

Lower Silesian Self Government
Lower Silesian Foundation for Regional Development

Europa Quo Vadis

Lower Silesian Conference

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Europa Quo Vadis: Preface to the Project

The Lower Silesian Regional Self-Government and the Lower Silesian Foundation for Regional Development have jointly organized the Europa Quo Vadis Lower Silesian International Conference which took place in Wrocław June 10-13 2010. This Conference is the result of growing awareness of the Lower Silesian Society and the Lower Silesian Regional Governance that the Region should be an active participant in the discussion related to the future of Europe expressed in the dramatic question "Europa Quo Vadis?".

The Conference was an innovative and dynamic forum of 40 eminent personalities representing the academic community, the self-governmental community and international community involved in the processes of research and policies related to the interpretation of the past and the future of Europe. We have decided to change the interesting and inspiring *verba* of the Conference into the *scripta* of the post-conference volume *Europa Quo Vadis*.

We hope that this volume will be the beginning of a long term process to promote the role of Lower Silesia as a region able to participate in the grand debate concerning the future of Europe.

* * *

Let us take the opportunity to express our deep gratitude to the excellent team of Authors who have prepared meaningful contributions to the volume *Europa Quo Vadis*. This note of gratitude extends also to all persons and institutions that offered their general support for all activities related to the preparation of the Conference and the post-conference volume.

A. Kukliński, J. Muszyński, G. Roman, J. Waszkiewicz

Warsaw – September 20 2010

PART ONE
Europa Quo Vadis – Paradigmatic approaches

ANTONI KUKLIŃSKI

Europa Quo Vadis. Lower Silesian Conference. June 10-13 2010. A programmatic paper.

*Motto: "This is Europe's moment of truth.
It is the time to be bold and ambitious."*

Jose Manuel Barroso

Programmatic paper - an interpretation

The Lower Silesian Conference is a dynamic intellectual and pragmatic process leading to new interpretations of the history and the future of Europe. This is an innovative process opening the trajectories of pluralistic value judgments inside and outside the limits of conventional wisdom and political correctness.

In this context the concept of a programmatic paper is interpreted as a mission to outline the framework for the Lower Silesian Conference seen as a dynamic process.

There are three elements in this framework:

- The substantial element: a set of paradigmatic questions trying to identify the scope of the focus of the Conference
- The methodological element: trying to find the charismatic spirit of the Conference
- The pragmatic element: trying to find the place of the Conference in the European, Polish and Lower Silesian decision making processes

The spirit of the Lower Silesian Conference

„The paradigm is a set of questions exploring the empirical and prospective reality and a set of methodologies creating the philosophical and instrumental framework how to answer those questions”.

I am convinced that we can try to outline the paradigm of the Lower Silesian Conference. The first element of the paradigm is a set of questions which focus the scope of our attention. This scope must be both comprehensive and limited in order to achieve valid results of the Conference. The second element is how to answer the selected questions. We can accept the conventional spirit of an academic discussion developed in the climate of moderation and objectivity.

We can accept the pragmatic business as usual attitude. This would be probably a wrong choice. Anno Domini 2010 is „Europe's moment of truth”. So according to my judgment the climate of mega-historical dramatic choice should be present in the deliberations of the Lower Silesian Conference. Anno Domini 2010 is the time „to be bold and ambitious”. How to discover and develop the spirit of a really charismatic Conference?”

* * *

The set of paradigmatic questions for the Lower Silesian Conference

I would like to propose a set of 14 questions opening the trajectory to outline the scope of the Lower Silesian Conference. Let us consider the following list of questions:

1. To what extent will the XXI century be really a clash of civilizations both in the global scale and inside Europe?

2. How to envisage the new global order emerging in the conditions of global risk and universal uncertainty?
3. Is the global ecological catastrophe a fatal verdict for the XXI century?
4. Is it probable to imagine a revolution in the field of global science and technology?
5. How to define the Gordian Knots of the XXI century?
6. Is it possible to outline a comprehensive diagnosis of the glory and misery of the transformation of Europe in the two decades of 1990-2010?
7. How to define and analyze the turning points in the development of Europe in the period of 1990-2010?
8. How to define and analyze the role of the European Union in the development of Europe in the period of 1990-2010?
9. Why are the decades 2010-2030 crucial for Europe of the XXI century -the dramatic role of the question "Europa Quo Vadis?" Europe's moment of truth.
10. How to define and analyze the prospective internal transformations of Europe in the period of 2010-2030?
11. How to face the changing place of Europe in the global order of the XXI century?
12. How to envisage the future of European Governance and the Futures of the European Union?
13. How to define and analyze the most important transformations of the European regions in the years 1990-2030?
14. How to improve the strategic capacities of the regions to face the challenges of the enigma of the XXI century?

This set of 14 questions can be analyzed as a system of four subsets:

- I. **The global enigma of the XXI century (questions 1-5)**
- II. **The glory and misery of the transformation of Europe – The explored and lost opportunities of the two decades 1990-2010. (questions 6-8)**
- III. **Prospective glory and misery of Europe 2010-2030 (questions 9-12)**
- IV. **The Quo Vadis of the European Regions (questions 13-14)**

I am not trying to say that this is the „best” set of questions. This is only a proposal to open an interpretation of the rich and differentiated content of the Lower Silesian Conference as developed in the Conference papers and consecutive discussions. For this extended interpretation I would like to present a vision of four philosophical climates.

* * *

The four philosophical climates of the Lower Silesian Conference

The essence of the four climates will be expressed following the names of four grand personalities who have created a specific climate for the interpretation of the Europa Quo Vadis Question:

Timothy Garthon Ash¹
Giuseppe di Lampedusa²
Oswald Spengler³

¹ T.G. Ash, *Free World – America, Europe and the surprising future of the West*, Random House, New York 2004, the Polish translation: Znak, Kraków 2005

² Compare Charlemagne, *Lessons from the Leopard*, The Economist, December 12 2009, compare also the very interesting contribution of N. Tenzer, *Quand La France disparaît du monde essai*, Grasset, Paris 2008

* * *

*Primo – the Ashian philosophy*⁵

We should read once more the charismatic book by Timothy Garton Ash promoting the idea that the West has a surprising future and that the West can be put together again.

The dramatic Gordian Knot of the Atlantic Community at the beginning of the XXI century is the destruction of the unity of Western Civilization, the unity of the European Union and the USA as an integrated actor of the global scene.

We need mega-historical Alexandrian Solutions to establish the unity of the Atlantic Community as an integrated and powerful actor of the global scene of the XXI century.

No actor – China, India, Russia, the Islamic powers, the power of oil – can challenge the integrated power of the Atlantic Community of the XXI century. This optimistic message is emerging from the brilliant book of Timothy Garton Ash *Free World – America, Europe and the surprising future of the West*.

The Atlantic Community is a grand and powerful Community – A Community of Western Civilization, a Community of Liberal Democracies, a Community of Innovative Culture, a Community of Academic Freedom, a Community of dynamic capitalist enterprises.

This power and grandeur is paralyzed by the political and ideological disintegration – a dramatic or even tragic Gordian Knot. **If the Atlantic Community does not find an Alexandrian Solution for this Gordian Knot, then the Atlantic Community will really transform itself into the Titanic of the XXI century**⁶.

* * *

The Ashian philosophy is getting a new powerful interpretation by John Kornblum who served as the US ambassador to Germany in the years 1997-2001. Let us quote his thought-provoking point of view⁷.

The main conclusion I draw from the debate about Germany is that it is not about Germany at all. The task of building a democratic Europe is far from complete. Most of the foundations have been laid and now the residents are starting to haggle over the design. Weaving today's 27 states into a true trans-Atlantic partnership is a task that is too big for Germany or even Europe to accomplish alone. They desperately need some skilled architectural assistance.

Uniting Europe and North America is the most audacious project ever conceived. If it works, the United States will be joined by nearly 500 million Europeans to form a democratic space, within which modern democratic values will harness more energy than in any single nation on earth. Democracy's future as the operating system for a globalized world will be assured.

European fecklessness seems to worry Washington officials these days. But if Germany has forgotten how to dream and the United States is too busy to try, we will both be guilty of perpetuating the aimlessness we so criticize. To hold up its side of the bargain, Europe needs exactly what Barack Obama originally promised — the audacity of hope."

³ O. Spengler, *Der Untergang des Abendlandes. Unrisse einer Morphologie der Welt Geschichte*, Verlag C.H. Beck, München 1959

⁴ J.M. Barroso, *Preface In Europe 2020. An European Strategy for smart, sustainable and inclusive growth communication from the Commission Brussels, March 3 2010*

⁵ T.G Ash op. cit.

⁶ A. Kukliński, K. Pawłowski [eds] *The Atlantic Community. The Titanic of the XXI century?*, Nowy Sącz 2010.

⁷ J. Kornblum, *Germany In need of a dream*. International Herald Tribune, April 23 2010

The thesis that „Uniting Europe and North America is the most audacious project ever conceived” is an inspiring message for the Lower Silesian Conference. I think that Timothy Garton Ash and John Kornblum should be invited to participate in the Lower Silesian Conference and in the post conference volume.

The message of the renaissance of the Atlantic Community is expressed in the already quoted⁸ volume – *The Atlantic Community. The Titanic of the XXI century?* Seven co-authors of this volume are participating in the Lower Silesian Conference.

Secundo – The Lampedusian philosophy.

Let us quote the charming note published in the Economist⁹

One of the great studies of decline is a novel about a fictional Sicilian prince, living more than a century ago. There is much about Giuseppe di Lampedusa's "The Leopard" that is remote now: peasants paying their rent with wheels of cheese and freshly killed lambs, footmen in knee-breeches, a constant threat of revolutionary violence on the horizon. Today's Europe is at peace. Feudalism is long gone. Blatant inequalities are frowned on. Yet today's European leaders would still do well to study „The Leopard”, for it offers them some topical lessons.

* * *

Today „The Leopard" is best-known for a single line: „If we want things to stay as they are, things will have to change.” It is a fine line, but it is also one that can easily be misinterpreted. Today's European leaders talk about things changing, but in ways designed to appeal, all too often, to the side Of Europe that is old, tired and anxious. Buzzwords of the moment include a „Europe that protects" (a phrase recently used by both President Nicolas Sarkozy of France and Chancellor Angela Merkel of Germany). It is a horribly defeatist slogan. What about a Europe that makes its citizens strong, or one that equips them to compete? Europeans can live off their inherited wealth for a bit longer, and many still lead largely enviable lives. There is much that is fine and even noble about Europe, including its ambitions to reduce social inequalities. But Europe's rivals are young and hungry. The old continent should resist the allure of a genteel surrender.”

* * *

I am convinced that the United States and Europe should strongly resist the allure of a genteel surrender.

The allure of a „genteel surrender” of Europe is a fascinating philosophical topic for the Lower Silesian Conference

* * *

Tertio – the Spenglerian philosophy

The deep crisis of the Atlantic Community¹⁰ is creating a climate of the revival of the Spenglerian philosophy, expressed in the famous title of his maybe prophetic *opus* „Der untergang des Abendlandes”. The original German edition was published in 1918-1922; the English translation – *The Decline of the West* in 1926-1928.

⁸ A. Kukliński, K. Pawłowski [eds] *The Atlantic Community*. Op.cit.

⁹ The Economist op.cit.

¹⁰ A. Kukliński, K. Pawłowski [eds] *The Atlantic Community*. Op. cit.

The Lower Silesian Conference may be inclined to discuss the dilemma found in the *opus* of Oswald Spengler as a „false diagnosis” or a poetic historical truth¹¹.

* * *

Quarto – The Barrosian philosophy

Jose Manuel Barroso is a living monument of the Mind of Brussels as the capital of the European Union Anno Domini 2010. Let us quote *in extenso* the preface by J.M. Barroso introducing *Europe 2020* document as of March 3 2010¹².

Preface

„2010 must mark a new beginning. I want Europe to emerge stronger from the economic and financial crisis.

Economic realities are moving faster than political realities, as we have seen with the global impact of the financial crisis. We need to accept that the increased economic interdependence demands also a more determined and coherent response at the political level.

The last two years have left millions unemployed. It has brought a burden of debt that will last for many years. It has brought new pressures on our social cohesion. It has also exposed some fundamental truths about the challenges that the European economy faces. And in the meantime, the global economy is moving forward. How Europe responds will determine our future.

The crisis is a wake-up call, the moment where we recognize that "business as usual" would consign us to a gradual decline, to the second rank of the new global order. This is Europe's moment of truth. It is the time to be bold and ambitious.

Our short-term priority is a successful exit from the crisis. It will be tough for some time yet but we will get there. Significant progress has been made on dealing with bad banks, correcting the financial markets and recognizing the need for strong policy coordination in the eurozone.

To achieve a sustainable future, we must already look beyond the short term. Europe needs to get back on track. Then it must stay on track. That is the purpose of Europe 2020. It's about more jobs and better lives. It shows how Europe has the capability to deliver smart, sustainable and inclusive growth, to find the path to create new jobs and to offer a sense of direction to our societies.

European leaders have a common analysis on the lessons to be drawn from the crisis. We also share a common sense of urgency on the challenges ahead. Now we jointly need to make it happen. Europe has many strengths. We have a talented workforce, we have a powerful technological and industrial base. We have an internal market and a single currency that have successfully helped us resist the worst. We have a tried and tested social market economy. We must have confidence in our ability to set an ambitious agenda for ourselves and then gear our efforts to delivering it.

The Commission is proposing five measurable EU targets for 2020 that will steer the process and be translated into national targets: for employment; for research and innovation; for climate change and energy; for education; and for combating poverty. They represent the direction we should take and will mean we can measure our success.

They are ambitious, but attainable. They are backed up by concrete proposals to make sure they are delivered. The flagship initiatives set out in this paper show how the EU can make a decisive contribution. We have powerful tools to hand in the shape of new economic governance, supported by the internal market, our budget, our trade and external economic policy and the disciplines and support of economic and monetary union.

¹¹ Compare the introduction to the Polish translation of Oswald Spengler, *Zmierzch Zachodu*, Warszawa 2001 Wydawnictwo KR.

¹² J.M. Barroso op.cit – The Wrocław Conference – will consider the full text of the document *Europe 2020*. The conventional thinking of The European Commission is well reflected in this document. But this is not a message about Europe's moment of truth.

The condition for success is a real ownership by European leaders and institutions. Our new agenda requires a coordinated European response, including with social partners and civil society. If we act together, then we can fight back and come out of the crisis stronger. We have the new tools and the new ambition. Now we need to make it happen."

Jose Manuel BARROSO

The critical sentence in the Preface is the following:

„The crisis is a wake-up call, the moment where we recognize that "business as usual" would consign us to a gradual decline, to the second rank of the new global order This is Europe's moment of truth. It is the time to be bold and ambitious."

Unfortunately, this statement was not developed in the Document of March 3, 2010. It was overwhelmed by the conventional „business as usual" language of the European Commission. However, the Lower Silesian Conference might be able to meet the challenge to answer the question: „how to define Europe's moment of truth" Can we translate this moment of truth in the mega-historical choice: „The Renaissance versus the Bankruptcy of Europe". There is a great advantage to have a Conference in Wroclaw where the pressure of conventional wisdom, political correctness and business as usual approaches may be not so strong as in Brussels. May be?

Europe's moment of truth – a challenge for the Lower Silesian Conference

The Lower Silesian Conference could be designed and implemented as a „Conference as usual" a one more item in the vast continuous stream of meetings which are creating an illusion that we are able to think about the Future of Europe. **But the Lower Silesian Conference can find a new trajectory to be „bold and ambitious"** and face the challenge „How to define Europe's moment of truth". This trajectory is a trajectory of knowledge, imagination and courage to see the real shape of the past and the future Europe. I am convinced that the eminent team of the Lower Silesian Conference will be able to see this real shape of Europe.

The four features of the crisis of the European Civilization

Europe of the XXI century is facing the greatest challenge in its history – the challenge of marginalization – the challenge of the transformation of Europe into a fragment of a new global periphery. This historical moment is creating a strong demand for a grand debate related to the diagnosis of the present state of Europe and for visions and scenarios related to the Future of Europe.

There are different approaches in the discussion related to the very deep crisis of the European civilization emerging in the first decade of the XXI century. In this context we would like to concentrate our attention on four most pronounced features of the crisis:

1. the lost capacity of innovation
2. the lost will to life
3. the lost will to power
4. the lost spiritual identity

1) the lost capacity of innovation

This lost capacity is well outlined by R. Galar¹³:

¹³ R. Galar, Adaptive versus managerial approach in S and T policy (in:) A. Kukliński, K. Pawłowski (eds) Europe – The strategic choices. Reupus, Volume Two, Nowy Sącz 2005.

The main competitive asset of Europe used to be freedom, not perfection. At present perfection receives more and more attention, while freedom is being pushed to the preserves of procedural democracy and unconventional lifestyles. The progressing degradation of the once paramount innovative prominence of Europe might be a direct consequence of this shift. Perfection is tempting as it allows to squeeze most from the existing opportunities. Freedom is necessary as to explore opportunities not yet identified, what is the essence of adaptation. It is needed to open the doors into the world of trial and error, spontaneity and soft selection, where subsequent waves of priorities and high-techs emerge rather than are decreed. The specific predicament of the present European might be that its S&T sector and economy are both: not free enough to compete with the US in opening new innovative horizons, and not perfect enough to compete with the East Asian cultures in exploitation of new technologies.

2) the lost will to life

The lost will to life is well grasped by M. György:¹⁴

To balance the dramatic decrease in the number of children European countries must turn to external labour forces, which at the same time deepen the internal cultural differences. Maintaining economic growth, providing the expected standard of goods and services, ensuring welfare services at a relatively high level – still considered low by many people – are possible only by involving external labour force. This will have two types of consequences which will generate complex social effects. On the one hand, the labour force – due to the scope of a relatively free movement – shall migrate from the less developed regions to the more developed ones. It will increase – or at least maintain – the regional differences, differences which in turn will bring about actions directed alleviating them. On the other hand, the settlement of labour from other regions shall become a necessity – it will cease to be an option that one evaluates in terms of its benefits and drawbacks. The choice will only be whether the labour force (and population) is “exported” from (1) quickly industrialized Asian countries with huge populations – which follow a life-programme very similar to the Protestant ethics, but also face similar population problems in the medium-term, or (2) African or Near-Eastern countries where the mentality fundamentally differs from the Protestant life-programme, and which struggle with severe problems of a demographic boom. In the latter case, however, the cultural assimilation problem the host societies face will increase manifold.

3) the lost will to power

The lost will to power is a reflection emerging from the pages of the contribution of R. Cooper¹⁵. Let us present two quotations from this author:

Nietzsche is arguing that justice originates not in the desire of the weak for protection, but in the tragic experience of the strong. The same argument could be applied to peaceful, postmodern systems of international relations. Whatever the truth of Nietzsche’s insight into the origins of justice, it is certain that the trauma of the twentieth century lies behind what might be described, in Nietzschean terms, as the loss of Europe’s will to power.”
“The logic of European integration is that Europe should, sooner or later, develop common foreign policy and a common security policy and, probably, a common defense. But the world does not

¹⁴ M. György, Futures of Europe (in:) A. Kukliński, K. Pawłowski (eds) The Future of Europe. The global challenges. Reupus, Volume One, Nowy Sącz 2005.

¹⁵ R. Cooper, The Breaking of Nations Order and Chaos in the Twenty First Century, Atlantic Month Press, No. 4, 2003, p. 164-165, 171-172. Compare also A. Kukliński, *The future of Europe. A modest contribution to the European Debate* [in:] A. Kukliński, K. Pawłowski (eds), *The challenges of the XXI century*, Nowy Sącz 2008.

proceed by logic. It proceeds by political choice. None of this will happen unless Europe's leaders want it and choose to make it happen.

4) the lost spiritual identity ¹⁶

It is extremely difficult to define the spiritual identity of Europe in a global context leaving the Christian tradition outside of our attention. To my mind the atheist and agnostic domain of the European society could accept the Christian element in the spiritual identity of Europe as a civic value of instrumental character, useful in the defense of the European spiritual Identity in the global context.

Naturally this crisis of the European civilization can be defined only in a multidimensional open-minded perspective. It would be, however, very difficult to support the thesis – that the crisis of European civilization is only an eurosceptical nightmare.¹⁷

The Bankruptcy versus the Renaissance of Europe

The multidimensional crisis of Europe can lead to the bankruptcy of Europe as a global power and as a dynamic society. In a pessimistic scenario, the genteel surrender can transform itself into a rapid surrender. This is a scenario which could be considered by the Wroclaw Conference.

However in this paper we are finding not only the pessimistic Lampedusian Scenario, but also the optimistic Ashian scenario.

The Lower Silesian Conference should consider the vision of the new Renaissance of Europe created *inter alia* by the new incarnation of the European Union as an *ego* stimulating the processes of rediscovering the European capacity for innovation, the European will to life, the European will to power and the European identity of the XXI century.

The great mission of the European Union in the XXI century

The *Europe 2020* document is not a charismatic document creating a climate for the great Mission of the European Union facing the enigma of the XXI century.

The unique opportunity of the Lower Silesian Conference is to outline some elements of a grand vision for a new incarnation of the European Union.

There are five elements of this vision:

1. The European Union as an inspiration and as a co-author of the revival of the Atlantic Community
2. The European Union as an inspiration and co-author of the new global order leading to efficient cooperation of the grand civilizations of the XXI century¹⁸
3. The European Union as an important element of the global democratic space creating a strong countervailing power in relation to the growing role of the global autocratic space (J. Kornblum)
4. The European Union as an inspiration of multidimensional processes which are constantly creating the consecutive incarnations of dynamic and creative societies

¹⁶ Compare: R. Stark, *The victory of reason – How Christianity led to freedom, capitalism and western success*, Random House, NY 2005. Compare also the papers of K. Porwit and P. Mazurkiewicz (in:) *Towards a creative and innovative Europe*, op.cit.

L. Emmerij, *Has Europe a splendid future behind it* (in:) A. Kukliński et alii (eds) *Towards a New Creative and Innovative Europe*, op.cit.

¹⁷ Compare A. Kukliński, K. Pawłowski (eds) *Futurology – The challenges of the XXI century*, Nowy Sącz 2008, A. Kukliński, K. Pawłowski, C. Lusinski (eds) *Towards a new creative and innovative Europe*, Nowy Sącz 2007.

¹⁸ Compare B. Góralczyk, *The European Union and China In the New World Order*, *Yearbook of Polish European Studies. Centre for Europe*, University of Warsaw, volume 12, 2009.

5. The European Union as a strong inspiration to promote new systems of education as an instrument to develop the idea of European identity in the minds of the young European generations

This Great Mission of the European Union can be outlined in different ways following different theoretical and pragmatic assumption. There is no doubt, however, that the Wrocław Conference will consider the challenges related to the Great Mission of the European Union facing the enigma of the XXI century¹⁹.

The Lower Silesian Conference. The programmatic paper

This programmatic paper has a modest goal to try to create a substantial methodology and pragmatic framework to see the Lower Silesian Conference as a dynamic process leading to new interpretations of the history and the future of Europe.

This programmatic paper is trying to interpret the challenge that Anno Domini 2010 is a moment of truth in the history of Europe.

This moment of truth is an inspiration for the Lower Silesian Conference to develop a climate of historical urgency for the brainstorming discussion of three problems:

1. **The multidimensional crisis Europe**
2. **The vision of a new European Renaissance**
3. **The new incarnation and the new role of the European Union**

The framework of the three leading problems is opening a field for pluralistic value judgments and interpretations. I am sure that all participants of the Conference will join the creative effort to answer crucial problems related to the history and the future of Europe.

We have to develop the art of formulating holistic questions which are interpreting the crucial dynamic processes of structural change in Europe.

The Polish perspective

We note with great satisfaction that the „Europa Quo Vadis?” Conference in Wrocław (June 10-13 2010) has had a *sui generis* counterpart in the Polonia Quo Vadis? Conference in Cracow June 17-18 2010²⁰.

Both conferences could be seen as a contribution to the spirit and letter of the Polish Presidency of the European Union Anno Domini 2011. Both conferences are a manifestation of the Polish art of strategic thinking trying to create opportunities for brainstorming discussions of *Europa Quo Vadis?*, *Polonia Quo Vadis? questions*

¹⁹ *The weaknesses of the European union were exposed In the Greek case: the weaknesses of long term diagnosis, the weaknesses of long term strategy and the weaknesses of rapid crisis management*, compare Dan Bilefsky, *Europa added Greece as its Achilles heel*, IHT May 5 2010.

²⁰ Compare A. Kukliński, K. Pawłowski, J. Woźniak (eds), *Polska wobec wyzwań XXI wieku. Poland facing the challenges of the XXI century*, Kraków 2009.

ROMAN GALAR

A reaction to paradigmatic questions of the Lower Silesian Conference

Kuklinski's programmatic paper for the *Europe Quo Vadis* Conference²¹ brings an impressive, stimulating and timely material. It is difficult to disagree with its principal thesis that Europe will soon face its moment of truth. The wagon that we all ride is not exactly in good shape and there is a very bumpy track ahead. It is not enough to admire the Union as the eternal source of opulent subsidies and prestigious jobs, as we used to do in Poland. Present generations have to make a substantial effort to revitalize the European Project, which is the best guarantee available for our favorable future.

My contribution relates to the list of Kuklinski's 14 paradigmatic questions which are supposed to map out the scope of the conference. I am not trying to assess these questions or to answer them comprehensively. I just give my first reactions, which might be considered as samples of possible reactions.

To what extent will the XXI century be really a clash of civilizations both in the global scale and inside Europe?

Something is bound to happen. Yet, alongside the clash of civilizations, the scenario of the civilization collapse should be considered. The cold war has not been decided in flashes of thermonuclear explosions. The heart of communism has rotten out. Who is the present candidate for such a collapse?

How to envisage the new global order emerging in the conditions of global risk and universal uncertainty?

A lot depends on the reaction of the established states of plenty to the fast progressing economic convergence. At the present level of technology it is out of question that the Western level of consumption will become a norm — the limited pool of global resources makes it impossible.

Is the West ready to surrender some of its wealth for the sake of global stabilization? Are contenders ready to limit their ambitions? Even Poland daydreams about getting to the top of the list...

Is the global ecological catastrophe a fatal verdict for the XXI century?

This is tantamount to the question: Might the ethos of reasonable consumption emerge soon enough? At the moment this option is a taboo, as it opposes the paradigm of the incessant economic growth. There is also a problem of states and corporations limiting their ambitions for the sake of ecological harmony. This would be quite extraordinary. Admittedly, European companies are sending such signals, but it looks as if their real interests are rather in entangling the too fierce Asiatic competitors in the maze of ecological regulations.

²¹ *Europe Quo Vadis*, Lower Silesian Conference, June 10-13, 2010.

Is it probable to imagine a revolution in the field of global science and technology?

It is possible to imagine, by the way of simplistic analogies. There are examples of such revolutions in ancient Greece, medieval Italy or 19th century England. Yet, such analogies might be misleading. The very specific social conditions that facilitated such bursts of creativity exist not longer. In my opinion we are not going to have another scientific or technological revolution until the fact and the reasons of creative impotence of the present R&D system are recognized and internalized by decision makers.

How to define the Gordian Knots of the XXI century?

I am not a fan of this metaphor. The problem of Gordian Knots was not solved. The reality that fancied such problems was destroyed. In this way Stalin has solved ethnic problems in Poland. Still, the debilitating procedural system, which permeated the governing structures of the West in a cancer-like way, is an obvious candidate for an Alexandrian solution.

Is it possible to outline a comprehensive diagnosis of the glory and misery of the transformation of Europe in the two decades of 1990-2010?

This would be a very illuminating piece of knowledge. Yet, it seems impossible within the present set of macroeconomic indicators. It becomes obvious that they are used more to embellish and manipulate the picture of economy than to reflect it. The dreary role of rating agencies in the developing of the recent crisis should be remembered. We can hardly assess how much of the visible progress has been paid for and how much will become the debt burdened on the next generations. It is still worse with indicators that could reflect the state of health of the social fabric. The recent impression from the Polish flood of 2010 is that people were working significantly less than they were taking pictures at the endangered river banks than in 1997.

How to define and analyze the turning points in the development of Europe in 1990-2010?

Recognition that some event was a turning point is separated in time from its occurrence. Events of 1980 in some obscure Polish shipyard were considered to be moving or entertaining but generally hopeless. There were a number of occurrences recently that are good candidates for turning points: expansion of the EU, the entry of the Chinese dragon, much delayed economic crisis, demographic collapse of the West, emergence of Muslim power etc. One can make his pick. Generally Europeans behave as if nothing has happened. They are waiting for return of "normality". Perhaps it will turn out that the turning of Europe had to do with an atrophy of survival instinct; but this was earlier.

How to define and analyze the role of the European Union in the development of Europe in the period of 1990-2010?

This question should be accompanied by the definition of "development". From the Polish perspective, it would be helpful to know what interests of the core EU countries were served by the accession of the new members. These interests remain poorly verbalized. The explanation that this was done out of good heart, or that promises were given and had to be kept are not convincing. If it had been so, it wouldn't be a sound base for partnership. Kuklinski's concept of *Societas Leonina* deserves careful consideration.

Why the decades of 2010-2030 are crucial for Europe of the XXI century? The dramatic role of the Question "Europe Quo Vadis?" Europe's moment of truth.

Discussing the present of Europe is simple, as it concerns clearly set, even if not openly defined interests. The discussion about the future, especially relating to fundamentals, is more troublesome. It raises questions about values which should be protected and passed forward to

next generations. To the postmodern Europeans this has no sense; as such common values cannot exist, because values are a matter of personal convenience. Also, such discussion is not possible without a recourse to history, and forgetting history is cool. Still, the question is dramatic. Another twenty years of drifting might be enough to annihilate the advantages Europe still possesses. Europe should wake up to have its moment of truth.

How to define and analyze the prospective internal transformations of Europe in the period of 2010-2030?

As far as positive scenarios are involved, the prospective internal transformation in Europe should be directed at the development of adaptive intelligence. It was once the base of Europe's world prominence and it has to be resuscitated, or Europe will slide into pretentious insignificance. As for analyses, the good index of progress on the proposed way would be the ratio of time needed to execute a project to the time needed to prepare the papers necessary to put the project into execution.

How to face the changing place of Europe in the global order of the XXI century?

It depends on the kind of order. Let us imagine a peaceful order. Europe is left mostly to its own devices, while her external influence is scaled down, relative to its cooperative impact on the rest of the world. This would be a fulfillment of our democratic drama, wouldn't it? Europe with its 7% of the World's population has already fallen down in rankings of the most dynamic and might also fall down in the rankings of the richest societies. No real problem, as far as Europe remains the best place to live for the people who appreciate the European way of life. Grown-ups do not need to prove that they are leaders in all kind of fancy competitions. It would be only necessary to grow up and get rid of the sporting mindset. This is the frame of mind, which softened grim lives of Soviet citizens with conviction that they can bomb everybody.

How to envisage the future of European Governance and the Futures of the European Union?

It should start from realization what is the proper place of Europe in the hierarchy of loyalties of its citizens, and what are the boundary conditions of the Union. European citizens rightly used to be loyal also to other social structures — from local to global. An ability to decide about one's own future has to be protected. Such realizations should be the base for discussion in which aspects the European governance should be strong, and in which aspects its influence should be limited.

It would be distasteful to replace chauvinistic nationalisms with the chauvinistic Europeanism.

How to define and analyze the most important transformations of the Europeans regions in the years 1990-2030?

It would be interesting to learn and important to know to what extent European regions are real. To what extent they are autonomous players and to what extent they are only pawns in the game of bigger powers, maneuvering for a position in the emerging European construction.

How to improve the strategic capacities of the regions to face the challenges of the enigma of the XXI century?

Strategic capacities of regions might be expressed only in these domains, in which regions can execute comprehensive autonomy. In these domains, the complex of European regions might be the base for experimental policy and economy. The key question is to what extent states and the EU can and want to give up the unification of regional policies.

I hope that the presented reactions exemplify that the space for consideration generated by Kuklinski's paradigmatic questions is both substantial and intellectually stimulating. They create a chance for a remarkable and non-opportunistic discussion about the future of our European home.

MARK DUBRULLE

No future without planetary vision

Some thoughts on the preliminary papers and introductions

The preliminary paper of this conference states that the concept of a Great Crisis 2009 should be introduced. It mentions four cumulating dimensions. In my view a fifth one – *Quinto* – should be added: the global collapse of the environment worldwide.

The future of Europe can indeed not be addressed without the question: *Mundus Quo Vadis?* Yet the global state of the planet Earth today is hardly put on stage at the Wroclaw International Conference.

The collapse of the environment and the threats to our planet Earth are the corollary of the:

- collapse of the dominant (neoliberal, capitalist) economic system;
- collapse of the financial markets – even if they may seemingly be recovering;
- collapse of social justice;
- collapse of spiritual values – *sensu lato*.

It is vain to discuss the future of Europe if we don't take into account the world "*problématique*". What we call crises are the very symptoms of the collapsing paradigm of growth and development. We have got to go back to the early warning of the Club of Rome, already 40 years ago, with the report *Limits to Growth*. And ask ourselves where these limits lay today. Quite obviously the EU policies are still based on the dogma of growth without limits. At best, corrections and end-of-pipe solutions are put forward by the national governments of the Member States.

The European Union has weathered the recent financial crises more successfully than its Member States would have done separately. Nevertheless, changes are needed to ensure more effective management of future crises. Opportunities to set new policy directions must be grasped in the next years.

The risks to energy security, of climate disruptions and of further financial instabilities at world level remain high. The EU can and must rapidly build resilience to shocks and set itself on a track that can ensure a managed transition to *new economics* in partnership with the other big regional powers in the world: the Americas, Asia and Russia. Particular attention should be paid to the most vulnerable sub-regions and countries, e.g. in Africa.

At any rate, the key to success will be in a more integrated approach to major policy issues. Narrow compartmentalisation of issues and policy debates locks us into sub-optimal options, in Europe and at the world level.

Limits to growth?

In many parts of the world growth is needed in several areas in order to meet the aspirations of the poor and the demand for a decent quality of life. This is also partly the case in Europe, but in many areas the need for growth is not justified at all.

Defining growth areas means that we should be:

- taking nature into account. Space, natural resources, biodiversity set limits to some industrial and agricultural practices of past and present;
- telling the truth about prices, i.e. internalizing all environmental and social costs;
- switching to sustainable food production and sustainable energy production. Future land-use and rural development should contribute to the transition to a high-skill, high-employment, low-carbon economy;
- taking into the economics' account the "love economy" (Hazel Henderson) and the "shadow work" (Ivan Illich): human productive activities which are not being considered in the GDP;
- aiming at cooperation instead of pursuing competitiveness.

Beware of Transatlantic centrism

Much emphasis is put on the need to strengthen the ties between Europe and the United States of America. Is this really the priority? Is the US still attractive? Market fundamentalism and "casino" capitalism are obsolete Anglo-Saxon models, still preached in Wall Street and in the City. However, on both sides of the Atlantic think tanks and action groups are developing new paths in redefining wealth and wealth creation. These paths should be more shared with Russia and Asia, particularly China, India and Japan.

The West has brought much good to the world (human rights, technologies, democracy, and social protection), but also the worst: world wars, nuclear weapons, depletion of nature, a way of life dominated by material production and consumerism. This model is now spread all over the planet. It has led to the global environmental crisis, affecting us today and threatening the future generations in their very survival. Climate change has moved to the centre of the stage in public opinion. To some extent it is hiding other dramatic aspects of the ecological collapse: rainforests are being lost, biodiversity is rapidly depleting, overfishing is decimating our natural seafood stocks, desertification is increasing, fresh water resources are becoming scarce, etc.

Europe has no future if it sticks to the obsolete models, largely supported by US, GB and Russia, fuelling an oil and military based economy.

The EU could play a major role in gradually abandoning our outmoded economic models, focusing on the underlying causes of the "crises", measuring wealth correctly (dropping the inadequate GDP concept), creating real wealth and distributing it more evenly.

A strong European research base is essential to future wealth-creation. The Framework programmes have been very effective in creating a connected European research community, but more now needs to be done to bring in Universities from the less-developed Member States and the tens of

thousands of SMEs that can bring innovations to life. They need a much simpler and faster way of entering partnerships.

On energy security, diversity of supply, notably for electrical power generation is vital. Renewable energies such as wind, geothermal, hydro and solar all have a growing role to play. Their contribution will need to be facilitated by Smart-Grid developments in the next few years. In addition, more can be done to improve energy-efficiency in ways that both stimulate innovation and awareness, as well as being cost-effective.

More devolution to the EU regions

Within the EU, the National States, claiming their sacred sovereignty, are often opposing rather than stimulating bold options. Yet, the support of structural funds to Member States can play a key role in facilitating innovations and new job creation. They can also be a key connector between European research and sustainable development initiatives at city and regional level. Cities and regions must lead in the transition to an energy-diverse, low-carbon society, but they need the stimulus of collaborations across the EU, and access to the latest technologies and practices. Structural funding which facilitates and supports partnerships between regions and with business can be extremely effective.

Spirituality beyond religion

What we need to achieve is a new paradigm sustaining our Only One Earth and Humankind. It requires a totally honest and lucid look at things “as they are” (we are in the process of a total collapse!) instead of blindly following our world “leaders” and the dominant mainstream discourse, varnished with a green layer. Learning from the lessons of the past, we ought to take a fresh look at the many alternatives in production, consumption and lifestyles. It is a matter of a new perception of the world, switching from the *dogmata* to the *pragmata*.

The moral values in Europe, largely but not exclusively based on Christianity, can play a significant role in achieving the new paradigm. But they should be not being limited to religion only. There is room for a broader spirituality in reliance on the mystery and beauty of the Universe.

IVO SLAUS

Comments inspired by Antoni Kukliński

The twentieth century is the worst of times. It is a century of two world wars and numerous local wars causing more than 100 million deaths, and of over 200 and possibly 300 million children, women and men killed by their own governments: democide, gulags and also of holocaust. It is the century that gave various forms of totalitarian regimes, notably communism and fascisms/Nazism. The twentieth century is also the best of times: greatest progress in science generating not only new technologies, but also dramatically influencing social, economical and political life, and above all paradigmatically changing our worldview thereby providing the foundation for the sustainable, global knowledge-based society. In misery and in glory Europe's role was central.

Europe - a rather small peninsula on a large Eurasian super-continent - opened towards the seas and linked to distant continents: Africa, Americas and Australia - was divided in numerous states with close to hundred different languages, and many cultures. Nevertheless, Europe is moulded and united by Greek science, governance and democracy, by Christianity and by the Renaissance. Individuality is the key element in the development of Europe and of the Western world. The key factors in this progress are freedom of thoughts and entrepreneurial freedom. Freedom is the fertile grounds of creativity. Though science flourished in all major civilizations, the contemporary science had its origin in Europe.

Future is a bundle of events formed by biology, history, socio-economic and geopolitical determinants, and also by prejudices, embedded assumptions, "wild cards" and "black swans". In early 1970-ties scenarios were developed by DARPA, Shell and many others. *Scenarios are rigorous, logical, but imaginative stories what future might be* designed to help policy-makers, decision-makers and people to plan, to live. *Scenarios are not scientific predictions*. In the best case they envision grand development, but hardly correctly predict details. *Future is always characterized by surprises*. Many scenarios were recently developed:

1. Business-as-usual. Though our tendency is to do as usual, this scenario is least realistic. Everything changes and very fast.
2. Meadows et al - a mathematical model based on linear differential equations treating time dependence of 45 variables. This model and its results were published in the report to The Club of Rome in 1972 *Limits to Growth*, and later on improved. As any scenario its "predictions" were not fully confirmed by the facts. The present crises are used to argue that the grand picture of *the Limits* has been vindicated.
3. The optimistic heaven scenario by Ray Kurtzweil in which technology eliminates diseases, poverty and many of our current problems. However, any technology is blessing and danger as fire and knife and all later technologies clearly showed.
4. The Hell scenario by Bill Joy in which the future does not need human beings.
5. The prevail scenario by Jaron Zepel Lanier named "virtual reality", emphasizing that "the future loves us" increasing links among humans and human beings are choosing their future.
6. Neural network model is being developed by ourselves attempting to mimic neural networks.

There is a number of more focused scenarios, e.g. dealing with demographic development and with political development. In spite of a surprising demographic transition that is currently occurring demographic scenario for the next two centuries is almost a scientific prediction. At the end of this century the number of inhabitants of our Earth will reach about 9-10 billions, but in next two centuries it will decrease to about 2-3 billions (e.g. even the population of China will start decreasing in 2029). This is the result of a decreasing fertility rate. At the same time the life expectancy is increasing. It increases 2-3 months each year so that in 2050 more than 50% of inhabitants of Germany and Croatia will be over 52, and of Japan and Bulgaria over 56. It is incorrect to state that the society is aging since a person 75 years old today is more active and healthier than a person of 50 hundred years ago. This demographic transition occurred in less than 50 years - and it was unexpected! Collapse of the Berlin Wall and communism was also unexpected, as well as the present global crisis.

There are several geopolitical scenarios, e.g. the US National Intelligence Council (NIC) «Global Trends 2025: A Transformed World» and G. Friedmann: "The next 100 years". Both scenarios are characterized by conflicts and see the world dominated by present and emerging superpowers. For instance G. Friedman foresees powerful Poland leading an association of countries from the Baltic to the Adriatic - such was the kingdom of the Jagellonians centuries ago. It also sees a powerful Turkey, the strongest in the Muslim world. The NIC offers four scenarios: «A world without the West», «October surprise» (impact of climate change), «BRIC Bust-up» (a conflict between India and China about water and food. 70% of water use goes to agriculture) and «»Politics is not always local» (non state global networks become dominant). This forecast, like the one five years ago, concentrates on the dominance of globalization, but unlike its predecessor emphasizes the necessity of prompt system reform.

I. Kant argued that there will be no war when all countries become republics, when international trade dominates our economy and when humankind has a weapon too dangerous to be used. Indeed present weapons of mass destruction (WMD) make wars not only immoral, but useless. Therefore, it is important to ask "Do modern biology and social science know of any biological factors including those concerned with the biology of violent behaviour, that constitute an insurmountable or serious obstacle to the goal of world peace based upon principle of equal rights and self-determination of people and including an ultimate goal of general and complete disarmament through the United Nations?" There are historical examples that violence has been abandoned when it was counterproductive! Archaeologists discovered a civilization in Canal, Peru, that lasted a thousand years. Total population of Canal is estimated to over 20,000 and Canal people engaged in commerce with their neighbours and in pleasure. Warfare changed radically over time, i.e. it is culture caused and culture shaped. There are several peaceful tribes today. In May 16, 1986 *The Sevilla Statement on Violence* was issued stating that it is scientifically incorrect to claim that war is part of our nature, that we have violent brain, genetically programmed, that evolution "selected" aggressive behaviour, and that war is caused by instinct. The Sevilla Declaration was signed by 20 leading scientists and it ends "We conclude that biology does not condemn humanity to war... The same species that invented war is capable of inventing peace." Elimination of war and violence is presently essential to assure our existence.

The idea of United States of Europe was originated in 18th century by Abbot Charles de St. Pierre asking for an economic union and for elimination of borders. The idea developed further following the American Revolution and Kant's proposed Eternal peace congress in 1795, and intensified by Saint Simon and A. Thierry European parliamentary federation, Ioannis Kapodistrias' political activities, Wojciech Jastrzebowski Eternal peace among nations in 1831 and Giuseppe Mazini Federation of European Republics in 1843. While they were in Mussolini's prison Altiero Spinelli and Ernesto Rossi wrote the Ventotene Manifesto „Towards a Free and

United Europe". United Europe - a product of efforts of Jean Monnet followed by R. Schuman's plan in 1951 uniting six countries: Germany, France, Italy, the Netherlands, Belgium and Luxemburg in steel and coal, followed by the Treaty of Rome on March 25, 1957 forming European Economic Union - certainly represents an innovative idea and an original methodology. Now the European Union (EU) has 27 member states. The EU emphasizes social cohesion. The European Economic Area which in addition to the EU includes Norway, Iceland and Lichtenstein and through bilateral agreements Switzerland aims to assure free movement of people, goods, services and capital. Commenting on current economic problems of PIIGS P. Volcker argued for either more federal or more united EU.

Prior to answering that dilemma, another question has to be answered: What is Europe? When we were establishing European Physical Society and later Academia Europaea our concept of Europe extended immediately from the Atlantic to Vladivostok, and in addition we accepted physicists (scientists and scholars) from the USA and from Israel. The EU proceeds with gradual enlargement based on *acquis communautaire* (total body of European laws).

The contemporary world is global, interconnected and rapidly changing. It is highly vulnerable: ecological footprint is almost 30% over the capacity of the Earth, there is a threatening climate change, as well as financial and economic, social, political and moral crises. Though the crisis is global, each country - because of its specificities - has to face these crises in its own specific way. The present world is only partly global, but it is fragmented when it needs to generate, stimulate and anticipate necessary and desirable changes, and when it is necessary to react quickly.

Various opinion polls demonstrate people's dissatisfaction with politics and current economic crisis obviously implies problems with economy. The twentieth century clearly showed that communism is not an adequate model. I remember a joke told me during the Cold War era. One Western economist asks an economist from a socialist country "What is your opinion about capitalism" and a politically correct answer came "It is on a brink of disaster!" followed by another question "How about socialism?" and the reply was "Of course, as always, it is a step ahead." Socialism collapsed, will capitalism? Capitalism was faced with a major crisis starting on Black Tuesday of October 29, 1929 and ending during the beginning of the Second World War and found strength to recover. Capitalism faced few crises before that and many afterwards and still recovered. Capitalism is resilient. On the other hand, it seems that socialism did collapse and that it does not have enough resilience to recover. What are the reasons?

Though capitalism and socialism have their much earlier roots, let me focus on the slogan "*Liberté, égalité, fraternité*". It appeared during the French revolution. It was mixed with other slogans involving in addition or replacing some of the above: Security, Safety, Justice, Property, Law, Force, and Reason. Slogans serve as motivators, but they also express part of basic, biological and cultural truths. *Fraternité* is embedded in the fact that humans are social animals, that in spite of mutual competition, it is in our interest to maintain social groups. The feature of the contemporary world is that the essential social group is the entire world. Darwin realized that more than a century ago. The essential triad today is composed of an individual human being, humanity and cultural diversity. Our contemporary value system has to reflect the imperative of strengthening and maintaining all three. Capitalism tends to emphasize competitiveness and self-interest, nevertheless keeping social dimension. Socialism emphasizes *égalité*. Though based on a relying cry "Proletarians have nothing to lose but their chains", socialism extremely limited *liberté*. On the other hand, capitalism assures a maximum amount of human choices that humans have so far been capable of realizing. Markets, even with limited freedom, allow more human choices than any so far conceivable political system. Reinforcing freedom expressed through the markets, democracy attempts to add additional freedom, to guarantee security, safety, justice and law, moulding our structure of governance. The inevitable

conclusion is that improvements in governance and economy are needed, but that freedom, human choices and options should not be decreased, but even increased, even if it is suggested that the road to paradise is built through limiting freedom. Communism promised paradise and restricted freedom and that was its mortal sin and fatal error.

During the last 500 year the normalized world per capita gross domestic product (GDP) has increased more than a factor of ten. All the socio-economic indicators show that quality of life (with some oscillations) has grown continuously over the last two centuries. Perhaps the clearest indicator is the improved nutrition: the average value for the entire world has grown from 1960 to 1997 from 2250 kcal per person per day to 2750 kcal per person per day and, even more meaningfully: for developing countries from 2100 to 2600 kcal per person per day. Human development index (HDI) that measures in addition to GDP/capita also health and education indicators is constantly increasing. Though all this progress is mostly due to science, the dominant socio-economic system - capitalism - has to be at least credited for not imposing obstacles.

Two major problems plaguing present capitalism are the increasing income inequalities and large unemployment, more precisely low and inadequate employment. The present total EU employment rate is 69% and EU aims to soon achieve 75%. Poland and candidate country Croatia have employment rates just slightly above 50%, and Serbia has even lower. Employment is the basis of economic freedom and social empowerment. Over the past 60 years the world economy has generated more than two billion jobs, nearly three times as many jobs as during the previous five centuries. Since 1950 the world population increased by 168% from 2.5 billions to 6.7 billions, whereas total global employment rose 237% from 900 million to 3.1 billion. The ratio of jobs to people increased from 0.36 to 0.45. In spite of this remarkable achievement, 212 million people were classified as unemployed by ILO in 2009 and the real unemployment rates are in many countries at least twice the official figures. More than 3 billion people are still living on less than \$ 2.5 a day. A detailed study of employment is even more perturbing, particularly the employment of youth and of those over 50 years of age. World Academy of Art and Science has recently initiated a project Global employment challenges and the aim is to achieve full employment. Work and specifically employment are intertwined with education. It is well known that the higher level of education and employment rate are positively correlated. It is necessary to appreciate that there is a high demand for skilled labour. Therefore, in spite of high unemployment some countries have to look for additional workforce and immigration is a quick solution, but not without problems.

An extensive study by R. Wilkinson and K. Pickett published in a book *The Spirit Level - Why Equality is Better for Everyone*, 2010, showed that higher income inequalities are causing lower life expectancy and in general almost all socio-economic indicators are lower when income inequalities increase. The EU pays considerable attention to social cohesion within each member state and amongst all the member states and has established funds to strengthen social cohesion. Economic inequalities, particularly inequalities in personal income threaten social cohesion. Plato estimated that a harmonized society needed the ratio between the highest and lowest incomes to be no more than 5:1, and even J P Morgan argues for a ratio of less than 20:1. Today these ratios are over 100:1. In the USA the ratio between the income of senior managers/chief executive officers – CEOs and the average income of workers was 369:1 in 2003 and by 2007 had grown to 521:1 (World of Work Report 2008, Income Inequalities in the Age of Financial Globalization, ILO and Intl Institute for Labor Studies), while in 2007 it was in Germany 148:1 and in Holland 103:1 (pp. 17,19). Economic inequalities within states have risen since 1990 (pp. 1-8). In the period from 1990 to 2005 two thirds of all countries exhibited growing inequalities (growth of GINI coefficients and the ratio of the top decile to the bottom decile in terms of income) For example the GINI from 1990 to 2000 rose from 0.28 to 0.41 in Estonia; from 0.27 to 0.35 in Macedonia; falling only in Slovenia from 0.28 to 0.26. In the USA it has risen from

0.42 to 0.45 and in Finland from 0.20 to 0.28. It has fallen in Switzerland, Denmark, Germany and France but only by 2-3% (p. 11). If it is based on innovation and successful production, rising inequality can be a driver of economic growth and a creator of wealth, but this is not the case, and especially when the rise in inequality is considerable, then it is a threat to social stability and an inhibitor of economic efficiency. Quantitative indicators suggest that reducing inequality is one of the most effective measures in reducing the crime rate (p. 22). For example, when inequality in Columbia was reduced to the rate of that in the UK, crime fell by 50%. High rates of inequality also result in higher levels of corruption (p. 24), increased macro-economic instability (p. 28) and reduced life expectancy. Life expectancy in 2006 in the 10% of countries with the lowest inequalities was 77.4 years, and in the 10% with the highest inequality only 60 years (pp 2 and 23). It is important to analyze the real sources of inequalities and how inequality is perceived. Research performed in 23 countries between 1989 and 2004 (<http://www.worldvaluesurvey.org/>) shows that inequality is not acceptable. For incisive analysis of inequality and its economic consequences see X. Sala-y-Martin «The World Distribution of Income - Falling Poverty and Convergence Period», Quarterly Journal of Economics, May 2006 and B. Milanovic «Worlds Apart: Measuring International and Global Inequality», Princeton Univ. Press, Princeton, 2005, «Where in the world are you» World Bank Working Paper NoXX, Dec 2007 «An even higher global inequality than previously thought», Dec 2007. Today's economic crisis reveals the sins of the structure. W. Buffet has called the contemporary economic crisis the Pearl Harbor of today's America and has sought prompt action. Buffet has proposed tax rises for the rich, commenting "I am paying the lowest tax rate that I have ever paid in my life and that is not correct. My secretary's tax is higher than mine and that is immoral."

