships. Source: Kaczmarek 2004:160.



**Figure 6** Percentage of councillors with higher education, 2005. Source: Wendt 2007:115.



**Figure 7** Innovation index. Source: Guzik 2004:34.

European Union expressed in a referendum (Figure 4). Another indicator of 'external openness' can be international partnership agreements signed by the communes (Figure 5). An analysis of both maps leads to the conclusion that geography does matter. The

idea of European integration was backed primarily by the western part of the country and the urban population. The principal factor involved is the 'proximity effect'. The population and authorities of areas located close to the western border, with easier access to the

EU countries and more opportunities for direct contacts, are more pro-European and open to the integration process (and the same holds for the metropolitan areas).

The east-west divide between the Polish regions concerning their 'external openness' and attitudes towards the integration process has also other determinants. One can list here:

- (a) cultural heritage (the culture of 'isolationism' is still visible in the areas of the former Russian partition);
- (b) demographic and social structures (a younger and mixed population in the western regions versus an older, homogeneous and firmly rooted one in the eastern and southern voivodeships);
- (c) degree of ruralisation (higher in the east, cf. Figure 1);
- (d) level of education of the local leaders (the pronounced inter-regional differences in it are shown in Figure 6); and
- (e) level of innovativeness (it has been defined recently by Guzik (2004) with the help of several indicators; a synthesis is presented in Figure 7).

Naturally, the relationship between the level of support for the European integration and its determinants (especially in a regional approach) requires deeper investigations.

### **Impact of EU enlargement on the transformation of Polish space**

The identification of the impact of EU enlargement on the spatial transformation of post-communist countries is a very difficult task. In Poland the impact could be felt already in the pre-accession period and, in my opinion, manifested itself in three basic spheres:

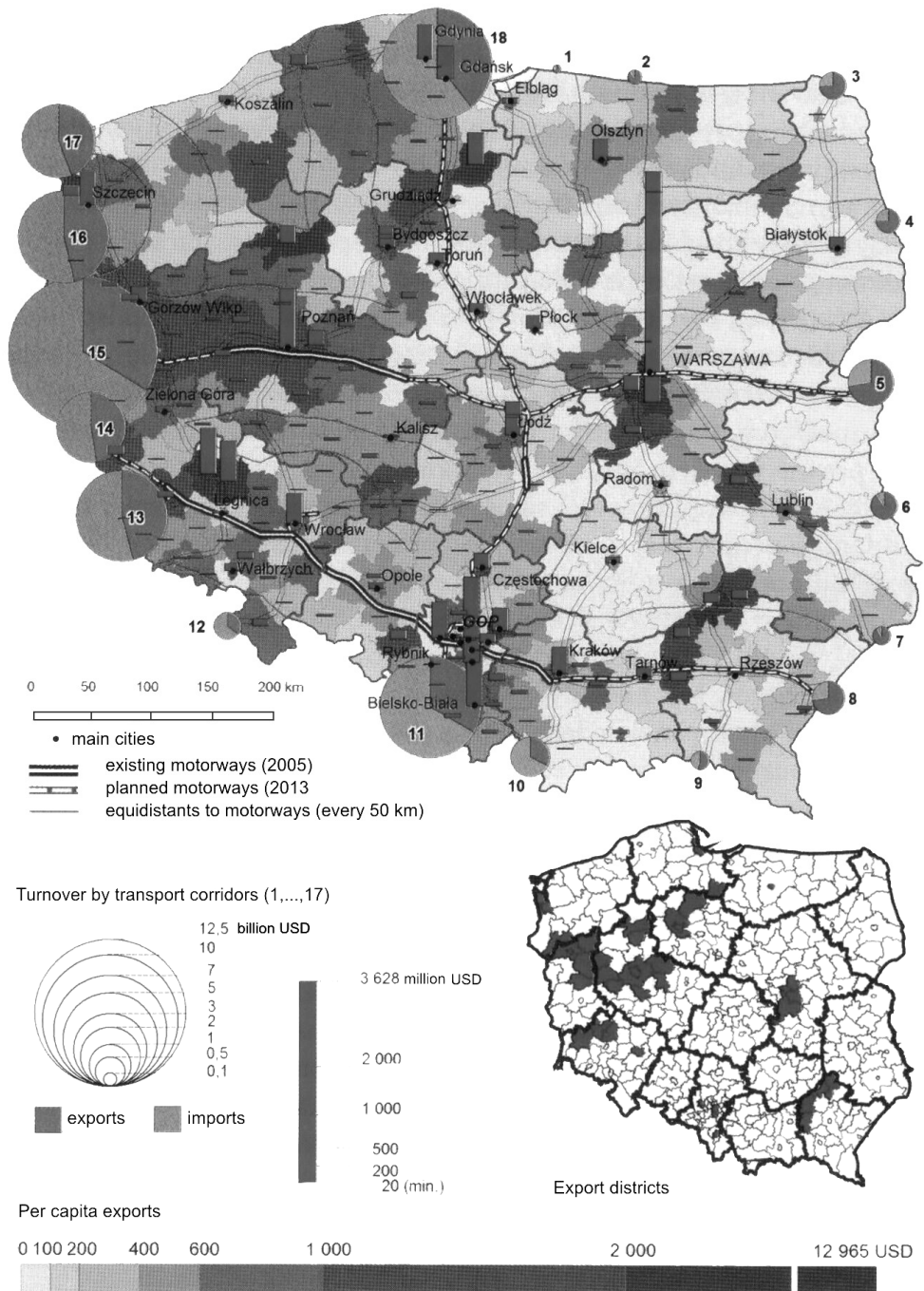
- (1) reorientation of foreign links;
- (2) emergence of cross-border territorial structures and new forms of co-operation; and
- (3) regional policy.

After 1989 Poland radically reversed its **foreign links** from the East to the West. This Western orientation intensified after 1991, that is, after Poland had signed an Interim Association Agreement with European Communities. Today the proportion of EU states in Polish trade connections is predominant; in many voivodeships, especially western ones (Lower Silesia, Opole), it often exceeds 90%.

This West-East asymmetry (i.e. the Western bias) is plainly visible in Figure 8. Exports to the EU countries have grown substantially since Poland was granted full membership in 2004 and become one of the key factors not only of the economic growth of the Polish state as a whole, but also of an emergence of export regions (largely located in the west of the country, near the existing and planned motorways, cf. Figure 8). This increase in West-oriented export is highly advantageous since it contributes to an increase in the GDP and a fall in unemployment, but on the other hand it reinforces regional disparities and the marginalisation of the eastern regions.

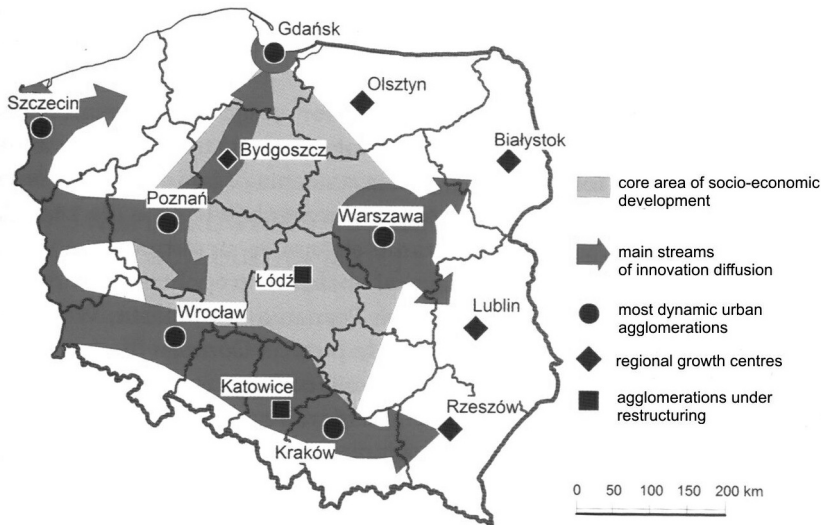
The advancing economic integration with the countries of the 'old' European Union has become a source of growth impulses and innovation diffusion, thus defining the basic directions of change in Poland's spatial structure at the start of the 21st century. The general outline of this transformation is presented in Figure 9. As Węćławowicz et al. (2006) note, the country's regions have achieved





**Figure 8** Spatial pattern of export areas.

Source: Komornicki 2004, based on data of Foreign Trade Information Centre.



**Figure 9** General tendencies of change in the spatial structure of Poland at the beginning of the 21st century. Source: Aktualizacja Raportu..., 2003; Węclawowicz et al., 2006:19.

mixed success in joining the system of socio-economic links at the European scale. For some, integration with the European Union "has been limited to the absorption of imported goods and (...) means from the Structural Funds and agricultural subsidies" (2006:22). The best-integrated areas are multi-functional metropolitan regions, some regional centres (especially those with EU foreign direct investment or tourist resorts), and the western border areas.

**The role of border areas** has changed radically in the process of EU building. In particular, the Polish-German borderland has become a kind of laboratory for integration processes on the eastern EU fringe since the early 1990s. The formation of new transborder relationships took place on two planes:

- (a) spontaneous individual initiatives of various actors (such as business people, schools, churches, towns and communes), and

- (b) attempts at an institutionalisation of cross-border co-operation and the emergence of cross-border territorial structures.

Thanks to the impulses and financial help from the European Union, there have appeared such structures as Euroregions, whose maps (Figure 10) have already made it to geography handbooks and atlases.

Euroregions are the most popular and advanced institutional form of cross-border co-operation involving a variety of local, regional, national and international actors. Polish experiences show how the situations of particular Euroregions differ depending on the involvement of the above actors, and on other determinants of co-operation, such as: natural conditions, demographic potential, similarity of the languages, ethnic relations, historical continuity of the neighbourhood, the degree of disproportion in economic development and complementarity of the economies, and others.

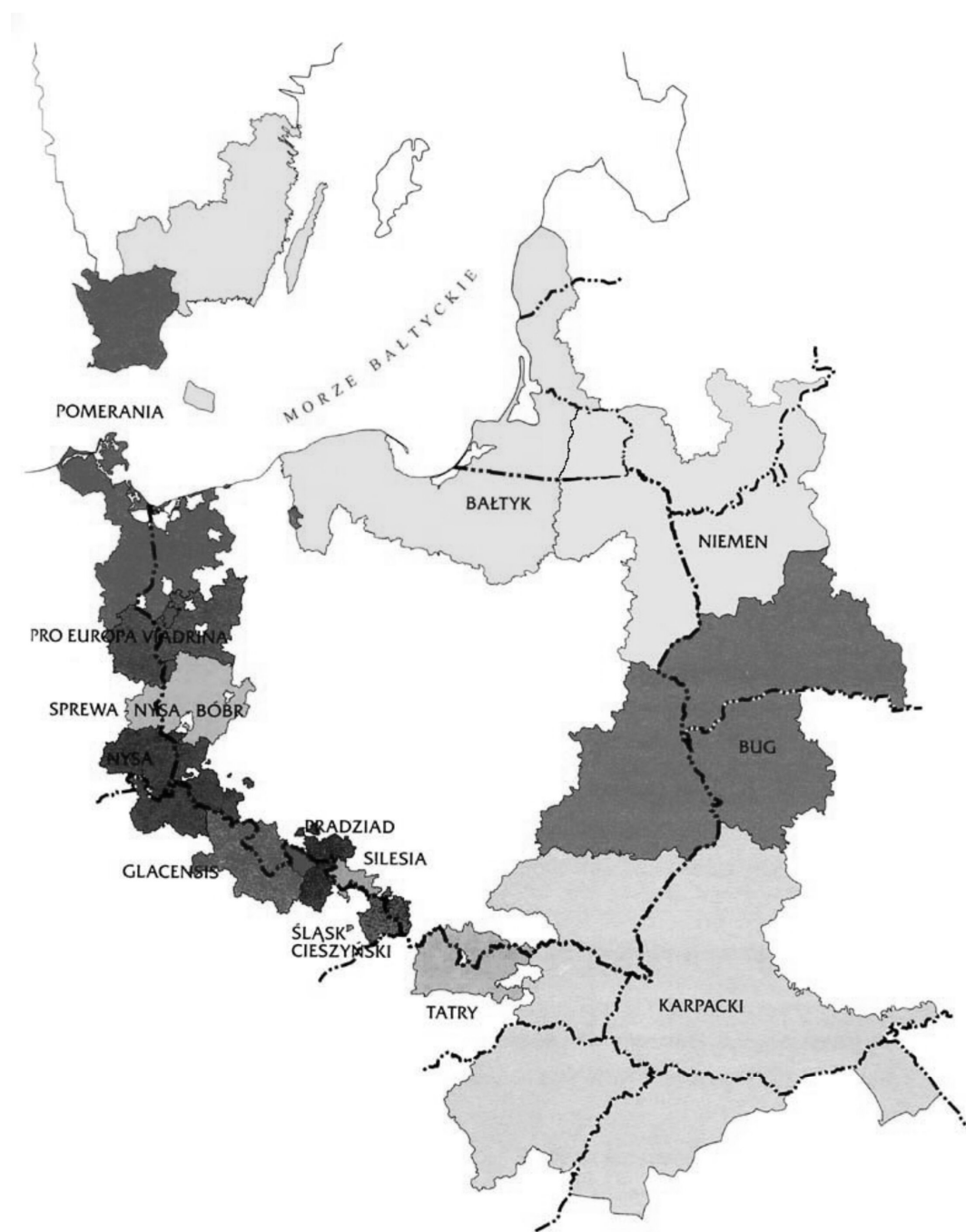


Figure 10 Euroregions with Polish participation

The Euroregions that seem to be the most privileged are those in the German-Polish borderland where efforts of local and regional authorities have been backed up (especially on the German side) by government and EU means since their very establishment. On the other hand, however, the disparity in the economic development on both sides of the border, the incompatibility of the legal systems, the linguistic barrier, the heritage of the past, and negative social stereotypes can hinder quick and true integration. In this respect, the situation on the Polish-Czech and Polish-Slovak borders is easier. In this area one can recently notice many grass-roots initiatives.

The situation along Poland's eastern border is highly diversified, and the development of transborder co-operation (with the exception of private trade) is either limited by the scarcity of financial means and legal deficiencies (Ukraine), or by political factors and lack of Euroregional awareness (Belarus). The experience of the extensive Carpathian Euroregion (embracing parts of Poland, Hungary, Slovakia and the Ukraine) shows that the creation of Euroregions 'from above', when there are no conditions for the formation of functional links (and merely to follow West European models), ends with a failure, that is, the Euroregion leads only a paper existence.

Apart from Euroregions, there are also other examples of transborder institutional co-operation, such as partnership agreements between towns and communes (e.g. Słubice-Frankfurt/O., Racibórz-Opava) and mixed chambers of industry and commerce (e.g. the Polish-Lithuanian one). Most of these new institutions are being created in the Polish-

German borderland. Especially noteworthy is the European University Viadrina located on both sides of the border in Frankfurt upon Oder and Słubice.

The greatest impact of the EU on the transformation of Polish space can be seen in the domain of **regional policy**. In the communist period, regional policy in Poland was of minor importance; it was reduced primarily to measures conforming to the ideological and political priorities currently in force. During the economic recession of the 1980s and the unsuccessful attempts at reforming the socialist economy, regional policy was even abandoned altogether (cf. Węclawowicz 2002).

With the start of the transformation process, there appeared dilemmas as to its pace and spatial dimension which were summed up by Kukliński (1992) in the form of two questions:

1. is the pace of regional diversification not too fast, and is it not quickly assuming too large dimensions? and
2. what regions should be supported: strong ones, capable of becoming efficient, internationally competitive engines of structural change, or, because of social reasons, weak ones, which will perpetuate the old structural patterns?

Hence, a fundamental problem of that period of the transformation was how to combine a strategic (long-term) reorientation with tactical (short-term) needs. Initially, the latter won, with an atrophy of regional policy in Poland as a consequence. Regional policy and its instruments were practically reduced to attempts at alleviating the effects of the spatial

concentrations of unemployment<sup>2</sup>. It was only on 17 October 1992 that Parliament (Sejm) adopted the *Socio-Economic Policy Guidelines*, one full chapter of which was dedicated to regional policy. The later course of the transformation in the 1990s proved the measures undertaken to be insufficient and ineffective.

As has been mentioned before, the transformation of the socio-economic system widened regional differences. Of special importance was a high concentration of adverse effects of socio-economic changes in poorly developed regions, which manifested itself primarily in a rise in unemployment. This fact forced the government to undertake work on a new model of regional policy. The other factor intensifying the progress and scope of the work was the advancing process of integration with the European Union. Poland's application for membership in 1994 and the start of accession negotiations in 1998 made it necessary for the country to introduce the rules and mechanisms compatible with EU regional policy.

The implementation of the new model of regional policy in Poland can be divided into two periods:

- (1) 2000-2003, the pre-accession period. It was the consequence of the territorial-administrative reform introduced in 1999 and the need to put Polish regional policy in order during accession talks with the European Union. The document setting the directions and scope of changes

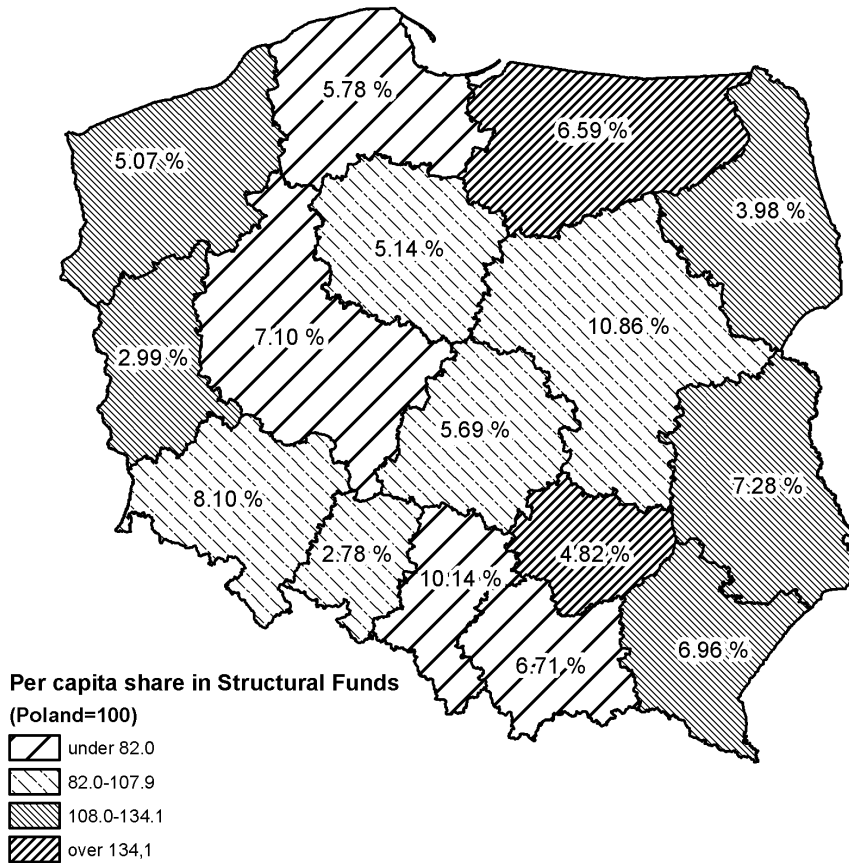
introduced at that time was the *Principles of Regional Development Support Act*, which came into force on 12 May 2000 and defined the new model of regional policy programming and implementation.