There is another problem: how reliable are our measurements, i.e. of our socio-economic indicators. The most frequently used indicator is GDP, albeit we know from the first Nobel Laureate in economy Jan Tinbergen, and reemphasized by R.F. Kennedy that GDP is an inadequate measure. Many attempts have been made to improve GDP like HDI, Calvert-Henderson index, ISEW (Index of sustainable economic welfare) and GPI (Genuine Progress Indicator). While GDP per capita for the United States has grown more than threefold since 1950, GPI per capita has not even doubled. Indicators have to be feasible, providing information on a short term basis, they have to be reliable, robust and their uncertainty has to be known and preferably small. Indicators have to be for all countries, or at least for most of the countries in the world. All "improved" indicators lack some of these qualities, and this is the reason why GDP persists. Measurement in politics barely exists. There are studies claiming that from 1981 to 2002 the number of people who live in free countries has increased also percentage wise. The percentages of people living in free countries versus those living in partly free and those living in non-free countries has changed from 36% : 22% : 42% to 41% : 24% : 35%. Of course, the 20th century has witnessed decolonization and now there are almost no colonies. However, the Gallup 2005 study shows that 45% consider that their political leaders are incompetent, and even 61% consider their political leaders to be dishonest.

The European Commission proposes five measurable targets to be reached by 2020: to increase the employment rate to at least 75% - to formulate a job-for-growth strategy, to intensify research and innovation, to reduce climate change and to assure adequate energy supply for Europe, to improve education and to decrease poverty. These actions build the road to achieve the main aim of the EU - to become a sustainable knowledge-based society.

Knowledge-based society is not a society using available knowledge, since always societies used available knowledge. Neither the knowledge-based society is a society where science and research are exclusively in the service of economic development, a servant to economy and politics. Knowledge-based society is a society generating and anticipating changes, capable of progressing with changes without destroying either humans or nature. It is a society

where knowledge is the basic resource and people - generators and keepers of knowledge - are the true value. Knowledge-based society endeavors to increase individual human capital and collective human capital - social capital. This tall order requires changes.

KRZYSZTOF PIETRASZKIEWICZ

Quo Vadis Europa

The ongoing discussion about the future of Europe must be continued without any interruption because the situation in this part of the world is extremely important not only for the Europeans but also for the whole globe. This requires constant analysis, reflection, monitoring of different processes and seeking the best solutions linked to our common future.

Debates on the future of Europe should reflect on the future of the globe, especially as there are many fundamental challenges we must face. The current financial crisis is accompanied by a number of other thorny, or I might even say dramatic, problems that we need to resolve. This applies to issues such as access to sources of energy and reserves of potable water, job creation, environmental pollution, global warming and many others.

The financial problems of private financial institutions have been exacerbated by the financial problems of many countries in the world. This is a consequence of disastrous mistakes made by monetary, economic and supervisory policy makers. However, we can also say that it was due to persistent lack of relevant research and incoherent development strategies despite big changes in the world economy in the last few years.

The big changes in the global economy are also accompanied by demographic, cultural, technological and natural changes. We need to keep in mind that many of the economic changes are simply consequences of interactions with other spheres.

When I think of the turning points for the development of Europe, I believe that we are at the most important moment in our modern history right now. There are 6.7 billion people in the world and we have serious leadership problems. There are also significant problems with communication and the growing intercultural, religious and civilizational tensions despite the presence of modern mass media, which are often used for social manipulation.

Europe's future is inextricably linked to the future of the whole world. It is determined by movements of capital, people, ideas, services and goods.

Together with the inhabitants of other continents we need to solve problems of environmental pollution, fight against climate change caused by human activity, meet the growing demand for energy, and stop the proliferation of weapons of mass destruction.

Our ability to solve these problems and the speed of solving them will depend on the possession of adequate intellectual, financial and material resources. But even if we have them, do we have sufficient confidence to use these resources properly?

The answer must be in the negative.

The low level of people's trust in the political establishment, business leaders and professionals may prevent implementation of the necessary social, economic and political reforms. At the same time it must be remembered that we need time to work out accurate diagnoses and reach agreement on the solutions.

Moreover, many opinion makers as well as millions of citizens in most countries do not understand the complexity of the situation, while the social and economic tensions are intensifying.

How to manage and save the time needed for politicians and professionals to prepare solutions? How to organize their work to make it more effective? What to do in order to rebuild the significantly reduced trust?

Many adjustments in areas like private and public finance and fiscal and monetary policies are badly needed but they are not economically indifferent to people. So how can all these issues be explained to them?

I believe the solution lies in a close cooperation of all competent and responsible people and is aimed at finding adequate pragmatic solutions and implementing them.

How can we talk about the future of the EU when we are so heterogeneous in many spheres and we also knowingly tolerate inconsistencies in the treaty provisions, violations in the EU reporting system and the use of prohibited legal instruments of monetary policy?

In a period of high credit risk, liquidity problems arising as a result of increased reliance on debt financing in many countries, together with further loss of credibility, many companies operating in these territories consequently face difficulties in the process of making necessary reforms.

We should be prepared that the adjustments may take many years. We are facing a difficult period that requires hard work and harmonious cooperation among scientists representing many different disciplines, politicians and business leaders.

In the area of finance, a number of practical decisions have been necessary to maintain a sufficient level of confidence in banks, e.g.

- some of the banks which have lost the ability to act independently have been nationalized
- the level of deposit guarantees has been increased
- the legal framework for rapid recapitalization intervention has been created
- a European financial supervision institutions system has been defined.

More difficult tasks await many European countries in the area of public finances involving essential reforms of pension system, healthcare system and reduction of employment in public administration.

In this situation, access to financing by private and state financial institutions is ever more difficult, so those who use external sources of funding will face a great challenge: how to achieve their goals with limited financial resources.

I am deeply convinced that the problems Europe has been facing will be gradually solved.

I am also sure that Europe will continue to play an important role in the development and stability of the globe. In this context, the basic task of European elites is in seeking best solutions to balance the aspirations and interests of particular EU member states, as well as in working out and implementing the common development strategies.

WOJCIECH BURZYŃSKI

The Fever of Innovation? Comments to “*the lost capability of innovation*”

In the conference programmatic paper Professor Antoni Kukliński “*is trying to interpret the challenge that Anno Domini 2010 is a moment of truth in the history of Europe*”.

In this context, I would like to propose – *primo* – general comments to the lost capacity of innovation, lost will to life, lost will to power and lost spiritual identity, *secundo* – specific comments to the capacity of innovation, with special reference to Europe 2020 - 2030

A strategy for smart, sustainable and inclusive growth.

I express the general comment to the

origin of challenges exposed in the programmatic paper as the strategic gap of foresight and promoting the image of an independent island or a waterproof unsinkable European transatlantic on the global ocean. If so, the strategic gap has resulted in the four following strategic mistakes to be discussed and possibly rectified by new approaches.

Ad 1) **The lost capacity of innovation** – versus keeping on one-side scenarios that neglect the future impact of international capital flows on innovation activities, though UNCTAD in its yearly analyses tries to draw attention to FDI as well as internationalization of research and development.

Ad 2) **The lost will to life** – versus underestimating the double demonstration effect of consumption – Europe versus more developed regions and Europe versus less developed regions or – more precisely – Europeans confronted with inhabitants of other continents.

Ad 3) **The lost will to power** – versus competition and less attention to cooperation versus goals of European leaders.

Ad 4) **The lost spiritual identity** – versus promoting the style of life with increased sales dominating mastery.

These above comments could be explained during the conference. However, in order to catalyze the discussion and actions I propose to highlight that at the beginning of XXI century European economic reality may be characterized as follows:

- *strengths – consciousness of ‘survival challenges’, declared cohesion,*
- *weaknesses – ‘decision-multicenters’, formal evenness of countries,*
- *opportunities – interdependencies within the world economy, emerging partners on other continents,*

- *threats – economic and social blackmails (energy, environment, demography, health, public debt), global sector of finance.*²²

To comment more precisely on the capacity of innovation I follow Professor Antoni Kukliński in quoting sentences to be remembered as useful in discussing the Europe's moment of truth. In the executive summary of the EC document **Europe 2020** the Europe's moment of truth has been defined as a moment of transformation. The innovation activity has implied a specific matrix, so I quote all the EC priorities:²³

“Europe can succeed if it acts collectively as a Union. We need a strategy to help us come out stronger from the crisis and turn the EU into a smart, sustainable and inclusive economy delivering high levels of employment, productivity and social cohesion. Europe 2020 sets out a vision of Europe's social market economy for the XXI century.

Europe 2020 puts forward three mutually reinforcing priorities: smart growth: developing an economy based on knowledge and innovation, sustainable growth: promoting a more resource efficient, greener and more competitive economy, inclusive growth: fostering a high employment economy delivering social and territorial cohesion.

The EU needs to define where it wants to be by 2020. To this end, the Commission proposes the following EU headline targets:

- *75% of the population aged 20 – 64 should be employed,*
- *3% of the EU GDP should be invested in R&D,*
- *“20 / 20 / 20” climate / energy targets should be met (including an increase to - 30% of emissions reduction if the conditions are right),*
- *the share of early school leavers should be under 10% and at least 40% of the younger generation should have a tertiary degree,*
- *20 mln less people should be at risk poverty.*

These targets are interrelated and critical to our overall success. To ensure that each Member State tailors the Europe 2020 strategy to its particular situation, the Commission proposes that EU goals are translated into national targets and trajectories.

The targets are representative of the three priorities of smart, sustainable and inclusive growth, but they are not exhaustive: a wide range of actions at national, EU and wider international levels will be necessary to underpin them. The Commission is putting forward seven flagship initiatives to catalyze progress under each priority theme: Innovation Union to improve framework

²² Burzyński W., *European Economic Dreams and Europe 2020*, Wrocław Conference 10-12 June 2010, session 2, presentation.

²³ *Europe 2020 A strategy for smart, sustainable and inclusive growth*, Communication from the Commission, European Commission, Brussels, 3.3.2010, COM(2010) 2020.

conditions and access to finance for research and innovation so as to ensure that innovative ideas can be turned into products and services that create growth and jobs [...]”.

In the **Innovation Strategy OECD** says that *“[...] new sources of growth are urgently needed to help the world recover from the economic crisis and move towards a more sustainable growth path. Innovation is a critical part of the solution”*.²⁴

OECD opens the **STI Scoreboard 2010**²⁵ with firm statements referring to a broad, global economic, social and environmental context as well as a long term perspective:

“The world is at a crossroad. Economies are slowly recovering from the most severe economic downturn since the Great Depression. International competition from new players is eroding the lead of more established economies. Environmental pressures call into question the sustainability of current development models. Longer life expectancy is putting a greater strain on the capability of health systems to meet the needs of an ageing population.

All these challenges are global in the sense that they affect all countries regardless income or geography. But they are also global because the scale of problems exceeds the capability of any one country and requires cooperation by all countries.

Increasingly, innovation is seen as a critical part of an effective response to these challenges. It will be one of the keys to emerging from the downturn and putting countries back on a path to sustainable – and smarter – growth”.

In order to follow the OECD inspiration, it is worthwhile to refer to the CERI project entitled **New Millennium Learners** (NML), which started in 2007 with the global aim of investigating the effects of digital technologies on school-age learners and providing some recommendations on the most appropriate institutional and policy responses from the education sector. *“A first concluding remark has to do with the concept of NML, or more precisely, with the issue of adopting such a title to cover such a complex research field as that focusing on the effects of technology on learners. NML may be a good brand to suggest that there is an urgent need to know more about this effects, but it would be misused if it only served to draw attention to a fictitious image of empowering effects of technologies on all children and youngsters equally. NML works well as a recognizable title for a project, but that is all. The generational approach adopt by most analysts and essay writers cannot be sustained empirically. Contrarily, there is enough evidence to claim that an unduly neglected issue such as the role of digital technologies in the amplification of divides among children and young people has to be taken seriously both by educational institutions and policy makers. But they should be, as both issues challenge the prevailing homogeneous and comfortable assumptions regarding the positive effects of technologies that the common policy discourse usually contains. The second remark*

²⁴ *The OECD Innovation Strategy: getting ahead start on tomorrow.* <http://www.oecd.org> (21.05.2010)

²⁵ *OECD Science, Technology and Industry Scoreboard 2010.* <http://www.oecd.org> (21.05.2010)

is that research in this field seems to still be in its infancy and much effort is needed to accumulate more knowledge.”²⁶

Following further Professor Antoni Kukliński²⁷ – *tout les proportions gardee* – I propose to take advantage of conclusions expressed by the following grand personalities who have also contributed to create a specific climate for the interpretation of the Europa Quo Vadis question, namely: Mihajlo Mesarović and Eduard Pestel, Andrzej K. Koźmiński, Thomas L. Friedman and – finally - Angus Maddison, offering his ‘time-machine’ for a very long analytical travel.

In the mid-70. **Mihajlo Mesarović and Eduard Pestel** - apart from their multilevel model of world system - promoted²⁸ “...replacement of a vibrant and blind economic development by conscious and deliberate social development program with clearly outlined objectives.”

Andrzej K. Koźmiński noticed in early 90. that “*The concept of industrial policy appeared more and more frequently in world literature and journalism in the field of economics and management. It seems that this is a reasonable response to too exaggerated shift towards neo-liberal and monetarist doctrine, which has been made in recent years.*”²⁹ Today, this phrase can be applied to innovation policy as a response to continued domination of thought and practice of economic neo-liberal and monetarist doctrine and the tendency for globalization. It is stipulated that the quest for innovation is often accompanied by uncritical acceptance of new definitions of innovation and quoting international rankings, without participation in preparing their methodology.

Thomas L. Friedman analyzes globalization, primarily in the early 21st century.³⁰ The title of his book of 2005 *The World is Flat* is a metaphor for viewing the world as a level playing field in terms of commerce, where all competitors have an equal opportunity. As the first edition cover illustration indicates, the title also alludes to the perceptual shift required for countries, companies and individuals to remain competitive in a global market where historical and geographical divisions are becoming increasingly irrelevant.

“This flattening is a product of a convergence of personal computer with fiber-optic micro cable with the rise of work flow software. This period is termed as Globalization 3.0, differentiating this period from the previous Globalization 1.0 (in which countries and governments were the main protagonists) and the Globalization 2.0 (in which multinational companies led the way in driving global integration).”

Thomas Friedman believes that to fight the quiet crisis of a flattening world, the United States workforce should keep updating its work skills. Making the work force more adaptable, Friedman argues, will keep it more employable. He also suggests that the government make it easier to switch jobs by making retirement benefits and health insurance less dependent on one's employer and by providing insurance that would partly cover a possible drop in income when changing jobs.

²⁶ *New Millennium Learners. Initial findings on the effects of digital technologies on school-age learners*, CERl, OECD, 2008.

²⁷ Kukliński A., Europa Quo Vadis. Wrocław Conference. June 10-13 2010. A programmatic paper.*

²⁸ Mesarović M, Pestel E, *Mankind at the Turning point*. The second report to the Club of Rome, 1974.

²⁹ Koźmiński A. K., *Gospodarka w punkcie zwrotnym*, PWE, Warszawa 1985. p. 39. (Economy in the turning point)

³⁰ Friedman T., *The world is flat. A brief history of the Twenty-First Century*, Straus and Giroux, 2005.

Friedman also believes there should be more inspiration for youth to be scientists, engineers, and mathematicians due to a decrease in the percentage of these professionals being American.

Explaining economic performance in the very long term – millennial – *ex post* perspective, **Angus Maddison**³¹ was convinced that advances in population and income over the past millennium had been sustained by three interactive processes:

(i) conquest or settlement of relatively empty areas which had fertile land, new biological resources, or a potential to accommodate transfers of population, crops and livestock, (ii) international trade and capital movements, (iii) technological and institutional innovation.

“Over the past millennium, world population rose 22-fold. Per capita income increased 13-fold, world GDP nearly 300-fold. This contrasts sharply with the preceding millennium, when world population grew by only a sixth, and there was no advance in per capita income. From the year 1000 to 1820 the advance in per capita income was a slow crawl - the world average rose about 50 per cent. Most of the growth went to accommodate a fourfold increase in population. Since 1820, world development has been much more dynamic. Per capita income rose more than eightfold, population more than fivefold.

Per capita income growth is not the only indicator of welfare. Over the long run, there has been a dramatic increase in life expectation. In the year 1000, the average infant could expect to live about 24 years. A third would die in the first year of life, hunger and epidemic disease would ravage the survivors. There was an almost imperceptible rise up to 1820, mainly in Western Europe. Most of the improvement has occurred since then. Now the average infant can expect to survive 66 years.

The growth process was uneven in space as well as time. The rise in life expectation and income has been most rapid in Western Europe, North America, Australasia and Japan. By 1820, this group had forged ahead to an income level twice that in the rest of the world. By 1998, the gap was 7:1. Between the United States (the present world leader) and Africa (the poorest region) the gap is now 20:1. This gap is still widening. Divergence is dominant but not inexorable. In the past half century, resurgent Asian countries have demonstrated that an important degree of catch-up is feasible. Nevertheless world economic growth has slowed substantially since 1973, and the Asian advance has been offset by stagnation or retrogression elsewhere.

The purpose of the study was to quantify these long term changes in world income and population in a comprehensive way; identify the forces which explain the success of the rich countries; explore the obstacles which hindered advance in regions which lagged behind; scrutinize the interaction between the rich countries and the rest to assess the degree to which their backwardness may have been due to Western policy.

There is nothing new about long-term surveys of economic performance. Adam Smith had a very broad perspective in his pioneering work in 1776. Others have had an equally ambitious vision. There has been spectacular progress in recent years in historical demography. What is new in this study is systematic quantification of comparative economic performance. In the past, quantitative research in economic history has been heavily concentrated on the nineteenth and twentieth centuries when growth was fastest. To go back earlier involves use of weaker evidence, greater reliance on clues and conjecture. Nevertheless it is a meaningful, useful and necessary exercise

³¹ Maddison A., *The World Economy: A Millennial Perspective*, Paris, OECDE 2001, Chapter 1, Introduction and Summary, pp. 17-25.

because differences in the pace and pattern of change in major parts of the world economy have deep roots in the past.

Quantification clarifies issues which qualitative analysis leaves fuzzy. It is more readily contestable and likely to be contested. It sharpens scholarly discussion, sparks off rival hypotheses, and contributes to the dynamics of the research process. It can only do this if the quantitative evidence and the nature of proxy procedures is described transparently so that the dissenting reader can augment or reject parts of the evidence or introduce alternative hypotheses."

Indeed, these presumptions fit also the research program "Quo Vadis Europa".

HERMAN BAEYENS

Comments on the programmatic paper of Prof. Kukliński

MULTILEVEL GOVERNANCE AND STRATEGIC PLANNING

Thanks to the hospitality of the “Lower Silesian Region” and the “Lower Silesian Foundation for Regional Development” this International Conference “EUROPA QUO VADIS” is taking place. It is significant that a regional level is undertaking such an ambitious initiative. Therefore reference is made to the contribution of Piotr Żuber on “Building the Capacity for Strategic Governance of Development at the National and Regional Level in Poland” in the Blue Book “The Future of Regions in the Perspective of Global Change”³². This pioneering initiative helps us to prepare the broader framework for our medium term action plans.

In the “Operational Programme “Lower Silesia” (Regional Policy Inforegio) we can read also with much interest under the purpose and aim of the EU investment: ‘The Dolnoslaskie Regional Operational Programme (ROP) is the region’s first ever large-scale, coordinated, multi-annual and financially stable programme of development measures.....It will also be an important tool for the delivery of the revised Lisbon Strategy. The Lisbon objectives allocation in the Programme is more than 40% of its ERDF budget.’ This illustrates the leading role which the Lower Silesian Region wants to play in European strategic thinking.

My modest contribution to this Conference is limited to two articles which I prepared at the request of Prof Kuklinski.

-The first is a case study “Quo Vadis Flandria? Regional Development in a Multicultural Context” published in Part Two of the Blue Book³³. Here I observed already the fact that Flanders notwithstanding the preparation of an Action Plan 2020 is lacking urgently more long term visions in a broader European and World wide context.

-The second is a contribution to a new book of Prof. Kuklinski on the Atlantic Community³⁴. My observation is that our strategic thinking is taking place in a rapidly changing “Multipolar World of Smart City-Regions” the size of which we could not imagine some decades ago. The positioning of Europe in this rapidly changing world context is another major challenge.

³² Jakubowska P., Kukliński A., Żuber P. Editors (2008) The Future of Regions in the Perspective of Global Change, Part One, Ministry of Regional Development. (Warsaw) pp. 18-25.

³³ Jakubowska P., Kukliński A., Żuber P. Editors (2009) The Future of Regions in the Perspective of Global Change, Part Two, Ministry of Regional Development (Warsaw), pp. 51-66.

³⁴ Kukliński A., Pawłowski K. Editors , The Atlantic Community. The Titanic of the XXI Century? Nowy Sącz 2010.

Therefore my reflections for this Conference are a continuation of reflections initiated by the former challenging questions of Prof Kuklinski and those raised in his programmatic paper for this Conference. They will focus on two main issues:

-Multilevel Governance and Renewed Multilateralism

-The need for Longer Term Strategic Visions.

I. MULTILEVEL GOVERNANCE AND RENEWED MULTILATERALISM

Both at the European level and at a world scale a move is underway towards more multilevel governance and also towards a renewed multilateralism. This is the consequence of the transition from a world of states towards a world of regions in which 'smart city-regions' might be dominant players. The Westphalian principle of sovereign equality with one state=one vote does not correspond anymore with reality nor in Europe not at a world scale.

The White Paper of the Committee of the Regions on MULTILEVEL GOVERNANCE has been adopted during its 80th plenary session of 17 and 18 June 2009. This White Paper reflects the determination to "Build Europe in partnership" with the Regions and the Local Authorities in Europe and sets two main strategic objectives: encouraging participation in the European process and reinforcing the efficiency of Community action.

The President of the Committee of the Regions at that time Mr Luc Van den Brande refers at several occasions to the fact that 'the EU numbers almost 250 regions (of which 74 with legislative power) and about 93.000 local authorities, which employ altogether a total of 18 million people, representing some 56% of total public sector employment.' and 'local and regional authorities represent more than two-thirds of public sector investments in the EU and have an economic weight corresponding to 16% of EU GNP, i.e. 10 times the accumulated budgets for the European Recovery Plan decided on in December 2008 or 15 times the current EU budget'³⁵.

Before his Presidency of the Committee of the Regions Mr Luc Van den Brande has been Minister-President of Flanders during the period that the regions in Belgium obtained more autonomy also in the field of international relations thanks to the Belgian Constitutional Reform of 1993. It explains his interest in sub-state diplomacy and also the fact that the University of Antwerp is specialising in this field³⁶.

More generally Multilateralism seems under challenge on a world scale in the 21st Century³⁷.

³⁵ Van den Brande L. (2010) Implementing Multilevel Governance in the EU, Brussels, January 19th.

³⁶ Crikemans D. (2010) Comparative Analysis of Sub-State Diplomacy (Québec, Scotland, Bavaria, Catalonia, Wallonia, Flanders) in The Hague Journal of Diplomacy.

³⁷ Van Langenhove L. (2010) The EU as a Global Actor in a Multipolar World and Multilateral 2.0 Environment, Egmont Paper n° 36, Brussels.

Already in a former contribution of the EGMONT Institute, reference was made to the need for Strategy in a Multipolar World in order to ‘contribute to the building of a new effective multilateral system which takes into account the new global structure of power’³⁸. It was stated that ‘In the meantime, the G20 can be used as a proxy to formal organisations provided it is globally accepted that it is only a temporary fix and that it does not replace but complements the UN Security Council.’

In a new contribution of the EGMONT Institute Prof. Van Langenhove further comments on the current crisis of Multilateralism and proposes Web 2.0 as a Metaphor for a Renewed Multilateralism in a Renewed Multipolar World Order. Since the shift of economic gravity from West to East and because of its declining demography (Europe will represent only 6,5% of world population in 2030) Europe needs urgently a Transatlantic partnership. This is also the main thesis of the new book of Prof. Kukliński. Van Langenhove refers in this respect to a recent Resolution of the European Parliament which calls for using the Transatlantic Council to achieve a unified transatlantic market by 2015. But he is even pleading for increased integration between EU and Russia and its sphere of influence. Poland can play in this respect a very crucial and strategic role. Such a ‘pole’ or regional powerhouse that comprises US, Russia and the EU could perhaps be big enough to compete with the ‘rest of the world’. In such a way also such a new powerhouse could act as a change agent in the UN system. Such a multilateralism 2.0 that operates in a multipolar world could give good prospects for generating a “non-hegemonic” world order or a fluid web of multi-stakeholder partnerships between different types of actors at different levels of governance including the regional level. The trend towards multilateralism 2.0 has the potential to increase the level of participation of civil society in global governance.

Prof. Van Langenhove concludes his article as follows:

‘In sum, the signs are there that multilateralism is moving from a 1.0 mode to a 2.0 mode. But as mentioned before, states have been the architects of multilateralism 1.0 and they crafted a form of multilateralism that is in tune with state interest. The big challenge today is whether non-state actors will have the power and the degrees of liberty to be involved in crafting multilateralism 2.0. At least one such actor, the EU, has the ambition to be involved in such an operation. With its embracing of the principle of “effective multilateralism” it has clearly indicated to be willing to contribute to reforming multilateralism. But the paradox might be that its own member states with their own 1.0 forms of diplomacy are perhaps not yet ready for such a move.’

Both at the European level and on a world scale the Westphalian tradition of exclusive state power is evolving towards more diversified forms of participation in multilateral organisations, reinforcing in such a way the impact of multilevel public authorities and the civil society as a whole in global governance.

II. TOWARDS A GRAND STRATEGY FOR EUROPE AND THE WORLD

Prof. Van Langenhove refers also to Timothy Garton Ash who stated at several occasions that the EU lacks a ‘credible story’. The concept of ‘a grand strategy’ has been formulated by Renard and Biscop

³⁸ Renard Th.& Biscop S. (2010) A Need for Strategy in a Multipolar World: Recommendations to the EU after Lisbon., EGMONT Royal Institute for International Relations, Security Policy Brief, January.

in their Recommendations to the EU after Lisbon: Need for Strategy in a Multipolar World. Although this concept was used in a context of diplomacy, Prof. Van Langenhove is broadening it, referring to the Strategic View of the European Research Area: Preparing Europe for a New Renaissance³⁹ or a paradigm shift in how we think, live and interact together.

Central in the thinking of ERAB is to address the “Grand Challenges” such as climate change, energy supply, water resources, ageing societies, healthcare and sustainable prosperity for all. We need an international movement of convergence in the same direction in order to face the common global challenges on a world scale and in order to achieve the Millennium Development Goals of the UN.

“The World in 2025” is a relatively recent exercise both from EIN (European Ideas Network) and from DG RESEARCH. EIN is an initiative of the EPP group in the European Parliament supported by about 40 think tanks. They published the report “The World in 2025: How the European Union will need to respond”⁴⁰ and are pleading also for closer transatlantic ties.

But in 2008 also the EU DG RESEARCH appointed a group of foresight experts in order to prepare a report with the same title: “The World in 2025”⁴¹. I will refer only to the executive summary of one of them Thierry Gaudin, because he is from the famous French School ‘Prospective 2100’, but also because he tried to prepare a synthesis of most of the other contributions⁴².

He starts with a reference to the demographic law of **Malthus** that in every civilisation the population grows up to the saturation of resources and than inevitably stabilises or declines.

Similar statement was made by the **Club of Rome** in their famous report “Limits to Growth”. Even if the technological evolution has been able to push the limits, most models of Meadow predicted a collapse of our civilisation during the first quarter of the XXI Century. This was also the conclusion of **Prospective 2100** mainly in the fields of global warming, water resources, biodiversity and demography. It would be difficult to push again the limits. As he states:” Technology undoubtedly makes miracles, but it would be unwise to carry forward our children’s safety on miracles.”

Therefore the foresight landscape splits **into two basic scenarios**:

The first scenario is a **tragedy** (the meaning in the antique Greek theatre) in which the actors are unable to escape their tragic destiny. The trend is the following: globalisation of the market economy, excessive consumption and throw away mentality after the developed countries spreads over the developing countries, faced to global warming and energy scarcity. It can lead to a global collapse. Some experts even foresee an extinction of human species as a result of mankind

³⁹ Preparing Europe for a New Renaissance. A Strategic View of the European Research Area. First Report of the European Research Area Board, 2009.

⁴⁰ EIN (2007) The World in 2025: How the European Union will need to respond

⁴¹ EU-DG Research- Socio-Economic Sciences and Humanities (2009): The World in 2025- Rising Asia and Socio-ecological Transition.

⁴² Gaudin T. (2009) The World in 2025: A Challenge to Reason, Executive Summary: Approaching the Limits, p 80-81 of the overview of the contributions prepared for DG Research.

behaviour. They call this sixth extinction the “anthropocene”⁴³ as due to humans differing from the previous extinctions as e.g. the one of the dinosaurs (-65M years) and the biggest one at the end of the Permian period (-250 M years) probably caused by the impacts of meteorites .

The second scenario is self-control of mankind. But how can we expect 6,5 billion humans to reduce their consumption and restore the equilibrium with natural resources? **Certainly not with a laissez-faire policy!** Therefore a major task of foresight is now to estimate the nature and magnitude of the constraints and incentives that might be generated by the consciousness of the limits, and also the ways these constraints and incentives may be decided and operated.

The report shows that the internet and other communication technologies are rapidly changing the consciousness of the public⁴⁴ and should generate a complete reshaping of economic and political institutions world wide.

According to Gaudin, his statements must not be considered as a catastrophic prophecy but as a stimulating challenge. His report shows that most technologies are available and that successful experiments exist. After all, during war periods, populations have been able to adapt to stronger constraints. According to him the challenge starts now. The period between 2010 and 2025 appears as the crucial moment, the one between tragedy and revival.

The last part of his executive summary is focusing on **the four main challenges** appealing for decisions before 2025. According to him they are the following:

1. **Planetary gardening** with a shift from an exploitation attitude to a gardener attitude. This proposal is inspired by the contribution of Prof Uno Svedin who is concluding that we need a “transformed agriculture”, a global new food production system, new visions about sustainable land use and marine management, a new energy production system and reformed “mobility solutions” i.e. transport systems.
2. Re-accounting and redesigning **the economic and monetary system** including natural services and self services.
3. Redefining the missions of the **military forces into a global security concept** including nature protection and rescue.
4. In the perspective of a multi polar world, reinforce **the international judicial powers**. Europe is in a position to promote such a reinforcement because of its experiences in this field.

Concluding Reflection

Coming back to Prof. Kuklinski’s programmatic paper where he comments on the “Barrosian philosophy”, we are aware of the fundamental importance of larger scale strategic thinking in a global context (also of the biosphere) as the framework in which the “**Europe 2020 Action plan**” and also our regional implementation plans should be embedded. But the reflections mentioned are only very modest comments in the preparation of such a “Grand Strategy”.

⁴³ Svedin U. (2009) Towards the gardening of the planet in the period of the anthropocene: The World as a socio-bio-space (SBS)-future options and challenges, in DG Research, The World in 2025, p 163-184.

⁴⁴ Also Jeremy Rifkin refers to this idea in his recent book (2010): The Empathic Civilisation: The Race to Global Consciousness in a World in Crisis.

“Smart Green (or Sustainable) regional specialisation” was one of the major messages of the discussion which took place yesterday at the “Regions for Economic Change” Conference of DG REGIO in Brussels⁴⁵. Prof. Soete made a clear distinction between **Research** that should be organised at the EU and world level while **Innovation** should be organised mainly at the regional and the local levels. Achieving ‘sustainable smart growth’ should be a top-down and bottom-up combination. Prof Kempfert made reference to the **huge ‘green growth’** potential for the coming decades with the efforts needed for climate protection and renewable energy, where China, South Korea.. want to be market leaders in ‘green technology’. The representative of the Committee of the Regions Christine Chapman expected strong leadership from the EU in this respect and Commissioner for Environment Janez Potocnic wanted to have more bold and brave ‘proactive’ approaches instead of the traditional more ‘reactive’ approaches, underlining in such a way once more the importance of building longer term strategic visions.

⁴⁵ Building Sustainable Growth, Regions for Economic Change, DG REGIO, Brussels 20 May 2010 with two key note speakers: Prof Luc Soete, Director UNU-MERIT: ‘Long term Research and Innovation Policies for Sustainable Growth’ and Prof Claudia Kempfert, German Institute for Economic Research (DIW Berlin): ‘Sustainable Energy and Climate Change Challenges for Regional Policy Solutions’.

JANISŁAW MUSZYŃSKI

Comments

Janisław Muszyński*

I know that I know nothing"

saying attributed to the Greek philosopher Socrates

Comments

In November 2009 we celebrated the 20-th anniversary of two, important for Poles and Germans, historical affairs: one was the Mass of Reconciliation in Krzyżowa-Kreisau (Nov 12, 1989) which was attended by the Polish Prime Minister Tadeusz Mazowiecki and German Chancellor Helmut Kohl and the other was the fall of the Berlin Wall (Nov 9, 1989) that paved the way for the German reunification. To commemorate these events, the Lower Silesian Economic and Political Forum initiated a debate over the future of Europe and its regions.

On this occasion, the Forum contributors pointed to some dramatic decisions that were necessary to secure an advantageous European future. The **Manifesto „Quo vadis Europa?”** was announced. The resulting Lower Silesia International Conference on European futures was arranged in Wrocław in June 2010. The Conference interpreted „the European moment of truth” as an act of moral choice embedded in the choice between the two extreme scenarios: the „European Renaissance Scenario” versus the “European Bankruptcy Scenario”.

European civilisation

European civilization is understood here in its broadest possible sense, therefore it includes, *inter alia*, the physical, social, political, intellectual and spiritual sphere. In a soft sense civilization can be understood as the highest form of social capital. The long-term civilisational transformation of Europe is in the centre of our attention

In this perspective, the personalistic vision of civilisational transformations is the foundation of our thinking about the European future. Such an approach does not mean that the importance of science, natural habitat or nature conservation, society and its political structures, regions or states, markets or infrastructures, being essential factors determining development, is underestimated. However, the ancillary nature of these factors in relation to, on the one hand, civilisational transformations, and on the other hand – in relation to human being, his/her family and the enterprise – is, in our view, obvious.

* The former Chancellor of the Lower Silesian Chapter of the Business Center Club, the former Wrocław Voivode, one of the two initiators of the Lower Silesian Political and Economic Forum.

European identity

Creative tensions between religion and science have shaped a European identity over the ages. In parallel to this process, tensions between rationality and irrationality have created impulses that at the turn of the century, in the changing circumstances, may allow us to make key moral choices in order to transform the image of the World so that it should be more appropriate in the current epoch. This kind of a unique *modus operandi*, in the global scale, has always been a source of the Western Civilization's appeal and vitality as well – perhaps – in particular – of its unceasing innovative ability⁴⁶.

Europe's lost ability

Modern Europe has got caught in a vicious circle because it has lost its ability to make moral choices. The temporarily dominant behaviors, sometimes called a „connivance culture“, are accurately described by a well-known saying which is attributed to the Roman poet Ovid: „*Video meliora proboque, deteriora sequor*“ (I see and approve of better things, but follow the worse). Europe seems arrested remains within the vicious circle of nonsense instead of making a moral decision to face the challenges of rationality. Most of the decisions and related operations are executed in accordance with the formula „business as usual“ and the rules of political correctness. This *modus operandi* forbids (precludes) making difficult but necessary decisions that concern the European future. In practice, the contemporary European condition translates into its acquiescence regarding wrong doing that leads to Europe's marginalization on the global scene.

Modern Europe seems to have lost its ability to adapt to the dynamically changing global order without losing its identity. The problem-solving capacity, as indicated above, seems to be beyond Europe's ability. This most important strategic challenge has largely escaped the attention of politicians, elites and the European public opinion. Contemporary Europe - losing its identity - seems to be not ready for the future.

Eurenaissance – a Program for the revival of Europe

An European Renaissance Scenario seems to be practically feasible, yet it is urgently necessary to work out several optimistic proposals how to manage the desired change in order to provide a secure future for the United Europa. The Lower Silesian Foundation for Regional Development is ready to launch a project under the heading of „Eurenaissance – a Program for the revival of Europe“ in order to trigger a broader discussion regarding European renaissance scenarios.

This Program will seek solutions which will stimulate or start new “engines” of European development. We see them primarily in the sphere of values. Particularly, three such foundations of European development were enumerated by A. Kukliński: knowledge, imagination and freedom. In addition, several other elements could also be noted. First of all, we should call for a moral and intellectual courage, a responsibility intrinsically associated with freedom, and wisdom⁴⁷ that has

⁴⁶ Michael Heller – Creative tensions, Essays on science and religions

⁴⁷ In accordance with the Grasham-Copernicus Law functioning in the sphere of values, wisdom was driven out by knowledge, the latter – by education. The fact that education is in turn being replaced by certification is a further stage of the same process.

been underestimated by our contemporaries as well as a set of moral principles which enable the functioning of communities and societies (moral capital in the sense given to it by J. Waszkiewicz). Imagination and freedom without courage are useless, and they may even be a source of fears and frustrations. Knowledge without wisdom may lead to pathetic extravagance (instead of increasing the common good), freedom without moral principles and responsibility leads to a reality threatened by pathological excesses of individuals.

To overcome its endogenous barriers to development, Europe needs a new Renaissance that will change the contemporary image of the world intrinsically associated with the European political and social model, particularly with political correctness. The proposed European Renaissance has to start in science and education in order to change the image of the World and the Universe. Such an approach can promise a great chance to give powerful momentum to many processes that on the one side will create the New European Renaissance and on the other side - will decisively weaken those processes that are pushing forward the European bankruptcy scenario. „We need courage and moral clarity“⁴⁸ to take decisions and actions that will restore Europe’s spiritual and political power.

⁴⁸ saying which is attributed to Ronald Regan

JULIUSZ KOTYŃSKI

Some Comments on Professor Kukliński's Concept of International Research Project

In his "programmatic paper" Antoni Kukliński attempts to outline the aims, framework and scope of a very ambitious and timely concept of a joint international research project on *The Wrocław Conference – Europa Quo Vadis* perceived as a dynamic, continuous process, expected however to yield pretty soon some valid scientific results and viable political conclusions and recommendations on future conditions, paths and instruments of the global and European governance and transformations.

Broad lines of the project are proposed to consist of four segments, namely:

- a fundamental vision of the XXI century and a search for a new paradigm of political, economic and ecological development (*The global enigma of the XXI century*);
- a critical diagnostic analysis of the past two decades of transformations in Europe (*The glory and misery of the transformation of Europe...*);
- a central study - focused on future of Europe in coming two decades (*Prospective glory and misery of Europe 2010-2030*);
- a more pragmatic part - on the future of European regions (*The Quo Vadis of European Regions*).

Those four parts are main subsets of the project comprising 14 specific questions and they deal with crucial global and European problems. They are obviously largely interrelated and interdependent but could be treated separately for the purpose of the scientific analysis. Such design of the scope and structure of the project appears adequately comprehensive and at the same time sufficiently limited and transparent, "in order to achieve valid results of the Conference", as required by Professor Kukliński.

I fully endorse such approach of the Author and I would be very glad to participate in this stimulating and promising venture, notably in the studies on questions included in the third segment, regarding the future of the European integration and the position of our continent in the global perspective of the XXI century.

I consider that we should also agree both with the Author's assertion that "Anno Domini 2010 is Europe's moment of truth" and with President J.M. Barroso statement that it is the time „to be bold and ambitious”.

I have expressed a similar opinion in the following way in my paper on "Enlarging European Union - Global Challenges and Prospects for the Next Decades", prepared earlier (in March 2010) for this Conference: "At the moment of the real beginning of the 21st century, after a deep global crisis and adoption of The Treaty of Lisbon, the European Union faces new challenges and choices that may determine its fate for coming decades. Defensive, neo-protectionist policies and a calm stagnation cannot be considered a right strategy for Europe in the epoch of rising global powers, mounting risks and geostrategic reconfigurations. Despite a widespread "enlargement fatigue", European nations and their leaders should reassess now some bold, strategic scenarios that could contribute to enhancing economic competitiveness and political and military position of the European Union and of the Atlantic Community in the global race towards future."

Moreover, we are not able to assert that the recent multidimensional deep global crisis is actually over. Nonetheless, its final and complex consequences, in particular for the Euro Area and the EU, are likely to be long-lasting and unpredictable. A clear and already evident effect of the global crisis consists *inter alia* in accelerated and continuing rise in the economic and political power of the largest emerging economies, notably the BRICs, and in particular the Asian powers - China and India,

and in a relative decline of the global position of Europe and the United States, due to deterioration in their economic growth rates and competitiveness. These trends are confirmed by latest (spring 2010) economic analysis and forecasts of the European Commission, IMF, OECD as well as by data provided by the CIA “Factbook 2010”, as quoted in my paper.

This economic global reshaping has given ground to a process of pragmatic political recognition of the on-going geostrategic reconfigurations, notably within the influential international institutions and organisations or informal groups, participating to some extent in some forms of the global governance, such as the G20, the World Bank, IMF, WTO or OECD. A very symptomatic example is the recent decision (from April 25, 2010) of the World Bank on \$86 billion increase in its capital and a redistribution of country quotas, augmenting substantially (up to 47,19%) the shares of the DTC (Developing and Transforming Countries) in the IBRD⁴⁹. Robert B. Zoellick, the President of the World Bank Group, characterised the recent global changes as a possible end of the Third World. To conclude, let me quote here extensively some excerpts of his speech delivered at the Woodrow Wilson Center for International Scholars on April 14, 2010:

“We are witnessing a move towards multiple poles of growth as middle classes grow in developing countries, billions of people join the world economy, and new patterns of integration combine regional intensification with global openness. This change is not just about China or India. The developing world’s share of global GDP in purchasing power parity terms has increased from 33.7 percent in 1980 to 43.4 percent in 2010. Developing countries are likely to show robust growth rates over the next five years and beyond. Sub-Saharan Africa could grow by an average of over 6 percent to 2015 while South Asia, where half the world’s poor live, could grow by as much as 7 percent a year over the same period. Southeast Asia has become a middle income region of almost 600 million people, with growing ties to India and China, deepening ties with Japan, Korea, and Australia, and continuing links through global sourcing to North America and Europe. The Middle East region is an important source of capital for the rest of the world, and increasingly a business-service hub between Asia – East and South – and Euro-Africa. Gross official reserves of the Gulf Cooperation Council countries were over \$500 billion at the end of 2008, with estimates of sovereign wealth fund assets of as much as \$1 trillion. If the Maghreb can move beyond historical fault lines, it can be part of a Euro-Med integration linked to both the Mideast and Africa. In the Latin American and Caribbean region, 60 million people were lifted from poverty between 2002-2008 and a growing middle class boosted import volumes at an annual rate of 15 percent”⁵⁰.

This is a very positive change. But it is also a powerful potential challenge to Europe and to the Atlantic Community, to be reckoned with in the coming decades. It requires an urgent and thoughtful recognition and response on the part of European politicians and peoples. The proposed Strategy 2020 of the European Union appears to be a move in the right direction, but it needs perhaps some reconsideration, more analyses and a wide support, to be effective. The joint research project to be conceived at this Conference could contribute also to this common aim.

⁴⁹ World Bank Reforms Voting Power, Gets \$86 Billion Boost. Historic Package Expands Capacity to Provide Finance, Gives Developing Countries More Influence, Sets Post-Crisis Strategy, Endorses Comprehensive Reform Program, World Bank, Press Release No:2010/363/EXT, Washington, April 25, 2010.

⁵⁰ R.B. Zoellick, The End of the Third World? Modernizing Multilateralism for a Multipolar World, Woodrow Wilson Center for International Scholars, April 14, 2010.

WIKTOR ŁYŹWINSKI

A comment to the conference “Quo Vadis Europa”: The new place for Europe in the World order

The conference “Quo Vadis Europa?” held in Wroclaw and a small team of specialists brought important input to the strategic thinking about Europe. Owing to the conference, a wider overview of the current situation of Europe in the global context has been achieved. The results of the conference push the participants to depart from the community of connivance because Europe must not follow the path of genteel surrender. As a student and a representative of the young generation which in the very near future will undertake the burden of thinking about Europe, I would like to comment on the presented topics and refer to the debates conducted during the conference. The future of Europe will strongly depend on the strategy it pursues. The outcome of the conference is the analysis of the most serious problems Europe has to overcome in order to boost or at least maintain the current growth, namely: education, employment and environment. Also, the conference opened the debate about the problem of migration, the future of young generations, and the need to rebuild the credibility and accountability of financial institutions after the financial crises. Although many mixed feelings like anxiety, pragmatism, uncertainty and optimism accompanied the conference, they were eclipsed by a strong feeling of unity and care about further development of Europe.

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Prof. Antoni Kukliński with his programmatic paper set the space for the debate about the current situation of Europe. His paper was not only the benchmark, but also a strong voice for the need of strategic thinking about Europe. Prof. Kukliński drew attention to four great thinkers to inspire the participants in the debate. A strong belief of T.G Ash that reuniting the United States and the European Union may lead to the surprising Alexandrian solution, cutting the Gordian Knot of today’s problems and avoiding the collapse of the Titanic of the XXI century is a daring statement. The presented Lampedusian scenario seems much more probable. The Barroso speech about the need of long-term thinking for the sustainable future of Europe and European moment of truth, which is taking place now, was also the starting point of the conference.

However, in my opinion, believing that only Europe itself can decide about its destiny, considering all the interdependencies in today’s world, seems only to confirm the arrogance of the Western Civilization. In the Lampedusian terms, serious changes need to take place in order for the things to stay as they are. What is crucial is the change in the European perception of other civilizations and cultural circles⁵¹. Dialogue, coexistence and peace are of great importance nowadays.

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The sessions of the conference which followed the programmatic paper of Prof. Kukliński show that Europe is falling apart, as Hans van Zon stated. Europe perceived as moulded by rules and values of

⁵¹ Wierzbicki A.P. (2010) Wyzwania i zagrożenia przyszłości – refleksje metodologiczne i interdyscyplinarne. W J. Kleer, B. Galwas, A.P. Wierzbicki (eds): Wyzwania przyszłości. Komitet Prognoz „Polska 2000 Plus” przy Prezydium PAN, Warszawa.

Ancient Greece, Roman Empire, Christianity, and Reformation no longer exists. More and more values and forces impact on its current shape. Interdependencies, as stressed by Mr. Pietraszkiewicz, make us unable to distinguish what Europe actually means – is it the European Union, the Euro Zone, the European Economic Area? In this context the opening question of the conference “Quo Vadis Europa?” is hard to answer because of the difficulties in identifying the subject. However, for the participants of the conference it was clear that the question refers to the European Union as an organism, originated from the same set of values, moulded by the common history and understanding. As Mr. Marc Dubrulle highlighted, Europe is characterized by a specific spirit and this spiritual dimension derives from its construction as a special cluster of communes built bottom-up and not top down.

The image of Europe falling apart has emerged from the overviews of the current economic situation in the European Union, where large discrepancies between countries in terms of the pace of growth, level of GDP, competitiveness⁵² and the quality of life are observed. The European Union will have to face the aftermaths of the financial crisis 2007-2009 (rebuild the accountability and credibility of the financial institutions) as well as deciding on the problem of the strong influx to Europe. Another ball and chain of the European economy are the disparities in trade balances within the European Union. North Euro-Area gains the trade surplus, whereas the south Euro-area maintains the trade deficit.

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During the conference, the SWOT analysis of Europe by Prof. Szukalski and Prof. Burzyński was submitted. According to them, the main strength of the European Union is the fulfillment of the obligations agreed upon at the foundation of the EU after the II World War, which allows for perceiving the EU as a successful initiative. In this sense it can act as a role model for regions which still suffer from serious conflicts, demonstrating that deep integration and interdependence eradicates many causes of problems between nations and can be a guarantee of peace.

The main weaknesses of the European Union are the bureaucracy and decision multi-centralization, as Prof. Burzyński outlined. The participants of the conference agreed that the European Treaty needs changes and a wide-spread approval for further integration in terms of common internal regulations, common defense system, which are the necessary steps to build the power of the European Union.

The other weakness of Europe, which cannot be perceived anymore only as threat, as it already impacts on the shape of the European society 40 years ahead, is the demographic regression. Caused by ageing-society, falling fertility and changes in family patterns, this posits a very serious problem to the European economy.

Also, unfavorable and unpredictable events could be identified as serious threats for the community: economic blackmails, environmental hazards, natural disasters, public sector difficulties and financial crises.

⁵² As presented by Prof. Hans van Zon, the measure of competitiveness – unit labor cost the differences between countries and rising cost of work. 2005-2010 the unit in Germany rose by 5% and in Greece by 30%. This implies very serious structural problem as well as shows that work is taxed heavily.

The main advantage of Europe is its great intellectual potential which could be used for fore-sighting and strategic thinking. The European Union and the United States as the Atlantic Civilization still play the crucial role and dictate the cultural and development patterns, generate the ideas which are imitated in different countries. It proves that the EU and the USA should not follow the path of genteel surrender, because as the key geo-political players they are still ahead of other countries in terms of development and the quality of live. What confirms this is the large influx of people from the Middle East, other parts of Asia, Africa and South America, who find in Europe better conditions of work and life as well as a better start for their children. For those people the European Union is the community of a great chance for change.

On the other hand, the European Union should implement the reasonable policy regarding the immigrants. The influx is inevitable, and if sensible could be in fact the cure for the irreversible in the short term demographic regression of the European population. However, the problem of great significance is lack of assimilation of large number of immigrants in Northern and Western Europe.

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During the conference many voices of disapproval for current politics of the European Union were raised: the criticism of the *Lisbon Strategy*, *Lisbon Treaty* and *Europe 2020*, which in fact seems to be a business-as-usual paper. Mr. Gilbert Fayl stated that *Europe 2020* does not guarantee what he hopes for his descendants in the coming years and what seems to be crucial, namely: education, employment and clean air. To my mind, those three aspects should become the main objectives of the European Union, as creating conditions for better life could be Europe's advantage and decide on the European success.

According to participants of the conference, work in the European Union is taxed heavily. The tax burdens and employment regulations in countries impede the labor market and cause the shadow economy and lack of vacancies. In pursuit of productivity people are deprived of work. The labor market needs flexibility and freedom. People should have the right to work if they want to and should not be forced to retire. Redefining employment as a curriculum of life should be important aspect of European policy as work gives opportunities for better life and may give a meaning to life. This should refer strongly to the situation of younger generations, graduates, who are about to enter the labor market, and who nowadays suffer the most from unemployment.

The European Union needs highly skilled and educated people, thus wide access to education should be a priority. Promoting primary and secondary education, as well as supporting the system of higher education will guarantee educated "new blood" ready to take the responsibility for the society.

Considering environment, the European Union has already been implementing the unprecedented in the global scale environmental regulations and has created environmental standards which contribute to the higher quality of life and which are saving the environment. Internalizing the environmental costs is the fundamental rule of sustainable development.

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In my opinion, the European Union must change the perception of the global order, find new place for itself and forget the Eurocentrism, as in the 2050 the total population of the EU will amount only to 7-8% of the world population. In this context, the European Union should start to observe the

global scene and struggle not only to work on the R&D but also to begin adjusting to the global trends and global needs.

With all the knowledge gathered and wisdom possessed, Europe should start acting as a useful friend. Jean Marie Rousseau's advice during the conference was to change the European attitude to China and start acting as a useful friend and partner, who can share the experience and present solutions. The same strategy of mentoring and consulting should be applied to other emerging countries in different parts of the world. For example, the European relationship with African nations should be defined sensibly⁵³. The relations with other nations, which are so strongly responsible for the large influx of migrants to the European Union, have to be managed reasonably, as Europe starts to be the new place of settlement for those migrants.

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Future cannot be predicted but it can be created, as it was said during the conference. This is the reason why the European Union not only should launch think tanks to monitor, analyze and foresee the unforeseen, but also should begin to act on the global scene as a leader in the world governance and producer of global solutions, standards and regulations. With its all experience in creating and developing democracies, initiating and deepening the integration, implementing environmental regulations, it could perform the role of a consultant and partner for different countries and parts of the world. Inevitable conflicts caused by the food and water shortages are going to take place in the XXI century in the world. Those and other events in the foreseeable future could be managed by appropriate European bodies, if only the European Union is ready to act as a leader on the global scene.

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To conclude, I believe that now is the high time for Europe to start thinking strategically about its future in the global context. Envisaging the future with pragmatism should remain the main objective, whereas adjusting to the trends and needs of the world should be the European key to success to maintain important position on the global scene, despite its reconfiguration. As stated during the conference, Employment, Education and Environment should remain the key priorities on the European agenda, as increasing the quality of life, creating better conditions for individuals will serve better future of the European community. The quality of live, the main competitive advantage of the European Union should be always fostered. Europe should not forget that its identity is build on diversity of cultures and regions, therefore must be opened for other cultures, nations and sets of values and perceive the distinctiveness more as an opportunity than as a threat. To refrain from `the genteel surrender` the united Europe must strive for further integration and engage in active participation on the global scene.

⁵³ Juliusz Kotyński predicts that the Sub-Saharan Africa is expected to grow by 7% until 2015.

ANTONI KUKLIŃSKI

Europa Quo Vadis – The Lower Silesian Conference. Publications and Research Programme 2010-2011-2012. A Memorandum.

I. The Mission of the Programme.

The Mission of the Programme is to establish a new institutional and intellectual framework for the promotion of the prospective identity of Lower Silesia as a new European center for strategic studies.

II. The temporal framework of the Programme

The first stage of the development of the Programme is designed for three years 2010, 2011 and 2012. A consistent and well organized effort will create a visible European tradition seeing Lower Silesia as one of the centers for European Strategic Studies.

III. The institutional community of the Programme

The Programme will create a climate of long term cooperation involving 10 regions and 40 eminent personalities participating in the processes of the design and implementation of the Programme.

In the creation of this community Lower Silesia will explore and further develop the experiences and networks which have emerged in the years 2007-2010 in the framework of the Regio Futures Programme designed and implemented by the Polish Ministry of Regional Development and documented in the REDEFO Series (five volumes).

The Lower Silesian Programme will analyze also the eminent contributions published in the five volumes of the Recifer Eurofutures Publication Series REUPUS.

Last, but not least, the Lower Silesian Programme will explore the eminent experiences of the Three Cracovia Conferences organized in 2008-2009 and 2010.

Naturally the networks of inspiration for the Lower Silesian Programme are much broader and more comprehensive. However, the small library of 12 volumes mentioned above can be recognized as a good starting point for the creation of the new community of regions and personalities to be designed and developed in the framework of the Lower Silesian Programme.

IV. The community of 10 regions

Lower Silesia will establish a community of 10 European Regions which are inclined to join a team willing to test the difficult art of strategic thinking using the methodology proposed by The Regio Futures Programme. Each region will prepare a strategic study including four topics:

- 1) The methodology of strategic thinking in the regional perspective
- 2) The diagnostic experiences of the region in the years 1990-2010
- 3) The prognostic experiences of the region in the years 2010-2030
- 4) Europa Quo Vadis – the regional approaches

The 10 Strategic Regional Monographies should be seen not as a venture of a one-off performance of the given region, they should be seen as a long term process of strategic thinking

leading to constant improvement incorporated in the consecutive editions of the strategic monographies to be published in the New Publication Series „Europa Quo Vadis?” developed in the framework of the Lower Silesian Programme.

V. The community of 40 personalities.

The Lower Silesian Programme (LSP) will be supported by 40 eminent personalities, who are willing to dedicate their intellectual and institutional capacities to the Europa Quo Vadis Programme. Let us hope that Lower Silesia will be able to transform itself into a growth pole of strategic thinking having the charm of attraction for eminent European personalities.

VI. Why Europa Quo Vadis?

Europe is facing now the dramatic enigma of the XXI century. This century will create a new Renaissance of Europe or a bankruptcy of Europe losing its capacity as a global power and entering into the world of a new global periphery.

In these dramatic or maybe tragic conditions we have to accelerate the processes of the development of strategic thinking as a multidimensional process involving not only the European Union and the member states, but also the individual European regions which should recognize their own autonomous capacity as potential centers of strategic thinking. The processes of regional diffusion of strategic thinking in Europe will most probably create valuable inspirations to find new approaches in the discussion of the grand problem of “Europa Quo Vadis”.

In this spirit we should read the inspiring Manifesto of the Forum Krzyżowa 2009 as an important contribution to the innovative proposal of the Europa Quo Vadis Conference.

VII. The First Europa Quo Vadis Conference – Wrocław June 10-13 2010

The Lower Silesian Consortium organizes the First Europa Quo Vadis Conference in Wrocław in June 10-13 2010. The substantial framework of the Conference is organized as a sequence of four panels:

I. Panel – The global enigma of the XXI century

This panel could try to answer the following questions:

15. To what extent will the XXI century be really a clash of civilizations both in the global scale and inside Europe?
16. How to envisage the new global order emerging in the conditions of global risk and universal uncertainty?
17. Is the global ecological catastrophe a fatal verdict for the XXI century.
18. It is probable to imagine a revolution in the field of global science and technology?
19. How to define the Gordian Knots of the XXI century?

II. Panel – The glory and misery of the transformation of Europe – The explored and lost opportunities of the two decades of 1990-2010.

This panel could try to answer the following questions:

1. Is it possible to outline a comprehensive diagnosis of the glory and misery of the transformation of Europe in the two decades of 1990-2010?

2. How to define and analyze the turning points in the development of Europe in the period of 1990-2010?
3. How to define and analyze the role of the European Union in the development of Europe in the period of 1990-2010?

III. Panel – Prospective glory and misery of Europe 2010-2030

This panel could try to answer the following questions:

1. Why the decades of 2010-2030 are crucial for Europe of the XXI century -the dramatic role of the Question “Europa Quo Vadis”?
2. How to define and analyze the prospective internal transformations of Europe 2010-2030?
3. How to face the changing place of Europe in the global order of the XXI century?
4. How to envisage the future of European Governance and the Futures of the European Union?

IV. – Panel Europa Quo Vadis. The regional dimension.

Panel IV could be seen as a testing field of the strategic mind of four European regions including Lower Silesia. The panel could try to answer the following questions.

1. How to define and analyze the most important transformations of the region in the years 1990-2010?
2. How to improve the strategic capacities of the region to face the challenge of the enigma of the XXI century?
3. How to define the prospective turning points of the years 2010-2030?

VIII. The trilogy of Europa Quo Vadis Conferences in Wroclaw 2010-2011-2012

This first Conference should not be seen as an isolated individual event, but as a process of thought and action creating cumulative effects for regional cooperation and interpersonal relations building up the community of regions and the community of personalities leading in the final result to the establishment of an effective research Programme.

PART TWO
Transformations of Europe

JULIUSZ KOTYŃSKI

Enlarging European Union - global challenges and prospects for the next decades⁵⁴

Abstract

At the moment of the real beginning of the 21st century, after a deep global crisis and adoption of The Treaty of Lisbon, the European Union faces new challenges and choices that may determine its fate for coming decades. Defensive, neo-protectionist policies and a calm stagnation cannot be considered a right strategy for Europe in the epoch of rising global powers, mounting risks and geostrategic reconfigurations. Despite a widespread “enlargement fatigue”, European nations and their leaders should reassess now some bold, strategic scenarios that could contribute to enhancing economic competitiveness and political and military position of the European Union and of the Atlantic Community in the global race towards future.

1. On the threshold of centuries

There are about forty years till the mid of the 21st century and a hundred years from the year 1910. Forty years that is a similar time span as from 1910 to 1950 or from 1970 to 2010. The first one of these periods (1910-1950) - appearing now as important but rather distant history – produced the Bolshevik revolution, the Great Depression, Nazism, two disastrous world wars, with use of nuclear arms in 1945, and the post-Yalta division of the world. However, it brought also a dusk of colonialism, the beginnings of integration of (western) Europe and of the efforts aimed at reshaping the global monetary system.

During last forty years that followed the landing of Man on the moon (July 1969) a bulk of the present political class and of the world population was shaped. It was the period free of world wars though abundant with political and military conflicts and confrontations in individual regions, including Europe. It brought also a few world oil crises as well as a lot of regional political, economic and financial turbulences.

In 1989-1990, in the mid of that period, an unexpected political breakthrough happened in Europe, followed by a series of political events having a global and durable impact, such as the breakdown of the Soviet empire, the unification of Germany, political and economic transformations in the countries of Central and Eastern Europe and the entry of a dozen of them to the European Union. The last twenty years witnessed also a new massive wave of internationalization of global economic and financial relations, fuelled by the ICT revolution and accelerated economic, social and political changes outside Europe.

Ironically, the latest “*big leap*” of China followed the crackdown of the students’ opposition in Tiananmen Square in June 1989 that happened just at the moment of a historic democratic changeover in Poland.

⁵⁴ This is a revised version of a paper included in: A. Kukliński, K. Pawłowski (eds), *The Transatlantic Community. The Titanic of the XXI Century?*, Nowy Sącz, 2010.

Over the last twenty years, a spectacular rise of new potential global powers of the 21st century has been noted, such as Brazil, Russia and notably India and China, nick-named BRICs by the Goldman Sachs experts⁵⁵.

According to a renowned US report, „*The likely emergence of China and India as new major global players—similar to the rise of Germany in the 19th century and the United States in the early 20th century—will transform the geopolitical landscape, with impacts potentially as dramatic as those of the previous two centuries...The early 21st century may be seen as the time when some in the developing world, led by China and India, come into their own. ... A combination of sustained high economic growth, expanding military capabilities, active promotion of high technologies, and large populations will be at the root of the expected rapid rise in economic and political power for both countries*”⁵⁶.

That turbulent period has been concluded by a major global financial and economic crisis, the deepest one since the World War II, likely to be followed by significant reconsideration of economic doctrines and far reaching changes in the geostrategic balance of global powers and in their political and economic linkages. This process may last until the half of the century and be associated with gradual changes in the economic, demographic and military positions of principle global actors, in multi-polar and diversified international surroundings. However, the changes could also run very quickly, in a dramatic and irregular way, under the impact of hardly predictable political events and coincidences, as it was the case many times in the past, both in the ancient and in the newest history of the mankind.

Multiple efforts have been undertaken, and several propositions offered, to systematise the newest history and to agree on a “real” date of transition from the 20th to the 21st century, on the basis of major breakthroughs at the threshold of the New Age⁵⁷. Should the year 2000 be accepted as an adequate milestone, opening the new century and the Third Millennium?

Or rather one of the most significant international events of the last two decades, mentioned above, ought to be pin-pointed as a crucial turning point, opening a new global era, e.g. such as the breakdown of the Eastern bloc and of the Soviet Union, followed by swift political and economic transformation of the Central and Eastern Europe?

However, as it occurred afterwards, neither the collapse of the bipolar world turned out to become the “end of history”, nor a total victory of the liberal market economy and a democratic political system, as proclaimed Francis Fukuyama⁵⁸, nor the world became unipolar one, dominated

⁵⁵ Dreaming with BRICs: The Path to 2050, Goldman Sachs, Global Paper No 99, 1st October 2003.

⁵⁶ Mapping the Global Future, Report of the National Intelligence Council’s 2020 Project, December 2004, p. 47.

⁵⁷ Cf. A. Kukliński, B. Skuza (eds), Turning points in the transformation of the global scene, Polish Association for the Club of Rome, Warsaw 2006; A. Kukliński, The Creation and the Destruction of the Global Order.

⁵⁸ “*What we are witnessing is not just the end of the Cold War, or a passing of a particular period of postwar history, but the end of history as such: that is, the end point of mankind’s ideological evolution and the universalization of Western liberal democracy as the final form of human government*”. F. Fukuyama, The End of History and the Last Man, Free Press, 1992.

continually by the United States as expected Zbigniew Brzezinski⁵⁹; nor flat and Americanised, as pretended Thomas L. Friedman⁶⁰.

Other events of great significance soon followed – both natural or quite unexpected, of different nature - terrorist attacks on the World Trade Center of September 11, 2001, the breakdown of Yugoslavia and the turmoil in the Balkans, the wars in Iraq and Afghanistan and finally - the global financial and economic crisis that underscored the role of China as a rising global superpower, as well as the bankruptcy of a simplistic neoliberal doctrine, thus closing not only the first decade of the new millennium, but possibly putting the real end to the 20th century and re-opening the debate on the need and shape of a new global political and economic order⁶¹.

Among positive developments of the past decade the Eastern enlargements of the European Union should be mentioned (notably the first one, of 1st May 2004), encompassing former socialist countries of the Soviet bloc from the Central and Southern Europe and the three Baltic states, former “republics” of the USSR. Their accession constituted an important turning point in the European and universal history, closing up the post-Jalta period.

Should any of these events – e.g. the global crisis - be recognised as the most important turning point and the true conclusion of the 20th century? It appears that a general reading of contemporary and past events and key turning points changes with time and that for a complex and objective evaluation of current developments a more distant and wider historical perspective is perhaps needed. Even so, after a couple of decades or even centuries, the interpretation of many fundamental facts, incidents and unsolved questions from the past remains disputable among historians, philosophers, politicians and peoples.

Differences in perception of some important historical events (wars and battles, political reforms, national uprisings, revolutions, “tides of nations”⁶²) may persist among nations and civilizations for ages. Such controversies subsist also with regard to turbulent transitions from the 18th to the 19th century, or from the 19th to the 20th one. Long-term political cycles (if they do exist) do not necessarily coincide with century intervals.

For instance, George Friedman claims that the dominant socio-political landscape changes every 50 years⁶³. Georg W.F. Hegel (1770-1831), a mentor of Fukuyama (and also of George Friedman - who used a citation from this German philosopher as a motto for his latest book), proclaimed history to be at an end in 1806, after the battle of Jena.

According to Fukuyama, *“For as early as this, Hegel saw in Napoleon’s defeat of the Prussian monarchy at the Battle of Jena the victory of the ideals of the French Revolution, and the imminent universalization of the state incorporating the principles of liberty and equality”*.

The critics of Fukuyama rightly indicate however that *“to view the armies of Napoleon as engines of liberal democracy is peculiar”*; that Hegel himself was renowned as the “Royal Prussian Court

⁵⁹ Z. Brzezinski, *The Grand Chessboard. American Primacy and its Geostrategic Imperatives*, Basic Books, New York 1997.

⁶⁰ T. L. Friedman, *The World Is Flat: A Brief History of The Twenty-first Century*, 2005; revised edition 2007.

⁶¹ Cf. A. Kukliński, *The Creation and Destruction of the Global Order*.

⁶² Cf. K. W. Deutsch, *Tides Among Nations*, Free Press, New York, London 1979.

⁶³ G. Friedman, *The Next 100 Years. A Forecast for the 21st Century*, 2009, Copyright © by George Friedman.

Philosopher” at the University of Berlin⁶⁴, and that a decade after the battle of Jena the history of the 19th century made a reverse turn, petrifying for another century a renewed global order established at the Congress of Vienna in 1815, governed by a concert of conservative European powers.

Indeed, the time from 1815 to 1914 was neither a stable, peaceful nor a homogeneous period. Norman Davies sub-divides it into three stages: those of reaction (1815-1848), of reforms (1848-1871), and of rivalry (1871-1914)⁶⁵. Although then - according to this author - one of the features of the global order was a domination of the ideology of *laissez-faire* and liberal democracy, its practice was in many respects quite different from these ideals and of the Kantian vision of perpetual peace.

Idealistic evaluation of the 19th century as the age of *peace and liberalism* - e.g. by Adam Krzyżanowski (1947)⁶⁶ - is perhaps understandable, after the atrocities, fratricides and the turmoil of the first half of the 20th century, but may be questioned and considered biased if viewed from the angle of the history of Poland or other nations, oppressed or subjugated at that time by powerful European empires.

Various doubts and questions on the *fin de siècle* regard also a long-lasting transition process from the 19th century into a modern era of the 20th century. Had the 19th-century global order been closed by the assassination of Prince Franz Ferdinand in Sarajevo on 28th June 1914 that gave rise to the beginning of the World War I; or rather by conclusion of this war, The Treaty of Versailles and the breakdown of the Austrian-Hungarian, Prussian, Russian and Osman Empires?

Before, during and after the war other significant things also happened on the global and European scene, quite unexpectedly, as the Bolshevik revolution. They coincided with the earlier mentioned events, were consequences of the former, had perhaps common roots or were seemingly quite independent, but materialized just at that time, in suitable circumstances, sometimes after a fairly long gestation period, e.g. emergence of the United States as a major global power, the resurrection of Poland or foundation of new national states in central, northern and southern Europe.

These crucial developments had been preceded by a number of severe international confrontations, civil wars, clashes and revolutions in the second half of the 19th century and at the threshold of the consecutive age, accompanied by a wave of important innovations and a rapid progress of civil and military technologies, accelerated industrialization processes and deep social changes in Europe and elsewhere, provoking and aggravating the economic and political rivalries between old and new global powers in the 1871-1914 period, named “the stage of rivalry” by Norman Davies.

Such events as the secession war in the United States; a rise of German power after the defeat of France in the war with Prussia; the wars of Russia with China and Japan; Boer wars; the revolution of 1905 in Russia; a series of Balkan wars – despite some international or external attempts of peaceful resolution of those conflicts – had prepared ground for a major global military confrontation in the second decade of the 20th century.

⁶⁴ “Fukuyama hailed German philosopher G.W.F. Hegel as the supreme “philosopher of freedom.” But Hegel was as much a champion of freedom as Nietzsche was a champion of Christianity”, J. Bovard, Nonsense on the Inevitability of Democracy, “Freedom Daily”, May 2005; and The Future of Freedom Foundation, <http://www.fff.org>, August 7, 2006.

⁶⁵ N. Davies, Europe: A History, Oxford University Press, 1996.

⁶⁶ A. Krzyżanowski, Wiek XX, Kraków 1947 – quoted after A. Kukliński, op. cit.

A lesson from the past is that the transitory periods embedding historical turning points could be relatively long, tumultuous and abundant with important, hardly predictable events and actions. Their evaluation is supposed to evolve with time and may be subject to lasting controversies.

Not only the calendar, but also many recent facts and historical analogies may suggest that the recent twenty years (1990-2010) are likely to represent such a transitory period, bringing us into the new turbulent and erratic 21st century and into the third millennium.

2. A fractal world of the 21st century

A mathematical concept of the fractal world appears to offer a suitable and attractive model describing the nature and evolution of the universe and the history of mankind, characterised at the same time by similarities and varieties, repeatedness and unpredictability of development trajectories and their turning points, durability and discontinuities (in time and space) of non-linear trends and cycles of principal random variables, representing various natural, ecological, demographic, economic, financial, social and political events.

The concept of a fractal world, as well as the notions of fractal dimensions and fractal similarity of figures and curves, originate in the works of Benoit Mandelbrot (born in Warsaw in 1924) from the University of Yale⁶⁷. These concepts refer to the mathematical theory of chaos, conceived by outstanding mathematicians and physicists at the end of 19th and in the first half of the 20th century, including a prominent Polish mathematician Waclaw Sierpiński (1882-1969)⁶⁸.

Application of the chaos theory to the analysis of international relations is not quite a new idea. However, contrary to some proponents or critics of this invention, the mathematical category of chaos relates *not only* to a transitory period, when the changes occur in the irregular, unpredictable and uncertain way (as argues Jean A. Duffy⁶⁹).

Such perception of the history and of the future, and notably of the challenges of the new century, complies *inter alia* with main conclusions of another American report, prepared by international experts under the auspices of the National Intelligence Council: *Global Trends 2025: A Transformed World*⁷⁰.

⁶⁷ According to Mandelbrot, his life's work "has been to develop a new mathematical tool to add to man's small survival kit", called by him "fractal and multifractal geometry. It is the study of roughness, of the irregular and jagged. I coined the name in 1975. Fractal is from fractus, past participle of frangere, to break, as I was reminded by one of my sons' Latin dictionaries. The same root survives in many common words, including fraction and fragment". B.B. Mandelbrot and R.L. Hudson, *The (mis)Behaviour of Markets. A Fractal View of Risk, Ruin, and Reward*, Profile Books, London 2005, p. 116. See also: B.B. Mandelbrot, *The Fractal Geometry of Nature*, W.H. Freeman & Co., New York 1982.

⁶⁸ Cf. J. Kotyński, *Teoria chaosu a metody oceny ryzyka i analizy rynków kapitałowych* [The chaos theory and the methods of risk evaluation and analysis of capital markets], „Zarządzanie Ryzykiem”, Instytut Zarządzania Ryzykiem WSUiB, no 1, Warszawa 2000, p. 72-90.

⁶⁹ J.A. Duffy, *The Application of Chaos Theory to the Career-Plateaus Worker*, "Journal of Employment Counseling", December 2000, vol. 34, nr 4, s. 231.

⁷⁰ *Global Trends 2025: A Transformed World*, Washington DC, November 2008, NIC 2008-03, p. 3

For a main question raised there: *What Future?* the report answers: „**More Change than Continuity.** *The rapidly changing international order at a time of growing geopolitical challenges increases the likelihood of discontinuities, shocks, and surprises. No single outcome seems preordained: the Western model of economic liberalism, democracy, and secularism, for example, which many assumed to be inevitable, may lose its lustre — at least in the medium term. In some cases, the surprise element is only a matter of timing: an energy transition, for example, is inevitable; the only questions are when and how abruptly or smoothly such a transition occurs. Other discontinuities are less predictable.*

Recognizing that what may seem implausible today could become feasible or even likely by 2025, we have looked at a number of single development “shocks”. Examples include the global impact of a nuclear arms exchange, a rapid replacement for fossil fuels, and a “democratic” China”.

3. Geostrategic reconfigurations, the enlargement dilemma and the debate on Europe as a global power of the 21st century

In competitive global conditions of the new century the position of aging, conservative Europe is likely to weaken⁷¹. It is notably going to happen if historical rivalries and political, economic, ethnic or ideological and religious conflicts among European nations are going to persist, and if the European Union is not able to continue – after some indispensable period of consolidation - the gradual process of both deepening and widening its integration, embarking on essential political and military components and on the further east-southward enlargement, upon some emerging European or Eurasian powers, situated at crossroads and peripheries of the continent, such as Turkey and Ukraine (if they are wishing to join and are ripe for the accession).

However, for various reasons (including the issue of balance of power and its redistribution within the EU and in relations with its neighbours), the latter enlargement scenario, constituting a real challenge, raises serious objections among present member states. It appears very risky and hardly imaginable to many European societies and their leaders.

That is unfortunate, because such move – notwithstanding all its potential weaknesses and threats - could give the Union, now populated by a half billion people, a chance to become (or to remain) a major global player, roughly equivalent to the United States and Russia. It could also contribute to strengthening the ailing Atlantic Community, thus balancing the rising power of Asia.

However, the probability of launching such “Alexandrian” long-term project appears rather small in the near time. For its implementation much more will, determination and concord among European leaders would be needed. A general understanding of its aims and a wider public consensus on further enlargement would also be necessary.

Nevertheless, the idea of a greater, stronger and truly united Union should be given more thought and support just at this historical moment, as a possible contribution to reshaping the global order of

⁷¹ Cf. K. Rybiński, *A Meaningless Europe?*, [in:] *The Future of European Regions*, P. Jakubowska, A. Kukliński, P. Żuber, eds, Ministry of Regional Development, Warsaw 2007. See also G.W. Kołodko, *Wędrujący świat* (World on the Move), Prószyński i S-ka, Warszawa 2008; *Futurology – The Challenges of the XXI Century*, A. Kukliński, K. Pawłowski (eds), Wyższa Szkoła Biznesu - National Louis University, Nowy Sącz 2008.

the 21st century⁷². Such vision and strategy would be especially important for enhancing the political power and security of Europe in the epoch of mounting threats, tectonic quakes and turbulences.

Sometimes, however, the question is being raised whether a politically and militarily stronger Europe, as a global power, is really needed, and whether maintenance of the soft power of democratic, diversified and liberal Europe is not a sufficient guarantee for keeping its leading position in the New World of the 21st century⁷³.

In this context the ongoing multi-facet debate on “Europe and Power” should be revisited. I would like to refer in particular to a bilingual tome published under that name in 2008, under the auspices of the French Ministry of Foreign Affairs and the French Presidency of the EU⁷⁴. I wish to focus here on two outstanding contributions to this volume:

- a brilliant analysis of François Heisbourg, Chairman of the Council of the London-based International Institute for Strategic Studies; and
- an essay of Vaira Vike-Freiberga, President of the Republic of Latvia from 1999 to 2007; starting with her arguments concerning the doubts, unwillingness and hesitations related to the dilemma of European power, giving also some reasons for such, quite widespread, attitudes:

“The long-standing European members of the EU seem recently be tiring or out of breath despite the absolutely tremendous advantages they enjoy daily compared with both previous generations and the condition of people in most of the rest of the world. There is a sense of distrust of the European Union, a widespread fear of the future”⁷⁵.

Paradoxically, such feelings are also present in new member states of the EU, among populations and politicians, cynical or unaware that the recent gains and achievements are not given for ever and could be easily lost or turned down.

Freiberga warns that: *“Without mutual give and take, there will always be voices calling for huge resources, grandiose gestures and “final solutions”, be they in mass deportations, summary executions or “ethnic cleaning”, which Europe saw all too much right to the very end of the last century”⁷⁶.*

To the critics of the concept of “Greater Europe” she reminds a realistic and sad truth, *“that the “great” always had a better chance of survival than the “good” as a system, simply because the stable and prosperous countries sooner or later fell prey to some or other hungry neighbour, unless*

⁷² Cf. J.S. Nye, Jr., *Understanding International Conflicts. An Introduction to Theory and History*, Sixth Edition, Longman 2007 – Ch. IX: New International Order?

⁷³ J.S. Nye, Jr., *Soft Power. The Means to Success in World Politics*, Public Affairs, 2004. See also J. Rifkin, *The European Dream. How Europe’s Vision of the Future Is Quietly Eclipsing the American Dream*, Penguin Group, Inc., 2004.

⁷⁴ *L’Europe et la Puissance/Europe and Power*, Collection Penser l’Europe, Centre d’Analyse et de Prévision, CULTURESFRANCE, Paris, juillet 2008.

⁷⁵ V. Vike-Freiberga, *Europe and Power: Greatness and Kindness*, in: *L’Europe et la Puissance*, op. cit., p. 148.

⁷⁶ Op. cit., p. 150.

*they had sustained a sufficiently powerful military capacity to be able to defend themselves. A State's defensive strength consequently remains a prerequisite for its survival and development."*⁷⁷

François Heisbourg starts his essay by presenting the analogy between the notion of power, its forms or dimensions, in physics and international relations:

"It is not by accident that vocabulary of international relations employs analogies taken from the physical world: spheres of influence, bipolar order, multipolar world, orbit. These parallel categories can help forge a better understanding. Assuming, for the sake of argument, that power is to international relations what energy is to the physical world, several things can be stated. First, neither energy nor power is confined to a single form.

There are many manifestations of energy – kinetic energy, inertia, gravity, magnetism, electrical energy, etc. These have a number of equivalents in international relations: coercive power exerted over the others (kinetic energy), cohesive force holding together the nations and the other entities that make up international society (the strong forces of post-Newtonian physics) and influence (attractive forces) over state and non-state actors...

As in the physical world, the forms that power takes are not independent of the nature of the entities that make up the world system...

*Finally, the approach to power is not static over time, because the world system changes as a whole and because its constituent elements change*⁷⁸.

His critical evaluation of the implications of and prospects for the eastward and southward enlargement of the EU, representative for many politicians and experts, notably from the old and large EU member states (Germany, France, Italy, UK), is formulated in a very clear and outspoken way:

"The enlargement of the Union into the former Soviet area is a paradox. The sudden spurt in the number of member states made the essentially intergovernmental decision-making process within the Union more complex, with a resulting loss of collective power. In addition, enlargement was the high point of the Union's ability to project its normative power over a vast geographic area, reshaping it, on a strictly voluntary basis, in its image. This paradox was resolved (at least in part) only belatedly, with the agreement on the Lisbon Treaty. ...

The possible accession of six new Balkan members would raise issues, in principle manageable, of the same type (independently of the very large difficulties posed by the economic catching up they have to do).

*On the other hand, the accession of Turkey and Ukraine would seriously alter traditional equilibria. ... Conversely, if enlargement stops short of the Ukrainian and Turkish borders, the Union would be prompted (once the Balkan "six" have been brought in) to redirect its transformation efforts to norms and neighbourhood policies."*⁷⁹

⁷⁷ Op. cit., p. 152.

⁷⁸ F. Heisbourg, The Power of Influence, in: L'Europe et la Puissance, op. cit., pp. 116-117.

⁷⁹ Op. cit., pp. 128-129.

Indeed, the implementation of the scenario of greater Union would inevitably move its centre of political, economic and military interests eastward, involving additional risks and costs, particularly for the old, rich and large EU members. The European cohesion policy, the common agricultural policy as well as the decision-making process of the Union, as pointed out by Heisbourg, could also be endangered. These potential threats restrain the support for the idea of further enlargement also among other present EU members.

Hence, for the time-being, more probable forms of development of European integration are rather linked to diversified and looser forms and concepts of association, enhanced partnership and co-operation, etc. Among the interested (core) countries of the Union, including e.g. the whole or a part of the Euro Area, a deeper integration is conceivable, despite its relatively fragile, at the moment, economic condition and a negative attitude of the remaining member states to any seemingly discriminatory (though legally permissible) solutions, such as "*l'Europe à deux vitesses*" or "*l'Europe à la géométrie variable*".

The fact is that the fields of interests and influence of particular major member states do not necessarily coincide. Sometimes they are in a perceptible conflict. That regards also the issue and priorities of enlargement (eastward vs. southward, westward or northward, or none?).

In my view, pragmatic but chaotic development of the European integration may actually lead to Europe and peripheries being *decomposed into some overlapping subsets (ellipses) of countries* rather than to a coherent Europe, or Europe composed of *concentric circles*, as envisaged by Jacques Delors. The overlapping elliptic orbits could even have a few competing gravity centres, instead of a common one. Apparently, such polycentric scenario, quite plausible, but associated with a weakening or disintegrating Europe, should not be accepted as an optimal target for the Old Continent in the epoch of rising global threats, conflicts and challenges.

In a stationary and peaceful global environment such choice for Europe, fragmented into several national states, tandems and separate subgroups, promoting their particular interests within a wider but loose regional grouping, and basing its attractiveness on idealistic objectives of soft power, subsidiarity and liberal democracy, could be perhaps deemed a best or at least a feasible and relatively durable solution. The above theoretical assumptions on the external environment are however very distant from the hard realities of the 21st century.

Similarly, in the field of economics, a high preference for leisure, preserving the trade unions privileges and advanced social and technical regulations and norms, does not provide an adequate basis for sustaining the competitive position of Europe in the global economy, in the epoch of rapid rise and race of nations, mostly endowed with abundant, cheap and highly productive labour engaged in export-oriented sectors⁸⁰, that are not necessarily ruled by democratic regimes nor are ready to comply with the rules of advanced Western civilization within the inherited or imposed international order.

Hence, because of hard constraints of the external environment and unfavourable internal demographic and economic prospects, notably during and after the period of the recent crisis, and in

⁸⁰ See e.g. R. Freeman, What Really Ails Europe (and America): The Doubling of the Global Workforce, *The Globalist*, 3 June 2005; and: Human Resource Leapfrogging, *The Globalist*, 5 September 2005.

view of growing energy and climate change problems, the European Union should rather look for new political and economic solutions and “energizers”, including increased focus on education, technical, financial and managerial innovations and productivity as well as on strengthening its cohesion and the traditional factors of the hard power, including modern defence capabilities.

Some elements of such approach, focussed however on the first group of soft and “smart” factors, meant to contribute to the enhancement of the “social market economy” rather than on strengthening the “hard power” of the Union, are perceptible in the newest plans for “*Europe 2020 Strategy*”, raised by the European Commission in March 2010 and conceived as replacement for *The Lisbon Strategy* that had been proposed in 2000 for the first decade of the 21st century⁸¹.

Main priorities and targets of the new strategy, to be underpinned by seven “flagship initiatives to catalyse progress under each priority theme”, have been formulated by the Commission as follows⁸²:

“Europe can succeed if it acts collectively, as a Union. We need a strategy to help us come out stronger from the crisis and turn the EU into a smart, sustainable and inclusive economy delivering high levels of employment, productivity and social cohesion. Europe 2020 sets out a vision of Europe's social market economy for the 21st century.

Europe 2020 puts forward three mutually reinforcing priorities:

- Smart growth: developing an economy based on knowledge and innovation.
- Sustainable growth: promoting a more resource efficient, greener and more competitive economy.
- Inclusive growth: fostering a high-employment economy delivering social and territorial cohesion.

The EU needs to define where it wants to be by 2020. To this end, the Commission proposes the following EU headline targets:

- 75 % of the population aged 20-64 should be employed.
- 3% of the EU's GDP should be invested in R&D.
- The “20/20/20” climate/energy targets should be met (including an increase to 30% of emissions reduction if the conditions are right).
- The share of early school leavers should be under 10% and at least 40% of the younger generation should have a tertiary degree.
- 20 million less people should be at risk of poverty.

These targets are interrelated and critical to our overall success. To ensure that each Member State tailors the Europe 2020 strategy to its particular situation, the Commission proposes that EU goals are translated into national targets and trajectories.”

⁸¹ European Commission, Communication from the Commission: EUROPE 2020. A European strategy for smart, sustainable and inclusive growth, Brussels, 3.3.2010, COM(2010) 2020.

⁸² Op. cit., Executive Summary, p. 3.

It appears that such selection of common priorities and targets, although seemingly reasonable and acceptable by population, notably of the economically advanced member states, is highly insufficient in view of serious challenges that Europe is going to face in the coming decades.

In this context let me once again quote and underscore, as most relevant, the “bottom lines” and recommendations for changing and strengthening the EU, including “its resources of national security”, as highlighted by François Heisbourg⁸³:

- “The Union will continue to play its role as the Empire of Norms, based on its economic weight, in virtually all the areas in which the EU has jurisdiction – in health, food, environment, financial, and other norms. Whether enlargement continues or stops after the integration of the Balkans, the Union, which accounts for some 20% of the world economy, will be a force to be reckoned with in world affairs in the areas in which it produces economic and societal norms. The comparative advantage of the Union lies and will continue to lie in its ability to do this.
- Conversely, enlargement into geo-strategically sensitive areas (ex: Ukraine) or the pursuit of strong neighbourhood policies aimed at spreading the political and other norms of the European empire (Ukraine at present, the Caucasus tomorrow?) would be hamstrung by the Union’s lack of hard power. With the United States continuing to pursue its own interests and focusing on other regions, Europe will not be able, in matters relating to defence, to continue to travel first class on a second-class ticket. The idea is not for Europe to adopt a martial posture; but Europe will not be able to pursue with impunity policies that are perceived by its neighbours in the Russian and Middle Eastern areas as strongly destabilizing. ...
- ... Will the Europeans ultimately be able to guarantee the security of partners that adopt their norms? The weakness of the response of both NATO and in the European Union to Russian pressure on Estonia in the summer of 2007 suggests that the problem is already occurring. There is no obvious coherence between the normative ambitions of the Europeans and their limited capacity to directly or indirectly, by way of the United States, ensure the security of member states or partners.
- This historic success of the Union is to have created the “Kantian garden” within which peace, security and prosperity go hand in hand. This paradise has an enormous attractive force in the broad periphery of the Union, directly impacting the interests and values of states and also of major non-state actors (international terrorism) in the Eurasian area. Those who see themselves thus challenged will not stand idly by.
- The Union and its member states must “think through” hard power more systematically than before: not in order to build the castle in the air of a “European power” previously considered an end in itself, but rather to endow the Empire of Norms with the resources of national security. Nor is the idea to set up a countervailing power to offset an omnipresent and omnipotent United States; the Americans are now neither”.

A realistic approach and a quick and dynamic response appears a must for Europe, even if the measures involved were to be costly and unpopular in many European countries. Such recommendations, reconciling the objectives and instruments of both soft and hard power, stem also eventually from the analysis of François Heisbourg and Vaira Vike-Freiberga.

⁸³ F. Heisbourg, op. cit., pp. 135-136.

Vaira Vike-Freiberga, at the beginning of her essay, also clarifies some basic notions, including various shades of power:

“More often than not, the notion of power implies the ability to impose one’s will upon others, whether they like it or not. Power then becomes synonymous with the capacity to lead, change and mould the world to the ambitions of one individual, group, class, country or continent in all - but disregard of different opinions and desires.

It bears overtones of domination, exploitation and other nasty accusations sometimes levelled against Europe and against which it is keen to defend itself”.⁸⁴

She argues that *“the task facing Europe today is not to regain power **over** the others, but to build a power that can **co-exist with** them. Not in the negative sense of the old, somewhat spineless co-existence, but in the literal and positive sense of living together without sacrificing anything of yourself and without imposing sacrifices on others.”*⁸⁵

She rightly points out in the same place that the notion of power *“encompasses two equally important elements... First, you need an agent to formulate and express your voice. Second, you need a capacity to act and achieve you aim. When applied to an entire continent, the concept of power calls primarily for an agent to embody it. ...*

If by “Europe” we mean the 27 current members of the European Union, this group of countries clearly needs structures that can formulate and express its collective aims. These structures should be functional enough to properly represent their populations and powerful enough to have the means to achieve their aims”.

It appears that despite eventual establishment of some formal European structures for this purpose by The Treaty of Lisbon, the president or high representative have not been selected in a fully democratic way nor endowed with such effective powers.

For the time being they can hardly be perceived as representatives of the populations of all the member states and they are overshadowed or controlled by leaders of major member states and by the Council. This is most likely a result of agreement and deliberate action of the governments of large, economically advanced member states, unwishing to experiment with the power and to cede or share their authority with any common or supranational presidents or representatives that wouldn’t be in fact able or willing to properly represent their interests.

Let me finish this section with a final quote from the manifesto of Vaira Vike-Freiberga⁸⁶, presenting the conclusions which I fully endorse⁸⁷:

“All things considered, if we were to put our vision of Europe in a nutshell, it would be a power that combines greatness and goodness without distorting either one. This is entirely possible, provided we

⁸⁴ V. Vike-Freiberga, Europe and Power: Greatness and Kindness, in: L’Europe et la Puissance, op. cit., pp. 138-152.

⁸⁵ Op.cit., p. 143.

⁸⁶ Op.cit., p. 152.

⁸⁷ See J. Kotyński, Konkurencyjność polskiej gospodarki wobec wyzwań globalnych [Competitiveness of the Polish Economy and the Global Challenges], IBRKK, „Studia i Materiały” No 86, Warszawa 2009.

believe in and work on it. If we do not achieve it, there is a strong chance we will end having neither one nor the other.

To put it more plainly and tangibly: Europe cannot uphold competition in a globalised economy without becoming more productive and efficient. Refusing to budge in the name of protecting its “social model” or any other political reason will make no difference. Far from it. If Europe were to become less competitive and hence less wealthy, that would be precisely the moment when all its social security safety nets would be most likely to break.”

4. Poland and enlarged European Union in a changing and tumultuous world

The outlook for Poland is closely related with future development and prospects for the European Union. The EU enlargement of May 2004 evidently contributed to acceleration of Poland’s growth and modernisation of its society and economy, despite all the economic and political lacunae, failures and disappointments of that period. Poland, alike other new member states (NMS), profited a lot of the support from the European structural funds.

Despite the ongoing process of economic convergence and relatively high average annual GDP growth rate in the last decade (around 4.7% in 1999-2009), Poland has stayed within the group of least advanced economies among the 27 EU member states.

However, Poland’s economy turned out to resist the recent global recession better than many other economies of Europe, witnessing a modest growth (1.8%) also in 2009. According to the CIA Factbook 2010, Poland’s GDP, in PPP terms, reached some \$bn700 in 2009, i.e. the level similar to that of Taiwan (\$bn 693); lower than those of Iran (\$bn 876), Turkey (\$bn 862) and Australia (\$bn 819), but higher than those of the Netherlands (\$bn 652), Saudi Arabia (\$bn 581) or Argentina (\$bn 558). This result has placed Poland among the first 20 largest world (single) economies⁸⁸.

It is worth noting that in 2009, according to the same source, the European Union was the largest world producer (with the GDP estimated at \$bn 14520), exceeding the United States (\$bn 14250), China (\$bn 8767), Japan (\$bn 4141), India (\$bn 3548), Germany (\$bn 2812), UK (\$bn 2165), France (\$bn 2113), Russia (\$bn 2103) and Brazil (\$bn 2024), followed by Italy, Mexico, Spain, South Korea, Canada, Indonesia and Iran (Fig. 1).

According to pre-crisis GDP estimates of Goldman Sachs, in 2007 the joint GDP volume of 12 EU new member states was close to that of India and somewhat lower than that of Russia or Brazil. All these economies have increased considerably their outputs in comparison with 1998 (Fig.2).

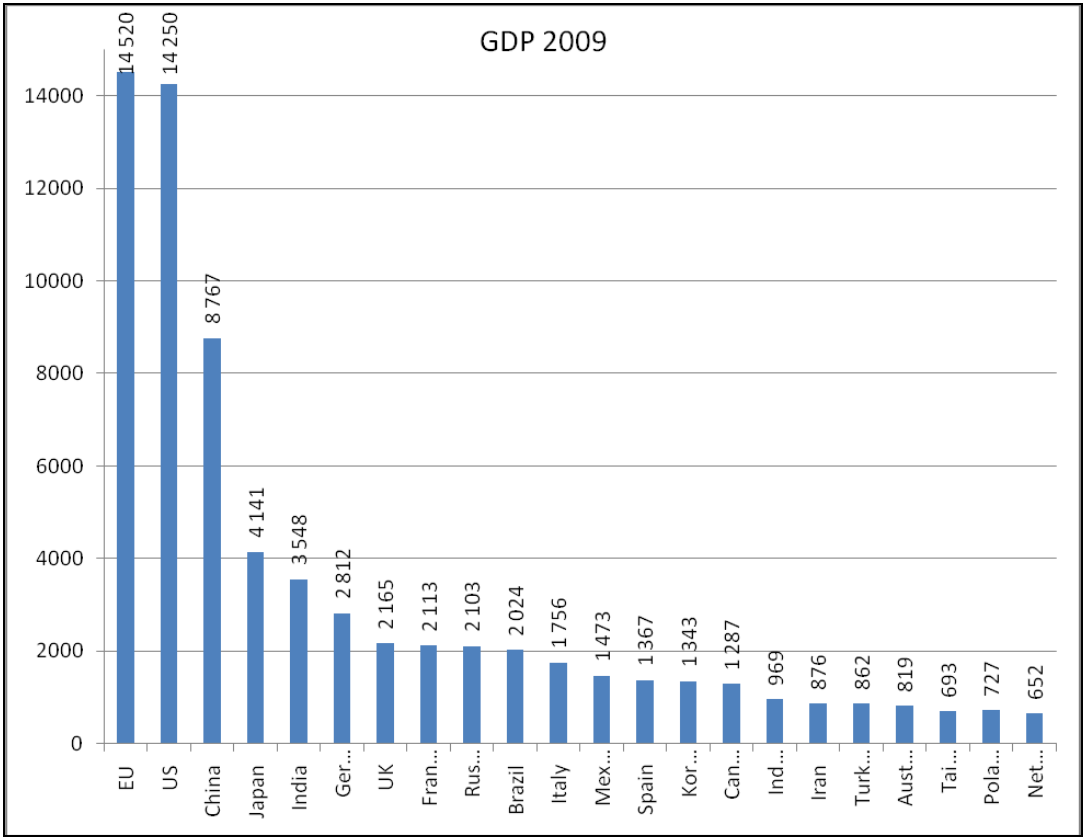
The BRICs, notably China and India, managed to improve further their absolute and relative GDP positions during the recent global crisis, in the 2007-2009 period.

The experts of the Goldman Sachs envisaged in their long-term forecast in November 2008 that the 12 NMS (including Poland) may join the group of four BRICs as “A Fifth BRIC of the 21st Century” by 2050, if

⁸⁸ CIA Factbook 2010, January 2010. Actually, the CIA estimate for Poland’s was \$bn 686 in 2009, but the GDP growth rate was underestimated (1.1% instead of 1.7% given by GUS - the Central Statistical Office). The use of national growth estimate products the 2009 GDP level of some \$bn 727.

some relevant conditions regarding improvement of their macroeconomic policies and of the institutional environment are fulfilled in the incoming decade⁸⁹.

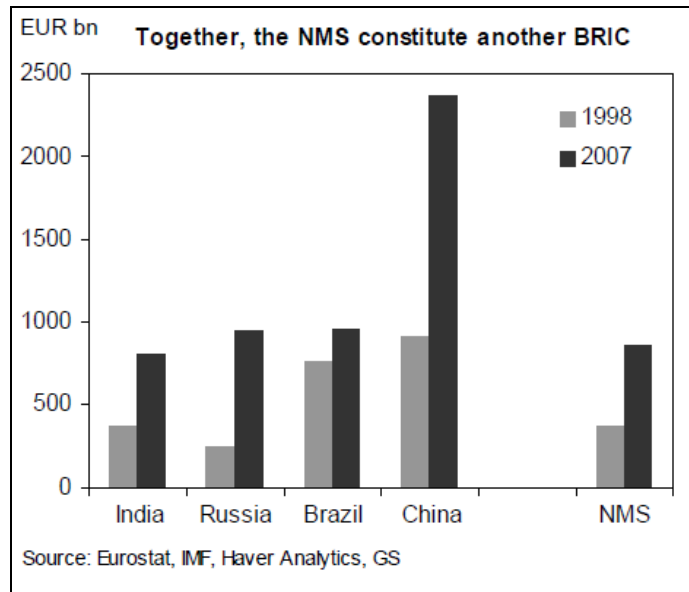
According to this forecast, in 2050 the NMS group may produce the GDP equal to some \$trn 5.3 (compared to \$trn 1.2 in 2007, at 2007 constant prices and exchange rates), approximately equivalent to that of the UK, Turkey, France or Germany, counted separately (Fig. 3).



Source: CIA Factbook 2010 and own estimates.

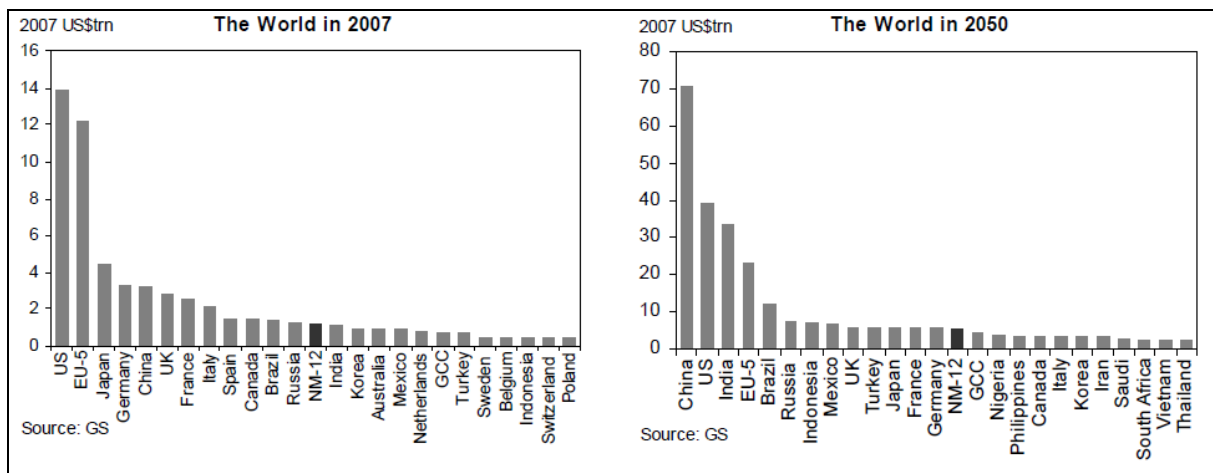
Fig.1. GDP of major economies in 2009 (\$bn, at PPP - Purchasing Power Parity exchange rates)

⁸⁹ A. Zsoldos, A. Zadornova, New EU Member States: A Fifth BRIC?, Goldman Sachs, “Global Economics Paper” No 173, September 26, 2008.



Source: New EU Member States: A Fifth BRIC?, Goldman Sachs, "Global Economics Paper" No 173/2008.

Fig. 2. NMS in global output, as compared with BRICs, 1998 and 2007 (GDP in \$bn).

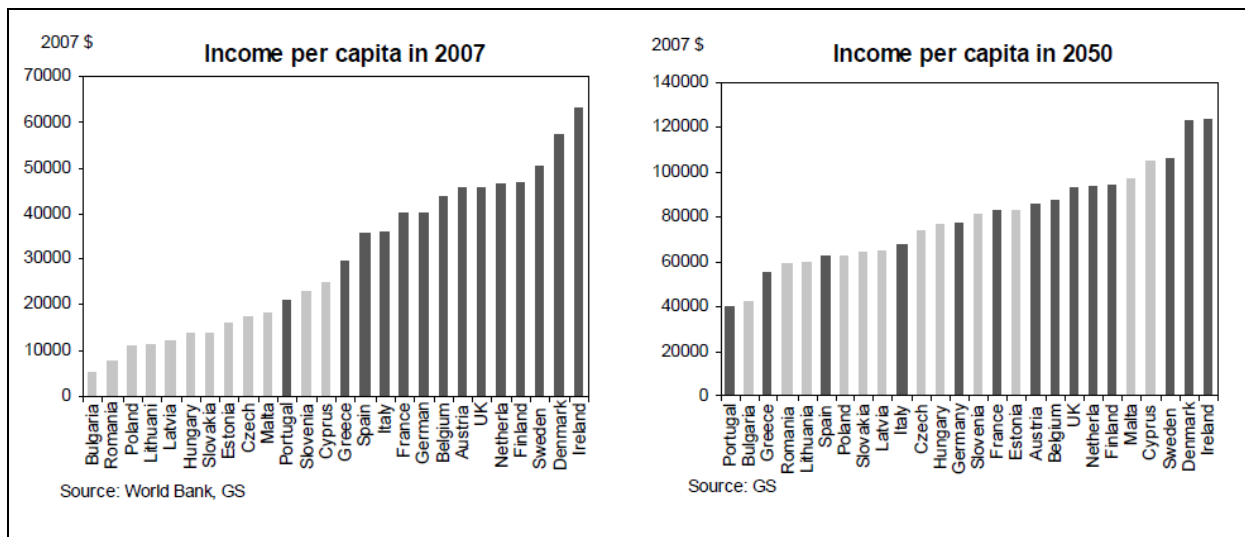


(GCC = Gulf Council Countries)

Source: New EU Member States: A Fifth BRIC? Goldman Sachs, op. cit.

Fig. 3. Major world economies and country groups in 2007 and 2050, by GDP, according to GS forecast.

The average GDP per capita of the NMS is going to increase from \$11.4 to \$65.0 thousand, correspondingly, and the convergence process within the EU is expected to advance (Fig. 4).