- (2) 2004 onwards, Poland's first years as a member of the European Union. It is the consequence of Poland's joining the EU and therefore having, first, to draw up further strategic documents, such as the *National Development Plan (NDP)* providing a basis for negotiating a *Community Support Framework (CSF)* with the European Commission, and secondly, to fully adjust its regional policy to EU standards in order to gain access to the Structural Funds and the Cohesion Fund.

It is not the aim of the present paper to give a detailed presentation of the new model of Polish regional policy (this has been done recently by, e.g., Churski and Stryjakiewicz 2006), and it is too early yet to appraise its effects. It should only be noted that, paradoxically enough, it is those regions that were against Poland joining the European Union that received the largest per capita support from EU means in the years 2004-2006 (see Figure 11) and will receive it again in 2007-2013. However, the experiences of the 'old' European Union states and of East Germany show that even substantial assistance means fail to ensure growth in regions with a low endogenous potential. The transformation process in Poland has corroborated this regularity so far. As Gorzelak (2002:69) observes, "apart from several large agglomerations, a few areas of tourist attraction, and a part of the western borderland, Polish regions are threatened with peripheralisation in the integrating European space, and this danger is

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<sup>2</sup> An example of such policy was tax exemption for foreign investments located in high-unemployment regions. This tool proved to be of little effect, largely due to infrastructural deficiencies in those regions.



10.86% - share of voivodeships in Structural Fund means

**Figure 11** Division of means from the Structural Funds among the voivodeships.  
Source: Integrated Operational Programme for Regional Development, 2004-2006.

especially pronounced in the case of eastern Poland."

## CONCLUSIONS AND FUTURE CHALLENGES

Changes in the sectoral and spatial structures of the Polish economy have been the result of the domestic systemic transformation overlapping with the transformation of the world economic system. In the early 1990s the former process was of primary significance, whereas today –

owing to the opening of the country's economy, its inclusion in the European Union structures, migrations, and the activity of transnational corporations – the other process is gaining prevalence.

The general pattern of transformation of Poland's spatial structure in the first years of the 21st century has confirmed the importance of metropolitan areas as 'growth engines' and of chief infrastructural axes as channels of the spatial diffusion of innovations. Where the

assumptions adopted at the start of the transition have proved not quite right is the role of the western borderland as a potential area of accelerated growth (thanks to easier contacts with the economically stronger partner). So far, however, this accelerated growth has only been observed in selected enclaves, e.g. round border crossings or major roads. This shows that the future regional policy should put more emphasis on the conceptions of endogenous development.

The most serious challenges facing the Polish regions and regional policy include:

1. narrowing the years-long gap in the level of transport infrastructure,
2. improving human and social capital,
3. improving the innovativeness of the economy, creating regional innovation networks,
4. multi-functional development of rural areas, and
5. decentralisation, especially of public finance.

The new model of regional policy in Poland as reflected in the *Project of the National Strategy of Regional Development for the years 2007-2013* makes the country closer to the EU standards. The proper functioning of this model requires both, an increase in the financial means earmarked in the state budget for regional development and, urgently, an increase in the financial independence of voivodeship self-governments through an increase in their own income. These changes are indispensable if Poland is to be able to make efficient use of the EU Structural Funds and the Cohesion Fund. Besides, the effectiveness of the regional policy will also depend on whether it is going to be

mostly 'social', relying on long-term external subsidies for regional economies and leading to an atrophy of local potentials, or largely growth-oriented and leading to permanent reinforcement of endogenous competitive advantages of the regions. The question "Is the new regional geography of Poland after EU enlargement going to remain in its basic pattern the old one?" is still open.

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## Résumé

### Staré a nové v geografických vzorech polské transformace

Transformace sociálně-ekonomického systému v zemích střední a východní Evropy po roce 1989 je procesem, který se projevuje ve vícero dimenzích. Jednou z nich je dimenze prostorová. V polském prostoru lze sledovat jak procesy odrážející jeho dřívější diferenciaci, tak postupně se formující nové regionální vazby. V důsledku vystupují oblasti, které můžeme označit za vítěze, případně poražené v tomto procesu proměn. Jejich identifikace a klasifikace, jak rovněž formulace nových úkolů pro regionální politiku je v poslední době předmětem mnoha publikací a zpráv.

Předkládaný článek analyzuje několik důležitých problémů spojených s transformací polského prostoru v kontextu regionálního rozvoje. Patří mezi ně:

- a) podmínky transformačního procesu;
- b) regionální diferenciaci transformace prostorově-ekonomických struktur a disproporce rozvoje regionů;
- c) mechanismy determinující proces transformace (v tom ve spojitosti s členstvím v Evropské unii);
- d) budoucí výzvy.

Transformace odvětvové a prostorové struktury polského hospodářství je výsledkem interference procesů systémové transformace, jak rovněž transformace světového hospodářského systému. Na začátku 90. let dvacátého století převládal význam procesů prvního typu, v současnosti – díky otevření ekonomiky, integraci země do struktur Evropské unie, migracím a také aktivitám nadnárodních korporací – stále silněji se projevuje působení procesů druhého typu.

Proces transformace sociálně-ekonomického systému nejenže odrážel dřívější diferenciaci polského prostoru, ale vytvořil také podmínky pro působení nových sil vedoucích k růstu meziregionálních disproporcí. Z hlediska dimenzí těchto disproporcí jsou patrné především tyto dvě:

- a) západní oblasti – východní oblasti země a
- b) metropolitní oblasti – venkovské oblasti.

Několik příkladů diferenciaci sociálně-ekonomického prostoru Polska a také diferenciaci dynamiky regionálního rozvoje představují přiložené obrázky. Jestliže některé rozdíly (např. ve vztahu ke struktuře zaměstnaných nebo HDP) je možno vysvětlovat dědictvím minulosti sahající až do období dělení Polska, pak většina obrázků ilustruje rozdíly v „otevřenosti“ regionů ve vztahu

k současným proměnám, a to jak politickým (např. podpora obyvatelstva členství Polska v Evropské unii, aktivity v navazování partnerských kontaktů se zahraničím přes teritoriální samosprávy), tak i hospodářským (např. oblasti exportu). Obecné schéma transformace prostorové struktury Polska v prvních letech 21. století představuje obr. 9. Potvrzuje význam metropolitních oblastí jakožto „lokomotiv rozvoje“ a hlavních infrastrukturních os coby kanálů prostorové difúze inovací. Naproti tomu nebyly zcela potvrzeny vstupní předpoklady, jež byly formulovány na začátku transformačního procesu a které vyzdvihovaly roli západních příhraničních oblastí jakožto potenciálních regionů urychleného rozvoje

(vlivem jednodušších kontaktů s hospodářsky silnějším partnerem). Doposud byl onen dynamičtější rozvoj spatřen jedině v případě některých „enkláv“, např. v blízkosti hraničních přechodů, případně důležitějších komunikací, což dokazuje, že při vytváření budoucí regionální politiky je třeba klást větší důraz na koncepci endogenního rozvoje.

Samostatná pozornost v příspěvků je věnována vlivu rozšíření Evropské unie (v tom unijní regionální politiky) na změny polského prostoru. Je ale stále ještě brzy na to hodnotit výsledky tohoto procesu.

# REGIONAL THEORY AND REGIONAL DEVELOPMENT: THE EXAMPLE OF THE ÚSTECKÝ REGION IN NORTH WEST BOHEMIA

**Martin Myant**

Centre for Contemporary European Studies, University of the West of Scotland,  
Paisley, PA1 2BE, Scotland, martin.myant@uws.ac.uk

## **Abstract**

The Ústecký region in North West Bohemia has undergone a substantial economic transformation since 1989. This is set against five theoretical frameworks; faith in spontaneous growth from new entrepreneurs, belief that the state must play a major role, the so-called ‘new regionalism’ emphasising networks and contacts within the region, growth machines and the concept of institutional entrepreneurs. These are set against the roles of key actors to establish the processes leading to change. The first and second of the theoretical frameworks appear the most productive. Growth has been biased towards forms that require the minimum of complex relationships between actors and that minimise scope for conflicts between actors. Attempts at more complex forms have brought very limited results. The most general applicable framework emphasises the need for initiators and propagators who may cooperate when it serves clearly defined interests. Recent forms of development have clear limitations and do not appear to lead towards a prominent position as a ‘knowledge-based’ economy.

**Key words:** Czech Republic, economic development, regional policy, qualitative method

## **INTRODUCTION**

Recent years have seen a strengthening focus on the region as a key arena for economic development. This is supported by EU policy makers and backed up both with statistical information on regional development, with regions thereby conveniently defined by the EU’s NUTS2 level, and with a new and attractive terminology, including ‘learning’ regions, ‘knowledge-based’ regions and more. Indeed, economic geography has been good at creating theories to explain the differing forms

of regional development and these have in turn influenced the EU’s approach. These theories, however, have frequently seemed to explain only parts of development in certain periods in some regions. The story is very different between regions that provide new and innovative technological developments from that in those that share in innovations only by producing what others have discovered. The latter, it can be added, have often undergone very substantial changes in recent years and therefore cannot be regarded simply as stagnant or backward.

The aim in this paper is to contrast what has happened in a Czech region, Ústecký, which makes up half of the North-West Bohemian NUTS2 region, over the period since 1989 with available theoretical frameworks. Three broad conclusions emerge. The first is that no single framework provides an adequate explanation: different kinds of development coexist and are best explained within different frameworks. The second is that the weight of different kinds of development varies over time and space. The ideas of the so-called 'new regionalism' appear to be the least important: whether that reflects weaknesses in the theoretical framework or in development in this particular region remains an open question. The third is that the most general framework requires a search for initiators of forms of development and for the interests that support their implementation. These aspects have often been accorded little prominence in studies of development elsewhere.

The measurement of regional development is necessarily inexact. For present purposes the best quantitative indicator is employment. Indeed, that has often been the clear policy objective. However, available data are not comparable over the whole period of intended study. Labour force survey data are available only from 1994 and figures before that are not strictly comparable. Even for later years, there are important gaps which make it possible to provide only a broad picture.

Moreover, it is rarely possible to attribute employment changes to the activities of single agents. Thus, for example, state activity may provide an infrastructure without which private firms could not prosper. The state therefore has both a direct employment-

creating role (those employed in providing the infrastructure) and an indirect role (enabling private actors to create employment). This makes impossible precise quantitative conclusions on the shares of employment generation attributable to particular actors.

The article is structured as follows. An initial section introduces the region. A following section outlines five theoretical frameworks with comments on their applicability. Subsequent sections look partly at key actors and partly at the results of their activities. This leads to a conclusion on the nature, or natures, of development in the chosen region and on the relevance of the region as a focal point for study. The information and ideas came from a series of interviews with key actors between 2003 and 2008, with organisations represented listed at the back, from participation in conferences on regional development at the Univerzita Jan Evangelista Purkyně in Ústí nad Labem and from the use of readily available published material and statistical data.

## PROFILE OF ÚSTECKÝ REGION

Ústecký region, in North West Bohemia bordering eastern Germany and one of the 14 Czech regions created in 2000, is an old industrial area, inheriting an economic structure strongly biased towards the energy and chemical industries. The former accounted for 6.9% of employment in 2006, including coal mining and electricity generation, compared with 2.7% for the country as a whole (ČSÚ 2007a:53-55). The share in manufacturing was the lowest of any Czech region apart from Prague. There has always been some diversity across the region, including agriculture and some tourism, but the main heritage of the

communist period was a narrow industrial base. The decline in mining employment, at the national level from 150,000 in 1989 to 38,000 in 2005 with 8,832 left in Ústecký region in 2006, left a substantial gap to be filled if employment levels were to be maintained. Mining, increasingly open cast also brought environmental damage which was only partially repaired by land rehabilitation.

On most indicators Ústecký region is only slightly below the Czech average. Per capita GDP is in line with others, apart from the exceptional case of Prague with its figure more than twice the level of any other region. The participation rate, when measured to include all economically active, is above the national average (60.5% in 2006 against the average of 59.3%, ČSÚ 2007b). Unemployment has been the most consistent indicator of relative economic difficulties, rising from the early 1990s to peak at almost 18% in 2004, falling to under 14% in 2006 (ČSÚ 2007b), in both cases almost twice the national average. Independent business activity has also been below average, but the share of self-employed plus employers in the working population caught up to 13.2% in 2006, by then not far behind the national average figure of 15.5% (ČSÚ 2007b).

On indicators most relevant to the EU policy of producing a 'knowledge-based' economy, Ústecký region more clearly lags. The share of the workforce with higher education was 7.0% against 13.1% for the Czech Republic as a whole. Research spending was equivalent to 0.35% of GDP against 1.26% for the Czech Republic as a whole (ČSÚ 2007a:11). The share of employment in technologically-advanced industries is deceptively high, due to an electronics factory discussed below.

## FIVE FRAMEWORKS

The most straightforward theory of regional development is that there is no need for one, and nor is there a need for any regional policy. That was broadly the Czech government's approach in the early to mid 1990s. There was still scope for sectoral policies, with mining presenting some specific problems, but visible regional differences were small and the philosophy was that the spontaneous emergence of new enterprises would be the engine of new growth. Figures on self-employment and individual ownership suggest that there is considerable merit in this view. Reservations are discussed below.

A second theory attributes regional differences to 'market failure' which the state could, or should, correct by providing financial help to promote infrastructure, or to subsidise individual firms. This could be said to have played a role in Ústecký region with demands for central government help to deal with specially serious economic difficulties resulting from the heritage of mining. There also are arguments that growth in some UK regions, despite the search for the results of 'new regionalism' discussed below, has depended directly on state support and spending, rather than the purely internal forces for regeneration covered below (Lovering 1999). The discussion below points to a significant role for the state in regional development including both direct employment creation and an indirect role in supporting private business activity.

The third theoretical framework to be considered is the so-called 'new regionalism', on which a great deal has been published, both 'for' and 'against'. This sets the focus on regions

as arenas for autonomous development built on contacts and networks, often linking quite small firms (eg Scott and Storper 1992, Amin and Thrift 1994, Cooke and Morgan 1998, Amin and Wilkinson 1999, Maskell and Malmberg 1999). This has had a strong influence on EU thinking, with its emphasis on basing many economic initiatives at the regional level. However, the concepts used are very general, as exemplified by the notion of 'institutional thickness' (Amin and Thrift 1994) which refers to 'a plethora of institutions of different kinds' that interact to create a basis for mutuality, trust and cooperation (Amin and Thrift 1994:14). This refers to a general environment in which development may be successful. It remains to be related to the concrete actions of actors.

Despite a plethora of criticisms for the 'fuzziness' of its concepts and doubts over the validity of claims for its success (eg MacLeod 2001, Lovering 1999, Hadjimichalis 2006a and 2006b, Harrison 2006), 'new regionalism' retains relevance for the framework adopted here. Cooperation between local actors has been important, albeit cooperation around more clearly defined aims and promoted by identifiable actors with clear interests rather than emerging from a vague notion of 'trust'. Indeed, cooperation will be referred to between major employers and trade unions who had sharp differences on some issues but benefited from making common cause on others. The need, then, is to give concepts more operational meaning by identifying those networks that are important rather than looking only for their density in a very general form. That requires taking account of the interests that actors may be representing as they interact.

The fourth theory is the 'growth machine' as formulated for urban politics and sociology in the USA, following the use of the term by Harvey Molotch (1976). Here the focus is on key actors from business and politics who form coalitions to propel forward a city's development. This has been adapted to the central European context (Kulcsar and Domokos 2005; Drahekoupil 2008), but a three substantial differences emerge. The first is the greater importance of actors from outside the region, especially the central state and multinational companies. The second is the weakness of opposition to forms of development, partly because of the absence of rival business groups. Opponents to new investment projects, generally in manufacturing or retail from multinational companies, are typically environmental or some community interests that are relatively easily silenced by a coalition in favour of these kinds of development. The third difference relates to the kind of development under consideration. The 'growth machine' is usually associated with urban redevelopment, changing existing environments and often disrupting many lives. That has not been a major issue in central Europe. Nevertheless, the 'growth machine' approach draws attention to the importance of key actors forming coalitions to further their interests. That has been an important element in development in Ústecký region, although it is also noteworthy that the aims leading to cooperation include social, in the sense of employment creation, as well as the business of profit.

The fifth, and final, theory is that of institutional entrepreneurs (eg Sotarauta 2008), developed from theories of innovation and

change within organisations. Here the focus is on 'product champions' who initiate and press for changes that break the inertia of an existing institutional framework. This is a useful addition to the preceding approaches, but it needs to be extended. The ability to implement an idea depends on political support which depends on the mobilisation of identifiable interests.

The following sections take this forward, identifying elements that can be related to these five theoretical approaches and indicating how they can, in some cases, be combined.

## NEW FIRMS

New firms appear from the available data to have been the major source of new job creation, compensating for losses in traditional sectors. This need not always reflect new activities: some were transferred from existing enterprises into new private firms. Nevertheless, activities were in very many cases entirely new from the start. However, the typical small businesses started and remained small, with little effort to grow and certainly little interest in innovation. That is typical of small business in all environments (cf Bhidé 2000), but in other countries there are more signs of a few able to achieve dramatic growth. Moreover, Czech small firms seemed particularly determined at shunning networks and organisations. Chamber of Commerce membership, providing contacts and access to information and advice on business development bringing obvious benefits to firms intending to grow or to influence policy makers, was chosen in 2004 by 0.6% of registered businesses in Ústecký region, or 4.4% of those with one or more employee.