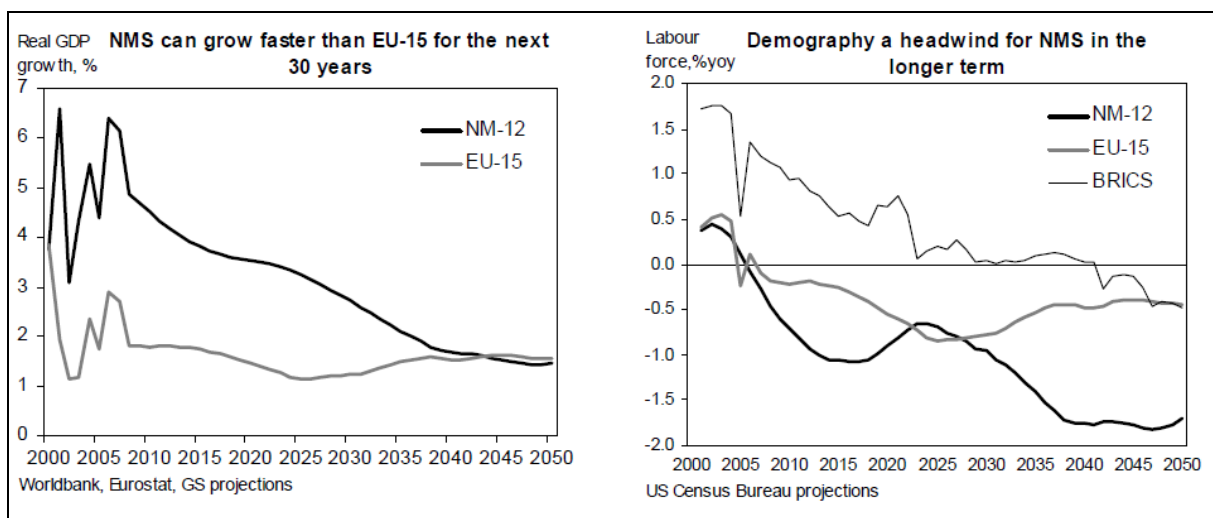
Note: GDP p.c. of: EU15 – black bars; NMS12 – grey bars.

Source: New EU Member States: A Fifth BRIC?, Goldman Sachs, op. cit., p. 14.

Fig. 4. GDP p.c. in the EU member states in 2007 and 2050 (GS forecast).

The GDP growth rate of the NMS is forecast at about 4% p.a. in 2011-2020. It is going to be much higher than that of old EU member states. At the beginning of 2030s the growth of the first subgroup may still exceed that of the second subgroup, but is going to slow down after 2025.

It is envisaged that in the 2040s the GDP growth rate in NMS may fall to some 1.5%, i.e. below the level foreseen for the EU15 countries. Such dramatic change is associated mainly with demographic factors, notably with a systematically falling trend in the number of labour force in the NMS in 2025-2050. The falldown is forecast to be sharper than that for the four BRICs and opposite to the rising tendency in population of the EU15 countries, forecast for the same subperiod (Fig. 5).



Source: New EU Member States: A Fifth BRIC?, Goldman Sachs, op. cit.

Fig. 5. Prospective growth and convergence of NMS12 with EU15, to be hampered by demography after 2025.

Finally, in association with this forecast, I would like to come back to the question of the EU enlargement. Out of many interesting findings and inspirations stemming from the GS study, it is worth to note down that also Turkey has a chance to emerge as a regional power, or “A Sixth BRIC”, of this century. It is supposed to advance to the first ten world major economies as far as the total GDP level is concerned by the year 2050, leaving behind Japan, France and Germany.

Turkey as a candidate for membership is characterised by high dynamics of economic growth, a substantial and rising demographic and military potential and strong European aspirations. Now it is populated by 76 million inhabitants, and its population may reach 100 mn by 2050⁹⁰.

This should be a strong signal and argument to the EU nations and politicians to seriously consider Turkey’s application for membership, until this country is still attracted by this target, despite all potential threats and fears linked with such risky enlargement⁹¹.

In his provocative and inspiring book on the next 100 years, George Friedman sees both Poland and Turkey as emerging powers of this century and considers a fabulous scenario of the future global war around a mid of the century, with both countries as principal enemies and leaders of global coalitions⁹². That is neither a pleasant nor a credible scenario.

But the truth is that *the enlarged European Union, with Poland **and** Turkey* (and perhaps also with Ukraine) *onboard, would have a large chance to become indeed a global power of the 21st century* if it were capable to keep then, with all its diversity, the political, social and economic cohesion.

The G-20 adds 12 major economies and the European Union to the G-7- Argentina, Australia, Brazil, China, India, Indonesia, Mexico, Russia, Saudi Arabia, South Africa, South

Korea, and Turkey. The G-20’s London meeting in April 2009 had some substantive successes and some failures. Regardless, the meeting was a turning point in that the G-20, more than the G-8, is making substantive decisions—finally giving major emerging countries representation.

[Jeffrey A. Frankel, *What’s In and Out in Global Money*, IMF, Finance & Development September 2009]

⁹⁰ See: Turkey’s Competitiveness in a European Context © 2006 World Economic Forum; CIA Factbook 2010.

⁹¹ Commission of the European Communities, Issues arising from Turkey’s membership perspective, Commission staff working document, Brussels, 6.10.2004, SEC(2004)1202; and: Commission of the European Communities, Turkey 2009 Progress Report, Commission staff working document, Brussels, 14.10.2009, SEC(2009)1334, accompanying the Communication from the Commission to the European Parliament and the Council: Enlargement Strategy and Main Challenges 2009-2010, {COM(2009) 533.

⁹² G. Friedman, *The Next 100 Years. A Forecast for the 21st Century*, Copyright©2009 by George Friedman. Polish edition: G. Friedman, *Prognoza na XXI wiek. Mocarstwo nad Wisłą?*, AMF Plus Group Sp. z o.o., Warszawa 2009.

STANISŁAW M. SZUKALSKI

European economy in the 21st century – conditions of development, turning points, strategic choices

Introductory notes

"Quo Vadis Europe" is a dramatic question leading to reflections over Europe's future in the global world which undergoes dynamic transformations. The contemporary growth of the economy is determined by a number of simultaneous processes such as: globalization, scientific and technical revolution connected with the expansion of IT and telecommunication technologies, system transformation of post-socialist countries, more or less successful attempts at regional integrations. These processes include the growth of economic power of the rising countries in the Asian mega-space (China, India) determined by their rapid economic development as well as their geopolitical and demographic positions. And not only does it refer to the global GNP share of these countries, but one must bear in mind the fact that these world regions experience the largest growth of labour resources. It is there that Research and Development expenditures grow faster than anywhere else, and it is there that one may find huge scientific potential⁹³. On the other hand, this dynamic economic growth leads to numerous hazards typical of economies that enter the path of fast development, such as growing developmental disproportions, rising consumption aspirations among citizens. The question arising from these changes concerns the global economic leadership. The position of a superpower on the international arena depends on its economic strength, capability of technological innovation, but also its ability to achieve foreign policy goals, together with its economic objectives. It is an open question whether the European Union, the United States or perhaps China will be able to do so in the future. Another possible scenario is the one in which the US economy, crisis-stricken, will not manage to grow at a fast rate, whereas the China growth expansion happening so far, will be hampered by the clearly weaker external demand and an explosion of internal growth disproportions. What is likely then, is the world lacking a single economic hegemony, with numerous centers of economic influence instead: the USA, the UE, China. None of these countries or regions will have an economic, political and military position dominating enough to determine global economic conditions unquestionably⁹⁴. The article reflects on searching for economic growth conditions as well as for turning points in this process. It is intended to draw

⁹³ I discussed it more thoroughly in: S. M. Szukalski, *Coherent innovativeness policy of the UE as a condition of counteracting European continent regress*. in: E. Mińska-Struzik, T. Rynarzewski (red), *Szoki technologiczne*, Wyd. Uniwersytetu Ekonomicznego w Poznaniu, Poznań 2009.

⁹⁴ See also S.M. Szukalski, *The economy of the USA towards European Union and BRIC countries. Conditions and prospects*. in: K. Kłosiński (red), *Stany Zjednoczone. Obrona hegemonii w XXI wieku*. KUL Lublin, 2009.

attention to several issues which, in our opinion, are crucial from the vantage point of Europe's prospective development.

Differences in the development level between European countries

European countries are characterized by considerable differences in their development level. It is fair to say that more than half of the Union countries have GNP per capita lower than the Union average, in several of them it deviates significantly from this average: Bulgaria (-60.2,7%), Romania (-55%) Poland (-45%), Slovakia (-29.9%), Hungary (-38.4%), Czech Republic (-16.7 %) ⁹⁵. If one takes into consideration other European countries not belonging to the EU, this gap becomes even bigger. For example, GNP per capita calculated with the purchasing power in Ukraine is 80 % lower than in EU, in Russia the figure is 53.7 %, and in Belarus 64.4 % ⁹⁶. That may be a future European asset, if it is considered that less developed countries will manage to catch up in the field of development ⁹⁷. This begs a question, however, where this development will be financed from? Whether the capital of European companies will flow there, or whether delocalization will redirect it towards other continents (Asia)? The potential and dynamics of foreign direct investment (FDI) do not look promising. The countries discussed suffer from much lower FDI intake than Asian countries. It is obvious that conditions for the investment intake, the level of economic freedom, labour market flexibility, security, to put it simply, "flexicurity" in these countries are much lower than in other regions of the world ⁹⁸. Europe has a share of 46.3 % in the global FDI intake, 94.8 % out of which is directed at EU countries; as far as FDI outflow is concerned, the figures look respectively: 60.9 % and 94 % ⁹⁹. The so called CIS countries (Russia and European countries of the former Soviet Union) enjoy mere 8.7% share in the global FDI intake coming to Europe, 70.8 % of which goes to Russia, and in the case of the outflow, the share of the aforementioned countries equals 4.1%, 91.4% of which belongs to Russia. ¹⁰⁰.

Europe's development impulses may result from convergence processes between regions and countries in Europe, and also with countries not belonging to the EU, mainly Russia, European

⁹⁵ Calculated according to purchasing power parity on the basis of: *GUS, Polska w Unii Europejskiej 2009*, Warszawa 2009;

⁹⁶ CIA, *The Factbook 2009* (own calculations).

⁹⁷ Ireland may be a good example of the thesis, with GNP per capita in the early 1970s was 60% of the EU average, whereas the figure in 2005 was 134.7%

⁹⁸ According to Doing Business rank in 2009, Russia is positioned as 120th in the world, and Ukraine 142nd <http://www.doingbusiness.org/economyrankings/>.

⁹⁹ UNCTAD, *World Investment Report 2008, Transnational Corporations and the Infrastructure Challenge 2008* p. 253 (own calculations).

¹⁰⁰ Ditto, p. 526.

countries of the East and South: Ukraine, Serbia, Turkey, Belarus (let us hope for the fast democratization), Kazakhstan and others. The population potential of the European part of E-18 amounts at about 200 million people, these countries enjoy at present a higher rate of GNP growth than UE-15, the average growth rate of GNP in the period of 2003-2005 was: over 8 % in Russia, similarly in Ukraine, Kazakhstan (85 % of the population belongs to Europe) – 8.5%; in Turkey (15 % of the population belongs to Europe) – 7.3%¹⁰¹.

Weaker innovation capacity of the European economy

The European economy features innovation capacity that is weaker than that of the USA when measured by the traditional ratio of R&D to GNP, but is also characterized by the share of innovative high tech products in the Union exports and the pace of research expenditure growth. The 2009 data suggests that R&D expenditures in relation to GNP amounted at 1.84 % (the previous year 1.95%), whereas the figure is 2.77 % in the USA and 3.54% in Japan. Although several countries have exceeded the level stated in the Lisbon Strategy: Sweden (3.95%) Finland (3.48%), a number of UE-12 countries causes the Union average to drop. The shameful figures are represented by Poland (0.57 %), Lithuania (0.35%)¹⁰². The Lisbon Strategy ended in a fiasco; it may be stated today that it was completely unrealistic, impossible to realize from the very outset. It lacked scientific bases, country differences were not considered at a research level. It is difficult to formulate a goal, with no sufficient grounds for doing so. What is the result then? The gap between Europe and the USA has increased. For the forthcoming several years, the EU countries would annually have to increase R&D expenditures by 14 % to make up ground with the USA, and the economic growth rate would have to amount at 8% per year to reach GNP per capita. Today, countries which can boast the largest share in global R&D expenditures are the USA – 42.6%, UE – 29.6%, Japan – 16.9%, China – 15.4%¹⁰³. What is also extremely characteristic is the slow rate of research expenditures growth. It has been 2.9 % in the last decade in the EU, whereas in the USA 3.7 %, China 18.8 %¹⁰⁴. Such a position is not enough for Europe. That is a turning point in the continent's development. If this rate remains unchanged, it will mean even further regress of the continent in the years to come. On the other hand, when the largest global corporations are analyzed by the amount of research expenditures, it can be observed

¹⁰¹ On the basis of: The World Bank, *Global Economic Prospects, Managing the Next Wave of Globalisation*, 2007, The International Bank for Reconstruction and Development.

¹⁰² European Innovation Scoreboard (EIS) 2009, Comparative analysis of innovation performance, PRO INNO EUROPE PAPER nr 15, European Union, 2010.

¹⁰³ OECD *Science, Technology and Industry: Scoreboard 2007*

¹⁰⁴ Ditto.

that in the group of 700 companies with the highest R&D expenditures there are 219 European corporations, 251 American ones, 35 originating in BRIC countries¹⁰⁵. Let us bear in mind the fact that the innovation capacity of economies is the result of knowledge development, which becomes the most important, non-degradable resource. This resource grows in the process of its being exploited. Not only does knowledge influence directions of global economy development, but also geopolitical layout of the world (the rate and scale of science expenditures). The growth of importance of intellectual capital, software, services which may be provided at a distance all cause the production processes to dematerialize, force new work systems, with new forms of employment. What we deal with is the characteristics of information civilization production system, in which "knowledge becomes a factor crucial for innovativeness, productivity and capability of being internationally competitive of a country economy"¹⁰⁶. The economy of knowledge means wide integration of the following systems: a/ economic, b/ institutional (government, local institutions, trade organizations), c/ educational and innovative (universities, research institutes, corporate research centers, resources and knowledge data bases), d/ social system. That is why the challenge for Europe remains the necessity for more efficient Union research policy, innovation policy. Bearing in mind the principle according to which market mechanisms have the best influence on economy in short-term periods, the acceleration of the structural changes rate, also in the field of research, will require some forms of the Union institutions' intervention. Looking at these processes from the point of view of how the European Research Area (ERA) has been realized so far, the achievements in the field may be described as moderate. So, a number of issues connected with the realization of ERA still await improvement as well as finding solutions on the system and instrumental ground. A few examples:

- there are no transparent visions of state and regional integration, regional policies of ERA forming and realization sources, competences at the Union and country level, conditions of co-operation;
- there is a lack of regulations concerning transfers of social insurance benefits connected with scientific workers being relocated within ERA, as well as a coherent job security and flexibility of scientific labour market as a condition for creating the uniform labour market for the research workers;
- there is a problem of how to agree autonomies of research units with financing of the European research resources (grants, private-public partnership?);

¹⁰⁵ European Commission, *Monitoring Industrial Research: The 2009 UE Industrial R&D Investment, Scoreboard 2009 (own calculations)*.

¹⁰⁶ J. Wierzbowski, *Unia Europejska wobec wyzwań gospodarki opartej na wiedzy*, Instytut Łączności, Warszawa 2007 s. 22.

- creation of the common European research infrastructure, establishing of pan-European structures will call for the solution of financing and management problems;
- optimization of research is connected with planning, verification, control, assessment of state and regional research programs, which is difficult in the face of research units autonomy;
- a significant problem is not only knowledge creation but also its transfer to SMEs sector, which make up 55% of the EU GNP, 99% of all enterprises, but whose contribution to research expenditures is relatively small.

Europe's demographic regress and migration problems

As forecast¹⁰⁷, in the medium variant, decrease of Europe's population by approximately 41.6 million, with simultaneous increase in the global population by 2.2 billion, will mean that Europe's share will drop from 10.6% in 2010 (732.7 million), to 7.5 % in 2050 (691.1 million). This will be accompanied by a number of negative processes such as: growing share of 65+population, drop in labour resources, deterioration of ratios between age groups (65+/15-64) – increase from 23.8 % (2010) to 48.2% (2050). People older than 65 currently make up 16.3% of the population, whereas the figure in 2050 will stand at 27.4 %. Europe is going to become an immigration continent, since every year in the period of 2010-2050 will witness 967 thousand people immigrating, while in Asia migration balance is negative and equals annually on average - 1220 thousand, for Africa - 443 thousand annually¹⁰⁸. Results? The incoming workforce will not manage to make up for the loss of the European work force, nevertheless one may expect ethnic, cultural, religious, educational and economic changes in the European population¹⁰⁹. Today, models of immigration policy do not live up to expectations, neither the policy of assimilation ("citizenship for the shawl"), nor multiculturalism. An interesting question arises here – why do immigrants wish to live in Europe but do not wish to become Europeans? On the one hand, they take advantage of advanced society benefits, European systems of social care, and on the other hand - they reject European value systems. The continuing of this situation may prove a burden for the European systems of social care, which are so willingly exploited by immigrants. We also have to bear in mind other consequences of the present demographic phenomena, the existing model of a single child family and a growing number of "singles" leads to concerns about economic consequences of these processes, for instance the issue of the transfer of capital accumulated by single people in the course of their lives.

¹⁰⁷ *World Population Prospects: The 2008 Revision*, <http://esa.un.org/unpp>. Previous forecasts for Europe were even worse.

¹⁰⁸ *World Population.....op.cit* (own calculations).

¹⁰⁹ There are about 58 million immigrants living in Europe (mostly Muslims), which makes up 7-8% of the European population. In 2050 one-third of EU population will be of Muslim descent.

The current demographic regress exerts also an influence on the level and structure of the global demand. The ever increasing process of population aging will lead to growing demand for services connected with the elderly life, such as health care (nursing services, occupation therapy, rehabilitation etc.), services related to social protection of the elderly, caring services, and living services (shopping, running institutional errands). Let us remember, that relatively older society means higher medical care costs¹¹⁰.

The changes in the consumption model will be more and more heavily influenced by migration tendencies and changes in the profile of these migrations, simply because more and more frequently the workforce does not migrate due to poverty (immigrants, generally less educated, fill the worse paid sectors, often connected with nursing of the elderly, housekeeping etc, or temporarily employed), but follows the capital, which is why migrant groups consist of those better educated with certain consumption aspirations¹¹¹.

Demographics must become the focal point of a thorough analysis, as it is one of the most important areas which currently determine turning points in the European development. The present situation is a direct result of procreation decisions of citizens and demographic policies in the period 10-15 years ago, and we now shape the situation that will occur in 10-15 years' time.

The competition from Asian mega-space

Growing importance of Asian mega-space countries has a significant influence on the competitive position of our continent. On the one hand, Europe is losing its position of the industrial goods exporter, which, paradoxically, was due to the fact that economies dynamically developing in the last decade, such as China and India, which wished to bridge the gap between themselves and the global leaders, placed high demands for investment goods. Today, these countries, mainly China, have themselves become industrial goods exporters. On the other hand, China poses a challenge because of its fast increasing research outlays, which have been growing by 18.8% annually since 1997. In this period, the Chinese GNP share has increased from 0.7% to 1.3%, and by 2020 it is forecast to reach 2.5 % of GNP. According to research conducted,¹¹² since 1981 there has been a 64

¹¹⁰ These expenditures for people aged 65+ are four times as high as for people aged 15-64. The retired “absorb” three quarters of medication expenditures.

¹¹¹ More and more often the capital originating in developing countries is followed by specialists from these countries.

¹¹² Financial Times, 26.01.2010.

times increase in Chinese scientific publications reviewed in trade magazines, mainly in the fields of chemistry and material engineering. It has to be remembered, that it is the Chinese government that is the dominating figure in the financing process at all the levels (basic, applied and application research). Another influential factor is the experienced scientific diaspora migrating back from the USA and EU. The organization of the science development also seems fruitful, as young scientists are able to work in a given year in China, as well as the USA or Europe. Last but not least, an important factor is the well organized transfer of knowledge from basic research to commercial applications, but also development of foreign corporation research centres, whose number has exceeded one thousand, while ten years ago it was a mere fifty. This helps the process of local research centres creation.

Direct greenfield foreign investments create the basis for the Chinese economy internationalization. In 2007 there were 11.7 thousand of such projects in the world, 1.2 thousand of which were implemented in China, which, in turn, means that 10% of such investments were directed at this region. The largest number of greenfield investments occurred in China in the period of 2003-2006. On the other hand, Chinese greenfield investments in 2003-2007 increased by 70%, mainly thanks to the investments on the African continent, and investments in raw material sources on almost all continents¹¹³.

India, in turn, has become a target of business services offshoring. The sector turnover increased from 2.5 billion dollars in 2002 to over 17 billion in 2007¹¹⁴. In the last decade Bangalore has witnessed a global computer centre employing more than 150 thousand IT specialists.

Global challenges

There is a question to what extent Europe is going to face challenges of the global world such as: a/ ecological threats related to greenhouse gases emissions, increase in carbon dioxide concentration¹¹⁵ and resulting climate destabilization, environment being polluted with post industrial and consumption waste, environment deterioration for production purposes (deforestation), uncontrolled oceanic and sea fishing; b/ diminishing of conventional energy sources. It is an open question whether the vision of an ecological disaster is going to launch an ethos of

¹¹³ UNCTAD, *World Investment Report 2008, Transnational Corporations, and the Infrastructure Challenge development*, New York and Geneva 2008 p.199-201.

¹¹⁴ More on the topic S. M. Szukalski, *China and India on the global services market. Conditions and prospects*. KUL Conference materials, China-India. Economic development consequences, April 2008.

¹¹⁵ By 2030 carbon dioxide emissions in the world will increase annually by 1.8 %, in European OECD countries 0.3%, in China 3.4%, India 2.6 %, Africa 2.3 %, . Quoted from International, Energy Outlook 2007, May 2007, p.93.

sensible consumption? The more and more intensive resources exploitation leads to degradation of agriculture areas, decrease in crop area, deterioration in water conditions, shortages of drinking water, extinction of certain species of animals and plants, as well as expanding the range of many tropical diseases. Exceeding the planet limits means we will be forced to colonize the space, ocean depths, that is develop research and innovations.

On the one hand, we deal with the increase in the global demand for energy, and on the other hand - the conventional energy sources are diminished. The global energy demand is going to soar by 50% until 2030 and it will have doubled by 2050 (from the present level of 10 gigatons of oil equivalent a year to 22 gigatons)¹¹⁶. Over 75% of this increase will be owing to developing countries. The EU energy consumption will go up by 25% in the forthcoming 30 years, which means it is going to be necessary to import 70% of energy (currently 50%). At present, fossil fuels are the main sources of energy, making up 70% (coal and oil 26% each, natural gas 18%). The use-up of the basic energy carriers such as coal, oil, gas will have increased in Europe by 2030 by respectively: 4.6 %, 5.2 %, 73 %. In chane the growth rate for coal will amount at 203.4%, oil 167.9 % and gas 73%, and globally by 93.8 %, 47.3 % and 90.6% respectively¹¹⁷.

Table 1. Threats – consequences - tasks

Threats	Consequences for the economy / society	Tasks for Europe
<p>Increase in energy use</p> <ul style="list-style-type: none"> • conventional resources being used up 	<ul style="list-style-type: none"> • development of renewable energy sources (RE) – RE becoming relatively cheaper • energy-efficient products • slow-down of global economy growth • new products (hydrogen powered cars, hybrid engines), • fluctuations of the global economic situation 	<ul style="list-style-type: none"> • higher research outlays • development of RE production devices • Europe – the leader of RE devices production and export • Development of educational programs, energy saving
<p>Climate changes</p> <ul style="list-style-type: none"> • Global warming • pollution • degradation of agricultural areas 	<ul style="list-style-type: none"> • new technologies of environment cleaning • development of degraded areas "recovery" 	<ul style="list-style-type: none"> • development of processing secondary raw materials • biodegrading of waste • research over methods as well as construction of devices aimed at oceanic absorption of Co2 excess

¹¹⁶ Prospects of energy technologies in the world by the year 2050 (weto-h2) Evaluation commissioned by the European Committee.

¹¹⁷ International, Energy Outlook 2007.. op.cit p. 83 (own calculations).

		<ul style="list-style-type: none"> international activities, realization of programs, conventions (e.g. Kyoto)
<p>Ecological threats</p> <ul style="list-style-type: none"> industrial and consumption waste environment deterioration for production purposes (deforestation) emissions of global warming gases 	<ul style="list-style-type: none"> increasing costs of environment protection impulses for investments in the environment protection sector development of production of devices related to environment protection increase in services and employment in this area 	<ul style="list-style-type: none"> development of environment protection technologies increase in scientific research education and growing awareness of the threats international actions with a view to slowing down the threats

Source: own analysis

EU-Russia relations

In the context of Europe's future, the fact that both of these regions complement each other becomes of high importance. Mineral and derived fuels, mainly oil and gas make up 64.3 % of the Russian exports to the EU. On the other hand, Russian imports from the EU consist of machines and appliances in 46.8 % and of chemical products in 14.2 %. The Russian economy is mostly based on the abundance of natural resources. Competitive assets of the Union economy are the level of technological development as well as of the strength of both social and economic institutions. The proper establishing of the EU and Russia relations is an extremely important issue in the context of the European future, whether Russia is going to integrate economically with Europe (it does not refer to formal structures) or with Asia. It will of course influence global economy policy, but will also determine whether Europe is going to maintain its position in the world, or to be marginalized. In the latter case, there are obvious consequences of Russia's close integration with Asian countries: the EU loses its position in a huge market for its products, its capital, but most of all this may impact on the energy raw materials deliveries to Europe. One must bear in mind that consumption aspirations in Asian countries and growing demand for goods which satisfy these aspirations means increasing competition in raw materials markets.

SWOT of the European economy (table 2)

Table 2. Selected economic factors determining Europe's position in the global economic system *

Strong points	Weak points
<ul style="list-style-type: none"> • Quality of work resources • Scientific potential • Education system • Monetary stability • The level of efficiency (although lower than in the USA) • Integration of the European economy • Care for natural environment • Considerable share in the global trade (1/3 of the global trade originates in Europe) • Well-developed economic and social infrastructure • Reduction of the factor of energy dependence on import * 	<ul style="list-style-type: none"> • Demographic factors – aging society, a growing number of social insurance customers, potential generation gap conflicts • A significant share of low and medium technology goods in the exports, • In comparison to the USA and Japan relatively small share of high-tech products • Lack of sufficient energy raw materials • Economic differences between countries and regions *** • Low growth rate of GNP • Low outlays on R&D
Chances	Threats
<ul style="list-style-type: none"> • Development of scientific research in the futuristic areas • Development of African countries and trade expansion of European economies into this area • Growing global demand products connected with new energy sources • Economic differences between countries *** 	<ul style="list-style-type: none"> • Delocalization of potential • Concentration of R&D researches in the countries outside Europe (Asia) • Upsetting the global balance of raw materials and energy resulting from dynamic development of Asian countries • Upsetting the global system of financial balance • Issues of growing populations in Africa, not absorbed by local industries and leading to migrations toward Europe • Expansion of Asian countries in Africa • Integration of Russia-China, at the cost of EU–Russia relations

* we pass over a number of social, political and other factors

** e.g. dependence of energy on imports, calculated as relation between usage/imports in Germany is 55%, and in Japan 80%.

*** economic differences between European countries is a weak point, but may also represent an asset as long as development conditions are created, with possible demand impulse originating from these countries (bridging the gaps) Source: own analysis

Conditions to counteract the threat of Europe becoming a peripheral region

In order to prevent Europe from becoming a periphery of the future world and so that the continent may maintain its position as an important partner in the international trade, the following seem necessary:

1. Significant increase in R&D expenditures and directing them at the areas that have been discussed above, as well as a coherent European policy determining medium and long term goals in the field of innovation policies and science development.
2. A growing share of the state in financing the priority fields, that is areas in which European countries are forced to develop its potential in order to face the competition from the USA and Asian countries. Efficient functioning of patent institutions is also crucial for winning the “race” for patent rights and copyrights.
3. Effective creation of ERA, integration of research centres in Europe, common scientific policy concentrating resources on selected targets.
4. The support of organization-law structures in the field of innovation, those that are hard to delocalize, due to the fact that they are based on hard to transfer centres of technological perfection and sets of modern technologies, which means they will focus on services based on high knowledge, that are deeply rooted in local centres and laboratories and also rely on knowledge and intellectual potential, not on low salaries.
5. Creation of conditions allowing for transfers of innovations to SMEs sector, which is of high importance for work resources absorption and their flexible utilization.
6. Closer co-operation with European countries that are not EU members. Although the European Union accumulates the largest economic, innovative and population potential, on its peripheries there is Russia, an important trade partner with a huge market, a global magnate and reservoir of energy raw materials as well as other countries on the continent.
7. Stronger co-operation with the USA in the fields of research and science.
8. What is necessary, is a “new opening” in the area of regional convergence, creation of economically strong economic regions, which may also contain border areas that have similar economic position, are culturally closely connected and boast development potential.
9. Maintaining and creation of competition advantages in the analysed perspective based on traditional products will be of low importance. Exports of these products are subject to strong pricing competition on global markets, where Asian countries enjoy an ever stronger position, and which in the coming years may dominate

global economy. In such a situation, the changes in production structures and the share of high-tech products as well as those characterised by bigger innovativeness such as: robots, medical appliances, biotechnologies, specialized chemical products, advanced materials will all decrease the need for pricing rivalry and seem an obvious necessity. Only when Europe, as a creator of new products, may also become a creator of prices in those segments of production and services in which it will be a global leader, will it be able to avoid strong pricing competition.

10. Consistent realization of the idea of society based on knowledge, achieved through support and spread of innovative technologies ICT, providing the right conditions for electronic trade, education, e-administration, medical diagnostics etc., education and development of human potential, education system transformations to fit in with need of the knowledge based society, development of constant education.
11. A balanced employment policy is realized with a view to increasing the mobility of the workforce, growth of employment index, support of professional activity among the elderly and professional activation of women.
12. A new European social model creating favourable conditions for equalling social retirement systems, co-ordinations in the field of social protection, liquidation of poverty areas.
13. Strengthening of competition on the uniform European market achieved through elimination of obstacles in the free flow of goods and services, liberalization of the markets, production and services connected with gas and electricity provisions, postal services, railway and air transport, as well as through application of uniform competition regulations and those of public assistance.
14. Europe may discount the benefits resulting from research over environmentally friendly technologies and their implementation, as well as creating industrial fields which produce new appliances. European enterprises already enjoy the position of global leaders in the field of clean goods production and processes, which provides them with advantages on new markets, where fast economic growth poses an increasing burden to the natural environment.

PIOTR SZUKALSKI

Ethnic and religious changes in Western Europe in the first decades of the 21st century

1. Introduction

Demographic outlooks on Western Europe that have been constructed in the recent years indicate that in the long term its population will reproduce at a level below replacement. Consequently, the population will decrease and the share of seniors will grow larger. The advancing aging of the population linked with demographic implosion will entail mass immigration, an influx of young people capable of strengthening the continent's economy that will have to cope with a shortage of workers in the future – particularly workers ready to take the low-skilled and low-paid jobs. Given the limited potential resource of immigrants in other European countries and in overseas countries mainly populated by people of European descent, most immigrants are likely to come from other regions of the world.

This mechanism arises from the logic of the long-term demographic changes that can be compared to the so-called transition of spatial mobility associated with the demographic transition. The model assumes that in periods of fast expanding populations international migration becomes one of the effective solutions to the problem of overpopulation – moreover, at some stage it is obviously the major solution. At present, high dynamics of population growth can be found in the South American, Asian and, above all, African countries, where demographic transition is still going on. These regions of the world have a „surplus” of people and so they try to “export” at least some of them, one of the destinations being the continent of Europe. In the coming decades, this tendency will have a huge effect of unimaginable consequences on Europe's ethnic composition.

This article aims to present the magnitude of the changes that will affect the ethnic and religious composition of the Western European society in the coming decades, as well as the probable social consequences of the changes. A direct intellectual impulse that led to the preparation of this article was produced by the expert report „The demographic vision of Europe in 2050 (*Wizja demograficzna Europy 2050 roku*) which was compiled for the Forecast Committee, Polish Academy of Sciences [Szukalski, 2007]. Some aspects discussed in the report's final version induced more reflections, thus providing a starting point for this article.

2. Changing ethnic structure of Western Europe in the coming decades

The section below presents several variant outlooks on the ethnic composition of the European population to the year 2050 that were prepared by the UN forecasters [UN, 2001] and several European states [Coleman, 2006]. A more detailed discussion of the outlooks has to be preceded, though, by several comments on the methodologies underlying the estimations.

Firstly, the term „population of foreign origin” as used in the outlooks refers to the immigrant population that is ethnically different from that living in the given area and to the immigrants’ children. Accordingly, their grandchildren are considered to be the native population, regardless of how strongly they identify themselves with their country of residence. Because of that, the estimations undervalue the degree to which immigration shapes the ethnic picture of our continent. The relevant question concerns integration (or simply assimilation) between the immigrant and native populations.

Secondly, the sizes of ethnic minorities in particular Western European countries are considerably at variance, likewise the countries’ shares and structures of the immigrant populations¹¹⁸. Because of the different starting points the countries have, forecasts produce dissimilar results even if migration balances are relatively the same.

Thirdly, immigrants are usually characterised by higher fertility rates than populations living in the receiving countries. Owing to the factor and the much younger age profile of the immigrant populations, natural increase becomes another engine driving their growth.

With the above comments in mind, let us examine several independently compiled reports.

The computations that the UN forecasters made several years ago [UN, 2001] were intended to determine the magnitude of migration that was necessary to provide European countries with demographic stability¹¹⁹. I wish to underline that the results of outlooks built upon particular

¹¹⁸ For instance, around the year 2000 the non-European immigrants accounted for 66% in the UK, in the Netherlands it was 62% and in France 59%; in Belgium and Sweden these immigrants represented „only” 40% of the immigrant population [Coleman, 2006: 405].

¹¹⁹ The publication interprets the notion of economic and demographic stabilisation in several ways. It considers the numbers of immigrants necessary to maintain the following values until the year 2050: 1) the largest number of inhabitants achieved after 1995 assuming no migration; 2) the largest number of the working-age population (15-64 years) achieved before mid 21st c., assuming no migration; 3) a potential support ratio of 3.0 (calculated as the number of people aged 15-64 years divided by the number of people

objectives/desiderata are shocking and scary, using the terms that have become so popular among the Polish politicians. This opinion especially applies to two objectives concerning the values of the potential support ratio, whose fulfilment in the first half of the 21st c. would require, if one wished to maintain the ratio's maximal values for Europe and EU-15, 1,386 million and 701 million immigrants, respectively (its not a mistake, in the first case the order of magnitude is 10^9). A cursory look at the above values is enough to understand that the scenario is not feasible. However, even a more „realistic“ variant (requiring lower inflows) estimating the potential support ratio at 3.0 in 2050 indicates that Europe would need 235 million immigrants and the EU 154 millions; for some European countries the numbers would be 35 millions (Italy) and 40 millions (Germany)¹²⁰. Let us note that the numbers of immigrants are assumed to be evenly distributed in time and that the new population will contribute to higher numbers of births in the receiving country.

A huge influx of immigrants (100 millions in Europe, 47 millions in EU-15, and 18 millions in Germany) would be necessary, even if efforts were made to keep the size of the European population at its maximal level recorded during the 55-year-period (being the desired state involving the lowest level of immigration). Although the magnitude of the necessary influx is embarrassing for many reasons, most countries are probably doomed to receive immigrants. Without immigrants and with the UN outlook's predictions of fertility rates coming true, in 2050 the potential support ratio would reach worryingly low values in many countries (1.52 in Italy and 1.75 in Germany).

According to the UN forecast of 1998, by 2050 immigrants arriving after 1995 and their descendants will constitute for instance 6.2% in EU-15 and 19.8% in Germany. An influx of immigrants fulfilling any of the four objectives formulated by the UN forecasters would mean rapidly growing percentages of ethnically foreign populations. Omitting at this point the most pro-migration variant (with the potential support ratio maintaining its maximal value), where none of the analysed countries and regions has the percentages below 68%, even the variant that only aspires to keep the total numbers of populations at a constant level produces surprising values for some of the studied countries. In the variant, 28-29% of people living in Italy and Germany, 18% in Europe and „only“ 17% in EU-15 would be either immigrants or their descendants. The political incorrectness of the question

aged 65+); 4) the highest potential support ratio that will be achieved to the year 2050 without migration. The produced estimates of the number of immigrants and of the size of the population that the country needs in the given scenario are compared with the baseline data derived from the 1998 UN population outlook (the most probable variant and the same variant assuming no migration).

¹²⁰ For the sake of comparison let me add that the national reports on Italy and Germany produced in the mid-1990s indicated that immigration amounting to 12-15 million people was necessary to keep the same numbers of their working-age population by mid 21th c. (see [Bosworth, Burtless, 1998]).

prevented the authors of the report from asking about the countries of origin from which the prospective immigrants could come. However, even a cursory look at the numbers explicitly shows that in the case of the European countries the eastern parts of the continent would not be the only or primary source of immigrants, as every sixth person living in Europe in 2050 would have their roots – directly or via their parents – in other regions of the world (the rate today is ca. 5%). Is, therefore, allowing the possibility (or necessity, as some claim) of immigrants substituting domestic fertility not a prelude to ethnic, cultural and religious conflicts that could erupt, as the recent years have shown, in the countries affected by the problem? Given that the labour market shows both surplus and shortage of workers and increasingly reveals the duality of its character¹²¹, perhaps other solutions protecting from social conflicts should be sought, especially considering the advancements in labour-saving technologies and techniques and the more and more commonly asked questions about the possibility of providing the present citizens with jobs and wages that will enable them to live decent lives, and particularly with fair pensions paid by the capital-based systems?

The results of demographic projections prepared by the statistical authorities in several European countries and discussed in a very interesting article by D. Coleman [2006] make the above questions even more relevant. The projections of the ethnic composition tend to assume that the coming decades will have relatively constant levels of immigration and that the immigrant population's fertility exceeds that of the native population. Table 1 presents the projections' outcomes that are the most relevant to the subject matter of this article.

Tab. 1 Shares of populations of foreign origin in selected European countries as estimated in the national demographic projections spanning the years 2000-2050

Country	Year	Total population (millions)	Share of foreign population (%)		
			total	HDI+ countries	HDI- countries
Austria	2000	8.10	9.31	5.39	3.92
	2050	7.80	28.00	7.94	5.07
England and Wales	2001	52.0	11.3	2.7	8.7
	2051	63.1	36.1	11.6	24.5
Denmark	2004	5.4	8.74	2.40	5.96
	2050	5.45	14.76	3.30	11.45
Germany	2000	82.20	9.90	3.28	6.57

¹²¹ The immigration problem is, however, more complex than that, because a shortage of workers is found for the low-skilled and low-paid jobs and for the high-skilled jobs involving the knowledge of technical, exact, biochemical and medical sciences. It is so, because young Europeans are reluctant to study subjects requiring intellectual effort and discipline.

	2050	68.30	23.56	5.40	18.16
The Netherlands	2004	15.90	17.50	8.60	8.90
	2050	16.90	29.70	13.20	16.50
Norway	2005	4.55	7.50	4.10	3.40
	2060	5.58	23.50	9.20	14.30
Sweden	2004	9.01	15.90	9.66	6.25
	2050	10.63	32.30	<i>10.46</i>	<i>10.71</i>

The italicised values in the last two columns concern the year 2030

HDI+ developed countries with the Human Development Index above its average value

HDI- underdeveloped countries with the Human Development Index below its average value

Source: [Coleman, 2006: 414]

In Western European countries trying to predict their ethnic compositions, people of foreign origin account for 10-15% of the population already today. In each of the analysed cases, the structural ratios grow to the year 2050, reaching from 1/4 to 1/3 of the total population¹²². At the same time, in the mid 21st c. Austria and Germany will have much smaller populations than at its outset, despite the fast growing sizes and shares of the immigrant populations, while in the other countries populations will not expand without immigrants, because the assumption about net international migration not being positive leads to lower numbers of populations in every instance.

A particularly interesting aspect is the countries from which immigrants come. In the table above, only indirect information on the subject can be found. Although particular countries differently specify minority groups in their estimations, the latter allow identifying comparable categories of the developed countries (where the Human Development Index exceeds the average – HDI+) that can be equated with the European countries and those where most of the population is of European descent and of the developing countries (HDI-). From the perspective of this division, it is notable that the shares of people having foreign origin will mainly increase (Austria being an exception) driven by the growing numbers and shares of the non-European people whose outward appearance makes them different from most of the country's population, which will certainly be an additional roadblock to their assimilation.

3. Immigrant fertility

The changes outlined above will be induced by the combined influence of immigration and higher fertility of populations arriving from other continents. Let us illustrate the second factor using France,

¹²² Interestingly, if the present immigration trends and fertility differences continued in the long term, immigrants and the first generation of their children would become majority populations in Sweden and the Netherlands before the 21st c. ended. D. Coleman believes [2007] that the situation may appear in a larger number of western European countries.

where the ethnic studies point to different fertility of the native French women and those belonging to ethnic minorities – for instance, the total fertility rate as calculated for all female population in the country has been oscillating around 1.9 in the recent years, but for the foreign females it stands at around 2.6 [Coleman, 2006]. The more specific analyses show, however, that when the immigrant females' age at their arrival to France is taken into account, the difference between the immigrant and native fertility clearly decreases. For instance, in the last years of the 20th century females born in metropolitan France had 1.7 children on average, while immigrant females 2.16. In this context, the substantial variations in females' propensity to have children determined by their country of origin are worth stressing – while the Turkish women had 3.21 children on average and the Moroccans 2.97, for the Spanish and Italian females the rates were only 1.52 and 1.6, respectively. The African females were found to be very special (Moroccans – see above, Tunisians – 2.9, Algerians – 2.57, other African countries – 2.86) and very different in fertility terms from the native population [Toulemon, 2004].

In France, likewise in other countries pursuing „family-friendly“ social policies offering an extensive choice of benefits, high fertility in the immigrant population is encouraged by family allowances that frequently constitute its major source of livelihood, and quite often the primary one¹²³. The rightist groups in France, alarmed by the high fertility of the Muslim families, openly called some time ago for reducing – or even liquidating – family allowance granted to the fourth and next children and to children born by the second wife¹²⁴, proposing instead to use the funds saved to increase family allowances for families with fewer children, which was intended to encourage the native French to take reproductive effort [Kiežun, 2007].

Generally, researchers studying this subject area point to the fact that the newcomers absorb the native family model with its number of children very quickly, as a result of which most differences between the fertility levels diminish within the lifetime of one generation.

4. Changes in the religious composition of the Western European population

The described changes in the ethnic structure of the population will affect its religious composition as well. The statistics of religions has never been very credible, because people (small religious groups and especially non-believers) are reluctant to reveal their religious beliefs, particularly if different from those predominating in their society. After the matters of conscience were recognised as belonging to the personal sphere, the questions about individuals' religion were gradually withdrawn from population censuses and from the records of different demographic events in the 20th century. Accordingly, this type of information provides in Europe an outline rather than a precise picture of the continental populations' religions.

¹²³ In France, an additional inducement for female immigrants to have many children is the awareness that mothers that have raised at least five children are entitled to minimum pensions, even if they have no episodes of gainful employment in their lives.

¹²⁴ Getting a family allowance for the second wife's children is easy in France. Although the French state rejects polygamy, it practically grants benefits to children born by successive wife that shares the abode with her husband, thus theoretically forming a monoparental family.

The aforementioned inflows of people of foreign origin to Europe will change the continent's religious composition. For instance, in the mid-21st c. Austria is predicted to have – depending on the assumptions – from 14% to 26% of Muslims in the total number of its population, compared with only 4% it has today (in 1980 Muslims constituted only 1%, and the 1971 rate was only 0.3%) [Goujon et al., 2006]. Between 1975 and 2005, the percentage of persons declaring themselves Muslims increased in the UK from 1 to 3%, the shares of persons indicating religions other than Islam and Christianity growing in the same way [UKCH *Religious Trends*, 2005/2006]. The religious composition can be generally expected to be more diverse, with the most common non-Christian religion being Islam, which already has millions of practicing believers in the UK and France. The power of Islam is strengthened by strong religious homogeneity characterising its followers, whereby children smoothly accept their parents' religion. High fertility¹²⁵ and the structural factor (larger proportion of young people being either in the peak fertility period or approaching it in the Muslim population than in the Christian population) – will exert a similar influence. Even then, R. Buttiglione was right to ask [2005: 20]: „can we blame Islam for taking over our land, if childless Europe voluntarily decides to give up her people and disappear from history?“

Many Western European researchers studying the issue are fearful of the outlined course of events already today, because some estimates show that around the mid 21st c. in France the adult Muslims will probably outnumber the adult non-Muslims, with all consequences of the phenomena, such as the possibility of the former legally assuming power in the country in line with democratic procedures [Kiežun, 2007: 20]. The estimates on Austria show that in 2051 Muslims may predominate in the age group to 15 years [Goujon et al. , 2006].

It has already been mentioned that the shares of people following other religions, quite exotic from the European perspective, will also grow. This process will be accompanied by a decreasing proportion of the Christian population, the reasons being not only the growing numbers of the followers of other religions, but also secularization multiplying the ranks of individuals declaring their atheistic outlook or treating religion as a very personal matter. In the Czech Republic that besides the Netherlands is commonly believed to have the most secular society in Europe, the share of non-believers increased from 7.1% in 1921 and 5.8% in 1950 to 59% in 2001¹²⁶. A UK study made in 2005 surprised its authors, as the share of all believers they identified, irrespective of their religions, was 76%, although a rate lower by 5-15 percentage points was expected¹²⁷. It is worth emphasising, though, that among the members of the youngest age groups whose religion was

¹²⁵ For instance, in 1981 the Austrian TFR for the Muslim females was 3.09, in 1991 it was 2.77 and 2.34 in 2001, whereas for all females living in the country the rates were 1.67, 1.51 and 1.33, respectively [Goujon, 2006: 13]

¹²⁶ Data source: [http://www.czso.cz/eng/edicniplan.nsf/t/F80039F946/\\$File/40320119.xls](http://www.czso.cz/eng/edicniplan.nsf/t/F80039F946/$File/40320119.xls). Similar numbers can be found for East German Länder, where the self-declared non-believers accounted for 63.5% at the turn of the 1980s compared with 7.6% in 1950 [Therborn, 1998]

¹²⁷ It was so, because the proportion of people declaring themselves Christian was higher than expected (70%). Earlier studies identified a much smaller share of Christians – the *European Value Study* of 1999 found 66% and the British Social Attitude Report of 1998 53% of persons that considered themselves Christians. At the same time, the percentage of baptised babies dropped between 1991 and 2001 from 51% to 45% [UKCH *Religious Trends*, 2005/2006].

determined by their parents the share of the non-believers was rising fast between younger and younger age groups, from 15-16% among teenagers to 23% for children aged 0-2 years, being an indication of the likely direction and pace of future changes.

5. Consequences of the future ethnic changes

The coming decades will certainly witness growing ethnic and religious differentiation in Europe, followed by cultural, social and identity changes. It is very likely that the changes will spark escalating ethnic conflicts fuelled by different economic, social and political goals pursued by the native and foreign populations. The following are examples of potential problem areas:

- a) regional policy (native populations usually live in rural areas and small and medium-sized towns, while immigrants are overrepresented in large cities);
- b) social policy (because the natives predominate in the older population and the immigrants in the younger age groups, particularly among teenagers and children, the first group will opt for more effective policy addressing old-age problems and the elderly, while the other group will push for school systems and family benefits – an ethnic conflict may partially overlap an intergenerational conflict);
- c) foreign policy (the „soft” approach to the problem of Iraq or Iran that some European governments present today arises from large groups of Muslim voters).

At the local level, these problems can be particularly painful, as the immigrants tend to gravitate to larger towns. For instance, around the year 2000 40% of the Amsterdam, Rotterdam and London populations and 28% of the populations inhabiting Brussels and Frankfurt had foreign roots. Further inflows of immigrants forming densely populated areas may lead to residents of foreign origin becoming the majority in smaller administrative units¹²⁸.

As far as the advantages of the situation are concerned, the only ones seem to be larger population living on the continent and above all the continent's more sizeable working-age population, because the hopes that some researchers express that a new nationality – a European – will develop from the growing ethnic diversity – mainly due to mixed marriages and the resulting indefinite ethnic identity of their offspring – should be considered too high. There are many indications that the non-European immigrants and their descendants build their identity not around the secular notion of citizenship or there being part of the entire society, but around their relatives,

¹²⁸ This problem can be found in the UK, where people of foreign origin exceed 50% in 9 areas of the country (in large cities with quarter million populations). In the UK, all people who previously resided in the Commonwealth territory are automatically allowed to vote.

local communities (enclaves of people sharing the same ethnic origin) and religion [Coleman, 2006: 426].

From the standpoint of social cohesion theory, the immigrants' acceptance of their acculturation that in the contemporary world mainly works through the school system is vital for their children being easily able to adjust to the receiving country and for their chances of success. The relevant studies point out that the various countries' school systems have different effectiveness in forming immigrants' children (e.g. Switzerland and Germany) and that the time of parents' arrival to the new country as well as their country of origin are of importance. Generally, the offspring of the Europeans and Far Easterners that have resettled in the recent years are better educated than the receiving societies. For other migration areas the educational attainments are poorer, frequently because of the immigrant parents' reluctance or unawareness that they could choose better, free elementary and secondary education for their children and due to problems arising from such decisions (e.g. the need to bring the child to a better school that is located in a different part of the town). Notwithstanding the less favourable position that some immigrants have, the difference between the levels of education characterising the immigrant children and the native children is declining in the long term. The situation of the immigrant children is improving owing to the better performing economies and relatively low levels of unemployment in most European countries, and because of their parents' growing aspirations that materialise as increasingly sophisticated educational strategies. The strategies are formulated based on the finding that a market segment demanding higher qualifications from its potential workforce discriminates the descendants of immigrants more rarely. However, the educational successes of the European immigrants' children are relatively new and point to evolving motivation for changing one's place of residence. As recently as 20-30 years ago, the situation was different – the social status of most immigrants was relatively low, whereby their children's were less educated than their native peers¹²⁹.

The western European studies show, however, that the level of unemployment among the immigrant populations and their children is usually twice as high as that recorded for the native population, while the level of economic activity is slightly lower [Coleman, 2007].

6. Conclusion

¹²⁹ Writing these words I am primarily drawing on the papers presented at the session on immigrants that was held during the conference *European Society or European Societies. Euroconference on the Causes and Consequences of Low Education in Contemporary Europe*, Granada, 18-23 September 2004.

The history of humankind has never seen in times of peace such immense changes as those that will shape the Western European ethnic and religious structures in the coming decades. Because of that, some researchers go as far as calling the changes „a third demographic transition”¹³⁰ [Coleman, 2006].

Already today, the fear of excessive shares of immigrant populations makes some European countries pursue anti-immigration or selective immigration policies, depending how they estimate the gravity of the situation. The tendencies are likely to become even more distinct in the coming decades, one indication of which is the slowly growing awareness that migration issues (concerning both internal and international migration) must be made part of the EU’s agenda [Vignon, 2005].

It is very certain that by 2050 Western Europe will redefine – from the perspective of particular regions – its attitude to citizens’ rights and duties with respect to nationality and citizenship. The present debate concentrates on immigrants’ rights, while all voices pointing to the rights of the native populations are treated as the manifestation of xenophobia or even racism. The future years will probably witness – along with the shrinking shares of the native populations (or even their marginalisation in some regions) – the native residents’ efforts to preserve their lifestyles, languages, religion and cultural heritage, which will inevitably lead to the redefinition of the rights and duties that the minority and majority groups have. In formulating EU’s official documents, the opinions of people uninvolved in the traditional political, normative and morality debates are taken into account more and more often. The reason is the necessity of considering immigrants’ opinions that are sometimes very untraditional [Gašior-Niemiec, 2006].

So, what will the Western European society be like? György’s opinions [2006] on the progressing – also because of the ethnic and religious factor – social segmentation (a breakdown into groups pursuing completely different life programmes) seem to be very true. The Hungarian researcher believes that some reasons behind this process are the inability of the traditional European culture to assimilate immigrants, its unattractiveness and a growing number of Europeans believing that quite many immigrants – especially those coming from the culturally different regions of the world – are „social parasites”.

¹³⁰ However, the term was used for the first time during the meetings of the UN’s demographic experts in the late 1990s to describe the coexistence of high levels of economic activity among women of fertile age and relatively high fertility levels in some European countries (Scandinavian countries, the Netherlands). The phenomenon was viewed as a symptom of „a third transition” enabling work / life balance.

The article shows that in view of the expected influx of immigrants the continent's future will depend on the perception of multiculturalism and on the possibility of building a single identity, „unity in diversity”, despite all differences.

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VALTTERI KAARTEMO, JARI KAIVO-OJA

Finland 2050 in the Perspective of Global Change¹³¹

To exploit the opportunities and to avoid the facilitation of the threats, the factors influencing the shape of future must be made visible for the society. Trend analysis, scenario analysis, and weak signal/wildcard analysis enable researchers the paths to analyze Finland 2050. There are multiple trend drivers of the accelerating change, many of them now very familiar to foresight experts. To summarize these include: (1) Rapid economic and cultural globalization, (2) a shift from an energy-based industrial economy to a service and knowledge economy, (3) the emergence of the knowledge/information society, (4) dazzling technological innovation as a consequence of the confluence of the so called GRIN technologies (genomics, robotics, informatics and nanotechnology), (5) accelerating urbanization (especially in developing countries), (6) shifting age demographics, (7) radical changes in geopolitics — the end of the cold war, disintegration of the old Soviet Union, and the emergence of an enlarged European Union and powerful Russia and (8) environmental pressures including climate change and related needs to develop low-carbon society.¹³²

As Finland is largely embedded in the process of globalization and it seems evident that it will be the case in the long term, the article analyses first the major future change factors in the global perspective. Only then the analysis focuses on the future challenges of Finland.

Global megatrends

The megatrend analysis has shown some dynamic and turbulent development processes which have serious impact on the world as we see it now. Perhaps the most well-known megatrend globalization affecting the world can be listed as: *general globalization wave, GRIN technology waves, social fragmentation and polarization, global demographic changes and migration/immigration flows, multicultural organizations and networks, challenges of sustainable development, and multilayered decision-making in domestic and international politics.*

Although the global landscape has already changed as a result of these trends, the development process is likely to lead to further changes in *international resource allocation, regional and social systems, interaction between cities and rural areas, shape of cities, welfare state, and social life.*

Of particular importance is the question on the global division of labour. On a global scale it is expected that the flow of low-competence job to low-cost and close-to-the-market countries is likely to continue. Simultaneously, the competition on knowledge-intensive sectors is increasing putting pressure on national education systems and businesses. *The emergence of agile corporations* will be one key issue in this dynamic globalization process.

We can expect that seeds of change will change corporate and company structures. Probably in the future the role of strategically agile companies and operations-driven companies are going to be

¹³¹ This paper is reprinted from: *The Future of Regions in the Perspective of Global Change. Case studies.* Part two. (Eds) Patrycja Jakubowska, Antoni Kukliński, Piotr Żuber, Ministry of Regional Development, Warsaw, 2009.

¹³² See e.g. Naisbitt (2006).

bigger in global markets. Probably, in this social process the role of entrepreneurial companies and companies driven by conventional strategic planning decreases. This changing process increases demand for better and more flexible analyses of seeds of change. (see Figure 1).¹³³

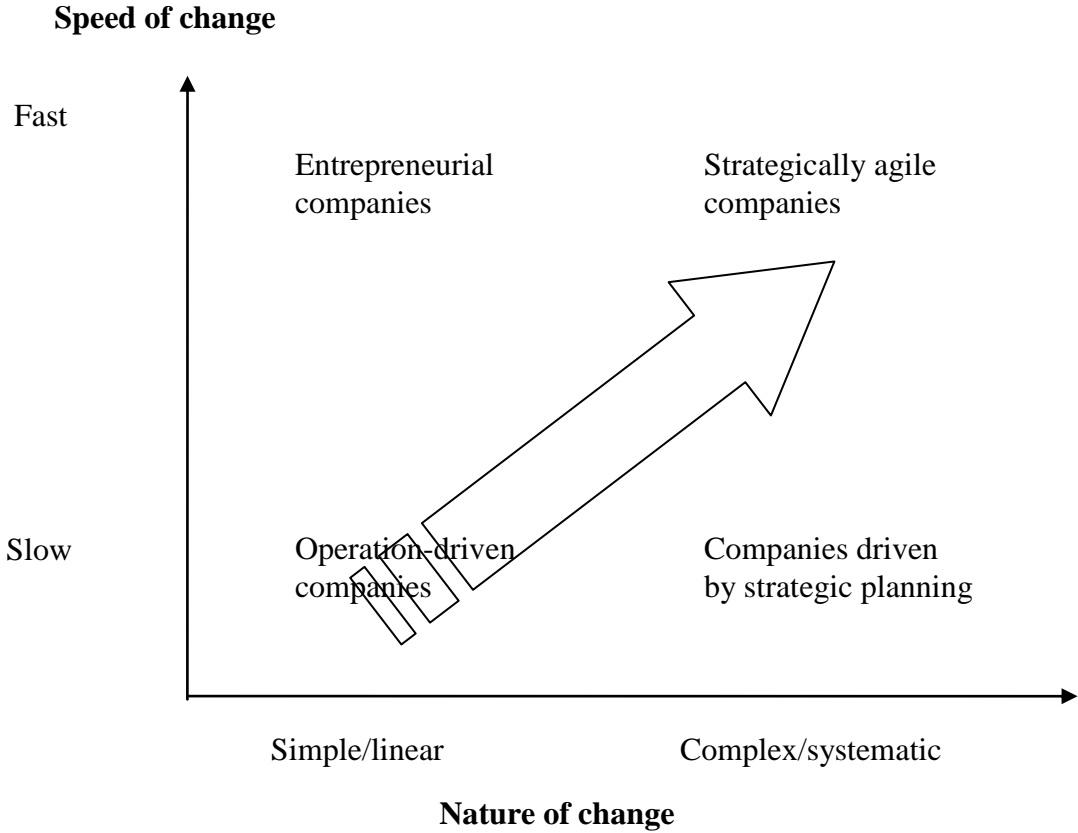


Figure 1. Speed of change, nature of change and modern companies

Companies are facing both very complex emergent systemic strategic situations and situations that develop fast, where the fast strategy game is such that winners and losers may be decided very early, without anyone even noticing any signals or seeds of change.

An interesting part of this development is the participation of global companies creating new models for education in parallel with the development of the industry. This development and the urge of IBM to develop a science of service systems can be related to the need of computer sciences back in 1960s. In Figure 2 this structural shift is visualized from 1980s to today.

¹³³ Doz & Kosonen (2008).

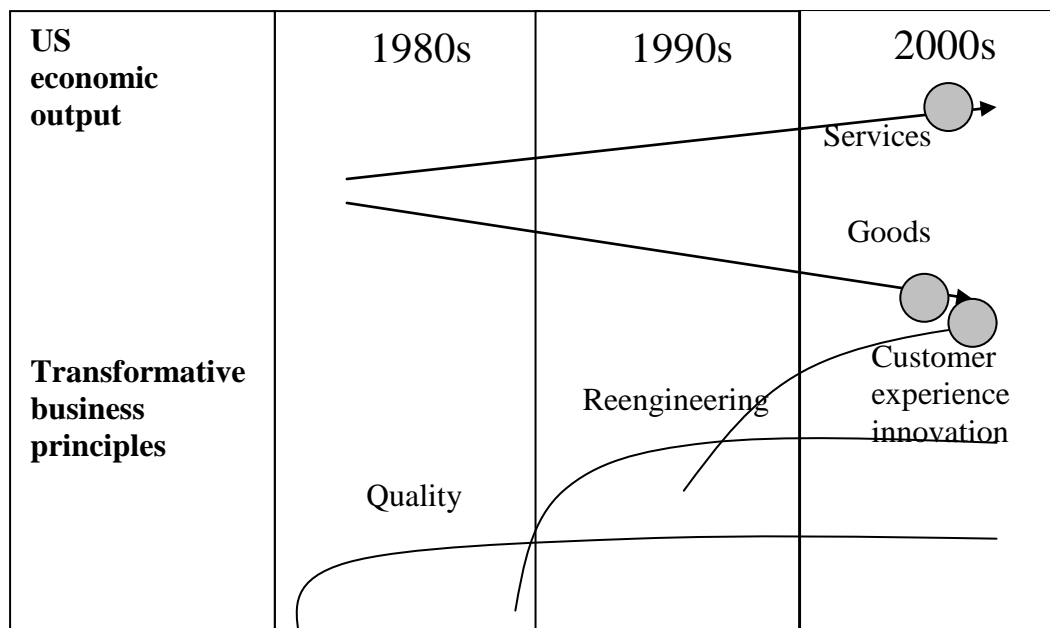


Figure 2. Structural shifts towards service economy (Peer Insight LLC)¹³⁴

Future challenges of Finland

Even the questions which are mostly external to Finland's own decision-making have impact on population, labour force, and all the way to the regional polarisation and public health expenditure. Kaivo-oja¹³⁵ has suggested ten wildcards of global nature which may have tremendous impact on Finland, namely *sub-prime crisis developing into global depression, fast accumulating crises from climate change, Russia's new foreign policy, ecological breakdown of China, chaotic crisis of Pakistan and the involvement of India, pandemics, acute shortage of labour in Europe and uncontrolled immigration to Europe, global recession caused by speculative money, the end of Nokia's success, and the crisis of welfare services*. Some of these wildcards have more or less already showed their impact on Finland in only one year since his analysis, and thus the importance of these foresight researches is justified.

In general it is accepted that Finland's challenges lie in *globalisation, competence competition and ageing*. These challenges are expected to require *creativity, and dynamic willingness and capability to reshaping*.¹³⁶

Beyond the wildcards of Kaivo-oja¹³⁵ presented to the Finnish Decision Makers Forum, however, exists a phenomenon of ageing which can easily be traced by trend analysis. The LABORSTA statistics¹³⁷ show that Finland will face declining labour force trend until the year 2020. The amount of labour force is expected to decline by 4,4% although the population is expected to grow simultaneously by 2,6%. This is a result of ageing where Finland is not alone with the problem in Europe but anyway among the first ones to face it.

¹³⁴ Peer Insight (2007).

¹³⁵ Kaivo-oja (2007).

¹³⁶ Hämäläinen (2006), Hämäläinen (2007).

¹³⁷ LABORSTA (2007).

Demographic change has a number of implications on the society. With a rapid decline of people at the age of 15–19 (-32%), 20–24 (-38%) and 25–29 (-20%), Finland loses young population and thus also a remarkable source of “dynamic forces”. Demographic change also brings up questions on the settlement of the aged population within Finland or outside the country, and on the caretaking of the elder during the time of shortage of labour. These questions require social and technological innovations to secure services and to develop welfare cluster in Finland. Moreover, it stresses the need for migrant workers which Finland must be able to attract already in 2010s.

If the problems of ageing are not tackled early enough, Finland faces a serious crisis. This has also been highlighted by the Ministry of Finance in their Stability Programme¹³⁸:

- 1) pensions-related expenditure rises from 11% of GDP in 2010 to 14% in 2030 and stays there until 2050
- 2) public expenditure as a percentage of GDP will increase from 48% in 2010 to 58% in 2050
- 3) GDP growth rate is expected to decline from 2,2% in 2010 to 1,4% by 2030 and stay there until 2050

As a result public debt would rise from 35.8% of GDP in 2010 to an unsustainable 117,5% in 2050.

These challenges are considered to be tackled from the perspective of the following three strategic basic options¹³⁹:

- development through crisis
- decline without huge crisis
- controlled renewal process by exploiting opportunities and by preventing threats

As the balance of power within science and technology is shifting towards the emerging economies, Finland is likely to need new measures already by 2015¹⁴⁰. **There are however recipes to tackle the future challenges in Finland.** The recipe is expected to be found from *innovations, competence and increasing productivity*. Despite the global change, the recipe leans on the assumption that Finland is able to remain as the home for most demanding goods and services which others cannot produce.

This all requires also measures to keep the most skillful workers in Finland and to be able to attract skillful workers to Finland. It means that new investments must be attracted by keeping up the competitiveness of the country so that Finland is also the best location for the companies. These measures could help creating new jobs in growth sectors, and thus raise the rate of employment.

In our opinion, these recipes also stress **the need to develop the service sector in Finland**, as the share of employment in traditional industries is expected to decline¹⁴¹. Currently, Finland has a service sector where¹⁴²:

- productivity in services is lower than European average
- level of competition is lower than European average
- prices are higher than European average

¹³⁸ Ministry of Finance (2006).

¹³⁹ Hämäläinen (2006), Hämäläinen (2007).

¹⁴⁰ Academy of Finland & Tekes (2006).

¹⁴¹ Academy of Finland & Tekes (2006); Ministry of Labour (2007).

¹⁴² Confederation of Finnish Industries (2006).

- level of internationalisation is lower than European average
- impact on employment is lower than European average

However, it is considered that productivity could be improved by developing services and there is plenty of room for that. Currently, only 12% of all R&D investments in Finland are targeted in service sector¹⁴². With a failure of current innovation system in Finland, it is suggested that more competence is needed in developing new services. There also the role of public sector as an important financier of the innovation system becomes crucial, as **the financial resources should be allocated in the way ensuring Finland's survival amid the global division of labour all the way until 2050 and beyond.**

Finnish foresight system: Some general reflections and learnings

The general situation analyses concerning the Finnish foresight activities indicate that there have been many foresight activities in Finland. The latest development phase has been ministerial co-operation and integration of foresight activities. On the other hand some important developments have been done also in the regional level like TKTT foresight system, which was presented in this survey paper of Finnish foresight activities.

We can summarize that there are various different forms of foresight activities in Finland: (1) National ministry level foresight systems, (2) a parliamentary policy level foresight system (Futures committee), (3) industrial and economic forecasting and foresight systems (especially ETLA and EK Education intelligence system), (4) larger technology foresight systems of SITRA, Tekes and VTT and (5) regional foresight activities of TE -Centres and regional counties.

There are also a lot of organizational foresight activities in Finland. We can say, on the basis of good and wide empirical evidence that in Finland there are active organizational foresight cultures and networks. Especially strong aspect of the Finnish foresight system is *well-functioning technology foresight system*, where key organization does a good co-operation in the form of larger foresight programs. Tekes and Nokia are major players in the technology field in Finland. A good example of that was Finnsight 2015 project by Tekes and the Academy of Finland.

A special character of the Finnish foresight activities has been a cluster approach of Porter (1985, 1990), which have been used in national policy formulations, but also in regional foresight analyses. For Finland a special advantage has been a quite good co-operation with foresight activities/actors, educational activities/actors and innovation system activities/actors.

In order to develop the RegioFutures Programme, we can also present a list of **10 problems area of the Finnish foresight system:**¹⁴³

1. A vague frameworks and networks for organizing regional foresight

This problem has been a long time problematic issue in the Finnish foresight activities. Too often there are unplanned changes in frameworks and networks of national and regional foresight activities. This means that in many cases all foresight activities start from zero point after some political "reforms" and "new ideas".

2. Incomplete co-operation of stakeholders and actors of foresight

¹⁴³ Marttinen & Kaivo-oja 2007.

In Finland there is a tendency to invent a wheel again. Every stakeholder and actor is doing their own foresight exercises without larger co-operation and integrations activities. This is also wider European problem. There is not enough co-operation in the foresight field.

3. Imperfect and weak links between national and regional foresight activities

There is still imperfect or weak links between national and regional foresight activities. Knowledge sharing and dissemination is often poorly implemented after large national and regional foresight activities.

4. Power tensions between ministries organizing foresight activities

There some typical power games between ministries. Sometimes there seems to be political needs to find “superministry”, which takes care of all the foresight activities. However, too centralized systems may not be effective in modern network society.

5. Too short time orientation of foresight analyses

Still many foresight activities are having very short run time horizon. More demanding long-run visions and strategies are not built too much. This approach leads easily to opportunistic tactics in national and regional politics. Typically it leads to very linear and self-evident approach to foresee the future.

6. Measuring and maximizing the impact of regional and national foresight activities

Many public sector authorities are not interested to evaluate the impacts of regional and national foresight activities. This kind of attitude leads to imperfect learning processes in many organizations. It is important to have some kind of post-evaluation phase after foresight processes.

7. Merits and challenges of foresight in less developed regions in Finland

Less developed regions and local communities have smaller material and immaterial resources to implement local and regional foresight projects although there are many acute needs to have more insights concerning futures options and possibilities. In any region, the level of living is differentiated between different areas. We can speak of differentiation in different respects, demographic and demographic segmentation as well as socio-economic and ethnic segregation. Segregation and segmentation in cities indicates the impact of general processes that affect the level of living for individuals and households. Here it is important to keep in mind the difference between the level of living for individuals and households (“people poverty”) and the qualities of an area (“place poverty”). Differentiation as such is not necessarily a big problem, but polarization between the have and the have-nots is. These kinds of unequal social and economic conditions have impacts on merits and challenges of foresight in less developed regions also in Finland. This inequality problem requires more attention in the context of foresight studies.

8. Flexible adoption of novel foresight methods and activities.

There are still needs to development education and conscious building concerning foresight tools and methods. In recent year many new foresight tools and methods have been developed, but only a small part of them are used in the practice. In the practice there are still a limited understanding of the possibilities and the range of analytic and interpretative methodological options available to practitioners and organizations to recognize the strengths and weaknesses of key methodologies and tools, and their suitability for various purposes.

9. Problems in mobilizing regional Foresight actors and stakeholder

In many foresight projects it is difficult to mobilize different actors and stakeholders to participate foresight project and programs. These kinds of problems lead easily to failures in participation processes and weak democratic practices. The participation of people and their organizations to influence institutions, policies and processes for equitable and sustainable development is really needed to build strong democracy and democratic institutions in Europe.

10. Foresight co-operation in cross-border co-operation

In Europe and Finland there are strong needs to make *cross-border co-operation in the foresight field activities*. Unfortunately there are only few foresight projects which are focusing on interregional aspects of European futures. For example, in the future the forecasting approach of long term labour force and training need of should take place at an international or Pan-European level. Such a need has been already strongly apparent in some smaller countries with relatively large migration or commuting flows, but was seen as an emerging need more generally, given globalisation and the increasingly international perspective of young people in taking decisions relating to education and employment.

Recommendations to the development of the RegioFutures Programme

The preliminary analysis of Finland 2050 in the perspective of global change and the analysis of Finnish foresight system prove the importance of the RegioFutures Programme. In order to exploit the opportunities and to avoid the facilitation of the threats, we need a long-term oriented cross-border

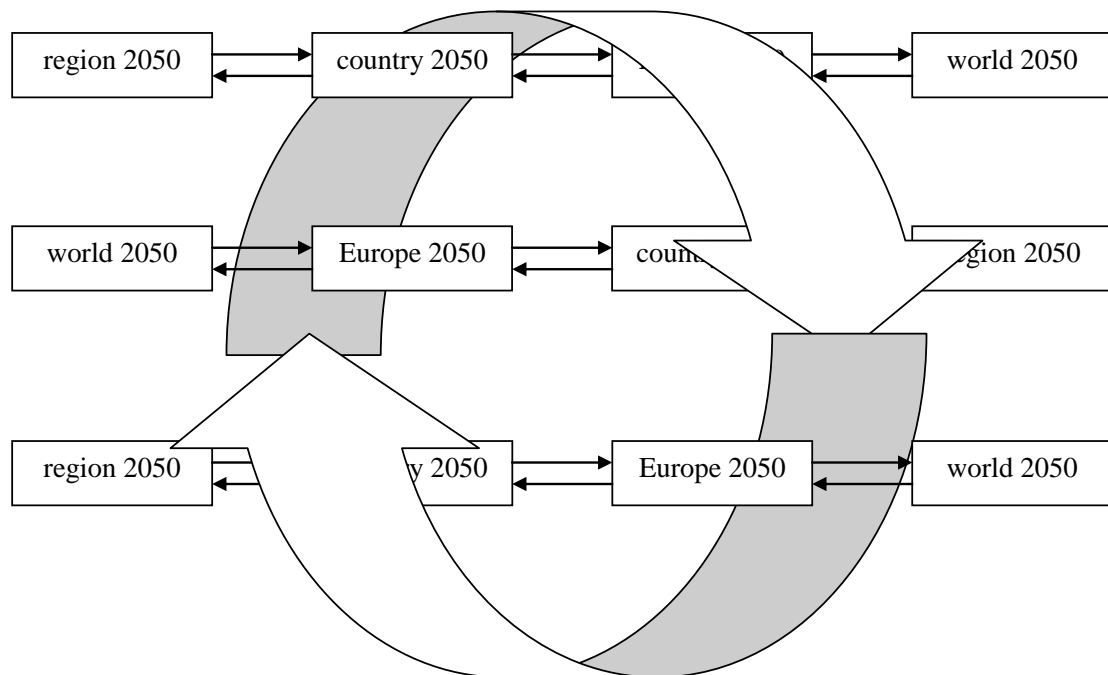
All the key foresight publications¹⁴⁴ concentrating on the future of Finland suggest that with the current trend, the question on the global division of labour is likely to become even more crucial for Finland.

This article has shown how crucial it is to have the right questions asked in the Programme. When analysing the future of Finland, there have been different avenues taken to analyse the economy (labor, services), technology, healthcare, environment et cetera. Whereas these vast but interrelated questions might be solved for Finland, with a Programme including Slovenia 2050, Italy 2050, Poland 2050... we easily end up in an endless research work. Therefore, we need a streamlined problematisation in the Programme with a common vision.

We also need to solve the remaining questions on the role of comparative studies both internal and external to the Programme in order to analyse national development in the perspective of regional, continental and global changes. This article has shown how important it is to first analyse the global changes before analysing the attractiveness of a country from the perspective of global division of labour markets. Therefore, we should remember while planning the project that the regions countries do not operate in vacuum, and therefore they cannot be studied separately. Similarly, the global changes are ultimately provoked by changes at a lower level. This requires continuous loop systems with national case studies.

¹⁴⁴ Academy of Finland & Tekes (2006); Confederation of Finnish Industries (2006); Ministry of Labour (2007).

Figure 1 The framework for the analysis of European regions in 2050 with continuous loop system



Moreover, it must be stressed that in order to build up a common vision for the year 2050, we should concentrate in our research on the issues which are likely to matter in 2050, and present these ideas in a clear matter so that they are of use for the decision-makers. For instance, bearing in mind the rapid changes in technology waves even the expected dominant role of service economy may be questioned when analyzing the development until the mid-century.

This work indicates the need to deploy the best imagination in Europe which is by nature a difficult task to the Programme. Despite some presented shortcomings of the Finnish foresight system, some ideas could be borrowed from the Finnish inspiration. Therefore, regional centres for foresight research until 2025, regional foresight forums¹⁴⁵ until 2050, and inter-regional co-operation in resource allocation are suggested to be implemented under the Programme.

¹⁴⁵ For reference: www.ennakointifoorumi.fi and <http://nff.risoe.dk>; new Finnish foresight forum will be in www.foresight.fi.

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HERMAN BAEYENS

Quo Vadis Flandria? Regional Development in a Multicultural Context¹⁴⁶

The region of Flanders covers the northern part of Belgium with a population of 6,117,440 inhabitants in 2007 on a territory of 13.522 km² and with 67 km coastal area along the North Sea. The total population of Belgium amounts to 10,584,534 inhabitants in 2007: 57.8% in Flanders, 32.5% in Wallonia and 9.7% in the Brussels Capital Region. Flanders Region together with the Brussels Capital Region (centrally located within Flanders) constitute the most urbanised parts of Belgium.

This contribution on Regional development of Flanders has been prepared on the invitation of the Ministry of Regional Development in Poland, within the frame and according to the spirit of the "Regio Futures Programme" as described in the first publication on "The Future of European Regions" of the Ministry of Regional Development¹⁴⁷. Therefore the threefold distinction has been followed as recommended by Prof. Kukliński following the steps of 'the region history', 'the region diagnosis' and 'the region futurology'¹⁴⁸ in order to identify and promote 'the self programming capacity' of the region. The main concern of Dr. P. Żuber, Director of Structural Policy Coordination Department of the Ministry of Regional Development now is the strengthening of the capacity for strategic governance at the national and regional level in Poland¹⁴⁹. According to Minister Bieńkowska in the Preface to this new book: 'The programme is developed as a network of cooperation of regions which would like to develop their self-programming capacities and prepare a comprehensive study on their Region -The Experiences and Prospects of the XXI Century'¹⁵⁰. Such a contribution has been prepared and presented by Mr Bernard De Potter, Administrator-General of the Flemish Agency for Economy during the Warsaw Conference 10 June 2008¹⁵¹. This contribution of

¹⁴⁶ This is a revised and edited version of a paper included in *The Future of Regions in the Perspective of Global Change. Case studies*. Part two. (Eds) Patrycja Jakubowska, Antoni Kukliński, Piotr Żuber, Ministry of Regional Development, Warsaw, 2009.

¹⁴⁷ The Future of European Regions (2007) Regional Development Forum (REDEFO), Ministry of Regional Development, Warsaw, Jakubowska P., Kukliński A., Żuber P. Editors.

¹⁴⁸ Kukliński, The Regio Futures Programme, The Feasibility Study Revisited, o.c. p 479.

¹⁴⁹ Żuber P. (2008) Building the capacity for strategic governance of development at the national and regional level-The case of Poland, in "The Future of Regions in the Perspective of Global Change", Part I, p18-25.

¹⁵⁰ Preface by Minister for Regional Development E. Bieńkowska to « The Future of Regions in the Perspective of Global Change », Warsaw, 2008.

¹⁵¹ De Potter B. (2008) Flanders, the experience and prospects of the 21th century, power point presentation.

the undersigned is only a personal interpretation of the same topic inspired by his own observation of regional strategic planning beginning of the XXI Century¹⁵².

Regional Development of Flanders is very much influenced by its geographic location and its **historical background**. Several historical facts can be considered as “turning points” in the regional development of Flanders. Modern-day Flanders cannot be understood properly without reference to these factors of “long duration” in the terminology of Fernand Braudel¹⁵³. Immanuel Wallerstein¹⁵⁴ known for his ‘world systems theory’¹⁵⁵ is wondering if twenty years after the implosion of communism in 1989, now also capitalism reached its final phase? Anyway this seems to be his opinion with reference to the ‘long duration’ of Braudel, in the frame of which the business cycles of Kondratieff and Schumpeter must be situated. According to Wallerstein we are at the end of a period of long duration of the expiring type of capitalism, aggravated by the final phase of one of the longest business cycles of Kondratieff with phase A from 1945-1975 and phase B till the actual financial and economic crisis.

Anyway the history of Flanders from feudalism to capitalism has its own characteristics. Mainly the “cultural” factor and the recognition of “Dutch” as the official language of Flanders after years of economic and cultural domination by the French speaking power elite in the Belgian unitary state since 1830, played a crucial role in its regional development and in the gradual emergence of a ‘self programming capacity’ of the Region of Flanders.

FLANDERS 1200-1585

In his inspiring book “Une brève histoire de l’avenir”, Attali (2006, ch. 2) describes the history of capitalism, independent from politics.¹⁵⁶ He refers to main cities where innovation took place as a basis for economic progress throughout centuries with Silicon Valley as the most recent example. Flemish cities played a leading role in the early stages of European capitalism. According to Attali **Bruges** dominated the period 1200-1350. Thanks to its access to the North Sea and its means to control the maritime commerce, Bruges flourished as an international financial and trading centre. Flemish cloth was an internationally recognised textile product. Flemish tapestry also became prominent as an art form in Western Europe somewhere around 1300 and was produced in several Flemish cities such as Brussels, Ghent, Oudenaarde, Ypres and Kortrijk. In this last city the famous

¹⁵² Baeyens H. (2005) European Strategic Planning in the XXIth Century, in ‘Europe-The Global Challenges’ Edited by Kuklinski A.& Pawłowski K. ,Nowy Sącz, p 191-200.

¹⁵³ Braudel F. (1958) Histoire et sciences sociales. La longue durée. Annales, 13, 725-753.

¹⁵⁴ ‘Le capitalisme touche à sa fin’, Interview with Immanuel Wallerstein, Yale University and former President of the International Sociological Association in ‘Le Monde’, 12/10/ 2008.

¹⁵⁵ Wallerstein I.(1974) The Modern World System: Capitalist Agriculture and the Origins of the European World Economy in the Sixteenth Century, New York: Academic Press.

¹⁵⁶ Attali J. (2006) Une brève histoire de l’avenir, Fayard ,Paris.

battle of the “Golden Spurs” took place in which an army of poorly armed Flemish craftsmen and peasants annihilated a French army of noblemen and knights on July the 11th of 1302.¹⁵⁷ Bruges became also the warehouse of the Northern European Hansa cities and of North Italian cities who nearly all kept subsidiaries, traders and diplomats in Bruges.¹⁵⁸ In 2002 Bruges was ‘Cultural Capital of Europe’ and an exposition entitled: HANZE@MEDICI : An Exchange Market of European Cultures illustrated the European importance of Bruges at that time.

From 1350 onwards, however, **Venice** acquired the maritime leadership in the Mediterranean and also developed a more sophisticated bookkeeping system. Bruges remained the “Venice of the North” from a cultural perspective (with famous painters such as the brothers Van Eyck and Memlinc) but its economic importance faded away together with (the silting of) its access to the North Sea.

From 1500 onwards **Antwerp** was the most important port in North-Western Europe. Antwerp became not only the most important centre of international trade and finances, but also the main cultural centre of North Western Europe with painting and book printing activities. The art of book printing appeared in several Flemish towns beginning with Aalst, Leuven, Bruges, Brussels and Oudenaarde. But thanks to Christopher Plantijn (of French origin), Antwerp together with Venice and Paris became gradually the most important European book printing centres in Europe¹⁵⁹. Plantijn founded in 1555 his Officina Plantiniana which was an export oriented capitalistic enterprise of the industrial type with 16 printing presses and more than 80 employed persons. Book printing at that time in Europe can be compared with the emergence of the Internet on the world scale during recent years. With more than 100,000 inhabitants, Antwerp became one of the most densely populated cities in Europe. However, Antwerp’s “Golden Age” was of relatively short duration, mainly because of the closure of the Scheldt in 1585. The 80-years war with Spain led to a split between the Northern Netherlands (approximately modern-day Netherlands) and the Southern Netherlands (approximately modern-day Belgium) towards the end of the 16th century. The Southern Netherlands remained under Spanish rule which resulted in an exodus of rich, wealthy and talented Antwerp citizens to the tolerant and protestant North (mainly Amsterdam). Plantijn left for the Netherlands and became the book printer at the University of Leiden. As a result, **Genoa** took over the economic leadership, later followed by **Amsterdam**. Despite the emergence of Baroque Masters like Rubens and Van Dyck that led Flemish art to a new height, the separation of the protestant North from the Catholic South and the resulting outflow of human capital had negative consequences as it marks the start of a long period of economic stagnation within the Flemish cities, towns and rural areas. Despite this economic decline, the blossoming of 17th century Flemish painting has become one of the main references (together with the battle of the “Golden Spurs” and the economic and cultural flourishing under the

¹⁵⁷ . During the 19th century, Flanders rediscovered its own glorious past and July 11, 1302 became a symbol for the struggle to restore Flemish identity, culture, language and autonomy. Nowadays, July 11 has become a public holiday within the Flemish region.

¹⁵⁸ See e.g. Van Eyck’s 14th century portrait of the Florentine banker Giovanni Arnolfini and his wife (National Gallery, London) who lived in Bruges during most of his active life.

¹⁵⁹ Antwerpen- Verhaal van een metropool 16de-17de Eeuw, book published at the occasion of Antwerp, Cultural Capital of Europe in 1993.

Burgundic dukes and the Habsburg and Spanish emperors¹⁶⁰) for the Flemish movement during the XIX^h century and the first half of the XX century in their plea for more economic and cultural self-awareness and recognition of Flanders in Belgium.

FLANDERS 1830-1950

In 1991, I contributed to a publication of the European Institute for Regional and Local Development (University of Warsaw) entitled: "Repenser l'Europe". The main thesis of this contribution was that sociological factors are often neglected in regional development¹⁶¹. The Flemish movement partly came into existence because the young Belgian State - founded in 1830 – only recognised French as the country's official language. However, the industrialisation of Flanders (and more specifically the economic expansion of the port of Antwerp and the discovery of coalmines in Limburg) led to a Flemish middle-class and bourgeoisie which no longer accepted the unilingual character of the country. The idea that regional economic development in Flanders should be the indispensable basis for new cultural developments (including the official recognition of its language) emerged during that period. In order to provide sufficient objectivity to my "sociological factor" thesis, I quoted Professor Michel Quévit, a famous sociologist in Wallonia, who wrote an interesting contribution in one of Professor Kukliński's manifold publications¹⁶². In describing the institutional centralism of the Belgian State and the emergence of a French-speaking industrial bourgeoisie during the period 1830-1920, Prof Quévit concludes:

"In reality the bourgeoisie scarcely concerned itself with the problems of the masses whether Flemish or Walloon. The misery that was the main characteristic of the working class of the time was even greater in Flanders. Even more important the industrial bourgeoisie was united by its language French whether residing in Wallonia, Flanders or Brussels. It is here that we find the deep roots of the linguistic problem in Belgium. The French language is a sign of the difference in class and power in Belgian society. Thus it is not incorrect to say that the Belgian State is the expression of a new French speaking bourgeoisie, which itself is defined by its identification with the 'national' character of the political system which in turn is based on institutional centralisation. More precisely, the latter is characterised by a powerful articulation of economic and political decision making, of which Brussels is the functional centre".

¹⁶⁰ Thanks to the orders of the emperors, Flemish tapestry was produced in several towns of which Brussels, Malines, Oudenaarde and Bruges were the most famous. The Flemish tapestries at Wawel Castle in Cracow ordered by King Sigismund Augustus Jagiello are an example, but most of them are now in Madrid and Spain.

¹⁶¹ Baeyens H. (1991) *Expériences régionales dans une société pluriculturelle à économie de marché. Le cas de la Belgique.* in EUROREG publication, "Repenser l'Europe" Prof. B. Jalowiecki (Ed).

¹⁶² Quévit M. (1981) *Economic Competition, Regional Development and Redistribution of Power in the Belgian Political System (1830-1974)* in "Polarised Development and Regional Policies", Tribute to Jacques Boudeville, in Kukliński, The Hague, 1981, p 363.

During the same period (1830-1920), Brussels was transformed from a predominantly Flemish (Dutch speaking) town into a predominantly French speaking city.¹⁶³ The choice of French as the sole official language by the new Belgian state in 1830 had immediate effects. At the first population census in 1848, already 32% of the population of Brussels declared that they were French speaking. One century later (census of 1947) the number of French speakers in Brussels already amounted to 70.6%. This sociological phenomenon of “frenchification” of the Flemish immigrants in Brussels can be explained by the linguistic, social and economic barrier between the dominant French speaking bourgeoisie and the Flemish lower-class immigrants. Economic - and thus social - promotion for the Flemish in Brussels was only possible by using the language of the dominant class. During more than one century this process of acculturation and assimilation and the absence of Flemish education characterized the Flemish local population and the Flemish immigrants in the Brussels metropolitan area.

However, Dutch was recognised as the official language in Flanders, first before court at the end of the 19th century, with the generalisation and democratisation of the voting system and afterwards in education. As the French speaking part of the Belgian population did not accept a bilingual status for the country, an agreement was reached in 1963 on four linguistic areas in Belgium for the use of languages in public administration: French in Wallonia, Dutch in Flanders, German (Eastern part of Belgium in Wallonia) and a bilingual (French/Dutch) status for the Brussels Capital Region.

Belgian regional development policy has always been characterized by the tendency towards a certain degree of regional autonomy for Wallonia and Flanders. While Flanders perceived regionalization and reform of the Belgian State as instrumental towards obtaining more cultural autonomy initially, Wallonia considered more regional power as a necessary condition towards improving the economic situation after its industrial decline¹⁶⁴.

FLANDERS 50 years ago: the poorer part of Belgium

The income per head in 1955 in Belgium was less than half of that of the USA and below that of Sweden and the UK. It was, however, much higher than that of Southern European countries like Italy, which explains in part the immigration of many Italians to the coal mining areas of Wallonia. Flanders was considered at that time as the poorer part of Belgium. Some figures from older publications illustrate this¹⁶⁵. According to the Census of 1947, still about 15% of the active population in Flanders was employed in agriculture, forestry and fisheries and another 3% in mining. In 1953 Flanders had the highest official unemployment rate of 18.6% in Belgium, but also the hidden or disguised unemployment both in agriculture and in commerce was extremely high. At the same

¹⁶³ When moving from the French speaking town Tournai (county of Hainaut) to 15th century Brussels, Roger de la Pasture, one of the most famous painters of his time, changed his name into the Dutch equivalent Rogier van der Weyden because of his integration in the Flemish town Brussels.

¹⁶⁴ Quévrit M. (1982) *La Wallonie: L'Indispensable Autonomie*, Paris.

¹⁶⁵ Devreker A (1958) *Welvaartproblemen in Vlaanderen*, Willemsfonds, Antwerpen.

time there was a strong outflow of labour – often characterized by very long daily commuting - from Flanders to the Wallonian coal mining areas and to northern France. Both the Social movement and the Flemish movement protested against this situation and combined efforts in order to remedy this situation. The first Belgian Law on regional economic development planning (1959) provided support to the bottom-up efforts of local and regional action groups and public authorities. In 1962 the first national organic law on spatial planning was published in order to streamline efforts of local authorities towards developing new industrial sites aimed at attracting foreign direct investors. The “golden sixties” can indeed be considered as the period of economic recovery in Flanders combined with the preparation of spatial plans in order to control urban sprawl¹⁶⁶. All these regional efforts culminated into the first laws for the revision of the Belgian Constitution (1970). More specifically, these revisions implied cultural autonomy for Flanders and a provisional regionalisation of Belgium with the very important law on “Planning and Economic Decentralisation” of July 15, 1970. This law was the basis for the creation of “Regional Development Councils” and “Regional Development Agencies” both in Flanders and in Wallonia.

Revision of the Belgian Constitution in 1980: From a Unitary towards a Federal State

A highly sophisticated technology of institutional planning has been developed in Belgium in order to resolve the community problems in a peaceful way. A distinction has been made between **spatial competences for the “regions”** on the one hand and **competences related to persons for the “communities”** on the other hand. The **Regions** are the **Flemish Region**, the **Walloon Region** and the **Brussels Capital Region** whereas the **language communities** are the **Flemish Community** (Flanders and Brussels), the **French Community** (Wallonia and Brussels) and the smaller **German community** as an enclave in Wallonia. The regions have spatial competences such as regional economic planning, spatial planning, housing and environmental policy whereas competences of the language communities include personal, social, cultural and educational matters.

The emergence of the three regions led to the development of their own **regional economic development policies and strategies**. In Flanders Gaston Geens – heading the very first Flemish government at the beginning of the 1980s - launched the so-called DIRV action, a campaign to promote and stimulate the “Third Industrial Revolution in Flanders”. It was the intention to promote technology, to renew the industrial fabric and to stimulate employment in future oriented sectors. Three basic technologies were selected: micro-electronics, biotechnology and new materials. The implementation was oriented towards 8 sectors (The FTI or Flanders Technology International sectors): telecommunications, burotics, robotics, aeronautics, renewable energy, medical equipment, agro-industry and engineering. This culminated in the periodic exhibition “Flanders Technology International” at Flanders Expo in Ghent. In that same period, IMEC, a research institute specialized in microelectronics and nanotechnology, was founded in Leuven (1984). Partly thanks to a close cooperation between IMEC and the University of Leuven, the Leuven region developed into a well

¹⁶⁶ The Mastery of Urban Growth, Mens en Ruimte, Report of International Colloquium, Brussels, 1969.

known knowledge hub with more than 300 high tech enterprises in the clusters of ICT, nanotechnology, e-security, life sciences, mechatronics and feed/food/health. More than 5,000 high skilled persons are currently employed at a site of 136 ha. Whether the best agricultural soil should be sacrificed for an uncertain and still vague technological future was the subject of hot debates when this site was spatially planned during that period. It could eventually only be realized thanks to the continued and reinforced spin-off strategy of University research, IMEC and related entrepreneurial initiatives in cooperation with public authorities. Today the triangle Aachen-Eindhoven-Leuven figures among the most famous European knowledge regions (see contribution of Jelle Rijpma & Stephanie Geertman in this book).

FLANDERS TODAY

Relative to the European Union (EU=100), the regional GDP per inhabitant in 2005 reached 121.1 for Belgium, 120.1 for Flanders, 87.5 for Wallonia and 240.5 for Brussels Capital Region. The latter high number (second after London) is to some extent surprising given the enormous internal disparities within Brussels. Because of its central location in Flanders, a majority of the daily commuters in Brussels Capital Region live in Flanders. Also, the administrative and political apparatus of Flanders Region is located in Brussels. Thanks to its port, the Province of Antwerp with 143.1 obtained the highest score out of the Belgian Provinces.

Today Flanders exhibits the lowest unemployment rate in Belgium. Thanks to the high educational level, the knowledge of languages¹⁶⁷, the high labour productivity and the presence of several multinationals in high technology sectors, Flanders has become the most prosperous of the three Belgian regions. The HERMREG model of the Federal Planning Bureau¹⁶⁸ enables one to reconstruct the economic evolution of the three regions since 1980. During the period 1980-2005 the share of Flanders in the Belgian economy grew from 53% in 1980 till 57% in 2005. During that same period, 66% of Belgian economic growth can be attributed to the Flanders region. Also, the Flemish activity rate increased from 60.2% in 1980 towards 65.7% in 2005 (notice this is still below the 70% Lisbon objective for 2010). In contrast, the activity rate in Wallonia and Brussels decreased to 57.5% and 54.7%, respectively (again comparing 2005 with 1980). The regional unemployment rates, on the contrary, increased considerably towards 19.2% in Wallonia and 22.5% in Brussels while it stabilised at 10.3% in Flanders. Some sub-regions in Flanders even complain of a shortage of (qualified) labour today. Based on the HERMREG model, **economic projections for the three regions until 2013** have been prepared. The activity rate of Flanders is projected to reach the Lisbon objective of 70% in 2013, but the activity rates in Brussels and Wallonia are expected to lag behind (projections below 60%).

¹⁶⁷ Van de Cloot. (2008) Itinera Institute: Talen en Economie: The knowledge of English of the generation below 40 years is 25% for the French speaking and 75% for the Flemish (Dutch) speaking population.

¹⁶⁸ Federal Planning Bureau Belgium (2008) : A Regionalisation Model for Belgium, Brussels.

An evaluation of 25 years of Flemish economic policy and of the DIRV action has been undertaken recently by the 'Study Centre of the Flemish Government'¹⁶⁹. For this purpose a benchmarking comparison of Flanders has been undertaken with smaller EU countries of similar size. These include the three EU Scandinavian countries Denmark, Finland and Sweden as well as Austria, Ireland and the Netherlands.

The Gross Domestic Product (GDP) in Flanders for 2008 is 30.100 Euro per inhabitant, 21.500 in Wallonia and 58.000 in Brussels Capital Region with EU-27 25.800 and EU-15 28.600. The average for Belgium is 30.100 compared with the Netherlands (33.600), Ireland (36.800), Austria (32.500), Denmark (31.200), Finland (30.300) and Sweden (31.500). However the Brussels Capital Region has quite a unique situation in Europe because it is limited to the core of a larger functional urban region attracting daily commuting both from Flanders and Wallonia. Thanks to a matrix of daily commuting among the three regions, the 'Study Centre of the Flemish Government' estimated the part of GDP realised by commuters and allocated this part to their respective region of residence. After this correction the position of Flanders is totally different (32.900) compared to Brussels (30.800) and Wallonia (24.900). Flanders has also a higher GDP than the three Scandinavian countries, Austria and Belgium. Only the Netherlands but mainly Ireland still remain in a better position.

Compared to the GDP as a measure for the productive capacity of a region, there is also the **disposable income per inhabitant** as indicator. In this ranking Flanders obtains the second position following Austria.

Twenty five years ago the Brussels Capital Region created the highest GDP per inhabitant within Belgium, but since the beginning of the nineties Flanders equalled this position and took the lead during the last decade. The average growth rate during the period 1984-2008 was 2,7% for Flanders and Finland, 2,8% for the Netherlands and a spectacular 5,6% for Ireland.

The two main components of this growth in Flanders are the **high labour productivity** despite a relatively **lower activity rate** of the population within the active age, although the unemployment rate decreased considerably and is now at 4,4% in 2007.

The final evaluation of the DIRV action is that technology became more popular in Flanders. But rather than an increase in the target sectors as exemplified by the successes of Finland and Sweden in the telecommunications industry, technology became more introduced in other sectors of the expanding Flemish economy. Also the level of R&D investment of 2,1% of GDP in Flanders remained rather modest in comparison with for instance the level of R&D investment of 3,5% in Finland.

Flanders is also characterised by a sub-regional diversification of activities which became **more equilibrated thanks to the regional development efforts** in comparison to the predominant

¹⁶⁹ Vergeynst T.(2008) Vlaanderen, 25 jaar na de start van "Flanders Technology International" (Webpublicatie: <http://www4.vlaanderen.be/dar/svr>)

concentration towards Brussels under the unitary state. Thanks to its central location in north-west Europe and its infrastructure, the sector of logistics is further developing. The Province of Vlaams-Brabant - apart from its Knowledge Hub Leuven - focuses on the development of Transport Distribution and Logistics (TDL) and on a “smart logistics development strategy” partly built on the nearness of Brussels International Airport at Zaventem. The Province of Antwerp’s regional development is mainly concentrated on the further developments of the port of Antwerp (despite growing discussions on the ecological limits to this growth). The Antwerp harbour including the petrochemical industry currently constitutes one of the main motors of the Flemish economy and one of the fastest growing container ports of the Hamburg-Le Havre range. The Province of West Flanders is focusing on the further expansion of the Zeebrugge harbour (Sea Bruges north of Bruges at the coast) although the tourist industry in the coastal area remains an important spearhead of the regional economy. Other parts of this Province (e.g. Kortrijk) are characterised by a high entrepreneurial spirit and by creative SME developments. Notice that despite the typical SME character of the Flemish economy, multinationals remained very important. An example is the automotive sector with Volvo in Ghent, Opel in Antwerp, Audi in Brussels and Ford in Genk – Limburg. The Toyota research centre for Europe is located in Zaventem. With the closure already of Renault in Vilvoorde and of Volkswagen in Vorst-Brussels, a major topic of debate these days is how long the automotive sector will be able to survive in Belgium? The Province of Limburg has been the main regional development priority in Flanders because of the closure of the coalmines.¹⁷⁰ This Province is concentrating its efforts today mainly on “Clean Technology”.

INSTITUTIONS: Reorganisation of regional-economic and labour market policy (2004)

In 2004 an institutional reorganisation and decentralisation of regional economic and labour market policy took place in Flanders. This was prepared within the frame of a general revision of the institutional structures of Flanders in view of improved governance. Since the first steps in the revision of the Belgian Constitution in 1970 with the creation of Regional Development Councils and Regional Development Agencies, the competences in the field of regional-economic and labour market policy remained largely at the level of Flanders. In 2004 an important step has been made in the direction of decentralisation and of an improved coordination and integration of both competences at the level of the five Provinces. Three types of new institutions have been created for this purpose. At the level of the Province this is the “Socio-Economic Council of the Region” composed mainly of two partners, the employers and the trade unions. Within the five Provinces a maximum of 15 Regional Socio-economic consultation committees have been created with three types of partners: the before mentioned social partners and the representatives of Provinces, cities and local authorities. Their administrative and technical support is guaranteed by a maximum of 15 officially Recognized Regional Cooperation Agencies. Since 2004 they all prepared “Regional Development Strategies for the programming period till 2012 resulting in regional “pacts”. The former “Regional Development Agencies” have been decentralised towards the Provinces and

¹⁷⁰ The Province of Limburg was during the former EU programming periods recognised as industrial restructuring or Objective 2 area. In Belgium only the Province of Hainaut in Wallonia was recognised as Objective 1 area for the EU Structural Funds.

continue their role in cooperating together with the newly created “Regional Cooperation Agencies”. The new institutional reform in the field of regional-economic and labour market policy is surely a more bottom-up oriented approach of regional co-governance. The first preliminary evaluations indicate the concern that the new bottom-up approach of regional governance should be accompanied by a dynamic top down approach at the level of Flanders.

PACT OF VILVOORDE- FLANDERS 2010

This pact, signed in 2001 between the Flemish Government, the social partners and the Flemish environmental and nature conservation associations, introduced in fact the **long term strategic planning in a structural way in the policy process** of the Flemish Government. The origin refers to a socio-economic crisis period with the closure of a large auto assembly plant of Renault in Vilvoorde with the related unemployment problems of the highly qualified labour force in that area close to Brussels and Zaventem where also the closure of the Belgian National Air carrier Sabena took place during the same period. It was the period also that the EU launched the **Lisbon objectives of 2000 in view of 2010**.

In total 21 objectives have been formulated in the Pact of Vilvoorde with the intention to make Flanders one of the strong regions in Europe at the beginning of the 21th Century. As much as possible they are measurable objectives with indicators which allow a yearly evaluation by the ‘Study Centre of the Flemish Government’. The 21 objectives can be regrouped under **nine major goals** for the future of Flanders.

The first concerns **education** in order to obtain a “learning society”. The concrete objective is that 10% of the Flemish population in active age should participate in permanent training in 2010. Three quarters of the population should be ICT competent and the democratisation of education should assure that maximal qualifications are available for the labour market.

The **economic activity rate** in 2010 should be close to 70% as required by the Lisbon objectives. This should be reached also by improving the quality of the job, the quality of work organisation and the quality of the career. Gender equality should be reached as well for persons of foreign origin, for handicapped and for lower qualified people. The indicator is their eventual overrepresentation in the unemployment figures.

In the economic sphere it is the intention to develop Flanders as an **Entrepreneurial society** and to increase the number of small and medium size enterprises represented in international networks and centres of knowledge. It is also the intention to increase the attractiveness of Flanders for the location and development of entrepreneurial activities. The objective is to realise one quarter of the activities of Flemish enterprises via new products and services and to double the number of starters originating from the knowledge centres in Flanders.

In the **social sphere** the objective is to bring Flanders within the top 5 of the EU countries as far as eradication of poverty and social cohesion is concerned. In 2010 also a sufficient, efficient, effective and for everybody accessible system of social services should be available.

The quality of life should be such that in 2010 half of the population should be a regular participant of **culture**. It is the ambition to make Flanders one of the top regions as far as openness and tolerance is concerned. In order to promote openness to other cultures, the younger generation should obtain chances for experiences in other countries such as in the frame of development cooperation, cultural training and education.

In the field of **environment** and **energy** a distinction is made in the time horizons for 2010 and 2030. For 2010 sufficient progress should be made in the fields of environmental quality, nature conservation and renewable energy. By 2030 Flanders should be a top region in eco-efficiency in disconnecting economic growth at one side and environmental impact and energy use at the other side.

In the field of **transport** both the **accessibility** and **safety** should be improved considerably by measures such as the increase of public transport, realisation of missing links, optimal use of the existing infrastructure, etc..

Finally the reinforcement of the **social capital** and the **democratic quality** will be promoted by active participation of the citizens in community activities.

The importance of this Pact has been confirmed by the business plan of the actual Flemish Government "Flanders in Action 2020" which is discussed later in this contribution.