The low level of interest in business development can be illustrated by the impact of state help. This has taken a somewhat uncoordinated form, with programmes from different ministries. The most important have been credit guarantees starting in 1992. These were made more favourable for problem districts, but with little noticeable impact. Indeed, analyses of all forms of state support to small firms, from 1992 to 2002, showed job creation probably of little over 1,000 and very poor take-up in Ústecký region (MPO, 2003). This is not surprising in an old mining and heavy-industrial areas in which previous employment has not provided skills easily transferable into self-employment. Indeed, the relative weakness of small enterprises in Ústecký region has been most marked for industry and least marked for hospitality, trade and repair.

There has been considerable consensus among those offering help or advising firms on the reasons for this low take up. The bulk of small enterprises have shown no interest. Those that have taken an interest faced formal obstacles, for example they had to be free from debts to the state and for some schemes had to show a recent accounting history. They needed to have clear future plans and to make clear commitments for the future. Help from EU programmes appeared particularly intimidating, with tight deadlines and requirements for details on the wider employment impact of a project. That makes sense within a conception of enterprises that cooperate and share information, but proved an obstacle for isolated, individual entrepreneurs.

There have been some small firms, frequently bringing particular technical expertise from

within a former state enterprise, that have tried to grow, but they have faced continual difficulties with access to finance that limited scope for implementing even those innovations that they had developed. That situation may alter with the availability of greater financial help from the EU and with more firms gaining, and in turn offering for sale, expertise on how to apply for the support. This, then, implies making available the benefits of a network, but it is a network deliberately created by public agencies and private firms around a very specific aim.

Small-firm development thus appears as a form of growth that has by-passed the need for institutional support, meaning access to finance and advice, which appears to be the relevant meaning for 'institutional thickness' in this context, but it is a form of growth with clear limitations. A further stage would require a different kind of business mentality, with orientation towards growth and a greater willingness to make outside contacts, and a different environment, with access to advice and expertise and with scope for cooperation among entrepreneurs. Those are conditions that need to be created and that depend on initiatives from key actors.

A natural recommendation would be to create 'institutional thickness' by bringing businesses together, linking customers and suppliers or firms in similar activities (Waddington et al. 2001:164). In UK experience that can be done by a development agency, taking the role of an entrepreneur in initiating activities (ibid:184). That point is taken up below as it seems slightly different from 'institutional thickness' conceived in a vague and general form as a plethora of networks and trusting relationships.

Czech practice has increasingly picked up the concept of 'clusters', following the influence of Porter (1990). The notion itself has serious theoretical ambiguities and shortcomings (cf Martin and Sunley 2003, and Myant 2004). Its application in Czech regions has involved the inward-investment agency CzechInvest bringing together firms in similar activities in the hope that they would benefit from contacts. This received publicity at an initial stage, but the first reports, repeated in subsequent experience, suggest very little benefit and a reluctance from firms to share information with rivals and competitors (Korbel 2003:42-43). Indeed, in view of the context described above, it is difficult to see what more could be expected from an artificial attempt to generate cooperation around undefined specific aims.

## THE STATE

The state refers to three different levels, each playing different roles. Central government is responsible for major infrastructure projects, for financing education and other public activities and for a number of projects that can provide direct support to employment. Regional authorities were formed in 2000 and have responsibility for local infrastructure and administration of primary and secondary level education. They have limited financial autonomy (only 14% of expenditure in Ústecký region was nominally free for local determination in 2004 and there was minimal scope for raising revenue independently), but can bring together other local actors and exert pressure on central government. Municipalities enjoyed a continual existence and powers over local development, through land ownership, planning responsibilities and through the ability to



finance, or raise external support for, some local development projects.

Central and regional authorities provide 'hard' infrastructure, especially roads, and have been under pressure for more to improve the environment for inward investors. However, there has been strong opposition from the environmental lobby to completing the motorway link from Prague to Dresden. There has also been opposition to plans for investment to make the river Labe (Elbe) permanently navigable. This project depended on building new weirs at an estimated cost of Kč 6-7 bn, representing about 3% of annual regional GDP. Lobbying in the region's early years, especially by the Social Democrat Vice Hejtman (the deputy to the most senior elected post in the authority) led to backing in the then Social Democrat-dominated government from all except the Minister of Finance. There was strong opposition from environmental groups but, in practice, the cost and uncertainty of benefits were probably enough to rule it out.

As a direct source of employment, the state has remained significant. Employment in non-market services, key functions that span levels of state authority, increased from 19.0% of the total in 1993, below the national average of 21.9%, to 22.8% of the total in Ústecký region for 2006 (ČSÚ 2001:37 and ČSÚ 2007:57). This could also be expected to have an indirect benefit in improving the skill level of the labour force, but that has been unimportant relative to other Czech regions.

In terms of providing a strategy, central governments did not at first place much emphasis on regional policy. A resolution of 30 December 1992 referred to 'instruments in conformity with the market to support the

development of new activities'. The visible outcome was help (CZK 9.3 bn, 1993-5) in running down the mining industry, following threats of strike action and public demonstrations from miners in November 1992. This alone was purely a protection of social conditions with no implications for new development. The dominant conception at the start was that new small business would be the motor for new growth and help came in the form of credit guarantees referred to above. EU pressure, made public with the comment in 1997 that 'the Czech Republic has no regional policy' (MMR 2000:34) contributed to the creation of a Ministry for Regional Development in November 1996 and subsequent EU accession obliged that ministry to develop a more systematic approach. Part of this came to involve giving greater financial resources to regions with greater problems, especially those with old mining industries.

Against this background, the contribution of Labour Offices, part of the central government's apparatus, has been impressive. They were established in 1991 roughly following the German model, but with additional powers to finance job creation. Their support has been spread across schemes for creating jobs in new workplaces, for those who have been unable to find other employment, and for supporting jobs created largely by municipalities for short time periods. The objective is very simple – to create employment – and the application process is not complicated. The total number of jobs created by these schemes in March 2004 was 31,946 for the whole country. There was a bias towards regions and districts with higher unemployment, but also a considerable random element. Ústecký region has done well, with 6,553 jobs

created by 2004, reducing its unemployment rate by 1.5 percentage points. The objective was not support for business development and the impact of these programmes in that direction was therefore not assessed. Nevertheless, they clearly were a help for many kinds of organisation, providing a source of support for those with ideas.

Thus the central state is clearly not the sole leader or major initiator in regional development. It plays a rather fragmented role, creating elements of infrastructure and providing an environment that should be favourable for certain kinds of business, by improving transport links and by enhancing higher education. It also provides help to entrepreneurs, but in a very limited way that assumes they already have clear and realisable entrepreneurial aims. The regional authority has supplemented this role with its own efforts and the formulation of strategic conceptions. However, its resources have been very limited and actions, for example to promote tourism, have been barely beyond the token level. It at least can research problems and propose solutions, which no organ was able to do before. It has tried to combat the isolation of entrepreneurial actors, but with limited results. Much of its contribution has been linked to utilisation of EU funds the impact of which is yet to be fully assessed.

There is little sign here of a US-style 'growth machine'. Its European version, with powerful local politicians and publicly-funded development agencies, also seems to be absent. Indeed, regional development agencies have existed in name in the Czech Republic, but not as coordinators or initiators of new development. The first Regional Development Agency was

formed in Most in 1994, reflecting a desire among municipal actors to find solutions to the region's structural problems even in the absence of a regional authority. It had very limited financial resources and developed into a consultancy organisation providing services to private and public-sector organisations, providing information on EU funding and acting as representative for the inward investment agency CzechInvest until the latter established its own regional branches in 2004, incidentally rebranding itself as an agency also promoting local enterprise. Indeed, the development agency's lowly status was confirmed by the emergence in 1998 of ARREL (Agentura regionálního rozvoje Euroregionu Labe, The Agency for Regional Development in the Euroregion Labe), a rival agency based in Ústí nad Labem which similarly provided consultancy services, including helping the regional authority with key strategic documents.

## INWARD INVESTMENT

The poor results from active policies to support small businesses can be contrasted with attempts to attract inward investors. Ústecký region has done well in this, with the per capita stock of inward investment in 2006 74% of the national average level, or 123% of the average excluding Prague which contains head offices of banks and other major foreign-owned enterprises (ČSÚ 2007:27). This process has increasingly depended on forms of cooperation between different levels of the state.

The first inward investors came with privatisation of existing enterprises, but from 1998 governments and local authorities have developed active policies for attracting

greenfield investors. The model was western European practice. The key instrument at the local level in Ústecký region was the use of available land as industrial zones. The cooperating agents required were either a municipality or a private land owner, usually the former, and a foreign company keen to invest. Central government became involved through its inward-investment agency CzechInvest which could channel interested companies towards a location, offering a maximum level of financial support equivalent to 50% of investment costs. Municipalities had to learn how to provide facilities and how to exercise the appropriate 'flexibility' over planning rules. Some, notably the municipal authority of Ústí nad Labem, were criticised by CzechInvest as the boom spread for a low level of initial enthusiasm (*Severočeské deníky* 5 April 2003).

This, then, did not require much 'institutional thickness', but it did require initiators, or at least an initial initiator, to show that the idea would bring results and institutional commitment to see the idea realised. Among the very first was the small town of Klášterec nad Ohří, setting aside an area in 1991. The necessary infrastructure for the industrial zone Verne was completed in 1998 and the first firms were operating in 1999, in some cases moving activities that had already started outside the zone. By 2004 there were 53 jobs in three Czech-owned firms and 1,424 in 11 foreign-owned firms. This can be set against an unemployment level of 1,704 in the town, representing 18.8% of the labour force in early 2004 ([www.ssz.mpsv.cz](http://www.ssz.mpsv.cz)).

There is no accurate register of job creation in industrial zones. For Ústecký region by May

2008 data from the region's web site ([www.kr-ustecky.cz](http://www.kr-ustecky.cz)) show 28 zones operating with 13,185 employees, equivalent to 3.6% of total regional employment. Not all of these need have been genuinely new jobs, but the great majority clearly were. The data were clearly incomplete, underestimating the total by a considerable margin. Czech-owned firms, mostly small companies serving the local communities, provided 1,889 jobs with an average of 47 per company, strongly biased upwards by one big municipal heating provider. Foreign-owned firms provided 11,296 jobs with an average of 269 employees per company: they were predominantly branch plants of multinational car component manufacturers producing overwhelmingly for export.

The limitations of this form of growth are clear. There is substantial turnover in investors and no certainty of future trends. There is minimal impact on the local economy beyond direct job creation and, obviously, little chance of innovative activities. It can be added that the search for spill-overs from inward investment in east-central Europe has generally shown very little, albeit with some foreign companies maintaining R&D in the Czech Republic (Pavlínek 2004). The kind of investment in branch plants on industrial zones, typical for North Bohemia, is the least likely to bring such benefits. Participation in a European 'knowledge-based' economy amounted to routine and simple activities developed on the basis of knowledge created elsewhere.

The biggest industrial zone, not included in the figures used above, was a converted former military airfield at Žatec. This required various actors to see the possibilities of the site and to

argue for it at central government level. Once that was accepted, there was a requirement for preparatory work, including physical preparation, ensuring transport links and sorting out legal and ownership problems. This was financed primarily from central government and implemented from a group within the newly-created regional office. The final stage was to attract an inward investor. Success was achieved with a Hitachi-Panasonic-Toshiba joint venture producing flat screens and complete televisions from late 2007. The first stage led to 4,000 jobs, with hopes of expansion to 8,000. The assumption was that these would all be recruited locally, reducing the estimated 30,000 unemployment within a 30-minute travel time of the site. However, 75% in the main plant required only the lowest qualification level. Thus, again, the impact of state activity was indirect, attracting an inward investor. The impact of the inward investor was overwhelmingly direct, reducing unemployment for unskilled workers. This, it can be added, was the first objective of the regional office, although there were also hopes of attracting jobs requiring higher qualification levels.

There was very little opposition to these forms of inward investment, although some major projects have provoked resistance (Drahokoupil 2008). One such case occurred in Most. The initial prognosis, when unemployment started to rise significantly in the mid 1990s, was that firms would be difficult to attract to environmentally damaged parts of the district. However, sites were chosen from 1993 and some significant firms eventually came. The problem case was the car component firm Nemak which had been rejected in other parts

of the country as its production was judged environmentally harmful. It was willing to come only to a newly prepared site on unspoilt countryside near Most which the municipality had excluded from plans for industrial development. Kč 170 mn of public money was invested in the site which was sold to Nemak for a nominal sum. The company promised to provide 1,300 jobs. Local opposition, including evidence that correct legal procedures had been flouted, delayed the project, but was met by the powerful and concerted pressure by an 'investment-promotion machine' – the analogy in this context to a 'growth machine' (Drahokoupil 2008) – uniting local business and politicians, which eventually triumphed.

The big differences between regions are shown in the investment projects that may have more substantial spin-offs or create higher-level jobs. CzechInvest data show that business support services and technology centres went overwhelmingly to Prague with a few to Brno. Ústecký region also missed out on large car-assembly plants that create security of permanent employment and require a range of suppliers. The closest to such a project was a new plant by Black and Decker on a site in Ústí nad Labem, starting with 600 employees in 2002 of which 50 were to have higher education. This suggests a relatively low skill level over all, but one that was higher than in the existing employment structure for the region as a whole. There was also a prediction of one indirect job in around 120 Czech suppliers created for each direct one. The state subsidy was Kč 482 mn, meaning a substantial cost of Kč 80,000 for each job created, equivalent to five times the average annual industrial wage at the time.

Thus, to summarise, in terms of job creation inward investment appears to be extremely effective, albeit at a significant financial cost. The internal driving force is the desire to create employment. It carries a financial cost, but it is organisationally very simple with a minimal involvement of complex networks. The idea of industrial zones had to be initiated and argued for, but a successful method of attracting foreign companies was established fairly rapidly and then copied. The businesses that have come typically have little interest in other local activities. Some larger ones do involve themselves in local communities, not least as a public relations role that, apart from other considerations, may ease planning permission for future expansion. In other parts of the Czech Republic inward investors have been concerned at shortages of labour and particularly of skilled engineering workers. That has been less pronounced in Ústecký region. Firms have not needed to import workers from abroad. There have been opponents of some investment projects, largely on environmental grounds. Their impact has been small in the face of a substantial coalition of prospective investors, seeking a profitable location, and local politicians, able to command support around the aim of employment creation.

### CZECH-OWNED COMPANIES

The involvement of Czech-owned companies in the local economy varied widely. A number of major firms, particularly those with obscure ownership patterns emerging from voucher privatisation, joined the example of most smaller companies and kept out of local affairs. Generally speaking, a more open ownership structure, including a large or dominant state

share, was associated with more active local involvement, such as membership of the Chamber of Commerce and sponsorship of local activities.

Mining companies have been something of an exception in the extent of their active involvement. The energy sector as a whole was an issue of national government policy and that meant that firms in this sector were continually lobbying the central government and also became involved in issues of local development. Four factors affected the form this took.

The first was the general prospects for coal extraction. Mining had taken an environmentally-devastating form in the years before, and shortly after, 1989, involving the destruction of 32 villages and most of the old town of Most (Pavlínek and Pickles 2000:117). A government decision of 1991 set limits to open cast mining which, if maintained, would mean exhaustion of coal in 2030-2035. However, their complete removal would provide access to coal until 2120, albeit assuming the destruction of two villages and of an oil refinery which would anyway need to be reconstructed within that period. Continuing coal production therefore depended on a central government decision which could favour coal, could favour a switch to nuclear power or could lead towards dependence of imported gas via Russia or to net imports of electricity. Other sources of energy could not realistically fill the gap.

The second was the nature of partial privatisation in the mid 1990s which led to three companies in North Bohemia of which two, employing 8,900 in 2002, were in Ústecký region. Severočeské doly (North Bohemian Mines) was based in Chomutov and had a safe

market with direct links to coal-fired power stations. It could invest in substantial modernisation and had little interest in diversification. MUS (Mostecká uhelná společnost, the Most Coal Company), based in Most, had less secure markets. It suffered a loss in sales to the household market as coal was replaced by gas. It had a direct interest in long-term links with ČEZ, the electricity company, and manoeuvred in the years after 2000 for privatisation deals in both coal and electricity that would make this possible. Conflicts between the companies were at times quite sharp, but they also cooperated in seeking export markets for electricity and in pressuring the government on energy policy. MUS had the greatest potential for long-term production if the limits were lifted and favoured building, either alone or with ČEZ, a new power station. This would only make financial sense if coal could be guaranteed for 50 years. This inevitably required local as well as national lobbying as MUS had to try to persuade local inhabitants to accept the destruction of their villages.

The third relates to the specifics of privatisation. Shares in mining companies were distributed in the second voucher wave from 1994, but with majorities left for the central state and local authorities. Sale of shares by municipal authorities enabled an obscure investment company to gain a controlling share in MUS in 1998. According to government sources, this was a front for the management using the company's own money. This was never proven, but media reports periodically appeared consistent with the claim and the management did emerge after a few years as the owners. However, to ensure full control, and to buy the remaining shares from the government,

the management had an interest in gaining the most favourable public profile.

The fourth relates to the forms of diversification taken by MUS. Land rehabilitation had been an issue before 1989 and became even more important in the 1990s, with mining companies obliged to set aside finance for this purpose alongside some help from central government. MUS took the opportunity to develop land into recreational facilities, a horse-racing track and a motor-racing circuit, projects that had been started before 1989. It was moving towards tourist activities which, as will be argued, depend on cooperation between local actors. However, there was no initiative from within the business community to create a collective voice. That would have to come from elsewhere.

### **A TRIPARTITE ORGANISATION**

Business was weakly organised at the regional level throughout the Czech Republic. In fact, it was only brought together to any serious degree at all in the old industrial regions of North Moravia and North Bohemia. In both cases it required other agencies, representing a more general local interest. North Moravia appeared more successful at first. An association of enterprises was formed in late 1990 and its activities were supplemented by the founding in 1990 of the *Hospodářská a sociální rada ostravsko-karvinské aglomerace* (The Economic and Social Council of the Ostrava-Karviná Conurbation), a broad coalition of municipalities, enterprises, trade union, universities and research institutes convinced of the need for central government help to replace jobs expected to disappear from mining and steel (*Hospodářské noviny* 17 September 1991).