FLANDERS ACTION PLAN 2020

While the Walloon Government developed a "Marshall Plan" for the recovery of Wallonia (2005), the Flemish Government launched a **new socio-economic action plan for Flanders** (2006) aimed at maintaining Flanders' leading role amongst Europe's regional economies. Therefore **Benchmarking** was considered as an important tool. The main spearheads of this Action Plan constitute Talents, Creative Entrepreneurship, Logistics and Sustainable Services¹⁷¹. Several working groups with captains of industry and society have been created in order to develop further these themes into more detailed strategies for 2020.

The main priority areas of the final plan are:

-Talents, knowledge and lifelong learning

¹⁷¹ www.vlaanderen.be/vlaanderen-in-actie

- Creativity, Innovation and entrepreneurship
- Flanders Logistics and sustainable gateways to Europe and the world
- Health and Medical care with specialisation in nano-medicine
- Greening Urban pattern with “smart grid” for new energy sources
- Efficient and client friendly public services.

At the presentation of the results recently in January 2009, critical comments were made if this useful exercise would obtain sufficient societal support? Comparisons were made with Finland where the Parliament is the driving and inspiring force for such long and medium term planning with better guarantees for effective implementation and follow-up.

The benchmarking exercise is performed by comparing with more developed innovation-driven European regions in order to find out in which fields Flanders can still improve its position¹⁷². The most recent Benchmarking 2008¹⁷³ compares Flanders with 131 other Regions in the 27 member states of the European Union. The following indicators have been used in order to compare Flanders with the other European Regions:

1. the share of employment in high tech industry and services
2. the number of patents per million inhabitants
3. the total R&D expenses in % of the regional product
4. the share of higher educated persons in the employed population
5. the share of creative professions
6. the share of population in active age with lifelong learning.

On this basis, Flanders ranks 20th among the 131 Regions.

Also 15 benchmarking Regions have been selected based on these indicators. They are:

1. The three Scandinavian EU member countries Denmark, Finland and Sweden
2. Regions from Central and Southern Germany (Baden-Württemberg, Bavaria and Hessen)
3. Western and Southern Netherlands
4. The Basque Provinces (Euskadi) in Spain
5. United Kingdom (Scotland, Eastern, South-West, South-East, North-West, East Midlands)

The comparison with the 15 benchmarking regions in the field of economic development and technological innovation indicates that Flanders could maintain its position compared to last year, but that no real progress was made. Flanders could maintain its position in the field of the high productivity of its work force, but was not making progress in its activity rate. Only unemployment decreased, but long term unemployment remains a problem. Its position in the field of innovation is

¹⁷² Vlaanderen Vergeleken- Benchmarking van Vlaanderen (2007), Studiedienst Vlaamse Regering, Brussels.

¹⁷³ Vlaanderen Vergeleken- Benchmarking van Vlaanderen (2008), Studiedienst Vlaamse Regering, Brussels.

endangered because too few persons participate in life long learning. Also the entrepreneurship seems to be a problem because it is very much needed in order to transform innovation in practical implementation. The conclusion is that if Flanders' ambition is to belong to the top 5 regions in 2020, it has to improve its employment rate, its activity rate mainly for older persons, it has to stimulate the entrepreneurship, the participation in life long learning and also the % of R&D spending of public authorities and enterprises should increase.

The global competitiveness index of Flanders in the ranking of the World Economic Forum has been analysed by Prof. Moesen (KULeuven) and his colleagues of the Vlerick Leuven Gent Management School. According to the new index Belgium holds the 20th position. Applying the same criteria to the Flanders region separately, however, Flanders would rank 5th just behind Switzerland, Finland, Sweden and Denmark, but preceding the US, Japan, Germany and the Netherlands¹⁷⁴. Another recent example of benchmarking has been performed by the European Urban Knowledge Network-European Cities and Regions of the Future 2008/2009 (EUKN). Every year, Foreign Direct Investment (FDI) publishes the results of their special benchmark for European regions and cities on the basis of 75 indicators on locations' attractiveness and potential for investment and economic development. This year London came out as the top city followed by Paris, Berlin, Copenhagen, Amsterdam, Edinburgh, Cardiff, Frankfurt and Brussels. The top 10 European regions are Scotland, Flanders, Northern Ireland, Kent, Wallonia, Isle of Man, Southern Poland, Noord-Brabant and East Netherlands¹⁷⁵.

A recent report of UNCTAD on the creative economy on the world scale constitutes yet another benchmarking exercise and ranks Belgium at 9th place behind China, Italy, Hong Kong, US, Germany, UK, France and Canada¹⁷⁶. This positive outcome can be attributed to the artisanal character of the Flemish economy and in particular to the long standing traditions in the textile industry where Belgium positions second after India (but also thanks to design, music, fashion and interior design). Most of these activities are typical Flemish traditions; that is also one of the reasons why the Flemish are demanding more autonomy in order to proceed faster and more efficiently in the world wide competition among cities, regions and countries.

Institutional future of Belgium and Flanders

The three most actively debated scenarios on the future of Belgium in 2008 are:

¹⁷⁴ Moesen W. a.o. (2007) The competitiveness of Flanders in the ranking of the World Economic Forum.

¹⁷⁵ fDi (Foreign Direct Investment) benchmark results, London, 2008.

¹⁷⁶ UNCTAD (2008) The creative economy report, Geneva.

- 1. The Trend Scenario:** the actual **Federal State** seems to be in permanent crisis due to different visions between Flanders and Wallonia on institutional reform (and more specifically how far one wants to go in further increasing regional Autonomy). The Flemish Region wants more competences in order to make further progress in economic efficiency and social welfare. A large majority of Flemish politicians and intellectuals believes that this is the only way to preserve Flanders' leading position amongst the European regions. But the French speaking part of Belgium is afraid that the Flemish demand for more autonomy is basically a split scenario in disguise. The final outcome of the trend scenario according to a large part of the Flemish seems to be the general impoverishment of Belgium as a whole because of the desperate political impasses and the inability to take difficult and sometimes courageous decisions which are needed in a period of financial and economic decline.
- 2. The scission or Czech-Slovakian scenario:** the country's scission would imply that the interpersonal solidarity of the now richer Flanders and the poorer part of Belgium (Wallonia and Brussels) is no longer guaranteed. Although a majority of the Flemish want to keep the federal solidarity intact, political parties striving for independence of Flanders gain in popularity due to the unwillingness of the French-speaking parties to discuss any form of institutional reform, afraid as they are of the scission scenario. If they maintain their position, the radical parties in Flanders may gain further momentum, may obtain a majority in the future and may even proclaim Flemish independence in a Republic Flanders. However, under this scenario, the "Gordian Knot" Brussels (although still predominantly French speaking at this moment but rapidly moving towards a multicultural and multilingual capital) might be lost which constitutes a scenario difficult to swallow for the majority of the Flemish. This is not only because Brussels is also the official capital of Flanders since the regionalisation in 1980, but mainly from practical viewpoint because Brussels is the most centrally located city within Flanders' territory. The leading French speaking political formations are already preparing a scenario in order to be internationally recognised as Belgium in case of Flemish independence. A minority of the French speaking part strives to become part of France in case of Flemish independence.
- 3. The scenario of a CONFEDERAL STATE** is gaining momentum and seems to be at this moment the only possible outcome or compromise between the two former scenarios in order to reach a "Pax Belgica". The regional authorities therefore are now involved in the negotiations on institutional reform, more specifically obtaining more autonomy and financial accountability and self-responsibility for the regions. The final outcome of the further negotiations is difficult to predict.

FLANDERS IN 2050

Irrespective of the "External Framework Conditions to build long-term scenarios for European Regions" as described by our Slovenian colleagues¹⁷⁷ and irrespective of the coming "War for

¹⁷⁷ Quo vadis Slovenia? Between framework conditions and internal capabilities, by Rocevic B., Sustercic J., Wostner P., and Besednjak T. Contribution to Regiofutures Programme, 2008.

Wealth” with a disappearing wealth of the West, as announced by Steingart¹⁷⁸, the internal factors of future development in Flanders are briefly described on the basis of a first exploration of future studies in or concerning Flanders. We are aware of the fact that Flanders with its open export oriented economy is in fact part of and centrally located within the larger urbanised North-West European mega-region or megalopolis¹⁷⁹.

The Flemish people can be characterised as realistic and pragmatic, focused on solving immediate problems. Probably therefore Flanders seems to lack activities in the field of long term previsions and perspectives. In any case I was able to identify only a few:

- The Department of Spatial Planning in Flanders recently announced the launch of a medium and long term spatial planning perspective for 2020-2050 for reviewing the actual **Spatial Plan for Flanders**.
- **Extended Gateway Flanders** is a **long term logistics vision for Flanders** developed recently by the Flemish Institute for Logistics.
- Thanks to the Safecoast project of Interreg IIIB North Sea with partners from all the countries around the North Sea, a **“Coastal Safety Master Plan”** is in preparation. The aim is to protect the Flemish coast against erosion and flooding looking ahead of 2050. Both ‘soft’ measures such as beach and dune nourishments and ‘hard’ construction measures such as increasing the height of existing sea walls and storm return walls are in preparation¹⁸⁰.
- Within the frame of upcoming **maritime spatial planning** in the EU, a challenging vision for connecting the national **windmill plants in the North Sea** is developed recently in the Netherlands, which also in Flanders obtained some support¹⁸¹.

Together with the medium term Flemish socio-economic **Action Plan 2020**, these seem to be the only exploratory studies currently discussed in Flanders about the longer term future.

Most of the long term prospects and macroeconomic predictions are performed by **Belgium’s Federal Planning Bureau**. The most recent regional predictions (apart from the shorter term economic previsions 2008-2013) deal with:

¹⁷⁸ Steingart G. (2008) *The War for Wealth, The true story of Globalisation, or why the Flat World is broken*, McGrawHill, New York.

¹⁷⁹ Baeyens H. (2008) *Smart City-Regions, The Cradle of major Innovations and Progress in the 21st Century*, in *Faces of the 21st Century*, edited by Gąsior-Niemec A., Kukliński A., and Lamentowicz W, Pruszków.

¹⁸⁰ International Conference of Coastal Engineering, Hamburg, 2008: *An Integrated Master Plan for Flanders Future Coastal Safety*, Planning Team.

¹⁸¹ Master plan off shore wind in the North sea, commissioned by the Dutch Society for Nature and Environment and developed by the Office for Metropolitan Architecture (OMA) of Rem Koolhaas. The visionary master plan pinpoints areas for an international ring of wind parks in connection with shipping, nature and recreational areas. The ambition of the master plan “Zeekracht” is to make the North sea a sustainable (energy) battery for Europe.

1. Population previsions 2060
2. Mobility forecasts 2030
3. Energy forecasts 2030 and 2050 (with The Technical University Athens)
4. Climate Change back-casts 2050 with different scenarios.

1. The population previsions 2007-2060¹⁸²

Because Flanders exhibits a lower birth rate and a more severe problem of ageing than Brussels and Wallonia, the share of Flemish population is expected to decrease from 57.8% in 2007 to 55.4% in 2060 (a bit more than 7 million inhabitants). The share of Brussels and Wallonia, on the contrary, is projected to increase to 10.5% and 34.2%, respectively. Brussels in particular is characterized by a high birth rate due to the large foreign immigrant community. The hypotheses for international migration are inspired by the work of the "Ageing Working Group" of the EU in 2006. The relative attractiveness of the Belgian economy is based on the evolution of GDP both in the old member countries, the new member countries and the countries outside the EU. Indeed, the last couple of years have been characterized by an increase of international migration, both from the former EU15 (mainly from France and the Netherlands) and also from the 12 new member countries since 2004.

On the contrary, international immigration from outside the EU (and in particular Morocco and Turkey) stabilised and even decreased a little bit.

2. Mobility forecasts 2030¹⁸³

The Federal Planning Bureau developed the PLANET model on behalf of the Federal Agency for Mobility and Transport in order to forecast the mobility in Belgium until 2030. The projections distinguish between transport of people and goods. The **transport of persons** is expected to increase with 19% due to an increase in mobility for other reasons than home-work and home-school mobility. Due to a lower birth rate and the ageing of the population the home-school mobility remains the same. The home-work mobility is expected to increase by 10%, but it is mainly the mobility for other reasons that is expected to increase by 22%. These include recreation, shopping, culture, tourism, etc...The **transport of goods** is expected to increase much more strongly with 46%. The international transport of goods is expected to increase most (mainly in the field of machinery, food products, containers, etc). The modes of transport are changing to a lesser extent. The share of road transport remains at more than 60%.The transport by train is expected to increase from 18% to 23%. The debate is currently emerging on the ecological limits and the increasing impact of container transport from the four Flemish ports Antwerp, Zeebrugge, Ghent and Ostend within the frame of the world wide competition and the logistic development strategies.

¹⁸² Source: <http://www.plan.be>

3. Energy forecasts 2030-2050¹⁸⁴

Long term (20-30 years) energy forecasts have been made for energy supply and demand using the PRIMES model of the Technical University of Athens (NTUA). This model has been developed within the frame of the JOULE-III Programme of the EU. Alternative long term scenarios are being developed related to the challenges of energy costs and environment such as CO2 emissions. They are used by the Federal Planning Bureau for the mastery of electricity demand, the regionalisation of energy provisions, etc. For 2050, a **reduction of energy consumption** should take place by means of technological progress in industry, by the introduction of the electric car in transportation and by introducing the K20-isolation norm for new buildings and the K30-isolation norm for the renovation of the existing buildings in the residential sector. **Energy production** by means of fossil energy remains high with 65% since the former government decided to dump the nuclear scenario. The remaining 35% should come from renewable energy (mainly wind and photovoltaic solar energy).

4. Climate Change: Emission reduction scenarios 2020 and 2050¹⁸⁵

Based on the European Council Decision in 2005 to reduce emissions by 15% to 30% in 2020 in comparison to 1990 and by 60% to 80 % in 2050, the Belgian Government asked the Federal Planning Bureau to develop these scenarios in more detail for Belgium. For **the time horizon 2020** a combination of the PRIMES model for the energy sector and the Belgian economic model HERMES has been used. Within this framework the Federal Planning Bureau studied the reinforcement of the offshore –wind-energy, the energy-efficiency in buildings and the energy savings in the transport sector.

For **the time horizon 2050** the methodology of “**back-casting**” has been used, starting from the desirable future in 2050 instead of “**fore-casting**” till 2050.

Two “back-casting” scenarios have been developed:

1. The **Pyramide** or more **top-down** scenario starting from a reinforced international cooperation and technological progress.
2. The **Mozaiek** or more **bottom-up** scenario based more on national, regional and local ambitions and behavioural changes.

Three reduction scenarios between 1990 and 2050 have been developed based on the proposals of the Council of the European Union: with respectively **50%, 60% and 80% reductions** thanks to technological progress and reinforced behavioural changes.

The time dimensions for the implementation of these scenarios, cover the following phases:

¹⁸⁴ Source: www.plan.be

¹⁸⁵ Task Force Sustainable Development, Federal Planning Bureau, www.plan.be

1. The take-off phase before 2010 with the Belgian Presidency in 2010
2. The acceleration phase 2010-2020
3. The stabilisation phase 2020-2050.

This transition towards a more sustainable future is at the same time a plea for “**smart growth**” **developments** in Europe, Belgium and mainly in Flanders as the most urbanised part of Belgium, as it is the case in the USA¹⁸⁶. The transition scenarios towards a more sustainable development in Belgium in view of 2050 seem to be the most profound in depth future analyses both for Belgium and its constituent regions.

FINAL CONCLUSION

The author has been heading for 35 years a Flemish consulting firm on regional planning and development named ‘MENS en RUIMTE’ (which may be translated as ‘MAN and SPACE’ or ‘MAN and ENVIRONMENT’).

When looking at the **factors of continuity in Flanders**, we discover that two factors remained largely invariant through history:

1. **Flanders’ geographic location** at the North Sea delta with its main ports Antwerp and Zeebrugge remains very favourable at the start of the 21st century. In addition, Flanders and Brussels are now centrally located in the middle of the “North-West European megalopolis”, a “smart city-region” with capital cities such as London, Paris, Randstad Holland and other major metropolitan regions such as Rhein-Rhur and Rhein-Main (Frankfurt).
2. But also **the human capital factor** in Flanders is characterised by continuity: the high educational level, high labour productivity, the favourable score in the list of the cultural economy, the open economy and the creativity, multilingualism and motivation of its population, are favourable factors for a creative design of its own future despite serious challenges ahead of 2050.

¹⁸⁶ Baeyens H. (2008) Smart Regions: Continuity and Innovation in the Practice of Knowledge Creation, in the book :The Individuality of a Scholar and Advancement of the Social Science, The Scholarship of Antoni Kukliński, edited by Anna Gąsior-Niemiec and Józef Niżnik, Pruszków.

PART THREE

Europe facing the challenges of the XXI century

Introduction

Europe quo vadis? Where the European Union is heading to is an overarching question, but the challenges are such that original and not 'out-of-the-box' answers have to be found. The endeavor for reaching sustainable EU-societies appears to be the most promising approach at European and at world level. We will try to give some answers, more radical than the usual out-of-the-box approaches. Even when not considered as immediately executable, nevertheless they are inspiring for further reflection.

The fall of the Wall in Central Europe and the collapse of the philosophical-political system is only twenty years ago. Since, some of the Central European countries have joined the EU, and are integrating the market driven economic system. The very fast development of new technological innovations has surprised society, in particular, the powerful information and communication technologies (ICT). The physical borders of place and time for individuals, governmental institutions and enterprises, have been abolished and opening the way to the information and knowledge societies.

At planetary scale new threats appeared as well, climate change and global warming become major concerns for humankind. The anthropogenic origin of these changes appears difficult to be accepted at the international political levels. The claimed urgency by climate scientists has not yet convinced world leaders to act together at a planetary scale, leaving the 'business as usual' (BAU) practice of the industrial-economic-financial establishments to continue.

The Planetary Frame - Geo-political considerations

- From a Bi-polar to a Multi-polar World

The bi-polar world of the post World War II belongs definitely to the past and evolves at high speed to a multi-polar world community: the today's major actors being the BRIC countries (Brazil, Russian Federation, India, China), US, EU and Japan, and others to come. The acronym was first coined in

¹⁸⁷ This is a revised version of a paper included in: A. Kukliński, K. Pawłowski (eds). The Transatlantic Community. The Titanic of the XXI Century? Nowy Sącz, 2010.

2001 by Goldman Sachsⁱ. At their first Summit in 2009 the BRIC Member States issued a declaration calling for multi-polar world order.

On the political front and in the context of the present financial crises, the G20 Countriesⁱⁱ emerged on the international scene and published *Leader's Statement* of their meeting in September 2009ⁱⁱⁱ. Other alliances will emerge in the future and resulting in new entities, e.g. South East Asia. The emerging economies ask for a partnership in the geo-political debates and a share in the geo-power structure.

A new world order came into existence after the WWII. The international institutions created just thereafter, are still in use today. Some major steps of this period can be summarized as follows.

1. The created structures after WWII had the objective to prevent in the future generalized conflicts and disruptions, which had their roots in the aftermath of the great depression period : security and peace (UN Security Council), monetary and financial stability (IMF and World Bank), food production (FAO), education and culture (UNESCO), and many more.
2. The decolonization of large regions and populations took place leaving European countries reduced to their home economic size.
3. More closer, technological innovations accelerated very fast, enhancing the building of new world visions. The television, micro-electronics and ICT, changed and still do, the daily live of millions/billions people all over the world. Some Asian countries - Japan, Taiwan and more recently South Korea - joined the expansion and acquired a major role in the manufacturing processes, basically due to large amounts of cheap labor.

Then BRIC countries:

- Major Countries in Asia

The number of people in this region is absolutely impressive (in billions 2020)^{iv} : China 1,431.2; Korea S 49.5+N 24.8 and Japan 123.7; in total 1,629.2 and India 1,367.2.

Indeed, in terms of economic and geo-power, most China but also India change the international discourse. Other emerging economic powers are entering into the game as well. In Asia, the combination of China, Korea (N+ S)^v and Japan has a high potential to play a major economic and geo-political role. However, this possible alliance inherits the historical disruptions, which could slow down a prosperous integration of the people. China faces, most likely, in the coming decades intense social, ecologic disruptions as a result of a too fast economic development and the hierarchical style of governing. The evolution of India occurs at a slower pace, and could follow another pattern than its neighbors. Indeed, its cultural composition and historical evolution are quite different from other parts of Asia. The other countries of South-East Asia will enter the international political arena once the local conflicts and tensions have been digested by the national political constellations.

- Russian Federation

The countries of this Federation are still in internal political and economic mutation and remain for some time conditioned by a soviet dominated state philosophy. Attaining political stability will last perhaps another generation or two (one generation being some 25 years).

- *South America.*

The Latin American countries, in particular Brazil and to a lesser degree Argentina, follow a track of accelerated economic development, their integration in the political world discourse is progressing steadily. The South American continent is not only rich in natural and biological resources, but also in cultural and biological diversity. Their geo-political presence will strongly depend on the visions the political leaders will formulate in the next decades.

In a way of illustration, a shift of power was visible at the latest world event in Copenhagen at the COP15 conference in December 2009. In these negotiations, the geo-power center of the world shifted from the US and the Atlantic towards China and the Pacific with a strong appearance of some BRIC countries. The EU was the great absent in the geo-debates although showing the highest performances in fighting global warming. The scientific results and knowledge gathered mostly by the US and the EU universities and research institutions, was subordinated to a geo-political confrontation and resulting in a (temporary) deadlock.

Table 1

Country*	Population [billion]		GDP/ca [PPP USD]	GDP [bio-USD]
	2007	2020	2007	2007
EU	0,501	0,505	29.900	16.843
US	0,309	0,346	45.592	13.751
Japan	0,127	0,124	33.632	4.384
China	1,392	1,431	5.383	3.205
India	1,165	1,367	2.753	1.177
Russian Federation	0,142	0,135	14.690	1.290
Brazil	0,190	0,209	9.567	1.313
World	6,671	7,674	9.972	54.584

* UNDP HDR 2009. Data 2007

- *The Nation State Reflex of the EU Members States*

The COP15 Conference in Copenhagen^{vi} has clearly demonstrated that the geo-political power balance remains based on the 19th century political concept of the Nation State. The UN institutions, created in the second half of the twentieth century are still built on the legal basis of the Nation State.

The issue of climate change and global warming, however, is no longer a matter of national borders. Indeed, it concerns the status of the eco-system of the entire planet. The entirely new character of the phenomenon and, above all, its huge dimension and extreme complexity, call for a new political methodology for reaching efficient, large scale and urgent actions.

As a first conclusion the following question arises : can there be any chance to reach a planetary policy for mastering the global warming, through an agreement of about 190 States, with a 19th-20th century political philosophy about world affairs? As long as national interests, historical differences in development pace and the correlated waste production prevail, there cannot be a strong and general accepted international agreement. Unless, catastrophic, unexpected world events occur, either at earth system level (floods, droughts, rising sea levels, food scarcity, ...) or socio-economic level (social disruptions in emerging countries, nuclear war in conflict regions, economic recession, ...), leading to a new world order. Historical experience supports this conclusion, humankind has not been able, until now, to change course through concerted agreements based on rational or scientific arguments.

World major issues

- Climate Change and Global Warming^{vii}

In 1988 the IPCC (International Panel on Climate Change) was established, and the UNFCCC (United Nations Framework Convention on Climate Change) in 1992. The Kyoto Protocol was agreed upon in 1997 and became effective only in 2005. The topic of Climate Change is about 25 years on the agenda of world summits and events. The expectations of the 15th conference of the parties -COP15- in Copenhagen that a new protocol would be agreed upon; the new one being the follow up of the Kyoto Protocol of 1997 and expiring in 2012. Geo-political arguments interfered and an agreement could not be reached.

Scientific analysis and large amounts of observations of the planet led to the conclusion that anthropogenic activities are bringing the planetary eco-system under major threats. The consequences of the Global Warming for the eco-sphere -inclusive the human species- are projected to be dramatic, unless quick actions are taken for reducing the concentration of GHG (Green House Gases) in the atmosphere to pre-industrial levels. The difficulty for reaching these GHG concentration lies in the necessity to modify the habits of the populations of the industrial world and correlated to find new economic and industrial models. Further, it is recognized that the effects of global warming will affect all regions in the world, be it in different sizes and ways, and therefore the leaders of the world need to agree on coherent action pattern under the guidance of adequate international instances -new or old ones.

- The world demographics^{viii}

The demographic evolution of the planet in the next half century has been widely commented by demographers and international organizations. A substantial increase of the world population will be reached by mid-century: ~8,5 billion people. The developing and emerging countries are the most hit by this increase.

Unfortunately, three additional phenomena accompany this increase:

- the present economic growth concept enhances the use of natural resources, thus increases the 'ecological footprint' far beyond planetary limits, and endangers peaceful coexistence between countries and regions;
- the global warming enhances the disruption in food supply in regions with high demographic increase;
- aging of the population in most parts of the world.

Dramatic global warming impacts, for example, on the melting of the glaciers in the high mountain chains of the Himalaya, threatening the major river basins in Asia to run out of fresh water in the summer seasons. About half billion of people living and growing their food there are directly concerned, which will have a repercussion on the demographic evolution in these regions.

- Rising Societal Disruptions

The fast economic growth observed for a couple decades, especially in emerging economies, raises substantial questions about the durable and sustainable character of these economies, in particular, concerning the adaptation and transformation of the social fabric of the populations in the industrialization process and their share in the economic development.

The building of a middle class, strongly promoted by political establishments, requires an increasing degree of social participation and security. In other words, the pace of economic growth as we see it, risks becoming a source of dramatic social instabilities and disruptions. Correlated with this accelerated economic development are the environmental disruptions with sanitary distortions of the populations. The rather fragmented information we get about the real environmental situation of certain regions in Asia is more than cumbersome. The discourse of eminent politicians used in the seventies and later: 'first economic development and thereafter - if money is available - clean and restore the environment', is again applicable. Apparently, lessons are not learned from history, the priorities remain economic growth and profit, but not the protection of our own living world.

- Civilization and the Loss of Cultural Diversity

Lester Brown^x of the Earth Policy Institute, Washington D.C. together with many others, warns that without a radical change of our economic, technological and military systems, humankind faces a collapse of its (Western) civilization. This analysis underlines once again the urgency for political action for taking care of the earth's eco-system, of which we are part of.

The cultural dimension of the sustainability concept is a frequently forgotten issue. What will humankind do for the preservation of its cultural heritage and diversity? Languages and cultures disappear each day, by mid-century it is expected that only about 10% of the currently existing 6,000 spoken and written languages with their traditions, beliefs and human values will remain alive. With the disappearance of the languages, cultural entities vanish forever. The underestimation of the importance of the cultural as well as the biological diversity represents a dramatic impoverishment for humankind and its ecosystem. The global warming process accelerates the decrease of diversity, and a world without it will become a boring place. Their preservation must become major concern for action for all of us.

- *The European Union*

The political construction of the European Union has been a stepwise process, reaching today 27 Members States, built on mutual agreements during more than half a century. The most recent step, as defined in the Treaty of Lisbon (December 2007), should improve the functioning of the institutions, among which two major nominations: *President of the European Council* (heads of States or Governments of the Union member states and the President of the European Commission) and of a *High Representative of the Union for Foreign Affairs and Security Policy*^x. A further geographic extension of the EU to the Balkan States (Croatia, Serbia, Bosnia, Montenegro, ...) and Norway, seems possible in the coming years. The increase of population and GDP of the EU (27) will not be affected very much by these extensions. In Table 2 a short summary of basic numbers about the Union is presented^{xi}.

Table 2

Member State*	GDP/ca [PPP €]	Debt** [% of GDP] 2008	Population [mio]	Member State	GDP/ca [PPP €]	Debt** [% of GDP] 2008	Population [mio]
Germany	27.400	65,90	81,76	Austria	29.300	62,60	8,37
France	26.000	67,40	64,71	Bulgaria	9.700	14,10	7,58
UK	27.300	52,00	62,04	Denmark	28.300	33,50	5,55
Italy	23.900	105,80	60,40	Slovakia	16.800	27,70	5,42
Spain	24.200	39,70	46,09	Finland	26.900	34,10	5,35
Poland	14.100	47,20	38,16	Ireland	30.900	44,10	4,45
Romania	11.000	13,60	21,47	Lithuania	12.600	15,60	3,33
Netherlands	31.500	58,20	16,58	Latvia	11.700	19,50	2,25
Greece	23.000	99,20	11,13	Slovenia	20.900	22,50	2,05
Portugal	18.200	66,30	10,64	Estonia	14.400	4,60	1,34
Belgium	27.500	89,80	10,82	Cyprus	23.300	48,40	0,80
Czech Republic	18.800	30,00	10,51	Luxembourg	65.009	13,50	0,50
Hungary	14.900	72,90	10,01	Malta	18.300	63,80	0,42
Sweden	28.200	38,00	9,35				
				Total	24.300	61,50	501,26

* Wikipedia. Data from Eurostat 01.01.2010. **Eurostat

In Table 3, a comprehensive analysis of the above data indicates that quite a large spread between GDP/ca and the public debt does exist. In order to reach a sustainable EU, these gaps must be reduced significantly, as fast as possible. The national debts are not entirely new for some of the States, however with the international financial crisis some upper limits of debts should be imposed in all members. In these matters the political strategy of the EU must be a strong regulation to the benefit of the populations and the Union.

Table 3

GDP/ca Range* [PPP €]	Number
>30.000	3
25.0000-30.000	8
20.000-25.000	5
15.000-20.000	4
10.000-15.000	6
<10.000	1
Total	27

Debt [% GDP]	Number
>85	3
65-85	4
35-65	9
15-35	7
<15	4
Total	27

In conclusion, the geo-political position of the EU is still a project in progress, advancing slowly but steadily, based on strong premises and on a long history and experience. Over the last two centuries, the person as well as the commons have acquired a central place. The neo-liberal economic thinking of the present industrialized societies has shifted these fundamentals into shortsighted objectives of profit.

The EU societies - as the rest world - face challenges at which political answers determine the quality of the life of the people. As will be shown, many issues are already well known and sufficiently described by experts and scientists. The domains we will explore concern essentially:

1. socio-economic transition for economic selective growth or 'de-growth' (décroissance);
2. the commons goods and the outsourcing of labor activities;
3. zero carbon and zero waste perspectives;
4. post Copenhagen actions;
5. financial and monetary stability;
6. embracing scientific and technological innovations;
7. reducing the administration and red tape.

Issues on military harmonization within the Union are left out here, due to insufficient available expertise, however it is without doubt a major issue, which has been debated in the past but aborted and should be put on the political agenda again. Obviously this question is strongly linked with the Nation State concept which is still very alive among EU Member States. However, as Lester Brown has tentatively indicated, the world wide money flow to military expenditures compared to the amount needed for sustainable world development is simply staggering. The logical conclusion is that humankind has not yet acquired the maturity to run the planet.

Selective growth or 'de-growth' : an inconvenient must

The Club of Rome's publication *Limits to Growth*^{xii} (1972) has existed for about 40 years and has contributed to a global awareness of planetary limits, but has barely been able to push for substantial political actions. On the contrary, economic growth has never been as high in this period as ever before. The recognition of the impact of the global warming phenomenon on the planet's ecosystem and the eventual consequences for humankind are much more recent, and have not been correlated with the Limits to Growth report. The economic and industrial activities driven by the market-consuming economic model, based on unlimited and cheap fossil energy, are now accepted to be at the origin of the global warming of the planet. The Club of Rome's report was inspired by the fear of a lack of mineral resources as the result of very fast economic expansion of the post war period, however, today the situation has reversed, in the sense, that the real limits are waste production and the size of earth sinks. Humankind considered the sinks as infinite in size and to be used indefinitely, for centuries and beyond. These limits are now recognized to exist and their transgression to become a major problem, at the point that, humanity's civilization and/or survival could be endangered.

Recently the concept of economic selective growth or 'de-growth'^{xiii} has been revived, as an answer to the present accelerating unsustainable economic evolution. Although the paradigm being implicitly announced in the Limits to Growth, it still faces resistance as a new thinking path for this century.

In a paper dealing with the earth's eco-system : *Planetary Boundaries: Exploring the Safe Operating for Humanity* (2009)^{xiv}, an excellent analysis is given on the status of the planet and the boundaries of some nine domains in which humans should and can act. The unlimited economic growth paradigm, frequently understood as the business as usual approach (BAU) and repeatedly mentioned by political leaders, is presented as the best solution for enhancing development is in fact contradiction in terms. Of course economic growth remains an objective for specific regions and populations. However, referring to the footprint^{xv} concept, the planetary resources have already transgressed upper limits, meaning that humankind is using it 'natural capital' and thus behaves in an unsustainable way.

The economic selective growth or 'de-growth' approach is increasingly confirmed by the different analysis of the physical reality of global warming. Apparently, it has not yet penetrated the economic thinking. From a sustainability point of view, the industrial societies should rather think in terms of 'sustainable retreat'^{xvi} in order to evolve to the well-being of the people, rather than in terms of the accumulation of consumer goods.

The socio-economic EU frame

- *The Commons*

The EU has through its industrial past, essentially in the nineteenth century, in answer to the violent reactions by the exploited working classes, succeeded in building a social, health-care and pension net for its entire populations. The concept of social responsibility and the common goods has emerged from these confrontations. According to some writers^{xvii,xviii}, the ultimate condition for reaching democratic societies consists in preserving common goods, we add now to reach sustainable societies.

In the last years, a strong tendency appeared by governments for bringing public goods and enterprises to the market, in view of generating higher efficiency and direct profit. The main argument is that the business approach has higher capabilities to manage such enterprises. Consequently, this move has weakened the concept of the commons of the European society under the dominant of neo-liberal market economy concept. Some examples have already shown that these premises are not systematically verified.

A recent example, the Kyoto Protocol proposes Emission Trading, consisting in selling carbon surplus of one country to another one with too high emission levels, in the end no one has to do any effort for reducing the physical GHG output. In fact it refers to a way of privatizing a common good, the atmosphere. A carbon stock exchange has been set up for this purpose. Is there something on earth that is more common than the air? We breathe it several times a minute and which institution or business could claim ownership of it?

- End of labor outsourcing

The recent financial and the related economical crises have dramatic effects on the labor market worldwide. Unemployment is a waste of human resources and neither enterprises nor governments and institutions should contribute to it.

In a similar way, one should ask if the outsourcing and de-localization of industrial activities to low-cost regions is a sustainable way of acting? On one hand, de-localization envisions either more profit due to lower manufacturing costs or the survival of a business in a higher labor costs countries. From the labor point of view, outsourcing is a definite loss, which the taxpayer compensates - in Europe - through its social net. Thus, de-localization means that the additional social costs, which do not appear in the accounting of the enterprise, but, are de facto still there and appear in the accounting of the country. The result is that the overhead cost for social security and thus the labor cost of a country rise, disadvantaging local companies and hinder new investments. The accounting sum of outsourcing is not made and surprisingly the political establishments are not reacting at all. On the other hand, the receiving countries, mainly in Asia, show high rates of economic growth, which is in part due to artificial imported activity. For them, these activities are in the long range also unsustainable, as processes originated through decisions remain entirely out of their control or escape when other regions come up with lower costs.

The EU market having half a billion of consumers - which is not so small - would be better off if it elaborated policies for internal employment and stimulated labor mobility and flexibility inside its own market borders. A new accounting system in which the entire cost of outsourcing is registered and eventually taxed, is nothing less than a consolidation towards a sustainable society. Thus, such measures are not protectionist in nature; nonetheless, the credo of the corporate world today is focused on profit at any price and not on sustainability for all the partners and citizens.

Zero Carbon and Zero Waste Implementation.

The Zero Carbon & Zero Waste^{xix} (ZC&ZW) is in fact not a new concept, it has been described in different forms by many other names: Factor Four^{xx}, The Factor Ten Institute^{xxi}, Cradle to Cradle^{xxii}, they all contributed to the concept. The ZC&ZW was quite clearly formulated by Helen Clark^{xxiii} of New Zealand (now UNDP administrator) as a policy objective to be attained for her country in the next decades.

Indeed, the technological innovation has already accomplished quantum jumps in mastering electric energy storage in transportation. There is no reason to assume that innovation is at its ends, on the

contrary, it sounds more reasonable to think that new frontiers will be discovered in the next decades. In a very interesting report of the Foundation for the Future^{xxiv} about the future of energy - horizon the year 3000 – it is indicated that solar energy will be the relay of all energy humankind will need in the future, as it was millions of years on earth. Cities' governments should have stronger commitments and policies for attaining ZC&ZW by 2030, at least for personal mobility. Additional advantages are not small, reaching zero carbon materializes in the long desired independence from fossil energy from politically unstable regions and improves directly the national balance of payments. As to zero waste, life cycle analysis and recycling material resources has been practiced for many years, its application should become systematic standard policies.

Post-Copenhagen Actions

The Copenhagen COP15 event has been quite interesting for observing geo-political shifts. Unfortunately, civil society has been quite unhappy and frustrated about the negotiation process. First, the total absence of structural contacts with civil society proved to be an obsolete political approach; second, new ways of governance procedures have to be designed in order to reach solid and fast agreements, in accordance with the degree of urgency. The content of the negotiations is very well understood by civil society actors. Obviously, internal national political divergences play an important role, however the leadership of these countries should realize that the internal differences and difficulties are and mostly time bounded, and therefore should not interfere in the negotiation processes on planetary issues. On top of these difficulties, the political establishments seemed to ignore the urgent character of the planet's situation. The inter-generational dimension of the present situation must be a political concern as well. This is difficult to accept, the more the longer decisions are adjourned, the more expensive^{xxv} the solutions are.

As has been indicated in the introduction, a new geo-political frame has become apparent through the negotiation process. The quasi absence of the EU is very regrettable, however not hopeless. From the EU perspective, its sustainability objectives and approaches have not been shattered, but it has now to persevere in the directions taken. However, concerted action at the planetary level should be implemented. In the post Copenhagen processes the EU should regain its place in the geo-political decision process.

Monetary and Financial Stability

Since the financial crisis many experts have published an overwhelming amount of analyses and recommendations. The consequences at the geo-political level evolve in a decline of the position of the USD in favor of the Chinese currency. Simultaneously, massive State interventions for keeping essentially the US financial system alive and preventing a global collapse, have resulted in a temporary 'nationalization' of the financial and banking system - a never-before-seen-intervention in the USA as well as in Europe. Returning to a BAU situation appears to be most probable exit out of the situation, however definitely the less desired one.

Revisiting the Bretton Woods^{xxvi} agreements (1944) has been suggested several times, with the objective to elaborate a new monetary frame, liberated from the post-War II circumstances. In this respect, the decoupling of the USD from the gold standard, unilaterally decided by the US in 1971, ended the Bretton Woods construction. The monetary value of the USD being no longer bound by a standard value under the 'supervision' of an international institution, fluctuated along internal political and market situations.

Attaining a stable and sustainable monetary system, a 'multi-polar' international institution should be designated or created for governing the world monetary system. The past experiences demonstrate

that a sole dominant currency does not guarantee sustainable behavior of the major actors. What happened in the past, will repeat itself in the future, unless substantial systemic changes are installed. How this new reference currency should look like, is to be defined and agreed upon during the negotiation process. In any case the new reference point should be exempt, by definition, from 'local' and 'short term' economic fluctuations as well as from 'local' political interests.

Obviously, revisiting the Bretton Woods will not be an easy task, then the shift of the 'power' repartition of more than half a century will then be declared officially and neither easily recognized nor accepted. The inherited post-war power situation of World War II will then be abandoned definitely. But it will take some time, unless 'external' events interfere. The EU with the creation of the Euro comes in a situation to sit at the negotiation table, provided it can propose strong alternatives for a new financial and monetary order.

Embracing Technological Innovation

It is generally accepted that technological innovation is a major driver for economic development of industrial societies. Technological innovation with the objective of accelerating sustainable societies is a major challenge for scientists and engineers as well as policy makers. All industry sectors face this challenge, the design and the manufacturing of goods, machinery, housing, consumer products, etc. have to be transformed along some new criteria:

- repair friendly goods instead of throwaway fabric;
- progress in the domain of renewable energy products as well as energy storage for automotive use, has shown already substantial progress, but must be continued;
- monitoring housing for higher efficiency in energy use and less waste production;
- the earth system sciences and geo-engineering for reducing global warming should be intensified in order to be ready for fast intervention in case of accelerated climate changes;
- health-care and aging of the population require new approaches from the scientific and technology domains;
- adapting education and learning processes at primary and high school level enabling the narrowing the digital gap in particular developing countries;
- and much more.

The question is: in which degree the EU can strengthen and enlarge its position in most technology domains? Considerable efforts have been realized in the past, in particular through the Directorate General for Research of the European Commission, however, the challenge of more assertive European institutions and entrepreneurship remains.

How the emerging Asian countries will succeed in entering the innovation process is still an open question. In the past, huge expectations from some Asian countries have been projected, e.g. the fourth computer generation, however, they have not materialized.

Reducing the Administrative Red Tape.

Overpopulated and inefficient administrations of European societies have been known for decades. Information technology allows dramatic simplification of red tape, thus reducing the overhead costs, in particular through the elimination of redundant operations. Although spectacular achievements have been reached within the EU, e.g. with the introduction of the Euro, and with the abolishing of the customs barriers, the reduction of the administrative burden appears to be untouchable.

The overhead labor costs are in several countries much too high, resulting in decreasing investments and outsourcing as mentioned above. Rigid administration and often politicized, undermines flexibility and decreases the motivation of the civil servants. In global, too many of them is counter-productive and counter-efficient.

A Tentative SWOT Analysis in view of a Sustainable EU

The future of the EU lies in the ability to build a durable and sustainable society in the next decades. We have enumerated a number of issues, critical in our opinion, to access a durable society. Besides the internal challenges the EU has to address, the external world is evolving at high pace.

A very short but not exhaustive SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) regarding the EU is presented in Table 4. The EU possesses quite a number of strong characteristics favorable for evolving towards a sustainable Union. The weaknesses remain numerous and some quite important e.g. the ability to react quickly and steadily, overcome Nation State reflexes. As an illustration, the present debates about the overcapacity in the automobile industry and the attitude of the national politicians to save their 'national' employment, proves once again the deep nationalistic roots present in European societies.

The EU has to take the intellectual leadership in the search for new economic concepts and methods. The all over praised economic growth paradigm has never been sustainable, taking into account the size of the planet and its resources (footprint) and the limits of its sinks (oceans, atmosphere). Instead of speaking of sustainable growth, rather we should envision 'sustainable retreat'.

Table 4

EU- Sustainability SWOT Analysis	
STRENGTHS	WEAKNESSES
Political Stable political and state structures	Inefficient administrations, too many civil Servants. Overhead leads to high labor costs
Economic High average living standard A large internal market of 0,5 billion inhabitants Euro as solid monetary basis Historical vision on the Commons Economic de-growth concept under discussion	Important spread of GDP/ca among Members States Nation State concept tempers common policies Too high national debts Privatization as accepted policy Economic growth as the unique driving policy
Social Extended social services and health care provisions Stable population numbers	Outsourcing of labor activities to low-cost countries Growing and/or cyclic unemployment Aging becomes a problem
Environment-Global Warming Zero Waste & Zero Carbon concept Renewable energy facilities increases	Too slow implementation of global warming policies Fossil energy dependence remains high
Education Good/Excellent higher education	Too slow technological innovation to market; insufficient flexibility
OPPORTUNITIES	THREATS
Political Consolidating EU political structures (Lisbon)	'Party-cracy' as a threat to decision processes and democracy
Economy Carbon free economy	Economic stimulation for accessing foreign markets Monetary world instability
Social-Cultural Maintaining social system Multicultural society	Overall cost of medicare & retirement systems Low integration of immigration flows
Environment. Global Warming Global warming actions: Dedicated technology developments Zero carbon & Zero waste implementation	Insufficient international political drive
R & D Acceleration of technological innovation	Insufficient seed money for business creation.

Of course there are several opportunities in the present situation, but this was true in the past as well. The inertia of human behavior, often expressed as BAU, could indeed lead to major catastrophes. As an example, the absence of concerted actions to reduce global warming could lead to a dramatic set back of our civilization. What remains is the unknown factor of resilience of the human species and the eco-system towards these major threats. We know that sophisticated

cultures have collapsed throughout history and it is not proven that the cultural period of modern industrialization can avoid a similar process.

Power balance sheet for the EU, the US and China

In Table 5 a succinct comparison of some major characteristics of the EU, US and China have been juxtaposed. Without any doubt the choice of the items is by far not complete and the three countries do not cover the entire geo-political space. The EU has focused itself on stepwise internal structuring, which may be considered as an exceptional and historical performance. However, at the geo-political level, the EU has played as secondary role since WWII. The end of the Cold War in 1989 and the integration of Central European countries in the EU, has increased its potential in the geo-political discourse. The internal consolidation of the EU is still in progress and it will depend in which degree the Members States of the Union will succeed in overcoming their historical Nation State reflexes.

Today, but hopefully not for too long, the US is submerged with the costs and significant debt of the two wars it is fighting. The volume of military expenditures is so huge that it represents a major impediment to reach a sustainable society and to finance primary needs of large parts of the US society, in particular in education, health-care as well as in pension provisions.

The EU members States have to cope with exorbitant costs of their administration, which hinders the necessary flexibility of the workforces in modern economies, resulting in minimalistic resources for investing in sustainable transformations.

As to China, what we can expect are substantial social disruptions that can take place in the course of their economic development. It would be risky to speculate on a stable society. Individual freedom and development of the citizens are basic needs in a society and belong to the sustainability criteria for any people.

We do not know yet in how far the world demographic expansion of the next decades will hinder the process towards sustainable societies. We do not know what impact the global warming will have on the earth system and humans communities: sea level rise, deforestation, desertification, ice melting of the Arctic and Antarctic regions and of the high mountain chains in different parts of the world, in particular in the Himalaya. The latter is the source of seven major river basins in Asia, providing about half a billion people with food. We do not know if the prognoses of fossil energy resources - peak oil and peak gas - are correct. If they are, then we have to recognize that the world has entered in an energy transition phase, which will last beyond 2050 and the Global Warming effects, beyond the 21st century. The geo-power balance will be conditioned by the ability of the actors to address the challenges with sustainable solutions.

The evaluation of the items listed in Table 5 does not lead either to clear conclusions or to new ones. The overall impression is that the US faces major challenges; that China through its fabulous economic development is not free from social and ecological disruptions, which can affect its geo-power position; and the EU faces the need to be successful in its internal consolidation in order to be able to keep its progress toward a sustainable European continent.

Table 5

Tentative evaluation : Power Balance Sheet			
	EU	US	China
Economy			
Monetary situation : debt	Medium	Catastrophic	High monetary reserves
Economic growth	Modest	Medium	Very high. Expected source for Societal disruptions
Social			
Labor	Unstable employment Union conservatism	Flexible but market driven	Increasing disruptions
Social welfare	Excellent	Poor	Disruptions-dramatic-uncertain
Aging population	Rising numbers important for costs	Dramatic for many	Fast aging; cost effects unknown
Environment			
Environment	Medium-good	Medium-bad	Catastrophic/ heath threat, populous disruptions
Global warming			
Renewable energy	Medium-growing	Poor : strong fossil based	Poor/catastrophic-coal based
Threat Ice melting	Small	Small	Important high mountain chains dramatic fresh water supply
Desertification	Little	Medium	Considerable-high
Deforestation	Little	Medium	Unknown
Education			
Education	Excellent in general	Extremes: excellent and important illiteracy	Huge effort to be accomplished
R&D			
Technology innovation	Low-medium	Very high	Uncertain yet
Military			
Defense	Heterogeneous command; weak	Very strong	Unknown to medium

Some Conclusions. Inter-generational Responsibilities

The future of Europe lies clearly in building a sustainable common society. The EU has succeeded, over half a century, in building a political ensemble. The work is not finished and must be continued, at all levels: social, economic, environmental and global warming. The highest priorities have to be given to systemic approaches and durable solutions.

The transition from the 'old' industrial to the 'new' sustainable societies represents a fundamental mutation process, asking for a different economic system and new industrial design and manufacturing processes. The suggested solutions are not inspired by the usual 'out-of-the-box' reactions so frequently advanced by international institutions. Historically, Europe has constructed societies in which the commons and the social protection were fundamental values and they must be preserved against the dominant market driven economical practices. Recent financial and monetary disruptions require revisiting those past international agreements, based on post war circumstances. The Nation States reflex of the EU members remains a serious threat for its long term policy harmonization, which is necessary. The oncoming economic 'de-growth' concepts appear necessary thinking paths, given the limited size of the planet and of its sinks. Of course the selective growth or 'de-growth' (décroissance) process will vary from state to state or from continent to continent, however, the overall message is that it is unavoidable. Obviously 'zero carbon and zero waste' strategies at community as well as at country level have to be implemented. They are part of what has been called 'sustainable retreat' process, unfortunately it is getting urgent for implementation leaving behind the BAU way of doing. The short SWOT analysis should provide a better understanding of the challenges of the EU and for the search to original solutions.

At the geo-political level, the power balance is shifting from a bi-polar to a multi-polar one. This shift has advantages but inconveniences as well and calls for revisiting the restructuring of international organizations created during the past century. Major issues that require answers at the planetary level are: the shrinking of the fossil energy reserves, a monetary reference frame independent of national currencies and guaranteeing long term stability, fresh water availability and correlated food production, and, last but not least, the world demographic evolution with the aging of the populations.

The latest COP15 negotiations in Copenhagen for a new climate change protocol have clearly shown the underlying political motivations of some Asian States. The shift of the geo-power balance from the Atlantic countries towards the Asian countries of the Pacific region, is occurring now, accelerated though the demographic importance and the strong economic development. However, internal social and environmental disruptions are realistic risks able to slow down the evolution.

Finally, humankind is now confronted, in a very conscious way, with its own future. This is a fascinating situation and in front of an inter-generational responsibility. The sustainability concept appeals for this kind of responsibility and was referred to in the UN publication in 1987 *Our common Future*.^{xxvii} Human species and eco-system must evolve into a stronger eco-centric perspective of the planet. This is a major paradigm shift, we are observing right now, comparable to a new Copernican revolution.

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GILBERT FAYL, ULRIC FAYL VON HENTALLER

Running without learning

“The future can’t be predicted,
it has to be invented.”

Dénes Gábor, 1972 Nobel Prize in Physics.

The European Union’s newest undertaking “EU-2020” may well end up alongside its predecessor the “Lisbon Strategy” and not materialise.

As of end-June 2010, there is no clear answer to the question: “Europa Quo Vadis?”.

We recommend:

- *better use of regions’ endogenous potentials and complementarities, in particular those of the “new” EU member states. A “Global Competitive Advantage and Prosperity Forum” would be helpful in this process*
- *the establishment of an EU-level early warning mechanism that would give more time for appropriate intervention in case of unexpected or undesirable developments. It could help to mitigate, and ideally eliminate, various potentially damaging impacts on citizens and the environment.*

*

Introduction

This paper takes into account the presentations and discussions at the international conference “Europa Quo Vadis”, Lower Silesian International Conference, 10 – 12 June 2010, Wroclaw, Poland, as well as the meeting’s underlying document with an identical title by Prof. Antoni Kukliński. In particular, we recognise the high intellectual and inspiring value for the "Europa Quo Vadis Programme" (and similar initiatives) of Prof. Kuklinski's programmatic paper presented at the conference and we strongly support the Programme's continuation.

We have made an effort to complement the afore-mentioned without unnecessary repetition with a view to contribute to a single comprehensive publication about this subject of critical importance for the current- and future European generations.

Rather than hunting for any specific and potentially impracticable vision, we have chosen to take a realistic view of the situation.

The Promised Land

The year 2010 should have been the time of the European Union (EU) demonstrating its ability “to become the world most competitive knowledge based society” according to the EU’s “Lisbon Strategy” formulated ten years earlier in 2000.

This vision has not materialised.