Trade unions were actively involved and shifted the body towards a tripartite conception, mirrored on the tripartite council at national level (P. Hrib, Soudy, 1993, No. 46, p. 10). It devoted efforts to analysing problems and formulating strategic plans, but there was no conception of what economic activities would emerge beyond faith in the 'spontaneous entrepreneurial spirit of the citizens of the region' (Hospodářské noviny 24 September 1993, p. 10).

The first voices from North Bohemia were similarly vague, with studies predicting declining employment in mining and hence the need to find alternative employment. However, there was less cohesion across the region than in North Moravia. A number of firms were privatised by vouchers and became embroiled in internal fights for managerial power which gave them little interest in regional organisation. A few general documents on regional development strategy were produced in the late 1990s, but they did not bring actors together to ensure their implementation.

The initiative for creating, or attempting to create, a greater degree of coordination among actors came from the trade union side. Unions were significant actors in coal mining and had a record of militancy from 1990 around demands for job security, redundancy terms and guarantees of well-paid alternative employment. They were suspicious of privatisation plans that could lead to the uncertainties of foreign ownership: the miners' union leader put the view that 'if the Germans buy it, they will simply shut the mines' (C. Zapletal, Právo 21 March 1998) and won the right to consultation on selection of a new owner. They were happy

with privatisation of MUS in favour of the existing management, indicating no interest in allegations of illegal activities in that respect (C. Zapletal, Právo 10 July 1998). Their influence helped persuade mining companies to promise support to new enterprises and industrial zones during tortuous negotiations over final privatisation from 2002. The union voice, under Social Democrat-dominated governments from 1998 to 2006, therefore pushed mining companies towards a slightly wider regional development role, although their previous preference had been for restricting themselves to their core mining activities. In exchange, unions, with their voice at central government level, were useful allies for mining companies on privatisation into Czech ownership and on an energy policy that would retain the emphasis on coal.

This, then, was not a 'growth machine', but it was a case of specific common interests leading to cooperation. An initiative to formalise this was the launch in May 1999 of the Hospodářská a sociální rada Mostecká (HSRM, Economic and Social Council of the Most District) on the initiative of the trade-union leader and newly-elected senator Richard Falbr. He found partners among 'a few local patriots' who aimed to 'mobilise the important and active citizens living in the region' to create an association that would be 'an equal partner to the organs of state power' in leading the revival of the Most region ([www.e-region.cz/hstrm/historie.htm](http://www.e-region.cz/hstrm/historie.htm)). The first step was to bring together ideas from documents produced in 1998 and 1999 on the region's development into the *Global Revitalisation Plan* for the future North West NUTS 2 region (HSRM, 1999), albeit with a bias towards concern with the

industrial core. It was developed to be in harmony with EU regional policy thinking and was presented to the Ministry for Regional Development in December 1999.

The document favoured investment in infrastructure, promotion of new businesses, inward investment and support to higher education. It also had very specific proposals, including a new industrial zone on the old military airfield site. This did not initiate that idea – it was already in the public domain – but was a major factor in setting a consensus and in persuading central government to give support, leading to a transfer of the site to the new regional authority on its formation. Indeed, the programme as a whole was largely concerned with lobbying central government for specific projects. In February 2002 the central government promised Kč 15 bn (approaching 1% of the region's annual GDP) for redevelopment of old mining land and this helped encourage a spread of Economic and Social Councils in districts across the newly-established region and then also at the regional level, generally around firms that hoped to benefit from associated contracts.

Membership was never more than a tiny fraction of the total number of businesses in a district. The HSRM in March 2003 listed 29 organisations of which 19 were enterprises (against 2,554 enterprises with one or more employee at the time). Others included municipalities and representative bodies. The petrochemical firm Chemopetrol and MUS were both involved, including the subsidiary companies running the motor-racing circuit and horse-racing course. In the case of MUS, a donation to the HSRM of \$250,000 appeared to

be a condition for privatisation terms that favoured the management (Právo 14 May 1999) and the firm spoke for some time of the need for 'a global plan of structural reform for the Most district worked out by employers, the state and trade unions' (Právo 19 May 1999). Chemopetrol was still awaiting privatisation and it too provided financial support. The funds, and other donations, were gradually used up in providing support to small businesses and municipalities in the preparation of applications for central-government or EU support. This, as indicated, had been identified as a serious bottleneck. The activity continued until the exhaustion of the funding provided by big enterprises in the HSRM's early years. With their privatisation completed and then with a right-wing government from 2006, they presumably had less need of this method of winning friends.

Although not conceived as a direct initiator of development projects, the HSRM became involved in a small number which demonstrated its potential as an institutional entrepreneur. The most important related to tourism, for which the prospects did not look good. In February 2002, following an argument that fragmentation across tourism and recreation activities was leading to lost opportunities, the HSRM took an initiative to establish the Centre for the Development of Tourism. This was a theme at successive HSRM Presidium meetings and dissatisfaction with the level of organisation led to the coordinating role falling on one of the four permanent employees of the HSRM. By mid 2003 the association had 18 members and was working towards the first, very modest, step of establishing a tourist information centre. The



chosen method was to try to persuade the town council to provide funding and facilities. This encountered some opposition, but HSRM presidium meetings were public and given coverage in the media. They could thereby exert considerable pressure on any organisation that appeared reluctant to play its part in programmes that seem beneficial to the area's regeneration.

The HSRM also became involved in efforts to create new tourist attractions. The most important was an open-air museum of the mining industry, stimulated by the expectation that all such activities could end in as little as 15 years. The original initiative came for a group of former miners and was taken up by the old district authority. It was propagated vigorously by the HSRM where it became a frequent theme at presidium meetings. Success depended on bringing together finance, an appropriate location, or set of locations, and an entrepreneur to take the project forward. Feasibility studies suggested a cost of Kč 163.5 mn for the first stage of the project with a final direct job creation of 57. Organising initial finance proved possible, with some from local enterprises and some from central government. Initial labour needs were met thanks to support from the Labour Office. Clarifying ownership of proposed sites proved difficult but, again, with a strong voice behind the project, was not insurmountable. It proved more difficult to find 'founders' who would play the entrepreneurial and ownership roles. In the end, despite a previous desire to eschew a directly entrepreneurial role, the HSRM took part ownership in January 2002 alongside a number of other local organisations. Indeed, it might have moved into a more active role in

promoting local development if it had not largely exhausted its initial financial strength.

There is some analogy here to Sotarauta's account of institutional entrepreneurs. Somebody needs to be active in initiating an idea and leading its implementation. Tourism is a particularly relevant case here as it requires cooperation of different kinds of enterprises, each dependent on others to provide a complementary input contributing to an environment that could attract visitors. The task was partly to overcome a widespread assumption that Ústecký region, and particularly the Most district, had minimal prospects for tourism. However, success depended on winning the outcome of political conflict in which prestige and power were important. Individual initiators were only a part of the process.

Despite all this, the final outcome was not very impressive. A tourist information office did open in Most, with much better facilities than in other similar-sized towns, but was used by very few outside visitors. The mining museum finally started operating in 2007 as a museum to reflect the varied working lives and technologies from the region. However, severe limitations on finance meant that it had only ten employees and many significant exhibits could not be displayed. Further delay, it was felt, would arouse suspicions among the sponsors that had already put in contributions. In terms of jobs created, this was far less significant than industrial zones attracting inward investors. At best, it is an indication of the kinds of political processes required to press through more complex projects and also of the limitations to regional development in the

absence of financially-strong organisations able to ensure implementation of ideas.

## CONCLUSION

Ústecký region in North Bohemia has not become a 'knowledge-based' region, but it has undergone an enormous transformation since 1989. In terms of the frameworks outlined at the start of the article, the most relevant appear to have been the spontaneous development of small-scale business and the continued provision of employment and essential infrastructure by the state. Forms of growth that require the most complex networks and contacts are largely absent. Institutional thickness thus appears of little relevance in explaining recent experience. The notions of a growth machine and of institutional innovators point to the importance of initiating and pressing for implementation of projects. These are relevant, although it is noticeable that forms of development tend to have been of kinds that face little opposition. Again, the initiation and implementation elements have been relatively simple, although these do appear as the most consistent generalisable features of elements of development.

However, the forms of development apparent over the post-1989 period are unlikely to prove sufficient for achieving a high level of prosperity. If the region is to become genuinely 'knowledge-based', with the ability to generate its own innovations, it probably needs to be able to combine the five frameworks listed above, such that a more innovative environment can be created. That would require active initiation, by 'institutional entrepreneurs' with sufficient political and financial backing, of cooperation between actors both

with others within the region and with actors from outside.

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### Web sites

- [www.hsr-uk.cz](http://www.hsr-uk.cz), Hospodářská a sociální rada ústeckého kraje, Regional Economic and Social Council, with links to all others.
- [www.kr-ustecky.cz](http://www.kr-ustecky.cz), Ústecký kraj, Ústí region.
- [www.mag-ul.cz](http://www.mag-ul.cz), Ústí nad Labem municipality
- [www.mpo.cz](http://www.mpo.cz), Ministry of Industry and Trade
- [www.mmr.cz](http://www.mmr.cz), Ministry of Local Development
- [www.mumost.cz](http://www.mumost.cz), Most municipality
- [www.mpsv.cz](http://www.mpsv.cz), and [www.ssz.mpsv.cz](http://www.ssz.mpsv.cz), Ministry of Labour and Social Affairs, with links to Labour Offices.
- [www.ohk-ul.cz](http://www.ohk-ul.cz), Chamber of Commerce, Ústí nad Labem

### Organisations from which individuals were interviewed, 2003-2008

- ARREL (Agentura regionálního rozvoje Euroregionu Labe), Ústí nad Labem
- Deníky Bohemia, Ústí nad Labem
- Hospodářská a sociální rada Mostecká
- Hospodářská a sociální rada Ústecka, Ústí nad Labem
- Hospodářská a sociální rada Ústeckého kraje
- Magistrát, Ústí nad Labem
- Odbor hospodářství, Ústecký kraj, Ústí nad Labem
- Odbor regionálního rozvoje, Ústecký kraj, Ústí nad Labem
- Okresní hospodářská komora, Ústí nad Labem

Podnikatelské a inovační centrum, Most  
 Regionální rozvojová agentura, Most  
 Univerzita Jana Evangelisty Purkyně, Ústí nad  
 Labem  
 Úřad práce, Ústí nad Labem  
 Výzkumný ústav hnědého uhlí, Most

## Résumé

### Regionální teorie a regionální rozvoj: příklad Ústeckého kraje v severozápadních Čechách

Region se v minulých letech stal klíčovou oblastí pro ekonomický rozvoj. Tento trend je podporován politikou Evropské unie a dal vzniknout novým termínům „učících se“ regionů a region „založených na znalostech“ společně s rozvojem nových teoretických rámců. Tyto teorie však mohou vysvětlit pouze části rozvoje v určitých obdobích v některých regionech. Situace se podstatně liší v regionech, kde probíhá nový a inovativní technologický rozvoj, od starých průmyslových regionů, ačkoliv i ty také prošly velice podstatnými změnami.

Článek klade rozvoj Ústeckého kraje v severozápadních Čechách do souvislosti s dostupnými teoretickými rámci. Regionální rozvoj není přesně měřitelný, nicméně jako rámcový ukazatel se používá nezaměstnanost. Ústecký kraj zdědil ekonomickou strukturu ovlivněnou energetickým sektorem, včetně těžby uhlí a výroby elektrické energie. Některé ukazatele jsou typické pro většinu České republiky, ale nezaměstnanost je zde dlouhodobě vysoká. Pokles zaměstnanosti v hornictví nebyl nahrazen vznikem nových firem. Region výrazně zaostává v ukazatelích vztahujících se ke „znalostní“ ekonomice.

Analýza rozvoje byla založena na pěti teoretických rámcích. První zastává názor, že není nutná žádná regionální politika, protože se podnikatelé objeví spontánně; toto tvrzení nepostrádá určitou platnost, ale takto vzniklé firmy jsou jen zřídka orientovány inovativně a prorůstově. Druhý rámec prosazuje roli státu; tento názor se v regionu uchytil a na různých administrativních úrovních došlo jak k přímé (zaměstnanost ve státním sektoru) tak nepřímé podpoře (infrastruktura pro rozvoj podnikání). To však neopravňuje považovat regionální rozvoj za řízený státem. Třetím rámcem je tzv. „nový regionalismus“, který považuje regiony za prostory autonomního rozvoje založeného na kontaktech a sítích. Koncepty používané v tomto rámci jsou však nepřesné. Je nezbytné specifikovat sítě jasněji, například identifikací iniciátorů a protagonistů, kteří jsou často svázáni s identifikovatelnými zájmy. Čtvrtý rámec vychází z pojmu „stroje růstu“ uplatňovaného ve městech USA. Tento rámec vyžaduje adaptace beroucí v úvahu různé typy rozvoje a různé typy konkurujících si zájmů; dominantní formy rozvoje ve střední Evropě se typicky setkávají s malým odporem a regionální družení se spoléhají na podporu zvenčí. Pátým rámcem je koncept institucionálních podnikatelů, který vidí regionální rozvoj jako analogie ke změnám v organizacích. Pokud mají být jeho myšlenky někdy implementovány, musí být tento rámec také rozvíjen tak, aby byla uznána důležitost politiky a společenských zájmů.

Tyto rámce jsou použity k interpretaci chování klíčových aktérů (nových firem, státních orgánů, domácích i zahraničních firem a zástupců společenských zájmů) a k hodnocení určitých forem rozvoje. Růst nových malých firem

vyžaduje alespoň minimální spolupráci v sítích. Snahy o tvorbu klastrů se ukázaly jako umělé a neúspěšné. Stát poskytl infrastrukturu, ale již nepropojil veřejné a privátní aktéry dohromady tak, aby došlo k novým formám autonomního rozvoje. Částečnou výjimku představoval příliv investorů, ovšem pouze s malou potřebou spolupráce mezi aktéry v rámci standardních aktivit. Přináší sice podstatnou tvorbu pracovních míst, ale má malý dopad na znalostní bázi místní ekonomiky.

České firmy hrají různé role. Těžářské společnosti jsou v českých podmínkách výjimečně potřebou aktivních veřejných politických zásahů. Jejich budoucnost je svázána s energetickou politikou centrální vlády. To je nutí hledat místní spojence, včetně odborů, které mají cíl zvýšit zaměstnanost zachování současných míst a podporou místního ekonomického oživení. Ochota spolupracovat, navzdory jiným odlišnostem, vedla k vytvoření tripartity s některými velkým společnostmi nabízejícími finanční

prostředky na podporu místního rozvoje. Tyto aktivity se nejvíce blížily tvorbě komplexních sítí a spolupráce mezi různými aktéry, ale skutečné výsledky v oblasti zaměstnanosti byly mnohem méně působivé než ty vytvořené investicemi do průmyslových zón.

Žádný rámec neposkytuje úplné vysvětlení rozvoje po roce 1989. Z pěti zmiňovaných první dva jsou zcela jasně relevantní a do značné míry jsou na sobě nezávislé. Nový regionalismus je ve své nejjednodušší formě nejméně relevantní. Velká část rozvoje závisí na spolupráci mezi aktéry, ale ne všichni jsou z regionu a důležitou roli hrají iniciátoři, kteří přicházejí s původní myšlenkou, a také aktivní implementátoři, kteří mají jasně definované zájmy a kteří mohou vyhledávat aliance a spolupráci s ostatními aktéry, aby získaly potřebou politickou sílu. To doposud stačilo ke tvorbě nových pracovních míst, ale nepozvedlo region na úroveň očekávanou od „znalostní“ ekonomiky. Ta je závislá na podstatně větší spolupráci mezi aktéry.



## JIHLAVA – THE CENTRE OF THE VYSOČINA REGION AND FOREIGN INVESTMENTS

**Václav Toušek\*, Václav Novák\*\***

\* Department of Geography, Faculty of Science, Palacký University Olomouc,  
tř. Svobody 26, 771 46 Olomouc, vaclav.tousek@upol.cz

\*\* Department of Regional Development, Regional Authority of the Vysočina Region,  
Žižkova 57, 587 33 Jihlava, novak.v@kr-vysocina.cz

### Abstract

The city of Jihlava has been since the boom of silver mining in its surroundings in the 13th century the economic centre of the sparsely populated Bohemian-Moravian Highland. At the time of the first modern census in 1869 Jihlava was the fifth largest city in the Czech lands. Mainly thanks to displacement of original German population after 1945 the position of Jihlava in the Czech settlement system considerably weakened. In the 1990s when the new administrative division of the Czech Republic was being made there were discussions whether between the Prague and Brno agglomerations a new region should be established or not. Eventually it was decided that a new region with Jihlava as its centre would be established. The aim of the authors was to find out if the city of Jihlava was capable of integrating the area of the Vysočina region. The authors were oriented mainly at analysis of spatial distribution of labour commuting to Jihlava and to the Bosch Diesel company, which represents the most important foreign investment in the whole region. The authors concluded that the establishment of the Vysočina region was a good step and that Jihlava was able to defend its position of the regional centre.

**Key words:** Jihlava, Vysočina region, Regional Centre, Labour commuting, BOSCH DIESEL

### INTRODUCTION

One of the most frequent questions during discussions over the new administrative division of the Czech Republic after 1989 was: “whether to create a new region within the area of the *Českomoravská vysočina* (Bohemian-Moravian Highlands) between two largest

agglomerations of the Czech Republic (Prague and Brno agglomerations)”. Regarding the fact that the political circles favoured the idea of more regions (altogether 14) than before 1989 (when there were only 8 regions), it became obvious that such a region would be created in this area without a strong population centre and that this would be Jihlava with its fifty

thousand inhabitants. The new region was created in 2000, it was named the Vysočina region and it was made up from the area of five districts. These were three Moravian districts – Jihlava, Třebíč and Žďár nad Sázavou – and two Bohemian districts – Havlíčkův Brod and Pelhřimov.

The objective of the authors of the article was to present that the city of Jihlava has slowly been gaining all the necessary prerequisites to successful integration of the whole area of the region. As the regional capital Jihlava significantly strengthened its administrative functions towards its hinterland, though the decisive factor for the superior status within the hierarchical system of the region seems to be the increase of the economic function of the city. Such increase has been conditioned by the growing number of foreign direct investments in the industry of the city which have been flowing into the city from the second half of the 1990s until present. The largest part of the investments comes from the company of Robert Bosch GmbH from Stuttgart. The authors draw upon some of the previous studies dealing with Jihlava as the pole of the economic development of the Vysočina regions. Among these are publications by Toušek and Tonev (2002), Novák (2005 and 2007) or some conclusions made by J. Kunc in his dissertation (2005) or his article (2006). The authors of the article have also used information about the role of foreign direct investments for regional development (Pavlínek 1998, 2002, 2004, Carter 1999, 2000, Vančura 2004, 2006, and Bašťová 2008) or conclusions of the publication by M. Srholec (2004) on direct foreign investments in the Czech Republic.

## **JIHLAVA AS THE REGIONAL CENTRE – A BRIEF HISTORY**

Jihlava became the regional capital as early as in the 16th century when the regions were first established in Moravia (in Bohemia they were created in the 14th century). The main reason for the creation of the regions also in Moravia was defence against the Turks. Jihlava remained the regional centre up to the end of the 1860s when regions ceased to exist both in Bohemia and in Moravia. In the 16th century the Jihlava region was made up by the Moravian part of the Jihlava area, by the northern part of Třebíč area (south was part of the Znojmo region), the Velké Meziříčí and Dačice areas. From the 16th century to the half of the 19th century other areas were incorporated into the region (the Žďár nad Sázavou, Nové Město and Bystřice areas). The Jihlava region was made up only by Moravian areas as at that time the administrative division respected the historic borderline between Bohemia and Moravia. In 1868 the administrative division ceased to exist and a new structure of political districts and smaller sokes were established (Jihlava became the centre of both such districts).

In the former Czechoslovakia regions came into existence again on January 1, 1949. There were thirteen regions at that time. By the half of the 20th century the historic borderline lost its significance and the Jihlava region was made up by Moravian and Bohemian districts. Its area was 6,650.5 km<sup>2</sup> (the fifth largest region) and according to the 1950 census its population was 425.5 thousand (the second least densely populated region). The Jihlava region was made up by 13 districts, out of which 7 were situated in Moravia, 6 in Bohemia. Such administrative division lasted only until 1960 when an



administrative reform took place and whose outcome was a smaller number of regions and districts which were territorially larger. Jihlava lost its status of a regional centre and became only a centre of a district.

The year of 1989 saw the start of many political changes which were reflected significantly not only in the social and economic development but also in the changes concerning the administrative division. The regional national committees ceased to exist and the national committees were changed into municipal authorities at the level of municipalities and district authorities at the level of districts. District authorities were dissolved in the Czech Republic (in January 1, 1993 Czechoslovakia split up into the Czech Republic and the Slovak Republic) in December 31, 2002 and some of their duties were transferred to the newly established autonomous regions (altogether 14) and partly to municipalities with extended authority (altogether 205, out of which 15 are in the Vysočina region). The basis for the establishment of the administrative division was the bill on regions, which was made into an Act by the Parliament of the Czech Republic in April 12, 2000. New regions, including the Jihlava region (later renamed as the Vysočina region) with Jihlava as its centre, came into existence on the day of the elections to the regional authorities (November 12, 2000), when the Act on regions came into effect.

Though the area of the Vysočina region has a very similar layout as the Jihlava region from 1949 to 1960, there can still be seen certain differences. As was already stated above, the area of the Vysočina region is made up by the areas of five districts. From the year of 1960 the districts of Jihlava, Třebíč and Žďár nad

Sázavou were parts of the Jihomoravský (South Moravian) region, the district of Pelhřimov was part of the Jihočeský (South Bohemian) region and the district of Havlíčkův Brod was part of the Východočeský (East Bohemian) region. Today the area of the Vysočina region is 6,795.7 km<sup>2</sup>, which is a little larger area than in the case of the former Jihlava region. In between the years of 1949-1960 the Dačice area was part of the Jihlava region (at present the district is part of the Jihočeský – South Bohemian – region); today the Bystrice, Náměšť and Chotěboř areas are also parts of the Vysočina region (see Figure 1).

From the point of view of the historic development of the administrative division of the country we can say that Jihlava was and has been, with only minor exceptions, a regional centre. The dilemma over its re-establishment as the regional centre was a consequence of the fact that it lost its position within the settlement system of the Czech Republic. At the beginning of the modern statistical monitoring (in the year of 1869) Jihlava ranked among the largest cities on the area of the present Czech Republic. With its 20,049 inhabitants – which is only a little less than in Pilsen or Liberec – Jihlava was the fifth largest city. In 1900 despite the number of inhabitants grew to 24,387 Jihlava dropped to the 13th position. From today's point of view we might however say that it dropped to the 10th position since Žižkov, Královské Vinohrady and Smíchov were not yet parts of the capital city of Prague. In the list of the largest cities of the Czech Republic from the 1930 census Jihlava moved to the 14th position and the number of inhabitants exceeded the level of 31 thousand inhabitants. The war and the displacement of the German-speaking inhabi-



**Figure 1** Administrative division of the Vysočina region.

Source: Lexikon obcí ze SLDB 1950, ČSÚ 1955; Malý lexikon obcí ČR 2007, ČSÚ 2007.

tants caused that the significance of Jihlava within the settlement system of the Czech Republic continued to decrease. At the 1950 census there were 29,517 inhabitants, which was less than in 1930 and Jihlava became the 19th largest city in the Czech Republic as far as the number of inhabitants was concerned.

During the next year Jihlava dropped to the 22nd position.

Jihlava is the oldest mining city in the Czech Republic. Originally a Slavic village it became the gateway to colonization of a relatively large area. The colonization was accelerated by the

discovery of silver at the end of the 1240s. The silver rush brought miners, various craftsmen and businessmen from all over Europe. At the end of the 14th century, when the veins richest in pure silver were depleted and when the mines were affected by an earthquake and floods, the significance of the mining of silver dropped. The economic development of the city was brought about at that time by trade and handicraft; mainly woollen cloth manufacture became the most important craft for four centuries. During the second half of the 18th century Dutch cloth workers were invited to the city, whose experience led to the perfection of the manufacture. Thousands of people in the city and its surroundings made living as cloth workers at that time and Jihlava became the second largest producer of cloth in the monarchy (Jaroš, Veverka 2001).

Even though the first modern factories were established in Jihlava as early as in the year of 1815, these were only imitations of real industrial enterprises which did not have long standing. We can say that modern industrial production appeared only in the second half of the 19th century. The first big factories were cloth-making factories, but the first largest factory in Jihlava was a state tobacco factory. The factory was established in the city in 1851 when it was transferred here from the town of Louka near Znojmo (in 1862 there were 2.4 thousand employees). In the course of time other industrial enterprises appeared which significantly changed the economy of the city. Among these were the new brewery, starch factory, distillery, leather and shoe-producing factory, the big steam saw mill, match-factory and the glassworks in Antonínův Důl (established already in 1845) etc. An important

position had even smaller textile factories which grew from the traditional cloth-making factories, i.e. knit works or weaving mills and factories for the production of woollen products. The economic development was connected mainly with the construction of the railways. Mechanical engineering was not an important industrial field in Jihlava, the first significant engineering factories start to appear after the WWI, these were Kotva (established 1920) and the filing factory of Ajax (1921).

After the WWII the production base of the city considerably changed with the establishment of new large engineering and metalworking factories such as Pal in 1946 (since 1950 Motorpal), Jihlavan in 1952 or Kovolit (later Moravské kovárny). Also traditional textile industry went through substantial changes, when in 1948 eighteen smaller hosieries were merged into one national enterprise – Pletařské závody (later Modeta). In 1958 Tesla was established on the premises of a former tobacco factory, which brought electrotechnic production to Jihlava. Even the old sawmill in Bedřichov went through substantial changes when it was transformed after 1960 into a large complex producing wood-chips (part of the Jihomoravské dřevařské závody with head offices in Brno). After the completion of a new high-capacity line for chipboards in 1982 the Jihlava plant became one of the largest wood-producing factories in Czechoslovakia. At the end of 1989 the largest industrial employers in Jihlava were as follows: Motorpal (in Jihlava employing 2676 workers), Tesla (1958), Jihlavan (1572), Modeta (1460), Jihomoravské dřevařské závody (1349), Kovolit (788) and Sklářny Bohemia (424 workers).

## **JIHLAVA AFTER 1989**

New social and economic circumstances in the Czech Republic after November 1989 significantly influenced employment structure in Jihlava. In 1990 dismissal of workers (mainly from technical and economic branches of industry) from largest industrial companies started. However as late as the 1991 census (March 3), most labour opportunities were still in the secondary sector (50.2% of occupied labour positions). Industry employed 13.3 thousand and building industry 3.7 thousand persons. Agriculture, forestry and water management employed 3.5% of workers and tertiary sector the remaining 46.3%.

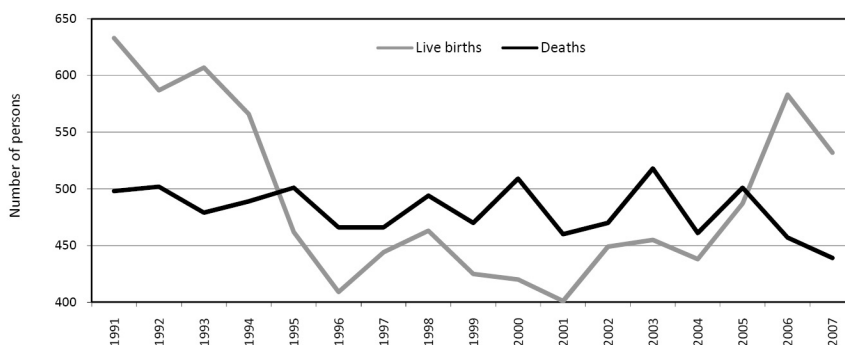
During the 1990s along with decreasing number of inhabitants there appeared signals that the economic development of Jihlava was quite dynamic and that its influence on hinterland increased. The number of labour positions did not significantly drop in connection with economic transformation of the city and the unemployment rate was not high. People from neighbouring districts, such as Třebíč and Žďár nad Sázavou (areas which wanted to remain in the South-Moravian region with the centre in Brno in the last administrative reform), started to commute to Jihlava. Population decrease in Jihlava practically ceased. By the end of 2006 almost 51 thousand inhabitants lived in Jihlava and Jihlava lost the position of the smallest regional centre. Such centre became Karlovy Vary.

### **Population**

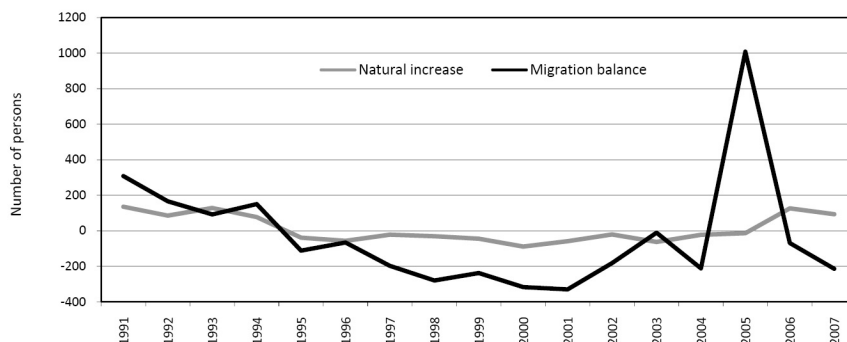
After 1989 the population trends in Jihlava were similar to those in the rest of the country. Social, economic and political living conditions

in a totalitarian system led, not only in the Czech Republic but in other transforming countries of central and Eastern Europe to the formation of demographic behaviour patterns significantly different from the prevailing demographic behaviour of democratic countries with advanced market economies. The Czech Republic was lagging behind in terms of decreasing its mortality intensity improvement, and maintained a high marriage rate, as well as a low average age for first marriages and a corresponding young average age of mothers specifically at first childbirths and a high induced abortion rate. A less notable variance from the European average is to be found in the divorce rate, in this field the Czech Republic traditionally ranks among the countries with the highest rate; the birth rate did not differ much from the European average.

The former pattern of demographic behaviour of the population was encouraged by significant state paternalism, significant social benefits in diverse fields and by the existence of sometimes even unbearable social certainties. The above mentioned situation did not provide sufficient space for personal decision making and sense of responsibility. Young people would extensively uniformly contract marriage at an early age, only about 5% of women remained single and the pattern of a two-child family was favoured. The transition to a market economy and all its social consequences, but also new opportunities of self-realisation led to changes in demographic behaviour. Individuals as well as families have faced a highly competitive environment simultaneously with life style changes, higher incomes, and an improved social status, all of which were inaccessible for a majority of people in the previous era. Due to the curbing



**Figure 2** Development of the number of live births and deaths in Jihlava in 1991-2007.  
Source: Pohyb obyvatelstva v obcích ČR v letech 1991-2007 (database), ČSÚ 2008.



**Figure 3** Development of natural change and migration balance in Jihlava in 1991-2007.  
Source: Pohyb obyvatelstva v obcích ČR v letech 1991-2007 (database), ČSÚ 2008.

of social benefits aimed at families with children, the scope of social benefits narrowed and unemployment appeared as a new reality, negatively affecting couples considering marriage and potential parents. These new conditions for individuals and families were weighed within a free and sensible decision-making process concerning family life and the position of children in the family. This new situation was similar to the period of demographic behaviour changes, which took place during the 1970s and 1980s in democratic European countries. However, in the Czech

Republic the changes of demographic behaviour took place far too quickly (Pavlík et al. 2002).

At present many more young people study at universities or higher professional schools. The amount of free time made available during their studies allows them to travel and gain experience particularly after graduation and prior to starting their first jobs. Young people face greater demands on the labour market, domestic but specifically international experience is valued and significant work flexibility

**Table 1** Population change in Jihlava in selected periods after 1900 (annual averages in ‰)

Parts of change	Periods			
	1991-1995	1996-2000	2001-2005	2006-2007
Nativity	10.8	8.3	8.9	11.0
Mortality	9.4	9.2	9.6	8.8
Natural change	1.4	-0.9	-0.7	2.2
Migration balance	2.3	-4.2	1.1	-2.8
Total increase (decrease)	3.8	-5.1	0.4	-0.6

Source: Pohyb obyvatelstva v obcích ČR v letech 1991-2007 (database), ČSÚ 2008.

is expected. Furthermore the ambitions to achieve a higher position, better income and the concurrent risk of not finding or losing one's job have become important conditions in the decision-making process, whether, when and how to start a family, when to have children and how many. Opportunities for obtaining financially affordable housing also play an important role. This all was reflected in considerable decrease in fertility and natality. The number of live births in one year dropped below the level of 500 in Jihlava as early as in 1995. Only after more than 10 years was this level exceeded again (see Figure 2). Last increase in live births is accompanied by decrease in deaths so in 2006 and 2007 Jihlava there was an increase in the number of inhabitants by natural population change again (see Figure 3).

In the past years natural population decrease was accompanied also by emigration (with the exception of 2005), which was reflected in the population decrease in Jihlava below the level of 50 thousand inhabitants. The largest part of emigration from the city headed for municipalities in the closest hinterland of Jihlava. This suburbanization process can be

recorded in most large cities in the Czech Republic since the half of the 1990s.

Population development analysis in selected periods after 1990 confirmed that the lowest fertility in Jihlava was in the second half of the 1990s. In this period the population decreased not only by natural change but also thanks to negative migration balance (see Table 1).

Decrease in the number of live births has gradually led to the fact that the population of the city started ageing. In 1991-2007 the number of persons in pre-productive age dropped from 11.1 thousand to 6.8 thousand. On the other hand the number of persons in post-productive age increased from 5.8 thousand to 7.4 thousand. The average age of the city population increased by more than 5 years during this period (see Table 2). In 2004 the age index exceeded the level of 100 which means that the number of persons older than 65 was higher than the number of persons younger than 15. However, in most of regional centres the age index was higher than in Jihlava by the end of 2007 (with the exception of the cities of Ústí nad Labem, Ostrava and Liberec).

**Table 2** Age structure of the population of Jihlava (as of December 31)

	1991	1995	2000	2004	2005	2006	2007
Population	52,631	52,751	51,408	49,865	50,859	50,916	50,795
In age of 0-14 years	11,105	9,756	8,076	6,945	7,002	6,884	6,762
15-64 years	35,716	36,585	36,395	35,734	36,567	36,623	36,454
65 and more	5,810	6,410	6,937	7,186	7,290	7,409	7,579
Average age (in years)	35.5	36.7	38.7	40.3	40.2	40.5	40.8
Age index *	52.3	65.7	85.9	103.5	104.1	107.6	112.1

Source: Demografický vývoj města Jihlavy, ČSÚ 2008.

\* population older than 65 per 100 inhabitants younger than 14.

Preliminary data on population change in Jihlava during the first half of 2008 indicate that by the end of 2008 the population is going to exceed the level of 51 thousand since the number of births is going to be higher than in the preceding year and the city of Jihlava will probably experience natural increase as well. This trend is supported also by data on housing construction. It is necessary to point out that relatively high-rise housing constructions prevail in the city (even above average in the Czech environment), and not only during the past years. Comparison of housing construction in regional centres during 1997-2007 shows that the city of Jihlava ranks first in the number of housing constructed per 1,000 inhabitants (Prague comes only second and Brno third).

### Economy

In the Czech Republic the 1990s are connected with the transition from the centrally planned economy to the market one. The integrated synopsis of the economic reform was finished and approved of in September 1990, i.e. already during the existence of the federation state of the Czechs and Slovaks. The whole conception

of the reformation strategy called for complex approach, within which a wide spectrum of measures focused on the price deregulation, foreign trade liberalization, introduction of the inner convertibility of the currency, and privatisation had to be taken. This privatisation was a combination of restitution of assets and property to the previous owners and their heirs, of sale of the assets and property to the domestic and foreign capital, and of the “handing out” of the assets and property to the population through investment coupons. Today, in hindsight, we can claim, that foreign strategic investors were not sufficiently involved in the privatisation in the Czech economy, especially when we take into account the fact that at the beginning there was no private sector participation in the creation of domestic product in the Czech Republic (Toušek, Vančura, Víturka 2000).