The “Lisbon Strategy” has also failed to reduce the discrepancy between various EU member states’ economies – such as Germany, and Greece and others. Moreover, regional disparities remain within the EU; a multi-speed EU seems to be becoming a reality.

The Strategy was clearly too over-ambitious. In addition, experience has shown that the Strategy also failed, as it was unable to adequately mobilise the EU Member States behind it. The Strategy was steered by an “intergovernmental” method, i.e. by the European Council and the main instrument of implementation was the “open method of coordination” combined with peer review. That means: EU Member States agreed to learn from each other and voluntarily “copy” each others’ successful strategies.

For some time now it has been obvious that the grandiose objective of the Strategy remains in the distant horizon. Critical voices have from the very beginning warned that the objective was illusory. More skilled policy analysts have maintained that the objective as such was ambiguous, not to say hollow.

Nevertheless, its positive impact can be found in the process that has been started and that will hopefully only be beneficial for the entire EU and possibly beyond. Admittedly, after almost ten years the process has become more important than the initial objectives.

Since the initiation of the “Lisbon Strategy” in 2000 the rules of the EU decision-making have changed. The “Lisbon Treaty” (signed in December 2009) has given more prominence to the above-mentioned “intergovernmental method”, rather than the so-called traditional “Community method” where the European Parliament and European Commission were more centrally placed.

But EU leaders still have to find and implement the best way to cooperate under the new regime. Unfortunately this is happening in the current somewhat distrustful climate where unemployment is rising following the deep recession that has also wiped out billions in wealth, and all the while the EU critical voices are mounting in the background.

As far as the future is concerned, in order for the EU to have any realistic hope of being successful in the global competition while simultaneously maintaining its European values, the EU must base its approach on rational foundations combined with realistic expectations.

There is no shortage of attempts to predict what Europe and the world might look like in the coming decades. The European Commission’s “The World in 2025”¹ predicts that Asian economies will overtake the EU and the US to become world leaders in R&D&I, and that Europe will need to speed up if it wants to keep up with global competitors. The European Parliament’s policy section produced a series of forward-looking papers about how it could be possible to make the EU more efficient and internationally competitive².

The critics of such foresight exercises claim that unpredictable R&D&I outcomes (incl. the serendipity effect) and changes in public attention and concern might entirely change the overall picture in time. Examples are manifold: the dramatic advances in ICT were not foreseen 20 years ago, just as the rise

1 http://ec.europa.eu/research/social-sciences/pdf/the-world-in-2025-report_en.pdf

2 http://www.ep-president.eu/president/ressource/static/files/special/EU_Policy_Challenges_2009-19_-Full_Text.pdf

of China over the past decade has been more dramatic than anticipated. Similarly, the climate and environmental issues were nearly not in the focus of the public some thirty years ago.

Yet, with its initiatives the EU has started the process of reflecting beyond the “Lisbon Strategy”.

In November 2009 the European Commission has launched a consultation on a fresh approach to replace the Lisbon Strategy that expires this year, 2010. It is called “EUROPE 2020 - A strategy for smart, sustainable and inclusive growth”³ (called “EU-2020” in the following). The new approach – that puts focus on sustainable growth through innovation – has resulted in a wide variety of suggestions, including criticism that the time allocated for feedback was too short.

Criticism has been vocalised by social NGOs, trade unions, centre-left members of the European Parliament, Brussels-based social lobby, etc., that in particular, “EU-2020” was launched without a prior comprehensive review of past failures and ignores the weak outcome of the “Lisbon Strategy”, and lacks a social dimension. There is also a methodological controversy: concerning “targets” and “expected outcome”. Moreover, “EU-2020” proposed to use the same “open method of coordination” as laid out in the failed “Lisbon Strategy” that will allow the European Council to only monitor Member State progress without the ability to have sufficient external control or to impose measures on countries that refuse to implement the necessary measures.

In February 2010 the European Roundtable of Industrialists (ERT) published a detailed list of actions that would put the EU on course for sustainable recovery, in addition to the numerous individual and coordinated comments to “EU-2020”. The indicators highlighted in this document “Europe on Track”⁴ include a number of “quick wins”: swift changes political leaders should make to signal their determination to reinvigorate the European industrial fabric. But the ERT criticized political leaders for failing to develop “European lead markets” and foster a meaningful public debate on “EU-2020”.

In March 2010 at the height of the Greek crisis, the European Council in its conclusions⁵ underlined that “*overall economic policy coordination will be strengthened*” and also stressed that “*coordination at the level of the Euro zone will be strengthened in order to address the challenges the Euro area is facing*”. Further, “*The Commission will present by June 2010 proposals in that respect, making use of the new instruments for economic coordination offered by Article 136 of the Treaty*”.⁶

Subsequently, things evolved briskly up to the next meeting of the European Council.

In May 2010, at the invitation of the European Commission, a high-level expert group chaired by Felipe González Márquez former Prime Minister of Spain issued a report. This report came forward with doomsday forecasts: “*Our findings are reassuring neither to the Union nor to our citizens: a global economic crisis; States coming to the rescue of banks; ageing populations threatening the competitiveness of our economies and the sustainability of our social models; downward pressure on costs and wages; the challenges of climate change and increasing energy dependence; and the Eastward shift in the global distribution of production and savings. And on top of this, the threats of terrorism, organised crime and the proliferation of weapons of mass destruction hang over us...*” The

3 The updated document was published in March 2010: <http://ec.europa.eu/eu2020/pdf/COMPLETE%20EN%20BARROSO%20%20%20007%20-%20Europe%202020%20-%20EN%20version.pdf>

4 <http://www.ert.be/doc/01719.pdf>

5 http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ec/113591.pdf

6 Article 136 states that the EU Council of Ministers – representing the 27 member states – can adopt measures concerning Euro zone countries in order “to strengthen the coordination and surveillance of their budgetary discipline” and “to set out economic policy guidelines for them”.

group is suggesting *“relaunching the original idea of EU, in order to make its citizens enthusiastic again, reform EU institutions”*.⁷

Also in May 2010, the EU Commission President received a report on a new strategy for the Single European Market. According to “EU-2020”, the Single Market requires renewed political determination for it to withstand the threat of economic nationalism and fulfill all its potential. Mario Monti, a two-term former European Commissioner (1995-1999: internal market, financial services and tax policy; and 1999-2004: competition) prepared the report at the EU Commission’s invitation.

In June 2010, a Brussels-based business lobby group (BusinessEurope) issued a blueprint for discipline and growth in the Euro zone. They call for an ambitious growth agenda in the European Union and warned political leaders that relying solely on austerity measures may not be enough to steer economies out of crisis. Furthermore, employers want more flexibility, job creation measures, support for training schemes and reform of social security systems.⁸

Also in June and strategically well timed just a few days before the European Council meeting in order to provide further inspiration to political leaders, another Brussels-based think-tank, European Policy Center (EPC), published a “league table” ranking EU member states according to their perceived economic sustainability. It ranks Sweden and Denmark as the most stable, followed by Estonia (expected to join the Euro zone in January 2011). Not surprisingly, Greece can be found at the bottom preceded by Italy and Portugal; these economies were classed as being “unsustainable”. A further nine countries were identified as being “in danger”, beginning with Spain, Latvia and Romania. The EPC recommends structural reform if future crises are to be avoided.⁹

Simultaneously, the European Parliament has in a show of unity mobilised itself across the political spectrum in order to exercise its newly gained co-legislator role. The Parliament was obviously not ready to hurry-up and say “yes” right away as the European Council always demanded. On the contrary, the Parliament wants the Council to recognise the changed “rules of the game”: The leader of the European Parliaments liberal group, Guy Verhofstadt, was more outspoken: *“EU-2020” must not be based on cosy back-door deals*” and threatened to block it. Even Socialists in the Parliament supported this position. Just one day before the Council meeting, the Parliament issued a firm statement: *“the strengthened European economic governance should be based on the Community method and not on the intergovernmental one.....Parliamentary leaders also consider that closer cooperation and involvement with the European Parliament in the process is important for democratic accountability and transparency”*.¹⁰ The European Parliament is obviously ready for a “war” with the Council.

Overall, the various Heads of EU Member States and Governments were more than sufficiently equipped with authoritative advice prior to their June 2010 European Council meeting. This would have been the place to bring forward “EU-2020” and agree on, among others, corresponding numerical targets to improve the European economy by 2020.

It is now up to the courage and vision of European leaders to agree on a bold and simultaneously inspiring and implementable road map for the EU up to 2020 – and maybe beyond.

7 http://www.reflectiongroup.eu/wp-content/uploads/2010/05/reflection_en_web.pdf

8 <http://www.businesseurope.eu/Content/Default.asp?PageID=568&DocID=26600>

9 http://www.epc.eu/pub_details.php?cat_id=2&pub_id=1127

10 <http://pr.euractiv.com/press-release/joint-press-release-political-leaders-european-parliament-want-juncker-lead-strengthen>

However, the political landscape has changed considerably since the prior Council meeting just a few months earlier (notably in Belgium, Check Republic, Finland, Hungary, Netherlands, Portugal, Slovak Republic, UK). Some leaders that are indispensable for pushing the EU forward were weakened at home (such as the German Chancellor and to a lesser extent the French President); others were new and known EU-sceptics (notably the UK Prime Minister). At the same time the newly elected EU President was apparently more comfortable to play a simple coordinating role.

The Council meeting took place in this changed climate.

From a “EU-2020” perspective, the low-key meeting was another example of agreement through “lowest common denominator”. Leaders reached political agreement on the five main “EU-2020” targets: employment, innovation, climate change, education and poverty. But critical points remained outstanding as concerns specific numerical targets; linking strategy to economic governance, and most importantly the implementation itself.

It was not clear to what extent the input provided to political leaders has been taken into account, if at all.

The meeting has certainly not clarified “Europa Quo Vadis”.

Where is the Money?

The social consequences of the recent economic crisis are currently unfolding and, according to experts’ opinion, likely to remain for years to come - high unemployment (especially among the young) and increased risks of poverty and social exclusion.

“Though Europe's social model¹¹ proved resilient against the economic crisis, it must be corrected to prevent increasing social unrest”, those were the warning words of the EU Employment and Social Affairs Commissioner László Andor at a recent public meeting.¹²

The European social model is under severe strain. On the one hand, Europeans are living longer. On the other, the working age population in the EU will start to shrink as from 2013/2014 and for the first time, the working-age population will be significantly smaller than the number of retirees. At the same time, satisfactory conditions are needed for those elderly who want working beyond the retirement age in harmony with equitable pension system.

Europe is facing never-before experienced economic- and social issues and an emerging crisis. Experts agree that the employment- and social protection systems in the EU Member States and their long-term sustainability need fundamental reforms if they are to cope with the increased demands and at the same time be able to support the European social model.

The aspiration of the “EU-2020” initiative is to help address these complex socio-economic issues and assist in supporting their economic foundation.

From the perspective of its social dimension, “EU-2020” has received mixed reviews from social actors:¹³

11 The “European social model” describes a common vision most European states have for a society that combines economic growth and high living standard and good working conditions, i.e. (as far as possible) full employment, social protection and democracy. Its general outlines emerged during the post-WWII boom.

12 <http://www.euractiv.com/en/social/europe/commissioner-correcting-eu-social-model-will-prevent-eu-unrest-news-494897>

13 <http://www.euractiv.com/en/priorities/social-europe-still-missing-eu2020-draft-say-activists-news-286611>

On a more positive note, according to the president of the Social Platform of European NGOs, *"it was very encouraging that the Commission has agreed to propose a more social "EU-2020" agenda and to make the fight against poverty one of the priorities of the strategy."*

The director of the European Anti-Poverty Network has been equally supportive, *"The proposal to establish the fight against poverty and social exclusion as one of nine key flagship projects within the "EU-2020" strategy gives some room for hope"*.

Others have been more critical:

According to employment - and social policy experts, the EU plan is not going far enough in promoting a Europe of solidarity and sustainability. The Brussels-based social lobby has reacted angrily to the Commission's assertion that its various constituents are broadly in favour of "EU-2020".

According to the president of the European Parliament's employment committee, the Commission's document *"ignores the weak outcome of the "Lisbon Strategy" and focuses on exit strategies in terms of fiscal consolidation instead of working towards a Europe of solidarity and sustainability after the crash.....The ill-named "new jobs agenda" should focus on job creation, not on flexicurity and mobility. As regards the fight against poverty and social exclusion, the Commission is paying a minimum service tribute to the European Year 2010. Its approach to poverty reduction is closer to charity than to a real commitment to fighting social inequalities. This shows a complete lack of understanding for the causes that lead to the current crisis: i.e. social inequalities, growing divergences within the EU and global imbalances"*.

According to the director-general of BusinessEurope, a European employers organisation, they feel that a sense of urgency is missing from the strategy. He further stated, *"we are with the trade unions when it comes to supporting a growth strategy....the employers federation believes it would be a mistake to make companies the victim of stoppages and social unrest at this point when we need economic recovery so badly."*

The secretary general of the European Trade Union Confederation has argued that the massive cuts in public expenditure *"all happening at the same time across Europe would destroy any prospects for growth. Too many simultaneous austerity measures will simply not work. Slashing spending, while still suffering from low growth and high unemployment, is crazy."* His organisation's main point is *"to warn of social unrest if the agenda is cuts, cuts, cuts and 2020 is just words, words, words"*.

The European Women's Lobby has been equally outspoken: *"EU-2020" strategy is designed as Europe's vision of where the EU wants to be - economically and socially - ten years from now, and frankly, we are alarmed by the vision, or lack of vision, the Commission has presented: the current draft overemphasises short-term economic recovery rather than long-term strategies for real socioeconomic growth and well-being.....We are even more concerned that this vision does not sufficiently address equality between women and men, even as women have accounted for a quarter of economic growth every year since 1995."*

In a letter addressed to the Presidents of the European Commission and the European Council, the European Disability Forum has argued, *"the disability movement is anxious to ensure that "EU-2020" also delivers for some of the most excluded citizens, namely the 65 million Europeans with disabilities. We, therefore, strongly urge you to support the proposal for a European Disability Pact as put*

forward by the European Disability Forum. The Pact needs to be included in "EU-2020" to give direction for the next decade and have an impact".

Moreover, the poverty target of "EU-2020" has been criticised at the highest political level in the new EU Member States, expressing a fear that it could downgrade the EU's so-called cohesion policy aiming to bridge the development gap between rich and poor regions within the EU

For the EU- and national leaders it is particularly important to take note of the warning of the secretary general of the European Trade Union Confederation, of potential social unrest if "EU-2020" failed.

A modern and sustainable social policy rests on three pillars: sound economic fundamentals (private and public), continued open dialogue between social partners, and support of public policies.

In the current discussions, the first one is of particular importance. Maintaining the employment - and social protection systems in EU Member States at the current level, would not be possible without sound economic policies and corresponding available public- and private funds in these countries.

This is where the EU as an institution and a means of promoting direct cooperation between its members must enter into the picture. It should assert its essential supporting and inspiring role in the process of economic stabilisation in Europe.

Admittedly the EU has a long reputation for declarations, far less so for implementation. But it can't afford this luscious behaviour any longer. Now EU leaders' courage is more necessary than ever before and without waiting for additional outside pressure. Nevertheless, social actors should and must maintain their continuous pressure on the EU leaders.

Should the "EU-2020" initiative fail as its predecessor the "Lisbon Strategy" and Europe be unable to get out of its current economic misery, it is highly probable that there would be insufficient future funds in some Member States to support the elderly, the less-fortunate ones and other necessary social initiatives.

The "Prodigal Son"

According to a recent comprehensive survey¹⁴, the Central- and East European countries that joined the EU in 2004 and 2007 *"have not yet become agenda-setters in the EU policy-making"*, the only exceptions being the EU's Eastern Partnership Initiative and nuclear energy.

The following example illustrates the verdict for one of the EU's flagship projects, the European Research Area (ERA): *"...Unfortunately, European science, research and innovation support policies do not take the new member states into account too much. As a matter of fact, they were set before the great enlargement of the Union in 2004, including the Lisbon Agenda, which dates back to 2000. It is true the latter has been reviewed and amended, but without considering the needs of the new member states adequately enough. As a result, the models which have worked well in developed countries traditionally well-versed in innovation management and applying principles of shared financing for years do not perform well in the new member states...."*¹⁵

14 Darina Malová, Political Science Department, Comenius University, presented the study on 1 June 2010 in Brussels.

15 Mirek Topolánek, Czech Prime Minister, EU Presidency Conference for Research on Innovation, Research and Development, 22– 23 January 2009, Prague.

Even for un-biased policy analysts, the above is thoroughly thought provoking.

The ERA related 3% R&D investment of EU's GDP suggested for 2020 is equally problematic for these countries. Their national forecasts are considerably below 3% with similar trends:

- Bulgaria will reduce the 3% target or at least its national share;
- Hungary's R&D investment barely amounts to 1%; it is the economic downturn itself that is making the target over-ambitious for the country;
- Polish politicians are questioning the merits of the EU goal, but the issue could at least raise awareness of the fact that the country is lagging behind in innovation;
- Romania has decided that its national target will be 2%, but to reach this goal the private sector would have to increase its financial effort six or seven-fold compared to current levels;
- The Slovak government sees the EU's goal of 3% by 2020 as an illusion and wants its own smaller and achievable target instead.

The only exception among these countries appears to be the Czech Republic where the 3% target is seen as attainable at a national level.

All the above indicates that rather than setting an unrealistic goal at EU level, the focus should be on how to support Member States' development in the same direction. In the particular case regarding R&D: it would be more useful to annually increase the national budget with a country-specific and realistic percentage and thus demonstrating the country's ability and readiness to modernise its R&D system.

More generally, the EU's goal should not be to harmonise all differences between the Member States and destroy diversity, but to ensure they all move in the same direction.¹⁶

Under-Used Assets

More attention to the "new" Member States would certainly enhance the EU's ability to better profit of its endogenous richness and uniqueness.

For the EU, the current unprecedented global challenges require novel approaches and new forms of co-operation. These must cover new ground in human creativity, better use of natural resources and innovative solutions. This includes focused use of endogenous potentials of regions and localities.

The EU needs to recognise the value of complementarity and relative competitive advantage. In this process stakeholders including political leaders and business have to play a more active role. History abounds with successful examples of regional and local specialisation leading to economic development, trade and general prosperity: from Flanders in the Middle Ages, to Finland a few decades ago, and more recently China and India.

It would therefore be advisable for the EU to promote regional and local specialisations. These would offer complementarities and competitive advantages and support the "EU-2020" objectives.

Within the EU there are considerably under-used regional and local endogenous richness and uniqueness, first of all those in the "new" Member States. These all should be more actively taken into account as necessary components of a global EU solution.

Full use should be made of endogenous potential of regions and localities to promote prosperity - through new approaches and efficient business networks within and beyond national and regional

16 Guy Verhofstadt, „Emerging from the crisis: How Europe can save the world“, 2009.

borders as well as formulating related policy advice. Therefore, competitive advantages and complementarities must be identified at regional and local levels. Where needed appropriate mechanisms must be established for this purpose. The “new” EU Member States offer natural, geographical, environmental and ecological variances and could become strategic nucleus for credible and viable co-operation and development.

Recently an expert group¹⁷ recommended that regional non-political advisory bodies should be established with the active involvement of business. These bodies should interact with their global counterparts in a yet to be established “Global Competitive Advantage and Prosperity Forum”.

Lack of Responsiveness

It is widely recognised that the EU is spending too much time on Treaty discussions. When agreement is eventually reached, the time is often ripe for another revision.

The crisis in Greece demonstrated admirably that the EU is currently not responsive enough: it necessitated several months of struggle to agree on a mechanism to address the problem.

The recent financial crisis equally demonstrated that in the globalised world a butterfly effect¹⁸ or severe knock-on effect is noticeable, even unavoidable.

For the success of “EU-2020” it will therefore be necessary to increase the EU’s ability to respond in a timely manner to both expected- and unexpected development. In the EU a mechanism is still lacking to recognise early signals of undesirable developments, i.e. trace “deviation from expectation”. Such a mechanism would allow more time for appropriate intervention and thus help to mitigate, ideally eliminate, potentially damaging impact on people and environment.

Such a mechanism could also act as a guardian of “EU-2020” implementation.

Remaining Key Questions

A number of fundamental questions remain:

- Is the EU flexible enough, able and ready to admit past blunders and learn from experience? Or, is it just in the process of running without learning?
- Will the EU as well as its Member States be ready and able to introduce the necessary structural reforms, while accepting unavoidable national and regional differences? Can it be done without another EU Treaty revision?
- Will the current dispute between the European Parliament and the European Council trigger a “war of words”? Will this undermine the relationship and cement the distrust between these bodies and slow down EU decision-making even further?

Responses to the above questions will decisively influence the success of “EU-2020” and thus the course of “Europa Quo Vadis”.

¹⁷ Global Round Table, 26-27 November 2009, Budapest

http://www.euro-acad.eu/downloads/memoranda/45__grt09_-

¹⁸ The phrase refers to the idea that a butterfly’s wings might create tiny changes in the atmosphere that may ultimately alter the path of a tornado or delay, accelerate or eventually prevent the occurrence of a tornado in a certain location. The flapping wing represents a small change in the initial condition of the system, which causes a chain of events leading to large-scale alterations of events. Had the butterfly not flapped its wings, the trajectory of the system might have been vastly different. While the butterfly does not cause the tornado, the flap of its wings is an essential part of the initial conditions resulting in a tornado (http://nl.wikipedia.org/wiki/The_Butterfly_Effect).

And in this challenging journey the necessary moral fundament will hopefully be provided by the common European values of: freedom, democracy, rule of law, respect of human rights and equality.

ROMAN GALAR

Could Euro-Enthusiasts Pull the EU out of the Crisis?

Introduction

- Relatively recently, it was possible to assume that the EU dilemmas of choice can be reduced to the *pro et contra* for deeper consolidation and/or further expansion of the European status quo.
- A simple dichotomy segregating Europeans into categories of Euro-enthusiasts and Euro-skeptics was a suitable tool for influencing public opinion.
- Quite suddenly we have found ourselves in times, when the choices are significantly more dramatic. It is becoming clear that stakes are higher than the access to the EU budget and the pool of managerial positions — the very existence of the EU might be endangered.
- The question emerges, is Euro-enthusiasm, in its populist version, enough to face the crisis?

Apotheosis of the united Europe

- An anchor for European hopes for a sustainable future
- A chance to preserve the European mode of existence in the globalized world.
- A tool to unload tensions and prevent repetition of cruel conflicts between Europeans.

A viewpoint on the EU development

- The ideas of founding fathers were motivated by determination to avoid the subsequent war on the base of community of values and traditions. The original mission was to moderate competition by cooperation and solidarity.
- It was a historical success, which brought fine fruits that we are still consuming. It is bringing still more fruits, but these fruits are getting distasteful.
- The founding ideas have become the object of a hostile, or at least unfriendly, takeover and have got deeply modified. This is emphasized by the plain refusal of even symbolic references to the Christian values.
- Europe has surrendered to the movements of the single cause. The Union is hindered by the increasing load of promises that are both incoherent and impossible to fulfill.
- The UE has regressed from cooperation to competition. It tends to favor human capital at the expense of social capital. It might be drifting towards another concert of big powers.
- The axiological appeal of Europe is waning. It has to enlist support by peddling subsidies and positions. It attracts poor from around the world but fails to turn them into citizens.

Byzantine Europe instead of republican Europe

- The prominent rule of anonymous bureaucracy. Concentration on consolidation of status quo. Keeping people out of deciding on real options.
- The sovereign, i.e. demos reduced to a decorative role. Its voice is muted by fresh supplies of *panem et circenses* — welfare state and sports plus events.
- Madness of preemptive regulations. Invasion of procedures reduces the space of freedom. The channels of experimenting and learning on errors are blocked. Infantilization of societies is progressing.
- Orchestrated modernization in place of spontaneous progress. Competence in exploitation of old innovations and impotence in exploration for the new ones. What is the rationale behind the idea of developing leading technologies?

Intellectual base

- There is no well formed vision of future and no willingness to form it. The telling case of the paper on “Five Scenarios”. Energy concentrates on working out compromises between diverse pressure groups.
- Lack of courage to think ahead accompanies the lack of competence to settle matters experimentally. This is the same fear of uncertainty that pervades the modern business. It was not helpful in preventing the present crisis; it was one of its causes.
- Getting lost in the maze of indicators. Inability to grasp the general picture of situation. Refusal to admit that some effects cannot be assessed *a priori*, motivated by convenience of administrative proceedings.
- Relying on fake knowledge. Why Eurozone that was assumed to provide internal coherency and systemic stability turns out to be the threat to stability of the larger system? What is the worth of experts that miss processes, which are going to blow out within single weeks?
- Reduced model of human beings, simplified to economic and legal entitlements. The cyclic nature of human existence seems to be overlooked, hence the “sudden” demographic crisis.
- The self-inflicted blindness resulting from political correctness.

The phenomenon of an Euro-enthusiast

- Self-determination through the openly admitted lack of criticism. The *bona fide* enthusiasm might be defined as an elevated state of mind that appeases one’s reason and cognitive abilities. It might serve as well just and wrong causes.
- Enthusiasm seems to be the base of the football fan mentality. The measurable result is all-important. The world of the game is more real than the rest of the world. Competitors are enemies.
- The annoying correlation between Euro-enthusiasm and measurable individual and collective profits. The daunting question: Are Euro-enthusiasts ready for sacrifices?
- It is skepticism that used to be the engine of progress.

Some threats resulting from Euro-enthusiasm

- Can enthusiasm be helpful in a situation that calls for resolve?
- Pulling Europe out of the current drift calls for critical reevaluation of its present position and former policies.
- EU internalized solely as a source of all kind of tangible profits might not pass the test of crisis and collapse in effect of the “save your own skin” panic.
- The delighted in itself Europe seems not to be aware of its progressing marginalization.

How to regain developmental dynamism

- The well-being of the upcoming generation should become the priority issue. To this end a number acquired laws should be renounced.
- The impact of procedures must be restricted. The space should be open for activities of living intelligence. The numerous mechanisms used to shun personal responsibility have to be dismantled.
- The topic of what Europe is and what it wants to be on the axiological plane should be openly discussed. The voice of majority should not be squashed.
- Economy should be shown its proper place in the general scheme of human interactions.
- The culture of experimentation in economy and politics should be revitalized. This should be the main rationale behind emancipation of regions.
- The European base of diversity must be sustained. This should be the main and sufficient rationale for continued existence of nation states.
- The people of Europe should be more involved into European project. They should be convinced to treat Europe as their common duty.

Summary

- Euro-enthusiasm seems to be a new form of secular bigotry.
- The idea of Europe, as well as Christianity, doesn't need bigots. It needs believers that are both conscious of their faith and ready for some sacrifices.
- Europe has to confront bravely its future, re-evaluate critically its practices and reassess its priorities.
- In this process Euro-enthusiasts might be of hindrance rather than assistance. Situation calls for Euro-heroism.

HANS VAN ZON

The European Union is falling apart

The European Union is in the process of falling apart. Here the most positive scenario is that a strong core EU will be preserved after a purifying crisis, with federal elements and democracy strengthened.

In assessing likely scenarios, usually major challenges are identified as well as major factors and major actors. The problem with the European Union is that it cannot itself be considered as the major or even one of the major actors because, due to its cumbersome decision making procedures and the dominance of inter-governmental decision making in some crucial domains, it is a pseudo actor, or, rather, a major factor. The major actors in the EU are the major EU countries plus the United States and well organized financial capital. The polities within the European Union are organized primarily nationally.

The first economic challenge: saving the euro

The first major challenge is economic in nature and revolves around the contradiction of having one currency, within the Euro area, but no political union and divergent economic governance mechanisms. This problem became especially apparent in the current economic crisis in which every EU country devised its own anti-crisis policy. Economic systems within the EU are very different. Some, like Great Britain, allowed their banking system to transform into a global casino, while others, like Sweden, maintained old fashioned banking regulations. Some countries, like Italy and Greece, allowed big budget deficits and current account deficits to emerge. Countries that managed to impose austerity and economic restructuring improved their competitiveness while spendthrift countries that did not adjust accumulated huge budget and current account deficits without having the means, i.e. devaluation, to correct the imbalances.

During the period 2000-2010, unit labor costs, that is the best indicator to measure competitiveness, rose by 30 per cent in Greece but only by 5 per cent in Germany. It means, in other words, that a comparable good or service that has been produced at the same costs in 2000, is now 25 per cent more expensive in Greece compared to Germany. The result is, among others, a growing trade surplus in Germany and a growing trade deficit in Greece. Similar problems emerged for Italy, Spain and Portugal compared to Germany.

The structural problem with strongly rising unit labor costs in the Mediterranean countries is that it is rooted in the wage-price dynamics with strong trade unions that are less cooperative than, for instance, in Germany.

It means that the way out of this structural imbalance is enormous wage cuts in the Mediterranean countries. This is very unlikely to happen. The alternative is a de facto exit from the euro-area. Few analysts are posing it like this because most analysts are afraid of making such blunt statements. It also touches upon belief systems: the euro is intrinsically good.¹⁸⁸

¹⁸⁸ There has been a consensus across Euroland, that the euro is good. Also from the left this belief has not been challenged and all political parties within the Eurozone have ignored the shaky underpinnings of the

The arguments against an exit for Euro countries are, among others, that German, and other banks from core Europe, are not interested in a bankruptcy of Greece and other PIIGS countries, because they have lent so much to these countries and will be hit very hard in case of restructuring of debts.¹⁸⁹ Of course, this is correct, but massive support for the PIIGS countries will not solve the above mentioned structural problem. Bailing out Greece now is like pouring money into a black hole, especially because the imposed austerity program will lead to a deep depression. Insolvency of Greece will only be postponed. Especially exposed banks will profit because their loans (plus interest) will be paid back. Marek Belka, the Europe director of the IMF, said that the bail out money is *'like morphine, it stabilizes the patient'* (Die Tageszeitung, 13 May 2010). Heiner Flassbeck, who used to be German vice minister of finance when the euro was introduced, wrote *'Greek officials are wrong if they believe in a Greek solution inside the European Monetary Union and out of the slump'* (Z Net, 15 March 2010).

Although the agreed 750 billion euro stability fund for Euro countries in need may keep at bay speculators for some time, it cannot contribute to resolving above mentioned structural problem.

Greece, with its 10 million inhabitants, gets now a 'rescue package' worth 110 billion euro.¹⁹⁰ When the rules of the euro area were being drafted, some EU states were aware of the moral hazard of free riding. Therefore it has been stipulated that bilateral support for EU countries in need is not allowed.¹⁹¹ But when the time came for devising a rescue package for Greece, Germany hesitated and was blamed for not being willing to support Greece and so contributing to the speculative attack on Greece and the euro.

In the process of restructuring the mass of the Greek population is squeezed while the rich, who hardly paid taxes, are seeking refuge abroad.¹⁹² Greek Prime Minister George Papandreou said *'my*

Eurozone and the fact that since 2000 non-Eurozone EU countries witnessed higher economic growth than the Eurozone.

¹⁸⁹ Foreign banks have lent to public and private institutions in Greece, Spain and Portugal 2,6 trillion dollars. More than half of this amount is by European banks. It equals about 22 per cent of EU's GDP. 567 billion dollars is government debt, 534 million dollars debt to private institutions and 1 trillion debt to other banks. Of the above mentioned 2,6 trillion dollar, 1, 5 trillion is related to Spain (International Herald Tribune, 4 June 2010).

¹⁹⁰ Germany initially opposed a rescue package, but after heavy pressure, also from the USA and the IMF, German government decided to back the rescue package of relatively cheap loans in exchange for a harsh austerity program.

¹⁹¹ According to the Lisbon treaty, only *'when a member state is in difficulties or is seriously threatened with difficulties caused by natural disasters or exceptional occurrences beyond its control, the Council may grant, under certain conditions, Union financial assistance to the Member States'*. This clause has been falsely used to justify the 500 billion euro EU money set aside for financial assistance for EU countries in need.

¹⁹² In a rich neighborhood of Athens, 324 citizens declared their swimming pools to the tax man. However, satellite pictures showed in that neighborhood 16 974 swimming pools. It means that 98 per cent of swimming pool owners were fraudulent (De Volkskrant, 4 May 2010). Fewer than 15 000 Greeks declare income of more than 100 000 euro a year, despite tens of thousands of Greeks living in opulent wealth (The Observer, 9 May 2010). Fraud and corruption is widespread in Greece. Of 346,5 million euro misspent on EU agricultural

rage is huge when I see the tragedy of the looting of the Greek people's wealth' (The Guardian, 16 May 2010).¹⁹³ Recently there has been in London a wave of purchases of expensive houses by Greeks. During November 2009-March 2010, the Greek plutocracy moved 8-10 billion euro out of the country (The Observer, 7 February 2010). Greece may be losing as much as \$ 30 billion a year to tax dodgers (International Herald Tribune, 14 May 2010). The conditions imposed upon Greece also show the foreland of other EU countries: financial capital, IMF and the European Central Bank will push affected populations only into a deeper mess without providing real solutions for economic and social problems. If the IMF program 'works' for Greece, its debt will rise from 115 per cent of GDP now to 149 per cent of GDP in 2013. Under the present rescue package, Greece has to pay 5 per cent on its loans, that translates into 15 to 20 per cent of all tax revenue going, the years to come, to debt service, without prospect of relief. This in the context of a contracting economy. This does not seem sustainable.

Then Greece will be forced into debt restructuring and/or exit from the euro.

The odd thing is that the IMF is imposing pro-cyclical policies upon debtor nations while the rich countries pursued, until recently, counter-cyclical policies.¹⁹⁴ Greece is the forefront of a massive attack of what remains of the welfare state. Among others, the IMF is imposing upon Greece privatization of health care, public transport and the energy sector (International Herald Tribune, 1 May 2010). The cure is worse than the disease.¹⁹⁵

Latvia gives a good idea of what is in store for Greece. Latvia's budget deficit has been cut from 12 per cent in 2007/8 to 8 per cent now. The 7.5 billion euro bail out money went straight to the banks that lend to Latvia. Only in 2009 retail sales in Latvia dropped by 30 per cent, some teacher salaries have halved and hospital budgets will be cut by 40 per cent in 2010 (BBC, 6 February 2010). Romania has cut its public sector wages by up to 25 per cent.

Ireland had experienced a boom since joining the EU, but this boom was partly based on borrowed money. The crisis hit Ireland much harder than the rest of the EU: the accumulated fall in GDP (2008-9) has been 12 per cent in real terms, compared with 3-4 per cent in the rest of the EU. Ireland managed to improve its competitive position with a reduction of unit labor costs of about 12-13 per cent. This has happened at the cost of an extremely harsh austerity and restructuring program accepted in late 2008, similar as is proposed now in other EU countries. It led to a much more than anticipated decline of GDP of 7,1 per cent in 2009, while estimated GDP decline in 2010 will be 9 per cent. Joblessness amounted to more than 13 per cent mid 2010. Budget surpluses in 2006 and 2007

subsidies, Greece accounted for 132,6 million. Together with Poland, Greece accounted for more than half of misspent subsidies (EU Observer, 16 March 2010).

¹⁹³ This reflects the mood in Greece. According to a survey 88,9 per cent of Greeks think it is the poor and not the rich who are being punished disproportionately (The Guardian, 16 May 2010).

¹⁹⁴ This does not apply anymore to the richer EU countries because there seems to be now a consensus that the EU countries should save their way into the next recession, ignoring the lessons John Maynard Keynes taught us.

¹⁹⁵ This is not to suggest that the government budget should not be slashed or the Greek economy should not be restructured.

turned into a budget deficit of 14,3 per cent in 2009. Ireland's once low debt exploded and will amount to 77 per cent GDP in 2010 (New York Times, 3 July 2010). But the challenges for Greece and some other PIIGS countries are much bigger. Also, in Ireland trade unions went along with the austerity program.

Already nowadays, youth unemployment (16-24 years old) is 25 per cent in Greece, 28,4 per cent in Ireland, 26,9 per cent in Italy and 42 per cent in Spain (The Observer, 3 January 2010).

There is the problem of contagion of the Greek crisis and there is the problem of deepening rifts between EU countries as a result of the crisis. The tensions between Greece and Germany provide an example. Distrust within the EU is growing.

There is a growing awareness that the Euro needs to be underpinned by a political union and strictly harmonized economic policies. Euro countries do not share a single treasury, tax system or budgetary authority. EU President van Rompuy said *'We can't have a monetary union without some form of economic and political union, and that is our big task for the coming weeks and the coming months'* (The Guardian, 11 May 2010).

However, this is not feasible in the current conjuncture because (1) some EU countries that are against the EU as a sovereignty shared institution, will block any move towards more federalism, and (2) in all EU countries there has been growing resentment against the EU because it is associated with neo-liberal policies. Also, a new 'economic government' of the EU will suffer from a democratic deficit.

The euro is in much bigger trouble than most financial analysts suggest. The edifice of Euroland is constructed on quick sand and there is no sight of removing the above mentioned construction fault.

The Commission of the EU urged Germany early 2010 to raise wages in order to address the imbalances within the Eurozone. In response to the acceptance of the 750 billion euro rescue package, accepted 11 May 2010 (440 billion euro countries, 60 billion European Commission, 250 billion IMF), Germany did the opposite and announced further austerity measures, amounting to 80 billion euro the coming years, so trying to strengthen Germany's competitive position. It will be even harder for the PIIGS countries to catch up with Germany. The lessons of John Maynard Keynes are nowadays ignored in the European Union. The austerity campaign will lead to falling demand that will result in a protracted recession, akin to the one Japan had known in the 1990s.

The best scenario is that a core of Euro-countries with sound economies, definitely without Spain and Italy, will keep the euro while a range of EU countries will have to give up the euro altogether.¹⁹⁶ Germany already has voiced the idea of exit of euro countries and insolvency procedures for euro

¹⁹⁶ Klaus Abberger of the German IFO institute has a similar scenario in mind. He writes about *'the widespread thesis about the emergence of two monetary zones in Europe'*. *'The core will be constructed around a strong currency and will concern countries like Germany, the Netherlands and Austria, while others will dispose of another currency that corresponds to the needs of countries like Greece, Spain and Italy'* (Le Monde Diplomatique, June 2010).

countries. The example of the default of Argentina (2002) shows that a default is definitely not the worst scenario, certainly not with respect for the indebted country.¹⁹⁷

It will take some time before France and Germany will find common ground and launch a serious rescue effort for the euro.¹⁹⁸ It will require a total reversal of thinking about EU affairs. In a positive scenario there will emerge a core EU that is strongly federal, around a reemerged French-German axis, with a periphery that keeps quarreling about all aspects of the wider EU policy. The wider EU will be a kind of free trade area while the core federalist EU will be the motor of EU integration. However, the present picture looks very different. Recently, rather than lead, former German foreign minister Joschka Fischer noticed, the French-German couple are constantly at each other's throat (Huffington Post, 29 March 2010). Germany is now against a EU economic government. Germany is now leading Europe in a race to the bottom with its austerity policies that will further brake down the arrangements of the welfare state.¹⁹⁹ Another complication in the core-Europe scenario is that many participants in this area might be fearful of German domination.

The second challenge: breaking the power of financial capital

Within the present EU framework, EU nations are not able to resist the power of financial capital. This is the second economic challenge for the European Union. Hedge funds and private equity funds are not reigned in, the Tobin tax or a modest banking tax is not introduced while banks have got generous support of EU governments without giving anything in return.²⁰⁰ The banks and speculators were able to impose a Europeanization of Mediterranean debts upon the European Union. Also, short selling is not forbidden. Most trade in foreign currencies is nowadays speculative in nature.²⁰¹ Hedge funds, mainly operating from the UK, are now betting against Greece and the Euro.²⁰² Hedge

¹⁹⁷ After the default the Argentine economy continued to shrink for just one quarter and it passed its pre-crisis peak within 3 years of the default and devaluation.

¹⁹⁸ French President Sarkozy pushed Chancellor Angela Merkel into accepting the support package of 750 billion euro by threatening that France might exit the euro area (The Guardian, 14 May 2010).

¹⁹⁹ While the share of German households with low incomes was 18 per cent in 2000, the share was 22 per cent in 2008. Those on low incomes could spend, on average, 680 euro a month in 2000, but only 645 euro in 2008 (world socialist web site, Dieter Henning, 22 June 2010)..

²⁰⁰ Only recently the EU started moving against hedge funds. The Ecofin council has already approved some modest regulations of hedge funds, demanding transparency, imposing pay caps and borrowing limits but also the need for a license in order to operate in other EU member states. The proposal still has to be accepted by the EU Commission and the EU parliament.

²⁰¹ According to The Bank for International Settlements (BIS), a world-wide central bank organization, the average daily trade in the global forex and related markets was in 2007 over three trillion US dollars (3081 billion dollars) a day. This is several times larger than all the U.S stock markets combined. This is 24,7 per cent of yearly global exports (2009).

²⁰² 80 per cent of hedge funds in the European Union are based in London (The Guardian, 10 May 2010).

funds are part of a shadow banking system that has unlimited possibilities to create money and therewith bubbles. Hedge funds handled in 2009 about 1,2 trillion dollars worldwide. The derivatives trades, with lots of toxic assets, is still not regulated.²⁰³ Instead of suffering, banksters and hedge funds are paying out even bigger bonuses than before the crisis.²⁰⁴ They are able to capture policy makers. Adrian Blundell-Wignall, special advisor on financial markets to Angel Gurría, secretary general of the OECD, said *'One of the big obstacles to better global governance was 'institutional capture' of policy makers by the leading global financial institutions'*. He pleads for banks to be split up into separate retail and speculative arms.

The most prominent defender of financial sector's interests has been the UK. The UK was able, so far, to thwart any substantial re-regulation of the financial sector in the EU.

One crucial aspect of the Greek tragedy has been overlooked: the banks have lent to Greece, knowing that Greek finances were in very bad shape and expecting that the EU would come to the rescue. It meant risk free lending. Goldman Sachs helped Greece in deceiving the European Union by transforming debts into assets (see New York Times, 13 February 2010).²⁰⁵ It is like taking a hostage through peri-legal means in order to extort the family of the prisoner/hostage. Greece is the hostage and the EU is the family. The EU is now providing the money to help Greece and other PIIGS countries, which means paying off the banks that lend to Greece, without looking at the source of the crisis: construction faults of the euro and blackmailing banksters. While there are spending limits for EU countries, there are no constraints for bankers willing to lend as much as possible, eventually with the help of fraud. Once the crisis erupts, the banks are praying on the debtor countries. Sweden's finance minister Borg said *'we are seeing wolf pack behavior in the markets, and if we don't stop these packs, they will tear the weaker countries apart'* (The Guardian, 10 May 2010).

Among the major EU countries, Germany was the most aware of this problem. However, Germany was pushed into the bailout package for Greece by other EU countries and US pressure.²⁰⁶ According to the British Independent (13 May 2010), *"As the dust settles and the markets cool, details are beginning to emerge of the frantic background negotiations which generated the €750bn plan to save the euro in the early hours of Monday.....the most startling – and most pivotal role – may have been played by Barack Obama, according to both American and French officials. He convinced the*

²⁰³ It were not the 1,4 trillion dollars of subprime mortgages that appeared on the books during 2002-2008 that caused the credit crisis, but the nearly 14 trillion dollars worth of complex securities that were created predominantly on top of them, as a pyramid scheme, that caused above all the crisis. At the height of the crisis, in July 2009, US government had put up 17,5 trillion dollars to support Wall Street (Mike Whitney, Information Clearing House, 12 May 2010).

²⁰⁴ See *'Banker earnings surge towards pre-crash levels'* (The Guardian, 13 May 2010, 20,5 billion pound compensation now, in the City, compared to 24 billion pound at the height of the boom in 2007).

²⁰⁵ Greece mortgaged, among others, future landing fees of airports and income from the national lottery. This was booked, on the suggestion of Goldman Sachs, not as loans but as sales, so boosting the income of Greek government. For its services Goldman Sachs received 300 million dollar from the Greek government (New York Times 13 February 2010). Later Goldman Sachs would bet on the bankruptcy of Greece.

²⁰⁶ President Obama several times has called German Chancellor Merkel in order to convince her of support for the Greek bailout package.

*Europeans that it was time not just to Do Something, but to Do Something Very Big, to rescue the euro and prevent the world from plunging into another financial crisis and recession'. The Obama administration was twisting arms with EU countries the whole weekend of the bail-out, out of fear of contagion of the global financial system.*²⁰⁷

In times of the Keynesian welfare state bankers were the servants of industry, now financial capital has become the master at the expense of genuine entrepreneurial activity. It means not only a casino, but also a predatory capitalism that is footloose, that means, without any loyalty towards nations. While parties from the right to the left are squabbling about how to implement spending cuts, they are blind for this big monster (*'too big to fail'*) that is in the process of creating new bubbles, so organizing new bail outs with tax payers money.²⁰⁸ It is bizarre that political parties all over the political spectrum ignore the parasitic nature of the biggest banks assuming that they play a crucial role in the productive sector of the economy.²⁰⁹

It looks like stemming a flood while ignoring to close the hole in the dike. Now the banks that were profiting from publicly funded bail outs are now holding to ransom the same hands that fed them. Globally, cumulative public deficits increased from 0, 3 per cent just before the global financial crisis to 6 per cent nowadays (International Herald Tribune, 6 May 2010). Joseph Stiglitz wrote: *"In the US, we gave \$700bn to the banks; if we had used a fraction of that to create a new bank, we could have financed all the lending that was needed."* (The Independent, 27 June 2010). Nowadays, all across Europe, austerity packages are adopted, also in countries with sound government finances, dismantling the welfare state and pushing their economies in long term stagnation. The lessons of Keynes are forgotten. He taught us that in macro-economics, things work out differently than on the level of a household or enterprise. That explains why on the national level, huge budget cuts in times of recession may cause the public debt to grow.²¹⁰ The most recent example is Ireland that saw its government debt to GDP ratio grow from 25 per cent immediately before the crisis to 64 per cent by the end of 2009, despite huge budget cuts (The Guardian, 19 July 2010).

²⁰⁷ Indeed, contagion is easy. For example, Portuguese banks owe \$ 86 billion to their counterparts in Spain, which in turn owe German institutions \$ 238 billion and French banks \$ 220 billion. American banks are also big owners of Spanish bank debt, holding nearly \$ 200 billion according to the Bank of International Settlements (International Herald Tribune, 16 May 2010).

²⁰⁸ One of the new bubbles will be in the sphere of commodity trading. Between 2003 and 2008 the amount of speculative money in commodities grew from 13 billion dollars to 317 billion dollars. By 2008, a barrel of oil was traded 27 times, on average, before it was actually delivered and consumed (*When Empire Hits Home*, Andrew Gavin Marshall, Global Research, 14 April 2010). Speculation in grain pushed the price almost ten times during the food crisis in 2008. Goldman Sachs played a major role here (Democracy Now, 16 July 2010). In July 2010 one broker bought an amount of cacao equal to the total stock in Europe with the aim of driving the price up (De Volkskrant, 18 July 2010). There will be also more speculative attacks on currencies.

²⁰⁹ Only 3 per cent of net lending of British banks in the decade up to the crash went to manufacturing, three quarters went to real estate and residential mortgages. The banking sector largely disengaged from financing investments in industry (Will Hutton, The Observer, 13 June 2010)

²¹⁰ See for the USA, Paul Krugman in Huffington Post, 20 July 2010, for the UK, Ann Pettifor and Victoria Chick, Bloomberg opinion, 13 July 2010).

Financial capital is still not reigned in and threatens the productive potential and social arrangements of the European Union. A financial elite continues to plunder the remaining wealth of euro nations after they managed to create the greatest wealth transfer in human history.²¹¹ A recent study of the Boston Consulting Group found that private fortunes in Europe grew, in 2009, by 8 per cent (15 per cent in the USA).

Of course, the USA will do everything possible to weaken the EU. It will push for further enlargement and will convince its core allies within the EU to block every move to introduce stricter economic regulation. The US authorities even attended a meeting with representatives of hedge funds discussing the euro (The Independent, 4 March 2010). In one day they bet as much as \$ 79 billion on the euro.

Soon a curious situation might occur when speculators might turn on the UK that refused to take part in the 'stability fund' of the EU. The UK government deficit is huge but will get even bigger soon if the Tories who came to power in May 2010, will follow up their promise to recognize all the additional financial commitments that Gordon Brown hid away from the national balance (Dan Roberts, in The Guardian, 14 May 2010).²¹² It is unlikely that other EU countries will come to the rescue.

The challenge from the wider Middle East

Although economic policies provide the greatest challenge, there are other problems that feed into a set of centrifugal forces that are making the EU falling apart. Take the conflicts in the wider Middle East where tensions are growing and that immediately affect the European Union.

Although the US is pretending otherwise, it does not seem that the situation in Iraq has been stabilized. Iran has gained influence since the invasion of Iraq (2003) while the USA and Israel are campaigning for war against Iran. The war in Afghanistan has widened to include Pakistan. Nuclear power Pakistan has been destabilized and has a very conflict ridden relationship with nuclear power India. And the fundamentalist and nuclear threat is here greater than anywhere else.

At the same time the world is fast approaching peak oil, the moment when oil production will fall and oil prices will go up. A recent report of the US department of energy estimates that conventional oil

²¹¹ The rise to prominence of the financial sector meant a huge redistribution of the national wealth. In the USA the average ratio of chief executive to employee pay has risen from 47 to 128 over the past 10 years (New York Times, 29 April 2010). In 2008 the US financial sector accounted for 40 per cent of profits. Also in many EU countries the financial sector sucked the wealth out of other sectors. Worldwide, the number of millionaires soured with 17 per cent in 2009. In Europe they account now for a cumulated wealth of 9,5 trillion dollar (The Guardian, 22 June 2010).

²¹² The value of outstanding loans of British banks is five times the national output, greater than in any other country. The amount of pure equity capital amounts to 1 pound for every 50 pounds lent (The Observer, 13 June 2010).

might be gone in 20 years time.²¹³ Demand will start to outstrip supply in 2012 and there are no contingency plans. Global powers are positioning themselves in their quest for oil and other raw materials. The EU does not have a clear policy in this respect. The United States clearly wants to dominate the Middle East and in this endeavor the US is fully backing Israel. And this can appear to be the Achilles heel of the USA because Israel can push the USA into dangerous adventures, for instance towards a confrontation with Iran. According to US Central Command general David Petraeus (16 January 2010), US and Israeli policy with respect to Palestinians undermines the military position of the USA in the wider Middle East.

The EU has its own interests in the Middle East that are different from the USA. Fully backing Israel in its confrontational policies would mean alienating the Muslim minorities within its borders. According to Chris Patten, EU Commissioner between 2000 and 2004, *'the EU has been content to play a quiet third fiddle to the US'* in the Middle East while *'the EU has 'too often taken the view that only Washington really drives things forward. Yet what should the EU do when American policy is going nowhere?'* (The Guardian, 11 June 2010). A continuation of the present EU policies in the Middle East will mean a confrontation course with a large part of the Arab world with accompanying threats for its energy provision. Larger part of the world's oil reserves are in the wider Middle East and the European Union has to safeguard its energy supplies. Will the EU follow the US in case of war with Iran?

However, it seems that since the invasion of Iraq, in which major divergences appeared between the USA and 'old Europe', the EU moved closer to the USA, especially since Barack Obama became President. Also, since its inception, the EU common foreign and security policy increasingly became hollowed out. Increasingly, EU states were pursuing their own foreign policies, accommodating US demands and herewith often violating the provisions of EU common foreign and security policy.

It is unlikely that with the spread of conflicts in the Middle East, EU countries will suddenly unite, the more because EU foreign policies are inter-governmental. Growing divergences within the EU are more likely in this field. So far, only US pressure managed to unite EU countries in its foreign policies.

Challenge four: how to regulate immigration?