Since the beginning of the 1990s till the end of 1997 foreign direct investments reached in the Czech Republic 9.2 billion USD, which was less than in Poland (14.6 billion) and Hungary (15.9 billion). At that time the position of the Czech government towards granting conces-

sions to the foreign investors was rather negativistic. It was not until 1998 that a rather extensive system of investment incentives not only for foreign investors but also for domestic ones was introduced. The system comprises an income tax relief, grants to municipalities for building technical infrastructure, job creation grants, training and retraining grants. The investments incentives bear an important regional dimension, for their amount depends on the situation at the regional labour markets. In 1998 the Czech Republic experienced a sharp increase in foreign direct investments (FDI) inflow thanks to the incentive system (Toušek et al. 2005). Jihlava was among the cities into which foreign capital flowed before 1998. At the same time foreign direct investment inflow increased significantly in Jihlava also after the acceptance of the incentive system.

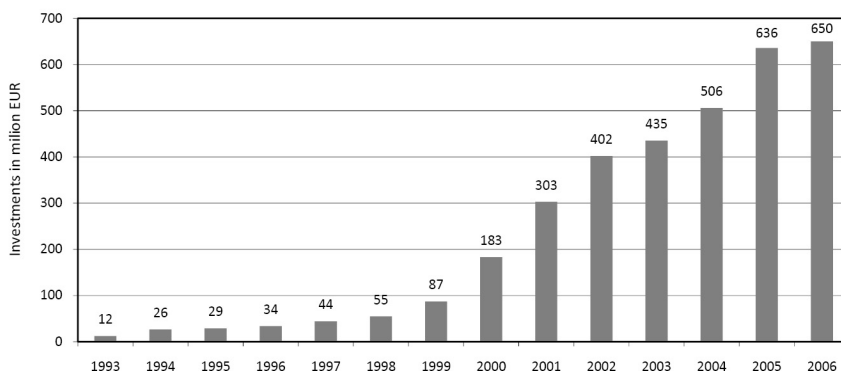
Generally we can say that privatization of the largest industrial companies in Jihlava – with some exceptions (e.g. Modeta) – was successful in the first phase. In comparison with some more significant settlement centres not only in the Vysočina region, foreign capital entered the industry in far greater extent, as stated earlier. In case of Jihlavské dřevařské závody (wood-processing plant), Pivovary a sodovkárny Jihlava (breweries and soft drinks factory) and Moravské kovárny (smithworks) it was Austrian capital, in case of the Jihlavské sklárny Bohemia (Bohemia glassworks) American capital and in case of Motorpal German capital. Jihlava attracted also FDI of the Italian company Magnetti Marelli. Not only from the point of view of amount but also of the number of newly created job positions the most important company in Jihlava is Robert Bosch GmbH. The company was established in Stuttgart in 1883 by Robert Bosch and it is one

of the largest German industrial companies. The whole group of 300 subsidiaries in more than 50 countries employed by the end of 2006 around 260 thousand people (out of which more than a half outside Germany) and its profits in the financial year of 2006 reached 43.7 billion EUR.

The company **Bosch Diesel, s. r. o.** (Ltd.) was established in Jihlava as early as in 1993. Motorpal, the local producer of systems and components of diesel engines fuel injection, became the partner for the German concern and on its premises a new factory building was erected (now plant I). Motorpal provided for the joint venture premises and an unfinished factory building, Bosch provided technology, machines and completed the building. The majority (76%) was controlled by the Robert Bosch GmbH company, which in 1996 purchased the share of the Czech partner. The company expanded outside original premises of Motorpal. In 1998 the company merged with car locks producer Bomoro (Rožnov pod Radhoštěm), which became a Bosch Diesel subsidiary, and the construction of a new factory building in Pávov (Jihlava's neighbourhood) started. This subsidiary should have produced lighting systems. However, this division became part of the Automotive Lighting, a new company. At the end of 1999 the management of Bosch Diesel decided to remove production temporarily placed into rented premises of Alfatec (called Na dolech – now plant II) to a newly constructed shop floor in Pávov.

The year of 2001 meant a significant turning point when the parent company under the influence of increasing demand for cars with diesel engines decided to markedly enlarge its





**Figure 4** Development of investments of Bosch Diesel s. r. o. in Jihlava in 1993-2006.

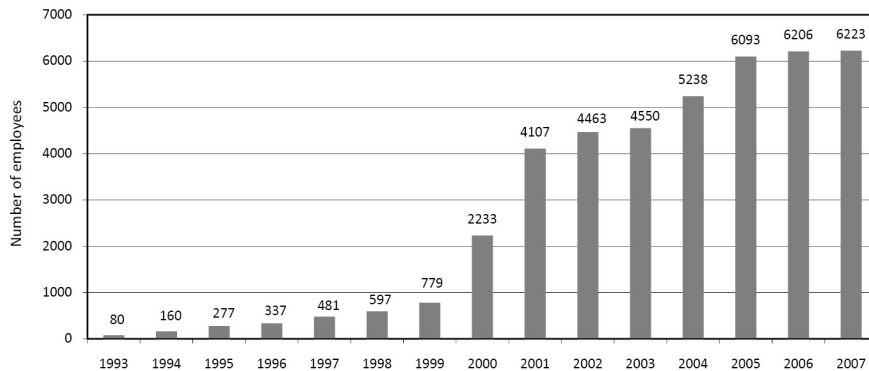
Source: Bosch Diesel, s.r.o., 2007.

subsidiary in Jihlava and to invest 300 million EUR. At the beginning of 2001 Bosch Diesel opened a new plant (plant III) producing high-pressure pumps (33 thousand sq. meters) in Pávov and by the end of the year finished construction of the second building oriented at the same production, but only half the size than the original shop floor. During that year the company purchased the shop floor Na dolech (today assembly of packing machines), which was until then only rented, and thus Bosch Diesel now has at disposal around 80 thousand sq. meters in three localities. The dynamics of the company is also shown in the economic data: in 2001 the company more than doubled its turnover from 4.6 to 9.8 billion CZK and the number of employees increased from 2.2 to 4.1 thousand. Since 1993 until the end of 2001 Bosch Diesel invested into purchase of premises, construction and technologies 772.6 million EUR (10.5 billion CZK).

Within one of the largest investment projects of 2001 in the Czech Republic, for which the company was granted income tax allowance and exemption from import duty, Bosch Diesel

committed to invest into production of the Common Rail high-pressure pumps, which together with injection devices for diesel engines and packaging machines for food and pharmaceutical production forms the main production programme of the company. This investment brought more than two thousand new job positions, so by the end of 2006 Bosch Diesel employed in Jihlava 6.2 thousand people (plant I – 700, plant II – 1.2 thousand, and plant III – 4.3 thousand people). It became the third largest employer in the manufacturing industry (more persons are employed only in Auto Škoda Mladá Boleslav and ArcelorMittal Ostrava). In the financial year of 2006 Bosch Diesel reached the turnover of 22.8 billion CZK (around 830 million EUR). Total investment of Bosch into Jihlava was by the end of 2006 3.4 billion EUR (see Figures 4 and 5).

Other dynamically developing company in Jihlava with a foreign owner is Automotive Lighting s. r. o. (located in the vicinity of the Pávov plant of Bosch Diesel), which was established only recently as a joint venture of Bosch Diesel and Magneti Marelli (a merge of



**Figure 5** Development of employees of Bosch Diesel s. r. o. in Jihlava in between 1995-2006.  
Source: Bosch Diesel, s.r.o., 2007.

their divisions producing car lighting technology). At the time of the establishment in 1999 both investors had equal shares; a year later Magneti Marelli (controlled by Fiat) took over Seima Group company, the largest European producer of rear lights, incorporated it into the joint venture with Bosch and increased its share to 75%. Presently this producer of lighting is totally in Italian possession. By the end of 2006 around 1.8 thousand people were employed in the company, which made Automotive Lighting the second most important industrial employer in the city of Jihlava (Novák 2007). All of the production of the Jihlava plant is aimed at export. Front and side lights form the main contents of the production programme and are intended predominantly for Daimler Benz, BMW and Porsche.

By the end of 2007 Automotive Lighting constructed in Pávov a new shop floor with 5.2 thousand sq. meters, so the company has now the total acreage of 40 thousand sq. meters (one plant is also localised nearby Střítež u Jihlavy). The volume of output of the headlamps will

soon rank the Jihlava company among the largest in Europe, since in 2011 the year production of more than 7 million pieces is planned (in 2007 it was almost 5 million pieces). The number of employees will increase by 400 to 2.2 thousand. Until 2006 around 165 million EUR were invested in Jihlava, till the end of 2011 it should be another 100 million EUR. At present no other company in Jihlava employs more than 1,000 people. This level is approached only by Moravské kovárny, Tesla Jihlava and Motorpal.

The average month salary of a Bosch Diesel employee is comparable to such industrial companies as Škoda Auto Mladá Boleslav or Barum Continental in Otrokovice. A monthly salary in Automotive Lighting is slightly lower, but in comparison to the average Czech salary and mainly to the average salary in the Vysočina region it is higher. Moreover foreign companies producing car components play a significant role in the creation of secondary job positions in the nearest surroundings of Jihlava, mainly in transport companies such as ICOM transport a. s. and JIPOCAR transport, s. r. o.

Both companies, though predominantly Bosch Diesel, favourably influence the situation at the labour market. Unemployment rates both in the city of Jihlava (4.6%) and in the Jihlava district (4.1%) and the Vysočina region (4.6%) in the mid of 2008 did not reach the level of 5% (the average unemployment rate in the Czech Republic). Apart from industry a favourable situation at the labour market is also influenced by the tertiary sector. After 1989 the number of employees in undersized services increased. This increase has been continuing also during this decade and is connected both with the increase of administrative functions of Jihlava as the regional capital and with the establishment of the College of Polytechnics in Jihlava (since 2004; now with 1,560 students).

### **JIHLAVA AND ITS LABOUR IMPORTANCE**

Labour commuting represents an important social phenomenon whose extent, distances, directions and forms reflect economic structure of every region. It reflects on one hand the level of population concentration and on the other hand the distribution of labour opportunities. The Vysočina region is typical of its polycentric settlement structure; the city of Jihlava dominates the process of labour commuting, particularly thanks to significant foreign direct investments which have been received here in the past years. The results from the last census (2001) show that in Jihlava there were 34.4 thousand job positions, while in any other centre of the region this figure did not exceed 20 thousand. Results from the latest research projects point out that Jihlava has presently more than 36 thousand workers. The most important development axis of the region is formed along the D1 motorway, where most

investment activities are concentrated. It has direct influence on the character of the commuting pattern in the Vysočina region and on the size of hinterlands of commuting centres lying in the vicinity of this important communication.

### **Labour commuting to Jihlava in 1991 and 2001**

Labour migration, which is one of the forms of short-term migration, is influenced by many factors. Its character is given by the settlement structure of a region, distribution of labour opportunities, transport infrastructure, demographic structure, property market etc. Unique data on labour commuting in the Czech Republic are provided in censuses which have been held since 1961 (the last census took place in March 2001).

In 2001 in the Vysočina region 98,564 persons commuted to work outside their permanent residence, which is almost by 5 thousand more than in 1991. Out of the total number of the employed, those who crossed the border of their municipality on their way to work made up 41.5%. In 1991 this proportion reached 34.8%. It is caused not only by lower number of commuters but also by higher employment rate in 1991 and unfinished process of disintegration of municipalities (in 1991 there were 621 municipalities in the region, ten years later there were 730 municipalities). In 2001 the proportion of labour commuters from all the municipalities in the Czech Republic was 36.5%. What follows is that the migration activity in the Vysočina region is higher; in the Czech Republic only the Středočeský, Zlínský and Pardubický regions achieved higher intensity of labour migration.

**Table 3** Commuting from municipalities in districts of the Vysočina region in 1991 and 2001

District	1991		2001	
	Absolute figures	Portion in employed persons (in %)	Absolute figures	Portion in employed persons (in %)
Havlíčkův Brod	17,294	34.3	18,234	41.5
Jihlava	16,006	27.9	17,668	33.8
Pelhřimov	12,251	31.1	13,343	38.3
Třebíč	23,842	40.2	23,620	46.2
Žďár nad Sázavou	24,438	38.9	25,699	46.4
Vysočina region	93,831	34.8	98,564	41.5

Source: Sčítání lidu, domů a bytů k 1. 3. 2001 – dojíždka a vyjíždka. ČSÚ Praha, 2004; own calculations.

Table 3 presents numbers and proportions of persons commuting to work over the boundaries of their municipality of permanent residence in districts of the Vysočina region in 1991 and 2001 (see Table 3). The Vysočina region is characterised by passive balance of labour commuting. In between 2001 and 1991 the negative balance of labour migration even deepened, roughly by 3 thousand persons. Outside the region 18.7 thousand persons commuted to work, from other areas of the Czech Republic 8.8 thousand persons commuted to work into the region: negative commuting balance accounted for 9,911 persons. The only district of the region with positive commuting balance was the Jihlava district thanks to the city of Jihlava. In 1991 the positive balance accounted for 236 persons, while ten years later it was already 2,043 persons.

The city of Jihlava showed positive labour commuting balance of 5,646 persons in 1991 (2,674 commuting out and 8,320 commuting in). In 2001 the commuting balance exceeded

the level of 9,000 persons and accounted for 9,062 persons (2,474 commuting out and 11,536 commuting in). According to the 1991 census results Jihlava presented an important centre of labour commuting; at the same time more persons commuted to work to a number of smaller towns than to Jihlava. In between 1991 and 2001 significant foreign investments were received (see above) and for instance the Bosch company employed almost 4 thousand persons in 2001, which was again reflected in the number of commuters. Due to the fourth largest increase in labour commuters the city thus became the twelfth largest commuting centre in the Czech Republic (see Table 4).

In between 1991 and 2001 the commuting hinterland of Jihlava spatially expanded. The commuting hinterland is formed by municipalities from which more than 20% employed persons commute to Jihlava. In 1991 the hinterland was formed by 61 municipalities, ten years later they were already 77 municipalities (see Figure 6). The largest increase in the number of municipalities (from 20 to 32)

**Table 4** The most important labour commuting centres in the Czech Republic – comparison of 1991 and 2001

Rank	City	Commuting 1991	City	Commuting 2001	City	2001/1991 index
1	Praha	111,837	Praha	163,108	Mladá Boleslav	215.7
2	Ostrava	63,750	Brno	65,127	Liberec	152.3
3	Brno	60,988	Ostrava	45,359	Praha	145.8
4	Plzeň	27,386	Plzeň	27,362	<b>Jihlava</b>	<b>138.7</b>
5	Olomouc	19,705	Olomouc	24,227	České Budějovice	125.5
6	České Budějovice	18,964	České Budějovice	23,791	Karlovy Vary	123.9
7	Zlín	18,098	Mladá Boleslav	20,655	Olomouc	122.9
8	Hradec Králové	16,585	Hradec Králové	19,135	Tábor	117.1
9	Karviná	15,944	Zlín	17,513	Hradec Králové	115.4
10	Pardubice	15,199	Pardubice	16,197	Kroměříž	113.1
11	Kladno	13,270	Opava	13,415	Znojmo	112.8
12	Opava	12,155	<b>Jihlava</b>	<b>11,536</b>	Opava	110.4
13	Frýdek Místek	11,754	Liberec	10,927	Brno	106.8
14	Přerov	11,585	Prostějov	10,466	Pardubice	106.6
15	Teplice	11,459	Ústí nad Labem	9,965	Otrokovice	104.0
16	Prostějov	11,335	Uherské Hradiště	9,902	Uherské Hradiště	101.1
17	Kolín	11,284	Přerov	9,796	Ústí nad Labem	100.5
18	Most	11,241	Kladno	9,745	Plzeň	99.9
19	Třinec	11,107	Teplice	9,579	Zlín	96.8
20	Ústí nad Labem	9,911	Karviná	9,538	Chomutov	92.5
21	Uherské Hradiště	9,796	Třinec	9,150	Prostějov	92.3
22	Hodonín	9,727	Karlovy Vary	8,690	Břeclav	91.5
23	Mladá Boleslav	9,575	Kolín	8,632	Hodonín	86.1
24	Litvínov	9,544	Most	8,560	Příbram	85.4
25	Šumperk	8,843	Frýdek Místek	8,376	Přerov	84.6
26	Stonava	8,654	Hodonín	8,372	Teplice	83.6
27	<b>Jihlava</b>	<b>8,320</b>	Kroměříž	7,829	Šumperk	83.2

Source: Sčítání lidu, domů a bytů k 1. 3. 2001 – dojíždka a vyjíždka k 1. 3. 2001. ČSÚ Praha, 2004; own calculations.

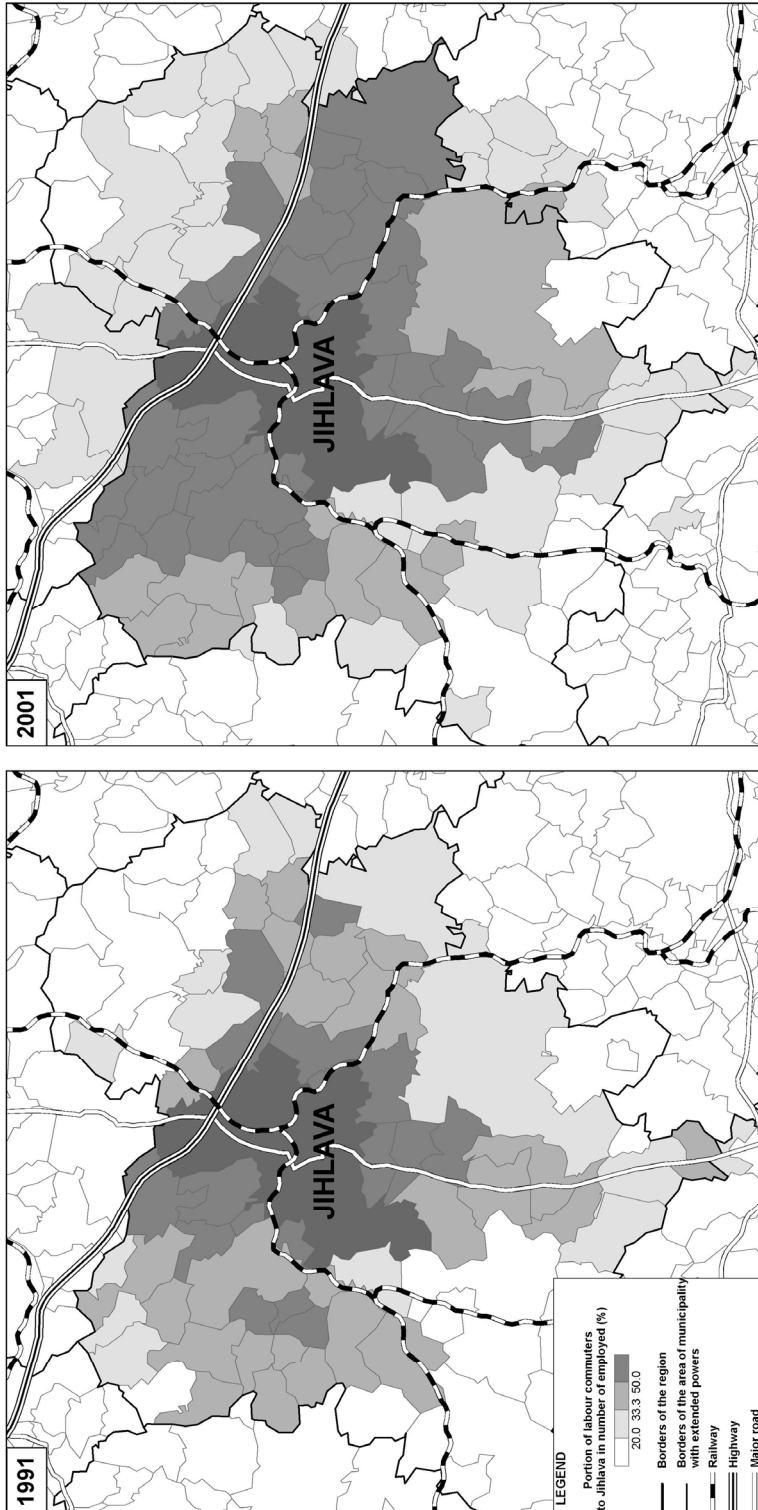


Figure 6 Commuting hinterland of the city of Jihlava in 1991 and 2001.  
Source: Sčítání lidu, domů a bytů 2001, ČSÚ Praha; own calculations.

was achieved in the so called first zone of the commuting hinterland (municipalities from which more than 50% employed commuted to Jihlava); some municipalities of the second (33.3-49.9% employed) and the third (20.0-33.2% employed) zones (as defined according to commuting patterns in 1991) were included in the first zone. The area of the second zone decreased. In 1991 this zone comprised 22 municipalities, ten years later only 16 municipalities. On the other hand the third zone recorded increase in the number of municipalities – from 19 to 29.

The first zone of the hinterland is spatially asymmetric. Municipalities from which at least one half of the employed commutes to Jihlava are situated in the north west and south east off the regional centre. In the southern direction the important role is played by the first class road no. 38, which connects Prague to Vienna. In the south west the dominant position of Jihlava is disturbed by Kostelec, which is an important labour commuting centre of the Vysočina region thanks to the presence of the largest Czech meat packing plant. In the north there is the second largest centre of labour migration in the region – Havlíčkův Brod. Labour force flows to Jihlava mainly from areas with high unemployment rate, i.e. the Telč area, with a relatively good transport connection, and the Třebíč area.

### **Labour commuting to Bosch Diesel**

An increase in the labour function of Jihlava is influenced mainly by foreign investments. This was confirmed by our research carried out in the Bosch Diesel company at the end of April 2006. The main attention focused on the employment structure, but we were also

interested in commuting of the employees to Jihlava.

Out of total number of 5,948 employees of the Bosch Diesel company 5,658 of them had their address of permanent residence in the Vysočina region in April 2006. 139 persons commuted from other regions. 133 persons were from Slovakia. Among other nationalities which the company employed were the Austrians and Germans (18), who occupied solely middle and high management positions.

According to the survey the source of workforce for Bosch Diesel is mainly the city of Jihlava, where more than one third of the employees had the address of permanent residence. The company had a more important position in 19 municipalities in the commuting hinterland, where the number of persons working in Bosch Diesel exceeded 10% of all of the employed living in the municipality, which is not the case of Jihlava (8.4%).

If we are to assess the geographical distribution of commuting to Bosch Diesel by the administrative areas of municipalities with extended authority, we see that the most important one is the Jihlava area. The proportion of the company on the workforce of the Jihlava area reached 7.5%. The second place was occupied by the area of Telč, which belongs to the Jihlava district (2.4%). In absolute figures it is only 158 persons. More persons commuted to Bosch Diesel from the areas of Třebíč, Havlíčkův Brod and Moravské Budějovice (see Table 5).

From the area of Třebíč more than 800 persons commuted to Bosch Diesel in April 2006. It could be surprising, since in case of the

**Table 5** Structure of employees of Bosch Diesel according to place of permanent residence (according to areas of municipalities with extended authority of the Vysočina region) as of April 30, 2006

Area of municipality with extended authority	Number of persons	Proportion in employment in Bosch Diesel (%)	Area of municipality with extended authority	Number of persons	Proportion in employment in Bosch Diesel (%)
Jihlava	3,739	62.9	Velké Meziříčí	79	1.3
<i>Out of which the city of Jihlava</i>	2,122	35.7	Pelhřimov	53	0.9
Třebíč	817	13.7	Světlá nad Sázavou	29	0.5
Havlíčkův Brod	408	6.9	Chotěboř	7	0.1
Moravské Budějovice	180	3.0	Náměšť nad Oslavou	4	0.1
Telč	158	2.7	Bystřice nad Pernšt.	3	0.1
Humpolec	95	1.6	Nové Město na Moravě	3	0.1
Žďár nad Sázavou	81	1.4	Pacov	2	0.0

Source: Bosch Diesel, s.r.o., 2006.

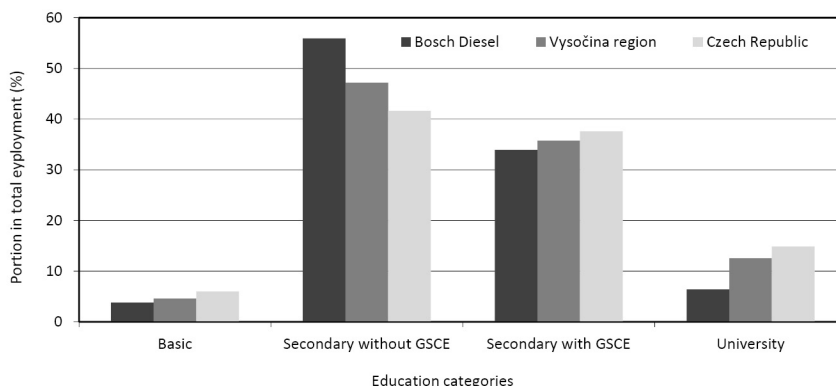
municipalities of this area and its centre, Třebíč, they are not accessible very well. From the town of Třebíč 495 persons commute to Bosch Diesel. It is 2.6 times more than from more easily accessible Havlíčkův Brod. Commuters from Třebíč have to take much longer journey in comparison with commuters from Havlíčkův Brod, and the time difference is still more noticeable. The reasons for higher commuting activity of not only the town of Třebíč but the whole area are a small offer of job positions, relatively high unemployment rate and low wages in the region. Large number of commuters was also recorded in case of another area in the Třebíč district – Moravské Budějovice. The shortest road distance between Jihlava and Moravské Budějovice is 46 km, which is considerably longer than from some other centres such as Humpolec, Pelhřimov etc. The lack of job positions in the area of Moravské Budějovice (in April 2006 there were 25 unemployed per one vacancy) and high unemployment rate (the highest in the

Vysočina region – 14.1%) induced increased labour commuting to Jihlava, mainly to Bosch Diesel. In the Vysočina region there were (in April 2006) two other areas with the unemployment rate higher than 10%: Náměšť nad Oslavou and Bystřice nad Pernštejnem. The distance from Náměšť nad Oslavou and Bystřice nad Pernštejnem exceeds 50 km, which means that commuting to Jihlava is not very lucrative for the inhabitants even if we take into account higher wages. Low rate of labour commuting to Bosch Diesel was recorded also in the areas of Chotěboř, Nové Město na Moravě and Pacov.

## CONCLUDING REMARKS

There can be no doubts about the importance of the Bosch Diesel company in strengthening the position of the city of Jihlava as far as jobs offers are concerned. At present the industry in Jihlava specializes almost solely in the automobile industry. Companies active in this





**Figure 7** Education structure of Bosch Diesel employees in the Vysočina region and the Czech Republic.

Source: Bosch Diesel, s.r.o., 2006.

branch of industry – not only Bosch Diesel but also Automotive Lighting or Motorpal – are mainly “assemblies” without a stronger development base. Data on education structure of the Bosch Diesel employees confirm this finding (see Figure 7).

Nowadays the world financial crisis heavily influences European automobile producers and their Czech suppliers are not an exception. According to the estimates made by experts around 20 thousand of people working in the automobile industry can be dismissed (out of the total of 120 thousand) in the course of one year in the Czech Republic. Unfortunately this will most likely also concern the suppliers of car components based in Jihlava. Therefore the economic policy of the Jihlava town hall and the Vysočina region should be aimed at creation of conditions for diversification of production and development of services. The increase in employees in services in Jihlava shows that slow release of workers from largest industrial companies does not have to necessarily lead to the collapse of labour

market, on the contrary new services would mean the strengthening of Jihlava’s position as the regional centre.

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## Résumé

### Jihlava – centrum kraje Vysočina a zahraniční investice

Město Jihlava bylo od doby rozmachu těžby stříbra ve svém okolí ve 13. století ekonomickým centrem řídké osídlené Českomoravské Vrchoviny. Krajským městem byla Jihlava již v 16. století, kdy na Moravě vznikly poprvé kraje (v Čechách vznikly už ve 14. století). Status krajského města měla Jihlava prakticky až do konce 60. let 19. století, kdy v českých zemích (Čechy a Morava) zaniklo krajské zřízení.

Ještě v období prvního moderního sčítání lidu v roce 1869 představovala Jihlava páté populačně největší město v českých zemích. Především díky odsunu původního německého obyvatelstva po roce 1945 byla pozice Jihlavy v sídelním systému České republiky značně oslabena.

K 1. 1. 1949 bylo v tehdejší Československu obnoveno krajské zřízení. Zřízen byl i kraj Jihlavský. Tato územně správní organizace však vydržela pouze do roku 1960, kdy v Československu proběhla administrativní reforma,

jejímž výsledkem byl menší počet územně rozsáhlejších krajů a okresů. Jihlava ztratila status krajského města a stala se pouze sídlem okresu.

Při diskusích nad novým územně-správním členěním České republiky po roce 1989 bylo jednou z nejčastěji frekventovanou otázkou, zda na území Českomoravské vrchoviny, území ležícím mezi pražskou a brněnskou aglomerací, zřídit nový kraj či nikoli. Vzhledem ke skutečnosti, že v politických kruzích zvítězila myšlenka více krajů (celkem 14) než před rokem 1989 (kdy jich bylo pouze 8), bylo zřejmé, že i v tomto území bez existence populačně silného centra nový kraj vznikne a jeho sídlem bude „padesátitisícová“ Jihlava.

Cílem autorů tohoto článku je ukázat, že město Jihlava postupně nabývá předpoklady pro to, aby mohlo úspěšně integrovat celé území kraje. Získáním statutu krajského města Jihlava významně posílila svoje správní funkce vůči svému zázemí, avšak jako rozhodující pro postavení města v sídelním systému kraje se jeví významné posílení ekonomické funkce města. Toto posílení vychází z nárůstu přímých zahraničních investic do průmyslu města zhruba od poloviny 90. let prakticky do současnosti. Největším investorem se stal v Jihlavě německý koncern Robert Bosch GmbH ze Stuttgartu, který vlastní největšího zaměstnavatele v kraji Vysočina, výrobce vstříkovačích systémů dieselových motorů, BOSCH DIESEL, s.r.o.

Robert Bosch GmbH se rovněž podílel na umístění druhé nejvýznamnější investice v Jihlavě. Tu představuje společnost Automotive Lighting – producent automobilové osvětlovací techniky.

Autoři se zaměřili především na rozbor prostorového rozložení dojížděky za prací do města Jihlavy a do společnosti BOSCH DIESEL. Pracovní migrace, jež je jednou z forem krátkodobého pohybu obyvatelstva (short-term migration), je ovlivňována mnoha faktory. O charakteru dojížděky za prací rozhoduje sídelní struktura daného území, rozmístění pracovních příležitostí, dopravní infrastruktura, demografická struktura, trh s byty apod. Jediné údaje o dojížděce za prací v České republice poskytují jednotlivá sčítání lidu, domů a bytů (SLDB) od roku 1961, přičemž poslední sčítání proběhlo v březnu 2001. V intercensálním období 1991–2001 narostl díky zahraničním investicím významně počet dojíždějících do Jihlavy. Tento nárůst byl čtvrtý nejvýznamnější v České republice, a město se tak stalo dvanáctým největším dojížděkovým centrem v ČR.

Společnosti BOSCH DIESEL byla věnována pozornost především. Realizovaný průzkum struktury zaměstnanců a analýza dojížděky zaměstnanců do jihlavské firmy ukázal, že BOSCH DIESEL má prostorově rozsáhlý dojížděkový region. Práci zde nacházejí převážně osoby s nižším vzděláním a nižším věkem (ve srovnání s průměrem kraje Vysočina a ČR).

Článek vznikl v průběhu roku 2008, tedy ještě v období hospodářského růstu v ČR. Nelze ovšem nezmínit aspekt současné světové finanční a (následně) hospodářské krize, která již tvrdě dopadá i na evropské automobilky a jejich české dodavatele, neboť mezi ně především se řadí zahraniční společnosti, které realizovaly své investice v Jihlavě. Z expertních odhadů vyplývá, že v ČR může být během jednoho roku propuštěno až 30 tisíc zaměst-

nanců automobilového průmyslu. A to se samozřejmě týká i jihlavských dodavatelů automobilových komponent. Autoři dospěli k názoru, že jediným východiskem ze současné problematické situace je diverzifikace výroby a zejména rozvoj služeb. Nárůst počtu zaměst-

naných ve službách v Jihlavě naznačuje, že i pozvolné uvolňování pracovníků z největších průmyslových podniků nemusí znamenat kolaps na trhu práce. Naopak, nové služby budou ve svém důsledku znamenat posílení role Jihlavy jako krajského centra.

## REPORTS

### **International Cooperation of the Department of Geography, Palacký University: History and Present**

The Department of Geography at the Faculty of Sciences, Palacký University in Olomouc was established in 1959. Already from the beginning its members were active in international relations, despite limited possibilities during the communist regime. The 1960s saw quite a favourable time for establishing and maintaining international relationships which took the forms of visiting international scientific congresses, long term research stays and international student stays, exchanges and excursions. From that time it is necessary to mention at least two names, professors Mrs. Stanislava Šprincová, who focused on tourism geography, France and the French speaking countries, and Mr. Vladimír Panoš, who was occupied mainly with karst phenomena research and did systematic research of karst areas in Cuba. It was thanks to his excellent position in the International Speleological Union that its 1973 congress was held in Olomouc. Until then the congress had the largest number of participants in the history of the International Speleological Union – there were over 1,000 persons from 41 countries present.

The department had a large network of contacts with many other institutions - teacher training colleges, research and economic institutions (departments of geography of other Czech and Slovak universities, the Institute for Education of Teachers at the Charles University in Prague, the National Institute for Education of Jan Ámos Komenský at the

Czechoslovak Academy of Sciences in Prague, the Research Institute of Geodesy, Topography and Cartography, and last but not least the Regional Museum in Olomouc). There was a long-term contract on cooperation with the Geographical Institute of the Czechoslovak Academy of Sciences in Brno, and the members of the department took part in many of the national research programmes of the Institute. Also, many members of the department went to work abroad (for example L. Zapletal went to Bulgaria and Kazakhstan, S. Šprincová to the university of Aix-Marseille in France, I. Lepka to the university of Irkutsk in the former Soviet Union) and were in contact with a large number of geographical institutions (in the former German Democratic Republic, the Federal Republic of Germany, France, the Soviet Union, the United States of America, Canada, Japan, Poland, Hungary, Yugoslavia, Bulgaria, Romania, the United Kingdom of Great Britain and Northern Ireland). Some of these institutions were even visited by students of the department. Apart from this, there was a long-term cooperation with geographical research institutes in Greifswald, Marseille, Eixen-Provence, Göttingen, Lublin or Budapest. After the year of 1969 there was a dramatic decrease in the number of foreign visits, especially to the west, and student exchanges were on regular basis only with students from the former republics of the Soviet Union, mainly from Azerbaijan.

In 1998 a branch of the European Geographical Association (EGEA) (society of young geographers) was created as part of the department at Palacký University, the only university to have the branch in the Czech

Republic. At present the most significant foreign partners of the department are both research institutes and universities in most European countries. The department cooperates mainly with the Institute for the research of cities and regions of the Austrian Academy of Sciences in Vienna, the Karl-Franzes University in Graz, the M. C. Skłodowska University in Lublin, A. Mickiewicz University of Poznan, the University of Lublan, the University of Maribor, the J. A. Komenský University in Bratislava, the University of Prešov, the University of Paisley, the Technical University in Chemnitz in Germany, and the Geographical Institute of the Slovak Academy of Sciences in Bratislava. The relationships with these institutions are based on long-lasting personal and professional contacts.

Since 2004 many international activities have been carried out within the framework of Socrates/Erasmus program which enables exchanges of students and professors of the EU and its associate countries. Our department belongs to the most active within the Faculty of Sciences and also within the whole University. Every year fifteen students from our department can spend one term at a foreign university. A long-term bilateral agreement on students and teachers exchange programmes has been signed with eight universities in five countries, namely Poznan in Poland, Ljubljana and Maribor in Slovenia, Graz and Klagenfurt in Austria, Bratislava and Prešov in Slovakia and Bucharest in Romania. Next year we are going to enlarge the network of collaborating universities to Germany (Chemnitz) and to the United Kingdom (Paisley). The Central European Exchange Program for University Students (CEEPUS) enables exchanges among

14 countries of Central and South Eastern Europe. Our department takes an active part in two networks. The network with the acronym of "Georegnet" was established in 2005 and focuses on economic geography student exchanges. Currently we have students of geography from 13 universities from 9 countries of this region studying at our university (namely from Austria, Bosnia and Herzegovina, Croatia, the Czech Republic, Hungary, Poland, Serbia, Slovakia and Slovenia). Apart from students and teachers exchange programmes it is the first summer school in economic geography that is also part of the network. It will take place in Maribor, Slovenia, in the second half of September with active participation of students from all universities.

Our department is also very active in international scientific collaboration. It is essential to point out namely the AKTION, a common Czech-Austrian program, bilateral collaboration within the framework of the KONTAKT program with Comenius University in Bratislava, Slovakia, and last but not least the cooperation with Maribor University in Slovenia and with the Centre for Regional Studies at the Hungarian Academy of Sciences in Pécs, Hungary. Apart from our current collaboration, which is focused on Central Europe, we would like to establish new relations in other destinations in Europe (Serbia, Bosnia and Herzegovina, France). To sum up, we would like to start new collaboration based on new contacts and deepen our current collaboration within the framework of the EU programmes.

*Pavel Ptáček, Zdeněk Szczyrba*

### **Participation of the Department of Geography, Palacký University in Carpathian Project (INTERREG IIIB – CADSES)**

The Department of Geography at the Palacký University in Olomouc has taken part in the INTERREG III B project called "Protection and Sustainable Development of the Carpathians in a Transnational Framework", which was one of the important activities within the framework of the Carpathian convention, signed in 2003. The Carpathian Project has been developed by the UNEP - Interim Secretariat of the Carpathian Convention and RTI Polska together with the Carpathian Convention Signatories and the broad project consortium. The Project has originated from a fusion of the Carpathian Convention process and the conclusions of the INTERREG IIC Vision PlaNet Project. The project has been carried out within the EU Community Initiative INTERREG III B CADSES Neighbourhood Programme. The project duration is from September 2005 to August 2008.

The objective of the Carpathian Project is to enhance sustainable development of the Carpathian region based on its rich natural and cultural heritage. The aim of the project is to integrate European spatial development policies with the management of the Carpathians' fragile mountain ecosystems in a transnational context. The historically marginalized mountain regions which are partly situated in remote border areas should in the future become powerful unifiers between nations and peoples in one of the most dynamically developing regions of Europe. Experiences from the Alpine space and other such spaces

prove that mountains can offer considerable potentials for development with respect to their rich natural and cultural heritage values and their preservation for the future.

The project draws upon the transnational framework established by the Carpathian Convention whose aim is to apply EU policies in the Carpathian region. The Carpathian Project is carried out by 19 Project Partners from 10 countries (Austria, Poland, Hungary, Slovakia, Italy, Greece, the Czech Republic, Germany, Romania and the Ukraine).

The project analyses and consolidates the information base, develops strategies and policy instruments, and implements pilot activities, all this in continuous cooperation with local, regional and national stakeholders. The project will generate a comprehensive data platform in the forms of the Carpathian Atlas and a collection of environmental information, which will be consolidated in databases and made publicly accessible through the project GeoPortal website. A general strategic process will produce multisectoral strategic environmental assessments which, supported by detailed analysis of the key socio-economic sectors, will result in a Carpathian Spatial Development Vision and a Carpathian Environmental Outlook.

The main contribution of the Department of Geography is the compilation of the Atlas of the Carpathian Macroregion together with the Institute of Regional Development and Location Management at the European Academy in Bozen/Bolzano (EURAC) in Italy. All the main environmental, social and economic issues, together with differences on the territory of eight countries are depicted in the atlas. Some of the most important issues

and findings are discussed. The main contribution of the atlas is that it has put together a territory which has been for a long time divided by state boundaries but which has been facing many similar problems. The atlas consists of eighteen topics describing physical geography, the environment and socio-economic differentiation of the Carpathian Macroregion. The introductory part starts with the description of the area of the Carpathian Macroregion. The main part is made up by the following topics: Natural and Anthropogenic Risks and Hazards, Nature Conservation, Land Use, Cultural Landscapes, population structural characteristics such as Population Development, Age Structure, Employment Structure, Ethnic Structure, Common Linguistic Features, Religious Structure, Educational Structure followed by economic activity and socio-economic topics such as Cultural Heritage, Tourism Infrastructure, Tenure in Agriculture, Small and Medium Enterprises, Density of Network and Accessibility, and Transborder Cooperation. The printed version of the atlas is available on request at the Department of Geography, Palacký University in Olomouc. Apart from the cooperation on the elaboration of the atlas our institution has also contributed to the socioeconomic analysis of the Carpathian area (VASICA) which was carried out mainly by the Centre for Regional Studies at the Hungarian Academy of Sciences.

*Pavel Ptáček*

#### **Assoc. Prof. Dr. Václav Toušek has turned 60**

Václav Toušek, a prominent Czech geographer, was born on April 24, 1949 in Zlín. Assessing his professional career we have to mention that it is connected with the city of Brno, first with the Geographical Institute of Czechoslovak Academy of Sciences, then with Institute of Geography of the Faculty of Science of the Masaryk University. Since 2004 he has also been employed at the Department of Geography of the Faculty of Science of the Palacký University Olomouc. His professional and personal life is divided between Brno and Olomouc, in both of which he left indelible impression.

Václav Toušek commenced his studies in 1967 at the Faculty of Science of the Jan Evangelista Purkyně University in Brno, in mathematics and geography. Already as a student he participated in the pedagogical activities of the department. He completed his studies in 1972 defending the thesis of "Settlement geography of Hodonín" and then shortly worked at the department as an assistant.

In 1973 he was accepted as an internal scientific candidate at the Geographical Institute of Czechoslovak academy of sciences (CSAS) in Brno. In 1974 he completed his rigorous thesis on "Functional classification of municipalities of the Southmoravian region". The research activities of Václav Toušek were during his first years at the Geographical Institute related mainly with issues of economic structure of municipalities of the Czech Republic and its changes during 1961-1970.

Since 1976 the Geographical Institute has been paying particular attention to the landscape potential assessment. Václav Toušek as a mem-



ber of the department of economic geography is interested in issues of social and economic spheres of landscape, mainly those concerning population and settlements of the Czech Republic. In 1981 he became a principal investigator of a partial project of "Socio-economic potential of the Czech Socialist Republic", together with the participation of other 20 researchers. Among the most important outcomes of the project are the studies of "Theory and methodology of socio-economic potential of the CSR" (1982) and "Social-economic differentiation and spatial typology of the Southmoravian region" (1983). The results of the project were then summarised in his candidate thesis of "Geographical assessment of selected aspects of settlement development of CSR (on the example of central places)", which he defended in 1988.

During the 1980s Václav Toušek played a key role in creation of the following atlases: "Atlas from the 1980 census" (1983; author of the concept, editor and author of three map sheets), and "Atlas of the population of CSSR" (1987, author of the concept, editor and author of three map sheets). In 1992 the "Atlas of environment and population health" was published jointly by the Geographical Institute CSAS, Geographical Institute of SAS and Federal Committee for the Environment with two map sheets by Václav Toušek.

Since the beginning of the 1980s Václav Toušek has been a head of department of economic geography at the Geographical Institute of CSAS and together with his colleagues contributed to the establishment of one of the most prominent research centres in socio-

economic geography of the time. He was also responsible for foreign cooperation, mainly with Poland, East Germany, Hungary and Bulgaria.

In the beginning of the 1990s he was asked to take part in the teaching process at the Department of Geography of the Masaryk University in Brno, which became his main occupation. He supervised more than 80 bachelor and master theses and 10 doctoral theses. His research interests were oriented at the geography of industry, geographical aspects of labour market, administrative structure and issues related to economic transformation and regional development. He has been responsible for numerous programme documents, particularly at district and local levels, for tens of grant projects, which often represented the first scientific opportunities for his students. He proved to relate academic sphere with the topical needs of labour market and potential role of geographers at this market. With regard to this Václav Toušek could be seen as carrier of progressive methods of practical applications of geographical education and regional development in the Czech geography.

Interests in interdisciplinary approach to regional development from the public sphere were an impulse for the establishment of the Centre for Regional Development of the Masaryk University (2000, Faculty of Science, Faculty of Economics and Administration, and Faculty of Social Studies) with Václav Toušek as its director. The centre mainly cooperates with the city of Brno and the Office of the Southmoravian region (strategies, development programmes, employment surveys, tourism development etc.).

In 2004 Václav Toušek became the head of the Department of Geography of the Faculty of Science of the Palacký University in Olomouc. His arrival marked the beginning of a new dynamic phase in the development of the department, particularly for his ability to integrate and motivate his colleagues both in work and in their leisure time. After some time he was able to enhance significantly the professional level of the department even in comparison at the national level.

It is not for us to assess the work of Václav Toušek without remembering his personality. For many Václav is a sought partner for grant projects due to his erudition and scientific purview, for others he is a personal friend, which can be relied upon and which can provide personal advise. He always shines with positive energy and brings new impulses both in the field of science and everyday life, for which he deserves our thanks.

*Zdeněk Sczyrba, Michal Vančura*

## REVIEWS

### **Labour market – migration nexus in Slovakia: time to act in a comprehensive way**

by *Boris Divinský*.

*Bratislava: International Organization for Migration, 2007.*

Due to a dynamic development and economic changes in countries of Central and Eastern Europe the International Organization for Migration (IOM) has recently been focusing on this particular region. After a couple of publications on migration trends in selected newly admitted countries into the EU (Bulgaria, the Czech Republic, Poland, Romania, Slovakia, Slovenia) finally the first monograph which deals in detail with foreign job migration has come out in Slovakia. The publication was available to the experts at the end of the year of 2007 and filled a gap in this by Slovak demography and economic experts insufficiently monitored area.

The author has managed to put forth an apt description of the migration behaviour of foreigners coming to work to the Slovak Republic and of the territorial distribution of the Slovaks working abroad. What I consider to be significant is the fact that it is by far the first analysis of this complex issue, which for the future development of the people of integrated Europe seems to be of key importance. Even today some demographers do not admit that to monitor migration only in connection with the changes of permanent address has long been seen as groundless. Much more significant are job migrations connected with tax and financial questions (or possibly with tax residence) since this group of migrants is the most productive and able to make material values, or as the case

may even be, the added innovative (mental) value.

As for the contents the publication can be divided into three thematically different parts. The first part (chapters 2-3) is an introductory analytical evaluation of the demographic and economic development of Slovakia. The emphasis is mostly put on indicators which are directly bound up with the labour market and its developing trends. From the point of view of the demographic analysis a detailed attention is paid to e.g. the development of the age structure and the issue of aging population, from the point of view of the economic analysis it is mainly the issue of employment (and unemployment), the development of the situation at the labour market and its territorial distribution which make up the bulk of the first part of the publication. To evaluate the demographic and economic indicators practically all the available relevant data were used; the author did not only focus on the interpretation of the statistical data but also tried to seek possible reasons and causes of the individual phenomena and relations with the overall political, economic and social development.

The second part (chapters 4-5) may be considered as the focus in the analytical processing of the data. Chapter 4 looks at job migrations to Slovakia, whereas chapter 5 analyses job migrations from the Slovak Republic. Again, it is not just the succinct description of the statistical data. When analysing the immigration trends, the author deals with all forms of stays of foreigners in Slovakia, all possibilities and prospects of their

integration into society, and also the issues of illegal immigration, communities and asylum seekers etc. are discussed. When analysing emigration, the author looks at the structure of emigrants, the causes and motivations for emigration, the issues of brain drain, brain waste and re-emigrants etc.

Since the target of the research was quite broad, it was therefore necessary to use data provided by a large number of institutions and organizations (ŠÚSR, NÚP, MZV SR, MV SR – Migračný úrad (Migration Office), Infostat, Eurostat, and other international and national institutions and organizations and data sources). Finding one's way among so much information can sometimes be complicating (because of double counting, or disparity between data); the author nevertheless showed an excellent knowledge of the issue of migration, including his commentaries which are topical and related to the telling value of the data presented. In the publication he uses international terminology and he even tried to apply it in his research in Slovakia.

The author not only analyses raw statistical details, he also draws upon all so far published studies dealing with the foreign job migrations related to the Slovak Republic and uses information provided by these publications (Baláž, Williams, Kollár; Divinský, Popjaková; Gergelová, Líška, Prušová; Halás; Herzog; Katusčák; Vráblová etc.). The combination and presentation of both ways of conducting the research (i.e. hard vs. soft data, or also the nomothetic vs. idiographic approach to research) are balanced.

All the analytical parts of the publication (chapters 2-5) are supplemented by a large number of neatly organized tables which

clearly exemplify and aptly supplement the text. They show the spatio-temporal connections of the demographic, and/or the economic development of Slovakia and mainly the development of job migrations. To make it even more neatly organized some of the data and developing trends could have been presented in graphs and the major directions of job migrations (which are by the way also very well researched) could have been more clearly seen on maps. The visualization of the spatial (geographical) data should be an automatic part of every such a publication and should thus show the contribution of the geographer to the researched problem. In this case all the acquired data served very well and enabled good opportunities for such contribution. In his analysis the author does not forget to mention alternatives of other possible development, which he mostly takes over from the projections and prognosis of the experts.

The third part (chapters 6-7) deals more with the legislative side of the problem, with the migration policy and the possibilities of adaptation and integration of the migrants into the new society. The transition to the third part is natural, it is in a way continuation of the previous part (chapter 4.2 was aimed at immigration communities and public opinion of the Slovak people in relation to the migrants). Apart from the major directions of the migration policy of Slovakia, all legislation (bilateral and international contracts and agreements concerning mutual employment and job migrations) and even practical possibilities of integration of the immigrants into the Slovakian society, their prospects for education, employment, health care and participation in social and political life are mentioned in the publication. These topics are

important mainly from the point of view of the future development when the process of globalization will lead to a more diversified population in individual regions as far as its race, national and religious structures will be concerned. In the closing parts the author tried to put forth his recommendations for the migration policy of Slovakia, which ensue from his findings in this publication and from his long-term research of the issue of job migration.

The IOM publication should become an inseparable part of a library of every professional. It provides us with a comprehensive survey of the foreign job migration and should thus serve as a challenge for Slovakia. A challenge to provoke academic discussions as to how liberal, or restrictive (for and against), migration measures to take, as to how adequately set the migration policy, and last but not least as a challenge for the Slovakian society to potential acceptance of adaptable and productive groups of migrants, their cultural, religious and social differences.

*Marián Halás*

### **Czech Republic – Portraits of Regions**

*by Václav Toušek, Irena Smolová, Miloš Fňukal, Martin Jurek and Pavel Klapka.*

*Praha: MMR, 2005.*

In 2005 the Ministry for Regional Development of the Czech Republic in Praha published a concise geography of the Czech Republic which was compiled by a group of research workers of the Palacký University of Olomouc headed by the Associated Professor Dr. Václav Toušek. It is the first textbook of geography of the Czech Republic published in the English language by Czech authors after the formation of the country. The book introduces to readers one of the youngest independent republic in Europe, which was officially established on January the 1, 1993 as the consequence of a breakup of the former Czechoslovakia. Apart from general information on nature, population and economy the publication also gives detailed information about all its fourteen administrative regions. The book is therefore divided into 2 basic parts – the general and the regional one.

It starts with general chapters one to four (pp. 7-47). In the first chapter (Introduction - p. 7 and 8) the authors deal with historical development of the country with respect to its strategic position in the heart of Europe and on the intersection of some of the oldest and most significant land routes in Europe. The second chapter (pp. 9-23) focuses on the Environment. In this chapter the authors describe geological background of the state territory and its development, mineral resources and their use, terrain profiles (with special attention paid to karst and structural landforms), climate, hydrological conditions, soil types and biota. The last part of the chapter looks at environ-

mental and landscape protection incl. the UNESCO biosphere reserves and NATURA 2000 areas. The territory of the country is small, but much diversified. In the third chapter (pp. 24-47) the authors deal with the population, economy and infrastructure of the Czech Republic. The chapter is the most interesting part of the book since the establishment of the independent Czech Republic in 1989 brought about many significant political, economic and social changes. The summary of these changes and their impact on the life of population is presented very clearly and is, of course, supported by statistical data.

The second, regional part (pp. 50-133), introduces the individual regions from different geographic perspectives. The regions were set up as self-governing components of the state by the 129/2000 Act on the Regions, which came into force on January 1, 2001. On that day, 13 regions and one special Prague urban region came into existence. The geographic description of the individual regions follows a unified structure: natural environment, population and settlement patterns, economy and tourist attractions. The description is clear and for foreign readers easy to understand. Especially the subchapters on tourist attractions bring useful information for visitors from abroad. The text is accompanied by a large number of maps, graphs, tables and colour photographs. The statistical data mostly correspond to the year of 2004. The book is closed by a list of references and sources. Unfortunately the cited literature is only in Czech and therefore incomprehensible for foreign readers. Also, a map of the whole country would be useful.

Unfortunately as the publication is available only as paperback the pages can easily come loose after some time.

As a whole, the reviewed book is a very useful publication. The reviewer would once more point out that it is the first geographic textbook written by domestic authors after 1993, in which the authors managed to comprise political, economic and geographic changes in the country after the year of 1989. The book is well written and attractive for foreign readers. It provides not only concise scientific information for students and businessmen, but also basic information for tourists interested in the landscape, historic monuments and the people of the Czech Republic. The reviewer would like to congratulate the authors on their accomplishment and also would like to thank the Ministry for Regional Development of the Czech Republic in Praha for publishing the textbook.

*Jaromír Demek*

# Notes for contributors

## General

The articles and reports are published in English (preferably UK version), the articles being accompanied by the Czech résumé. The articles are submitted to referees anonymously. The manuscript consists of (1) title page, (2) abstract, (3) text, (4) references, (5) résumé, (6) tables, and (7) figures (each part submitted separately). Articles should not normally be longer than 8,000 words, excluding abstract, references, tables, and résumé. The minimum length is 4,000 words. Reports should not exceed 2,000 words.

## Typescript

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## Contacts

*Editorial address*

Pavel Klapka  
Katedra geografie  
Přřirodovědecká fakulta, Univerzita Palackého  
třřída Svobody 26  
771 46 Olomouc

Tel.: +420 585 634 508

Fax: +420 585 225 737

Email: [geographica@upol.cz](mailto:geographica@upol.cz) ([pavel.klapka@upol.cz](mailto:pavel.klapka@upol.cz))

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