Another challenge that immediately affects cooperation in the EU is the common immigration and asylum policy. Many EU countries are faced with the growing need to restrict immigration, given growing resentment against immigration and also related to the growing numbers of legal and illegal immigrants. Since 1994 there has been an explosion of migrant deaths in transit to the EU (see Le Monde Diplomatique, June 2010).²¹⁴ The EU is surrounded with an arc of crisis that is generating migration streams. There is the immigration from the area of the former Soviet Union, the Middle

²¹³ N.C. Arguinbau, What is Going to Happen and Why Weren't We Forewarned, Information Clearing House, 13 April 2010

²¹⁴ According to Forex, in Greece 75 per cent of all illegal border crossings into the EU take place. These immigrants usually move on with forged documents obtained in Greece (The Guardian, 15 May 2010).

East and Africa. But there is also migration from new EU entrants, such as Poland and Romania, to the core EU countries. For example, in 2006 2,2 million Romanians were working abroad, in 2009 2,8 million.²¹⁵ In Moldova, where many citizens have Romanian passports, over 650 000 of 4,4 million inhabitants are working abroad, mainly in the EU.²¹⁶

East Germany provides an example of how a transition economy with open borders can produce migration streams. Since 1989-1991 1,7 million East Germans (out of a total of about 17 million in 1989) have moved to Western Germany, despite 4 per cent of West German GDP going to East Germany every year (New York Times, 19 June 2009).

With the sharpening of economic crisis and growing unemployment, many Latvians, Romanians, Greeks, Spaniards and Portuguese will try to find jobs in North-Western Europe.²¹⁷

It appears that for some Schengen countries, like Italy, migration streams from within the EU are already difficult to manage.²¹⁸ Also, not all Schengen countries are strictly applying the rules. In many EU embassies visa for the Schengen area can be illegally obtained. It is, by the way, not only a problem with embassies of the new EU entrants. I have heard numerous cases of immigrants who have obtained their visa with the help of a bribe, from embassies of the old Europe.

The Schengen rules have not been designed to deal with emergencies. For example, when Spain decided in 2005, without consulting EU partners, to give amnesty to 700 000 illegal immigrants, other EU countries were angry, because many of the regularized immigrants decided to move to other Schengen countries. Liberal drug laws in The Netherlands urged French customs and police officers to introduce regular checks at the northern borders.

Therefore, it may be expected that the arrangements of the Schengen area, which is part of the EU *acquis communautaire*, will come under increasing pressure. Bulgaria and Romania now fear that they cannot access Schengen in March 2011 because many EU countries do not trust the two countries with a shared border management and visa system (EU Observer, 20 July 2010).

²¹⁵ Annual Overview of International Migration in Central and Eastern Europe 2009.

²¹⁶ A 2003 Moldovan Soros Foundation survey found that 29,5 per cent of 4500 households had at least 1 migrant working and living abroad (Annual Overview of International Migration in Central and Eastern Europe 2009).

²¹⁷ A recent report of the OECD seems to contradict this scenario. It shows that in 2008 the influx of permanent immigrants (with permanent residence permits) levels dropped by 7 per cent in the OECD area (The Guardian, 20 July 2010). However, there was a 14 per cent rise in asylum applications and a 3 per cent rise in families immigrating. Also, illegal immigrants are not taken into account.

²¹⁸ Even in Great Britain, that is outside the Schengen zone, voices are emerging to stem the influx of migrants from other EU countries. Ed Balls, a leading contender for the leadership of the Labour party, has said '*Labour supporters, and in some cases former Labour supporters, over the last year and a half have said 'Look, we're not racist, and we support our EU membership and we know that immigration is important for the NHS, but look what it's doing to my community, to my child's job prospects, to our housing queues'* (The Observer, 6 June 2010).

Parties on the centre-left of the political spectrum do not have adequate answers to the challenges of multi-cultural societies because they fail to recognize associated problems. Growing problems with non-integrated ethnic minorities is translated into increasing support for right and xenophobic parties. It looks as if Italy is the foreland of the European Union. It seems likely that across the EU parties will come to power that have inward looking attitudes and that do not have a EU wide interest in view. More often than not they will be pro-US and willing to pursue neo-liberal policies. Therefore, present political dynamics in the EU do not favor centripetal pressures. An example is Hungary where in the last elections the Socialist Party that implemented IMF reforms, has been decimated (to 15 per cent) while the right wing Fidesz (65 per cent) and the ultra-nationalist Jobbit party (12 per cent) took the overwhelming majority of seats.

Centrifugal forces dominate

It seems that in all major challenges, the EU is not and will not respond adequately and centrifugal tendencies increasingly dominate the environment of the EU.²¹⁹

The European Union is in its deepest crisis since 1958. However, in Chinese the concept crisis also means opportunity. The current crisis of the EU provides opportunities and we have seen in the past that EU crises prepared the EU for major steps forward.

In the current crisis these major steps forward can only be taken if leaving the opponents of a strong and federal Europe behind and strengthening a core EU, outside the present institutional framework of the EU. Even the euro-area does not provide such a framework because too many problem countries (PIIGS) are involved. However, the core EU should transform the financial sector while ending its dominance and predatory nature.

²¹⁹ One can argue that some of the most prominent challenges for Europeans, such as the environmental crisis, are not mentioned. Environmental problems are related to the survival of mankind and therefore primordial for Europe. However, this challenge does not affect directly the modalities of EU cooperation.

'My triptych as president of the European Union was: the competition that stimulates, the cooperation that strengthens and the solidarity that unites'.

(Jacques Delors in an interview in Le Monde on december 3, 2009)

'As a militant of the early days, I have always believed and still do that Europe will only have a future and the world will only find its balance in the case of a political union of Europe turning it into a power: an ally of the United States but basically different from them; entertaining privileged, good neighborly relations with Russia; being a powerful but not presumptuous interlocutor of China and India; attentive to the problems of the Third World, engaging in supporting its development. Europe has to define itself and take a firm stand'.

(Edgard Pisani, Vive la révolte! Un vieil homme et la politique)

'Comme à Copenhague, le chacun pour soi devrait l'emporter. Et l'Europe, malgré ses atouts, rester durablement affaiblie et peser bien moins que son poids dans l'économie mondiale le lui permettrait'.

(Frédéric Lemaître, L'Union européenne en passe de rater sa sortie de crise)

PAUL DREWE

Quo Vadis Herman van Rompuy?

This article is not meant to be personal. It is rather about the future of the European Union and about how to position it in a new world order. The uncertainties involved ask for scenarios. But a 'National preference' seems a poor guide. Verhofstadt's missions for a new Europe appear more promising provided they respect the guiding principles of subsidiarity and solidarity.

Back in 2000, the European Union has launched the Lisbon strategy. Ten years later, the geopolitical scene has changed: new economic players (read competitors) have emerged. If one ranks countries by GDP-PPP and population [1], the European Union still comes in second after China before the United States and India. But this assumes that the EU represents a whole (preferably a whole that is more than the sum of its parts). More realistic, closer to the political reality, is a ranking in which EU member states are classified separately with Germany (sixth), United Kingdom (ninth), France (tenth), Italy (twelfth), Spain (fourteenth) and so forth, outclassed by the United States, India and Brazil.

What is at stake here is nothing less than a new vision, a new world order (of course, this is not a matter of simple ranking). A 'chacun pour soi' will also lead to a new world order, albeit one determined by market forces, that is undetermined politically due to a lack of coordination of political processes.

In 2006, I have written an article entitled 'Quo Vadis European Union' (Drewe, 2006) in which I have introduced five contrasting global scenarios:

- 'Global'

- 'Glocal'
- 'Subsidiary Europe'
- 'Centralized Europe'
- 'National preference'

These scenarios originate from Crozet & Musso (2003).

It seems that Europe today has rather embarked on a National preference trajectory ('L'état-nation revisité') at the expense of a Centralized Europe ('L'issue européenne'). Recently some member states have questioned the Lisbon treaty with the argument that it infringes upon their sovereignty. But the essence of constructing Europe is just the very loss of part of the national sovereignty (sometimes one would wish we had a European constitution with a 'kick-out clause' or exit procedure). Nation states also often prefer to ignore that an important part of their sovereignty has already been 'sacrificed' in particular in exchange for the advantages of the Single Market. In The Netherlands, Germany and Belgium, for example, more than 80% of all legal decisions or regulations are 'made in Brussels'.

The adherence to 'National preference' is not simply an expression of anti-European sentiments, but can be based on a thorough diagnosis (Todd, 1999).

However, following in the footsteps of Monnet, Pisani or Delors, Guy Verhofstadt has written a manifesto listing five missions for a new Europe [2] (unfortunately he is not qualified for top jobs of the EU in the eyes of the member states and therefore has been passed over on two occasions.).

Verhofstadt's five missions for a new Europe are a:

- **European social and economic strategy**
- **new European technology wave**
- **European space of freedom, security and justice**
- **European diplomacy**
- **European army**

I think one should add a sixth mission:

- a **European environmental strategy**

Let us take a closer look at some of these missions, starting with a **European social and economic strategy**. Note that in 1993 the EU has come close to such a strategy with the White Paper on growth, competitiveness and employment. The Paper, however, has been aborted. Another not too successful step in the direction of social and economic integration has been the stability pact. More successful steps so far have been the creation of the Euro and the European Central Bank. The recent crisis of the Eurozone countries known as PIIGS (Portugal, Italy, Ireland, Greece, Spain) underlines the

importance of the first mission. If the EU proves able to cope with the crisis, this could well lead to a stronger economic integration. But doesn't this also require a stronger political integration? What if integration works with the economy, but not with politics (Cohen)? Guy Verhofstadt has only recently criticized the inter-governmental handling of the Greek crisis. It has created uncertainty, weakened the Euro and fueled anti-European sentiments. Verhofstadt (2010) is advocating a *communautaire* approach instead, including a more preventive stability pact (preventive as opposed to corrective); a European Monetary Fund; a Euro bond market; an economic government. In face of the uncertainty, one should perhaps think in terms of alternative scenarios:

- the emergency plan works
- the emergency plan does not work
- Greece leaves the Eurozone
- Strong Euro countries leave the Eurozone
- the Eurozone explodes.

These are only possible futures, but prominent economists have uttered serious doubts about the success of an austerity policy.

Should the rescue attempt fail, Europe will hardly be able to play a leading role in a new world order unless the member states adopt a real European social and economic strategy.

The mission of a **new European technology wave** presents another mission decisive for the future of Europe. Isn't it time to acknowledge the failure of the Lisbon strategy? *'L'échec est patent'* as Verhofstadt has told Barroso. On the road to 'Europe 2020' one needs a critical evaluation of the ten-year experience. The Commission staff has prepared a Lisbon Strategy evaluation document [3]. It contains a mix of positive and negative statements. Here are some samples: *'Whilst much has been achieved, their overall pace of implementing reforms was both slow and uneven...'* or *'Structural reforms have made the EU economy more resilient and helped us weather the storm...'* (which remains to be seen). The evaluation, after all, is a pro domo-exercise. Looking from the outside in, Notre Europe [4] points out that the political failures affecting the functioning of the Lisbon strategy have not been analyzed by the Commission hence the risk of repeating the same mistakes. Notre Europe advocates five points:

- *a more precise diagnosis*
- *to limit the strategy to a few objectives, clearly defined and leading to actions*
- *to distinguish between interventions on the European level and those on the national level, reinforcing the former*
- *to reinforce the Open Method of Coordination, including new ways of sanctioning the bad performance of member states or regions*
- *to adopt a realistic time schedule*

I would like to add another point:

- a top-down approach to innovation does not suffice: in promoting innovation, cities and regions need to be taken more seriously (Drewe, 2010a, b)

A **European environmental strategy** should be based on lessons from the man-made-global warming debate. Environment and climate are most directly experienced in cities and regions and not on an abstract global scale. This entails that environmental problems such as the pollution of air, water and soil must be tackled primarily in European cities and regions. It is not a matter of trading emission rights which permit places in developed countries to pollute some more in exchange for 'environment-friendly' projects in faraway developing countries. And this is not the only fallacy of global reasoning ... More about this in Drewe (2010c). Most recently, the European Commission has announced policy intentions that seem to point in the right direction: to create a sustainable urban policy to be incorporated in the Structural Funds budget 2014-2020.

It is important that the division of labor among the EU, nation states, cities and regions in implementing the six missions respects the principle of **subsidiarity** (see also Drewe, 2008). Actions to be undertaken by 'Brussels' or actions coordinated on the national level should yield better results than uncoordinated actions by member states. Whether this condition is fulfilled, must be decided per subject. See for example the subjects and intended actions listed in the 'defunct' Constitution for Europe. This is why clearly defined objectives are required which together can produce a 'greener and more inclusive knowledge economy'. This also raises the issue of *who* is deciding on subsidiarity. What about the European Parliament? By the way, a bottom-up approach to innovation (see above) would be in line with the principle of solidarity.

The six missions for a new Europe also raise the question of **solidarity** which nowadays has been rebaptized cohesion. National preference pushes the claim to a *juste retour*. But if each nation state would just receive the same amount of money 'from Brussels' as it 'donates' to the EU, this would destroy a pillar of the Union: *the solidarity that unites* (Delors). Like NAFTA, the European Union would be reduced to a mere free-trade zone.

At the end of the day, the question is not so much 'what future for the nation state?' but rather 'what nation state for the future?' Nation states today are part of the problem when it comes to transformations of the global scene. But how can they become part of the solution? We need more Monnets and less De Gaulles so to speak (the last is exchangeable; there are currently 27 potential candidates...).

In discussing European matters one often makes reference to '*the citizen*'. But shouldn't one rather focus on the young ones? Empirical research testifies to the 'demography of growing European identity' (Lutz, Kritzinger & Skirbekk, 2006). In 2004, already 58% of those over 18 years old felt at least partly as Europeans (Moreover, cosmopolitanism may be easier be achieved with identities that are no longer rooted in substance, but are rather superficial, not ethnic but based on style, fashion, music and experience that is not handed from generation to generation but chosen individually, influenced by the media. Will Verhofstadt be proven right postulating that '*Europe will be post-national or it will not be*'? What is at stake here is whether Europe (and the Western world) will be the loser and Chindia the winner (Follath, 2010).

Where to go from here?

When the Dutch voted *no* on the European Constitution, I have suggested that they should leave the EU in order to learn the hard way why the EU is important. Member states and the European Commission should make a serious effort to explain to the citizens why we need the European Union evaluating critically the impact of the Single Market, the Structural Funds and other European policies.

Given the uncertainties and turbulence, regions such as Lower Silesia must address the 'Quo Vadis'-question, following up on Waszkiewicz (2010), in particular the conclusions for the regional policy. Even without (substantial) EU support, Lower Silesia will develop its own development strategy, preferably based on innovation (see Drewe, 2010a).

Paraphrasing Søren Kierkegaard, one can say: 'The future can only be understood backward, but must be lived forward'. *As far as the future is concerned, don't speculate what **might** happen, but imagine what you **can** make happen (Mitch Ditkoff).*

Quo Vadis Dolny Śląsk?

Notes

[1] 'The metric used to rank countries should be very simple and intuitive, it should be country GDP according according to purchasing power parity divided by global GDP and country population, each with 50% weight' (Rybinski, 2008: 7)

[2] The manifesto has been translated into twelve languages. See for the German edition Verhofstadt (2006).

[3] Go to: <http://ec.europa.eu>

[4] See Contribution de Notre Europe à la consultation de la Commission sur la future stratégie "EU 2020": <http://www.notre-europe.eu>

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FRANTIŠEK PETRÁŠEK

Designing the Future in Europe: a story of one international colloquium

After the velvet revolution in Czechoslovakia in 1989, looking for „better future“ was started and projects of more democratic ways of governance were widely discussed. Like in other post-totalitarian countries, one official explanation of the content and sense of inhabitants' activities was left out and thinking about past, present and future state of human world became more differentiated.

Also participants of the first meeting of the international futurological colloquium „Designing the Future in Europe“ which was established in Prague in 1991, were looking for a „better future“ and were searching for ways how to build a community with higher degree of democracy and self-determination of its members. Today, looking back to that period of searching for a better future which develops up to now, it is possible to identify a feeling of certain surprise. There is a number of possible ways leading to the future states of the world in which we happen to exist. Which one can offer the best common future, if individuals in their roles of representatives of social units, perceive and interpret the content of reality differently, applying in their practice of decision making different sets of values, feelings and knowledge? Discussions at that colloquium have opened in that connection the problem of diversity of inhabitants' mental and physical activities in the industrial and postindustrial communities and at the same time the problem of impacts of that diversity on their imagination of the future world and on their whole mental and physical practice.

In case that we want to cooperate and each of us has at his disposal an autonomous „personal“ world of information, some additional forms of learning with exploitation of artificial intelligence seems to be a necessary prerequisite. Mainly in political practice of postindustrial societies, where a number of short term, local and transient interests of participants of political scenes grows and complicates negotiations, making inter-human agreements difficult mainly for those who defend common human needs and want to defend long term interests of inhabitants on actual political scenes in that connection (1). Participants of the already mentioned colloquium and other well known thinkers, often emphasise the dangerous situation of those inhabitants, who lost capability to communicate information necessary for their mutual cooperation and for reaching the state of social cohesion within their cultural community(2). Political regimes of such communities can quickly fall prey to various forms of the totalitarianism, as the history of European nations in the past century clearly manifests, in which the life of their members is managed externally by violation of their personalities.

Participants of that colloquium discussed also an assumption that the above mentioned problem cannot be successfully resolved without some additional intelligence, which would help to minimize the risk of power conflicts in the society by learning from trials and errors related to physical and mental practice of inhabitants. However, the learning process itself can be realised by physical and/or mental activities, which raises the questions, how the learning should be organised if we

want to avoid dangers resulting from the loss of ability to communicate information in our society today and in Europe?

Some well-known futurologists propose scenarios of the future of postindustrial societies in which the practice of industrially engaged inhabitants is modeled like a transformation of their culture from the state of chaos to a new arrangement. According to that scenario, we are living in a state of chaos, accompanying the transition period of Christian Euro-american culture to some new and fully not predictable pattern of inter-human cooperation and communication (3). That period, full of trials and errors by which inhabitants are searching for new forms of mutual cooperation and new forms of institutions for that purpose, is filled also by an intensive thinking about the perceived world and by experimental activities resulting in new forms of technology and new ways of management of public activities with concomitant new institutions serving that purpose. These forms pass away relatively quickly today. Of course, if we accept such a scenario, also our understanding of the world in which we live in today, is in a chaos and a new understanding, logically more consistent, will originate in the future.

On the other side, the forecasters who provide service for decision making practice of politicians and managers do not stop their attempts to delimit the future states of planetary and/or local societies. Does it mean that their endeavours represent only a ridiculous activity?

A „deep futurology“, which was born for searching for reasons of human mental activity joined to the creation of ideas about future states of the human world, offers an answer to such questions. Thinking about the future can be conceived as a basic part of a learning process, by which human being gets missing information necessary for surviving in its natural and social environment. A conscious imagination of future states of the perceived world, tops in information backlog created by subconsciously managed operations, and this way helps to gather human experience by making trials and errors not only by means of acting in a particular environment, but also by thinking about that acting. Old Greeks teach us that thinking by means of satisfactorily empirically based and more or less abstract concepts of the perceived world, helps us to accumulate backlogs of human experience stemming from human physical and mental activities in various environments and to use them in everyday decision making. Therefore also mental experiments typical of everybody who creates scenarios of possible futures, help us to make our life in unsteady conditions more probable (4).

The question „ Europa quo vadis?“ as an impulse for learning

Deep futurology appreciates a value of such a question for decision making in spite of the fact that from the logical viewpoint the content of that question is expressed very fuzzily. On the other hand, at any moment we are able to assign to that question some content according to our own experiences and thus we can look for an answer by some form of learning. An interdisciplinary

dialogues and dialogues between academicians and practical persons, dealing with answering that question, are held at various places not only in Europe. An exploration of such dialogues can bring interesting knowledge about forms of public learning and about information sources and methodological background of processing information by their participants.

Dialogues held at the already mentioned futurological colloquium which has lasted for twenty years, has brought some knowledge about barriers acting in information exchanges among its participants. There are two different kinds of such barriers. The first kind is manifested by the loss of mutual understanding between disciplinary specialised academicians. The second one - by the loss of understanding between academicians and practical persons. The background of the first kind of barriers generates in the practice of getting knowledge about the perceived world in various disciplinary specialised sciences, while in the second case, the barriers originates also in the practice of the material and energetic transformation of that world by various purposeful human activities in the framework of their professions. More detailed insight into the content of such barriers allows us to identify different paradigmatic base, or in another words, different ways of explaining and understanding the content of problem situations, in which participants of the dialogues occur and decide about their actions.

As far as we explore the interdisciplinary dialogues, mutual learning of participants is complicated by a diversity of working theories, which scientists use for the explanation of the content of observed subjects. Barriers of that kind appear very clearly, namely between various schools of economic or sociological thinking, which use different models for the interpretation of the content of the subjects of their exploration. Thus mental and physical activities of human beings as inhabitants of certain geographically delimited space and as members of a certain cultural community, represent different subjects for their exploration and interpretation practice. Sociologists prefer poly-criterial or synoptic evaluations of the inhabitants' situation, while economists often prefer models of the world elaborated by means of mono-criterial evaluations based on the control of monetary exchanges among inhabitants. Thanks to that simplification, economists often can interpret future developments of the inhabitants' activities more logically by computing the future monetary values of mental and physical activities of inhabitants by the time extrapolation of already measured data dealing with these exchanges. In this way, their forecasts become transparent and represent widely understandable and acceptable information for establishing ideas about the future states of European inhabitants. Sociologists are less happy about this viewpoint. Their models of European future are usually elaborated by the usage of sets of different values and their practice of evaluation of inhabitants' behaviour consists of a rich mixture of qualitative and quantitative criterions. As a result, their explanations of the future situation of the European inhabitant involve more experience with the world of human values and with their changes in time and space than explanations made by economists; however, multi-criterial explanations lead to a set of his or her possible future states which reminds a mosaic of colours from which the viewer must assemble the picture of the future, him/herself.

Another experience from that colloquium deals with barriers acting in dialogues between academicians and „practically“ deciding participants. Disciplinary oriented dialogues about the future

of European inhabitants do not satisfy participants who need to decide in their professional practice and who evaluate and make knowledge about the content of their problem situations on the background of their own experience, own knowledge and own value criterions. Their personal feelings and personally created knowledge (known to old Greeks as *doxa*) represent for them a necessary information for professionally successful decisions. If they need to fill „white spots“ of their backlogs of knowledge and/or values for their decision making, which means that they are ready to learn, they start to ask disciplinary specialized theoreticians for more abstract concepts for the interpretation of the content of their problem situations, in order to get a better understanding of changes of that situation.

The various manuals elaborated for an exploitation of abstract models of reality in the decision practice of professionally specialized users, we can accept like a signal, that also an answering the question “Europa, quo vadis”, is a matter of common and mutual learning of disciplinary and professionally specialized creators of pictures or models of our world. There is necessary to dispose by a special skill of mutual communication, if such learning process ought to lead into the state of a full understanding on both sides of that dialogue. A convenient environment and powerful mental technology can help participants to reach such a state of their mental activities.

Is it possible to organize a learning process for more efficient answering the questions about the future of Europe?

Experiences with offering forecasting services for various users of forecasts allow us to give a positive answer to that question. Some strategies of the development of the learning process help users of forecasts to create more realistic expectations, while others cause diinformation. What does it look like in recent decision making practice in industrial and postindustrial societies?

If we concentrate the attention on the question “Europa quo vadis”, it is easy to see that there are many potential users of an answer and that the content of their problem situations for which they ask the answer is differentiated. Also, the development of the learning process must be appropriate to their problem situations and help them to create more realistic goals for the management of their activities. The question “Europa quo vadis?” is often formulated when interests joined to practice of governance the states, corporations or regions have to be protected and their representatives are searching for some realistic strategy for that purpose.

To design an appropriate strategy of the learning process, a question arises, how to adapt their learning processes to their practice of strategy making ?

The process of building prerequisites for strategic action can be started from the two different positions of the world of values, feelings and knowledge of those who want to decide but experience uncertainty: the first position manifests itself by his or her question “why is necessary to do something?”. The second position manifests itself by the question “what is necessary to do?”. Learning can be completed, when the user of the information gets answers not only to these two questions, but also to the question “how to do something for a certain purpose?”

Well known thinkers offer philosophically and historically reasoned geopolitical strategies for today's European statesmen, in which they describe the past development of systems of governance in

various cultures and nations and analyse reasons for their rise and fall. Some of them use analogical thinking and recommend that the statesmen copy historical strategies of political decision making and formulate political priorities against the background of such understanding of the content of national and international political scenes. Only a part of them dispose by such a wide erudition that enables them to take a pencil and with a very light hand to design ways of governing the practice of inhabitants enabling the reaching of those priorities, namely by means of programming activities of institutions providing decision making power in the state and providing management of national economies. Still, the management of activities in a real time and in localities is in these recommendations mentioned very commonly, mostly in a form of recommendations dealing with ethics of the daily professional and civic life.

As a result, a politician as a potential user of such recommendations may be informed in detail about ways how to understand priorities in various cultural environments and historical times, but the causal explanation of the content of these priorities with the content of goals serving for the management of his instrumental policy in actual political practice is missing. And what is worse, everyday innovations in the technology and organization of the civic life of inhabitants, force him to search for new instrumental goals, independently of the understanding of the priorities (5).

Such a way of learning from the history of human action can lead statesmen to utopian political doctrines that evidently could not satisfy today's politicians, who prefer building political strategies on a realistic assessment of existing sources of political power in the community and who are able to exploit them in their programming of public activities. That way of learning is widespread in industrial communities, in which power and/or economic rationality dominates in the process of management of inhabitants' activities and where political negotiations are subordinated less to long-term priorities than to the short-term interests of various kinds of lobbies.

However, the learning of politicians of how to build goals only on confidentially known dispositions of inhabitants for actions, could lead to the loss of their ability to adapt and to change strategies of their political programmes in the changing environment of political scenes. Such a very unpleasant situation for strategic management is well known not only in technical practice, where changes in the social order manifest themselves by new priorities of inhabitants using technical artifacts, which can cause the collapse of the sense of those plans and concepts of the development of new technologies, which were established on traditional ideas of their social function. Also, plans of managers dealing with the governance of corporations, regions or states, can collapse and lose their prescriptive value for users, if the social and /or natural environment of the managed social units substantially changes its content and those who prepare plans do not take changes into their consideration and do not forecast and prepare alternative strategies for a new possible situation of the managed unit in its social and natural environment.

All these experiences can lead to the hypotheses, that learning processes helping to adapt way of governance of social units, which are able to decide as an autonomous unit, have to be organised symmetrically in the sense of supporting their representatives in their roles of decision makers by helping them in answering their questions: why? what? and how? to decide.

A symmetrical help in the process of answering the question: "Europa, quo vadis?"

Futurologists looking into the more distanced time horizons of our world often feel that information in a form of knowledge like certain forms of mentally transformed experience of the human being, is a wonderful prerequisite for his decision making and in this way protecting him against various dangers causing the loss of his life. However, at the same time they feel that human abilities to cope with information is much wider, covering also information exchanges related to extra-conscious control of his life. Just this kind of information seems to be relevant mainly for managers and politicians, who decide about human activities.

One very practical way how to reach more symmetry in information services is based on experiences of those who take care of the qualities of planning processes for those users who decide with the feeling of uncertainty, being in fear of losing control over the subject of their decisions.

Such a fear can in the political practice appear in the form of hesitation of politicians dealing with the understanding of inhabitants' needs, or dealing with the content of priorities involved in their political programmes or finally also dealing with the content of political instruments used by them for providing political power while regulating the public life of members of a certain community. In each of these three cases the politicians provide controlling activity by observing different subjects and their fear of losing control over the political scene can stem from a lack of information about changes of contents of that three kinds of subjects which they observe in order to control the political scene. On the side of the politician in the role of the user of the information, a symmetric help means sacuring his ability to cope with instruments of political power in a certain social unit according to established programmes of its publically accepted regime of actions and at the same time, to defend priorities of those programmes by their explanation which is based on satisfactorily good public understanding of the needs of inhabitants as members of the social unit.

Are recent information services for political decision making in Europe well tuned in the above mentioned sense? And if they are not, how the learning process of politicians has to be organized to support their ability to control changes of the content of decision problems appearing on recent political scenes?

Those who provide planning for state, regional or corporate managers, get experience with their way of learning (6). The learning process can be more easily developed, if at the very beginning of their mutual meetings, the client declares „properties“ which he actually uses for the control of the managed unit, and also their values, which cause his uncertainty and his ability to provide strategic decision making about the fate of the managed social unit. Control systems with monitoring functions by which decision makers can gradually get more information about the understanding of the content of political scenes and its changes in time and space, represent a solid background for making realistic strategies used by regional or corporate managerial staffs. Since the seventies of the last century such systems have been developed by trials and errors also for the needs of transnational institutions, which control many natural and social parameters of the world population in order to monitor conditions for human life all over the planet (7).

Of course, monitoring itself, cannot guarantee the higher duality of optimization of political programmes by appropriate methods of assessment of the best goals and priorities and selecting them from the set of those which politicians can realize with existing sources of political power. On the other side, monitoring represents a way of how to learn and get a more appropriate set of values for that purpose.

What is possible to say about the content of future political scenes in Europe?

If that content is evaluated according to experiences of those who are engaged in a specific field of observing and experimental or practical handling of subjects of his interest, then only conditional statements can be formulated by exploiting very commonly used and abstract concepts. If some favourable conditions will be created in the technological and organizational equipment of our research practice in our scientific branch, then we can forecast that this kind of discoveries will appear within the following fifty years with a relatively high probability ... , but their implementation in the process of solving future needs of human population will depend on, for me, not fully known conditions ...! That is the usual pattern of reply of well known scientists, if somebody asks them to predict the future of a more remote state of their mother scientific disciplines (8).

Such a pattern of the answer is typical also when answering analogical questions by politicians operating on European political scenes. Their knowledge and evaluation practice of their content will differ in the future time as a result of new understandings of the content and in the same time, their future content will be changed by human political activities and by changes in the natural and social environment of future political scenes in Europe.

The first cause of „innovation“ in perceiving and interpreting of the content of a given political scene, can be identified by tracing experimental education of future policymakers by means of their equipment with artificial intelligence which consists of relatively big memory of past values of relevant parameters to recent political scenes and their relevance for decision making and from their training to negotiate in networks serving to reach a political consensus among participants of the certain political scene. Experiments of that kind held at some grammar schools show that solving of a given political problem by students equipped with such intelligence and trained for two years parallel with normal school education, can lead to the political consensus more efficiently and faster than in the case when that problem-solving is entrusted to an experienced politician (9). It is very probable that future political practice will be changed and will become more efficient from the viewpoint of the capability to formulate and solve contents of political problems more rationally. That professional quality will be reached owing to the exploitation of cognitive and engineering sciences and will be open to the wide range of newly educated and trained inhabitants.

Some challenges brought by futurologists, who try to answer questions resulting from the uncertainty with which we are able to delimit the content of the future way of life of European inhabitants, are more clearly depicted by two kind of studies of that content.

The first kind has a historical and geopolitical background, when authors of answers concentrate their attention on the changes of human cultures. Empirically rich discussions dealing with changes

in mental and physical activities of the European population of that kind were stimulated by philosophers, namely by Karl Raymund Popper, who introduced into the discussion the working concept of the „open society“ at the beginning of the sixties in the last century. That concept allows us to think about the industrial society as of a society in certain historically created state of behaviour of citizens, which, from the cultural viewpoint, differs from other culturally possible states and which can be cultivated by the exploitation of mental and physical activities of members of that cultural society. To the main prerequisites of such a kind of cultivation belong institutions, which stimulate creative abilities of inhabitants and their mutual cooperation. At the same time, Karl Popper rejects the Platonic idea of historicity of changes in human communities, in which a beginning or an ending of changes of human community exists. Instead, he proposes the idea of an open society in which the following states cannot be identified by thinking based on knowledge about its past changes (10).

Up to now there continue discussions dealing with that concept. The sociologist Ralf Dahrendorf, namely in his lectures in London at the beginning of our century, searched for a new understanding of politics of freedom in the world of the 21st century, using the concept of „open society“ for elucidation of more adequate ways to take care of democracy and freedom of inhabitants (11).

The second kind of studies offers a more analytical explanation of human society changes, and the realted authors pay more attention to the creative and innovation activities of inhabitants and to their impacts on the inhabitants' behaviour and on the nature. The backlogs of scientific knowledge of men and society are used for to explain the future states of humankind in these studies, namely for explanations involved in economy and sociology and politology on the one side and in biology and bio-cybernetics of a men on the other. Authors of such studies usually prefer to evaluate some characteristic of human behaviour as more relevant for forecasting the future of mankind. An American thinker Francis Fukuyama, for instance, offers idea of historicity of the human society caused by predetermination of its future states by modern science, in which human experience cumulates and its impacts on social practice will decide about future forms of a culture of the human society (12).

Although these and also other holistic and more or less analytical studies (13) can offer logically more or less clear pictures of our future, they provide weak information for strategy-making, unless they are confronted with relevant data about human practice. The battle and/or the game of the future of nations living in Europe, can be probably won by a more sophisticated network of inter-human interactions than the one that we know from the history.

An idea of whole life participation of inhabitants in networks enabling them to learn how to adapt their public activities to a changing environment by appropriate technology of designing their future, seems to be a promising challenge for European inhabitants.

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Lower Silesian Conference 2010, an Overview

Wojciech Burzyński

Introduction

The multidisciplinary Lower Silesian International Conference „Europa Quo Vadis” was held in Wrocław, the capital of Lower Silesia Region, in June 10 – 13, 2010. This Conference was organized by the Lower Silesia Foundation for Regional Development and the Lower Silesia Region.

Professionals in futurology and specialists in other fields of science took part in this Conference. Participants were granted an opportunity to discuss ideas and points of view laid out in papers and presentations delivered by several international experts, eminent speakers and discussants coming from science, business and public policy.

This Conference was dedicated to debating issues such as the paradigm of Europa Quo Vadis Project, the turning points in European transformations of the XX and XXI centuries, Europe facing the challenges of the XXI century and European regions in the XXI century. The “Europe’s moment of truth” was also put on the agenda in the context of the recent *Europe 2020* EU publication.

The Conference, as stated in the welcome letter to the participants, was expected to contribute to discussions over a new methodological framework for the design and continuation of interdisciplinary research programs in Europe. The present overview was prepared to provide an insight in the spirit, climate and main ideas of the Conference. It is based on presentations and the pre-conference publication, not necessarily strictly following the Conference official agenda. The participants’ more detailed and personalized points of view may be found in the post-conference papers included in the present volume.

II. The programmatic paper and the four sessions

The Conference was opened by **Marek Łapiński**, Marshal of the Lower Silesia Region and **Jan Waszkiewicz**, Vice-president of the Lower Silesian Foundation for Regional Development, who then invited Professor Antoni Kukliński to present his programmatic paper.

Professor Antoni Kukliński, President of the Polish Association for the Club of Rome, referring to the motto and contents of the programmatic paper, presented an interpretation of the

Conference topic and spirit as well as proposing a set of paradigmatic questions for discussion during the Conference. Europe is facing one of the greatest strategic choices in its history – the European ‘to be or not to be’ a great actor of the global scene. Internally strong Europe, the strong European economy, society, science and culture should strive to be an important actor in the new multi-polar and multi-civilization world of the XXI century. Europe can perform the role of one of the leading architects of the new global order especially if an Entente Cordiale will be established linking the integrated power of Europe and the United States.

The Europa Quo Vadis question cannot be answered in the present climate of the paralysis of the European strategic mind. This paralysis will lead to the stagnation of the developmental processes in Europe and to the marginalization of Europe as an actor of the global scene. There is a real danger that Europe will change itself into a “global Titanic of the XXI century”. But there is also a strong chance for an optimistic scenario of the new Renaissance of Europe in the XXI century, of the development of the internal and external power of Europe.

The Lower Silesia International Conference was described as a mix of dynamic intellectual and pragmatic processes leading to new interpretations of the history and the future of Europe. Moreover, this Conference was regarded as an innovative process opening the trajectories of pluralistic value judgments inside and outside the limits of conventional wisdom and political correctness. Professor Antoni Kukliński referred to the motto of his paper: „*This is Europe’s moment of truth. It is the time to be bold and ambitious,*” quoted from the introduction by Jose Manuel Barroso to the *Europe 2020*.

To inspire the spirit of the Conference Professor Antoni Kukliński described the paradigm as a set of questions exploring the empirical and prospective reality and a set of methodologies creating the philosophical and instrumental framework how to answer those questions. The area, framework and scope of the international and multidimensional project were proposed as four segments of the research, namely: (i) a vision of the XXI century and a search for a new paradigm of political, economic and ecological development, (ii) a diagnostic analysis of the past two decades of transformations in Europe, (iii) a central study – future of Europe in the coming two decades, (iv) a pragmatic part – the future of European regions. The project comprised 14 specific questions, dealing with crucial global and European problems that are interrelated and interdependent, but could be treated separately for the purpose of scientific analysis and practical decisions.

The four Conference sessions followed the opening session and the presentation of the Conference programmatic paper:

Session 1 was chaired by **Ivo Slaus**, who declared the scope of this session as **“Europa Quo Vadis – the paradigm of the conference”**. The chairman invited panelists: **Roman Galar**, **Juliusz Kotyński** (“Some Comments on Professor Kukliński Concept of International Research Project”), **Paul Drewe**, **Jean Marie Rousseau** (“The Uncertain Promise for a Global Chinese Superpower: Meanwhile... All Quiet on the European Front”), **Hans van Zon** (“The EU is falling apart”) as well as **Mark Dubrulle** and **Patryk Wild**.²²⁰ The panelists commented upon the programmatic paper and offered contributions to the session’s problematic.

In the context of the clash of civilizations, philosophers would say that something is bound to happen. So, scenarios of the civilization collapse should be considered and new, accurate questions proposed. The ‘cold war’ was not decided with nuclear explosions and the heart of communism has rotten out. Is there any present candidate for such collapse? Why migrants want to live in Europe, but not to become Europeans? Can Europeans tolerate other systems of values? They have troubles tolerating their own system.

At the present level of technology the ‘Western’ level of consumption cannot become a global norm. How the established states of plenty will react in the long run to the progressing economic convergence? Is the West ready to yield a substantial part of its affluence to the cause of global stabilization? Are contenders ready to limit their ambitious? Furthermore, might the ethos of the reasonable consumption emerge soon enough?

A revolution in the field of global science and technology would bring solutions, but is it hardly probable to imagine, because simplistic analogies mislead and the very specific social context that facilitated historic bursts of creativity is gone. There are local examples of such revolutions in ancient Greece, medieval Italy or XIX century England. So, no hope for another science and technology revolution before the reasons of the impotence of the present research and development systems are recognized. Learning by trial and error, impossibility to predict effects, impact of weird personalities, etc., essential to start such a revolution, are hardly palatable for contemporary decision makers.

The process of global economic convergence and political reconfigurations may appear, in general, a very important and positive evolution. It remains, however, largely unnoticed, ignored or underestimated by many politicians and people in advanced economies, notably in Europe. All the

²²⁰ Ivo Slaus – The World Academy of Arts and Science, Roman Galar – Wrocław University of Technology, Juliusz Kotyński – Academy of Finance, Warszawa, Paul Drewe – Delft University of Technology, Jean Marie Rousseau – ADE s.u. Consulting Service, Hans van Zon – Erasmus University Rotterdam, Mark Dubrulle – President, The Club of Rome EU Chapter, Patryk Wild – Chairman of Lower Silesia XXI.

same, this global change creates a powerful challenge and risks – enigma of the XXI century – to Europe and the Atlantic Community, of huge potential consequences. It requires an urgent and thoughtful recognition and a serious political, economic, financial and social response on the part of Europeans, with special regard to politicians.

The inter-governmental handling of the Greek crisis may be criticized, a *communautaire* approach proposed instead, including a more preventive stability pact – preventive as opposed to corrective – European Monetary Fund, euro bond market, economic government. The Atlantic Community is a way of positioning Europe in a new world order. This would be a very positive change. But it is also a powerful potential challenge to Europe and to the Atlantic Community to be reckoned within the coming decades. It also requires an urgent and thoughtful recognition and response on the part of European politicians and people. The proposed strategy 2020 of the EU appears to be a move in the right direction, but it needs perhaps some reconsideration, more analyses and wide support, to be effective. The joint research project to be conceived at this Conference could contribute also to this common aim.

The session was in a way summarized by Roman Galar saying that, hopefully, his reactions demonstrate how huge is the space for consideration generated by Professor Kukliński's paradigmatic questions. They create a chance for a remarkable and non-opportunistic discussion. The programmatic paper for the Europe Quo Vadis Conference brings an impressive, stimulating and timely material. It is difficult to disagree with its principal thesis that Europe will soon face its moment of truth. The wagon that we all ride is not exactly a good shape and there is a very bumpy track ahead. It is not enough to admire the European Union as the eternal source of opulent subsidies and prestigious jobs, as we use to do in Poland. Present generations have to make a substantial effort to revitalize the European Project, which is the best guarantee available of our favorable future.

Session 2, chaired by **Juergen Martens**, was dedicated to **“Transformations of Europe – the turning points of the XX and XXI centuries”**.

Juergen Martens noticed that the picture may not look too sad, because we had a successful story in two last decades when overcoming the division of Europe was possible. The reunification of Germany was peaceful, though in the case of GDR economic and ecological problems have influenced competitiveness. The gap in living conditions result in frustrations reflected in elections by people looking back.

Next, the chairman invited the panelists: **Juliusz Kotyński** (“Enlarging European Union – Global Challenges and Prospects of the Next Decades”), **Roman Galar** (“Could Euro-Enthusiasts Pull the EU out of the Crisis?”), **Piotr Szukalski** (“The third demographic transition in Europe”), **Stanisław Szukalski** (“Quo Vadis Europa”), **Wojciech Burzyński** (“European economic dreams & Europe 2020”) and **Krzysztof Pietraszkiewicz** (“Financial sector in the global perspective”).

An outline of a comprehensive diagnosis of the glory and misery of the transformation of Europe in two decades 1990-2010 would be a very illuminating piece of knowledge. Such a mission would be rather impossible within the present set of macroeconomic indicators as they are used more and more to embellish and even manipulate the picture of economy or the health of social fabric than to reflect it. The dreary role of rating agencies in the developing crisis should not be neglected. So, can we assess how much of the enjoyed progress is paid for, and how much is the debt burden on upcoming generations?

Speaking of Europe as a separate society and economy may be misleading because of widening interdependence in the contemporary world. It is difficult to speak in the responsible way of any continent without implications to other continents. Today we find ourselves in the most important turning point for the world, not only for Europe. Therefore, we should also talk about the future of the world with special regard to the growing size of the world economy and its organization, its financing and financial institutions. European leaders will not have time for a great discussion, because there are a lot of difficult current problems. It also confirms the turning point - the entry into a confrontation could lead to aggression, therefore, need to seek an agreements and cooperation. However, banks cooperate only with central banks and inter-bank markets do not work properly because confidence was destroyed. We may be dealing with the dominant role of the state - but do we want to? This will be a test of successive approximations, hence errors will occur. For representatives of science, business, politics it would be necessary to reflect on the monetary policies associated with political interests. Exiting from the crisis will take many years. Many politicians will have to put at stake the whole of their authority, achievements - are they prepared to do so? Skillful communication with societies is needed. How to rebuild confidence in Europe?

The EU is in the process of falling apart. The most positive scenario is that the strong core EU will be preserved after a purifying crisis. In assessing likely scenarios, usually major challenges are identified as well as major factors and major actors. The problem with the EU is that it cannot itself be considered as the major or even one of the major actors because, due to its cumbersome decision making procedures and the dominance of inter-governmental decision making in some crucial domains, it is a pseudo actor or rather a major factor. The major actors in the EU are the major EU

states plus the USA and well organized financial capital. The polities within the EU are organized primarily nationally.

Centrifugal forces dominate. It seems that in all major challenges the EU is not and will not respond adequately and centrifugal tendencies increasingly dominate the environment of the EU. The EU is in its deepest crisis since 1958. However, in Chinese the concept 'crisis' also means 'opportunity'. The current crisis of the EU provides opportunities and we have seen in the past that EU crisis prepared the EU for major steps forward. In the current crisis, these major steps forward can only be taken if leaving the opponents of a strong and federal Europe behind and strengthening a core EU, outside the present framework of the EU. Even the euro-area does not provide such a framework because too many problem countries (PIIGS) are involved.

During the last two centuries, European population experienced two demographic transitions - profound changes in reproductive behaviours. Background for the first demographic transition came from an improvement in living standards – better nutrition, access to health care and education, partly reflected in the Human Development Index, and resulted in an increase of population in Europe by two – three-fold. However, the second demographic transition, approximately since the middle of XX century, was related to changes in culturally formed patterns of marital and reproductive behaviours, introduced and supported by legislation systems. The changes in population structure by ethnicity, race, religion in Europe is fact. Due to low fertility in all European societies, the immigrant will stem from non-European countries – from Africa and Asia. These may result in demographic, cultural, political implications in the marginalization of formerly majority traditions. Nevertheless, Europe is moulded and united by Greek science, governance and democracy, by Christianity and by the Renaissance. Individuality is the key element in the development of Europe and of the Western World. The key factors in the progress are freedom of thoughts and entrepreneurial freedom. Freedom is fertile grounds of creativity. Though science flourished in all major civilizations, the contemporary science had its origin in Europe.

Session 3 – “Europe facing the challenges of the XXI century” was chaired by **Krzysztof Pawłowski**, who proposed to focus on the following three questions: Why the decades of 2010-2030 are crucial for Europe of the XXI century, The dramatic role of the question “Europa Quo Vadis?” Europe’s moment of truth; How to define and analyze the prospective internal transformations of Europe in 2010-2030?; How to face the changing place of Europe in the global order of the XXI century? The invited panelists included: **Ivo Slaus** (“Europe facing the challenges of the 21st

century”), **Raul Weiler** (“No choice: sustainable Europe!?”), **Hans van Zon** and **Gilbert Fayl** (“Running without learning”).

Discussing the present of Europe is simple, as it concerns interests clearly set, even if badly understood. Discussing the future is troublesome. It raises questions about values that should be protected and passed forward. However, postmodern Europeans regard common values as nonsense which cannot exist, because values are the matter of personal convenience. More, such discussion is not possible without recourse to history, while forgetting about history is ‘cool’. Still, the question is dramatic. Another twenty years of drifting might be enough to annihilate the advantages Europe still possesses.

There is a problem of how reliable are measurements, e.g. of socio-economic indicators. The most frequently used indicator is GDP, albeit it is known from the first Nobel laureate in economy Jan Tinbergen, and reemphasized by R. F. Kennedy, is an inadequate measure. Many attempts have been made to improve GDP like HDI, Calvert – Henderson index, ISEW (Index of Sustainable Economic Welfare) and GPI (Genuine Progress Indicator). While GDP per capita for the USA has grown more than threefold since 1950, GPI per capita has not even doubled. Indicators have to be feasible, providing information on a short term basis, they have to be reliable, robust and their uncertainty has to be known and preferably small. Indicators have to be for all countries, or at least for most of the countries in the world. All ‘improved’ indicators lack some of these qualities, and this is the reason why GDP persists. Measurement in politics barely exists. Yet, the Gallup 2005 study shows that 45% respondents consider that their political leaders are incompetent and even 61% respondents consider their political leaders to be dishonest.

The European Commission proposes five measurable targets to be reached by 2020: to increase the employment rate to at least 75%, to formulate a job-for-growth strategy, to intensify research and innovation activities, to reduce climate change and to assure adequate energy supply for Europe, to improve education and to decrease poverty. These actions built the road to achieve the main aim of the EU – to become a sustainable knowledge based society.

Knowledge based society is not a society using available knowledge, since always societies used available knowledge. Neither the knowledge based society is a society where science and research activities are exclusively in the service of economic development, a servant to the economy and politics. Knowledge based society means a society generating and anticipating changes, capable of progressing with changes without destroying either humans or nature. It is a society where knowledge is the basic resource and people – generators and keepers of knowledge – are the true

value. Knowledge based society endeavors to increase individual human capital and collective human capital – social capital. This tall order requires changes.

In an attempt to determine what type of structural shifts in the reality around Europe can be expected after the current crisis situation disclosed processes dynamised or even ‘detonated’ by the crisis should be described as follows: the collapse of the global financial system, the dramatic increase in public debt, the crisis of the welfare state, the crisis of pension system, the collapse of intergenerational solidarity, the end of cultural coexistence in the developed countries of the West, the crisis of globalization, the deterioration of the international solidarity in Europe. Moreover, it is clear that the developing crises will lead to shifts in the social structure. Some groups will be pauperized (pensioners, specialists in the virtual environment of business and politics, some employees of the public sector), others will improve their position. The hierarchy of the prestige of occupations will be changed (the rank of the banking sector will be reduced while the rank of some practical occupations will be increased). It is unknown in which direction and how far these changes will progress and the above assumptions should be treated with caution.

Finally, the following doubts were expressed: the European social model is unsustainable and the EU regional and country disparities remain, so a multi-speed EU is becoming a reality, the EU would face a ‘lost decade’ if it settled for sluggish 1% growth, so Europe needs to speed up if it wants to keep up with global competitors. Is the EU able and ready to admit past blunders and learn from past experience or is it a process of running without learning? Keeping these doubts in mind, it would be useful for strategic perspective to ask: what is the EU future vision considering its ethical – moral - cultural heritage? Furthermore, does the EU want to maintain its European origin, does the EU know the direction of its future possibilities, where is the geopolitical limit of the EU – is there any?

Session 4 focused on **“European Regions in XXI century” and** was chaired by **Jan Waszkiewicz**, who proposed to focus on the following three questions: How to envisage the future of European governance and the Future of the European Union? How to define and analyze the most important transformations of the Europeans regions in the years 1990-2030? How to improve the strategic capacities of the regions to face the challenges of the enigma of the XXI century?

The panelists: **Janisław Muszyński** (“Strategic perspective of Lower Silesia”), **Maciej Zathej** (“Lower Silesia – strategic challenges”) and **Mirosław Struś** (“Lower Silesia in European and global context”) sequentially presented – taking Lower Silesia as their case study - their points of view on

problems arising in regional foresight as well as on creating and taking advantage of endogenous factors of regional development.²²¹

To envisage the future of European Governance and the futures of the European Union it is necessary to define the boundary conditions of the EU. It should be realized and verbalized what is the proper place of the EU in the hierarchy of loyalties of its citizens.

There are several questions on what would be helpful to know about European regions. To what extent they are autonomous players? To what extent they are pawns used by bigger players, maneuvering for influence in the EU construction? What they have in common? How do their visions of future evolve? How transformations influence their adaptive abilities? Do they form a system?

The strategic capacities of the regions should be improved to enable them face the challenges of the enigma of the XXI century. Strategic capacities of regions might be expressed best in areas, in which regions execute comprehensive autonomy. In these domains, the complex of regions might become the European base for experimental policy and economy. Regions should upgrade their visions of future to exceed the bounds of planning, election agenda and tangible profits. The adaptive concept of the 'future ready regions' should be developed. The key question is to what extent Member States and the EU might give up standardization of regional policies.

In regional analyses particular attention should be devoted to the labor market and the ratio of insiders to outsiders. The economic crisis is regarded as an exogenous phenomenon and an unavoidable challenge. However, regions should be ready to meet also long term challenges in demography, civilization and geopolitics. Lower Silesia may be 'a place for you', creating a network society and taking advantage of the neighborhood partnership and cooperation.

Conclusions and recommendations for the regional policy were proposed and they may be summarized as several theses for discussion, support or improvement, and implementation.

The current crisis situation will have far-reaching consequences for the regional and developmental policy. The most important of them are proposed as follows. The crisis will result in slowing down or even in a regression of integration processes on a large scale (globalization, unification of Europe). The importance of the state will also decrease (a catastrophe of public funds, inability to fulfill obligations to various social groups, increasing ineffectiveness of administration in

²²¹ Jan Waszkiewicz – Lower Silesian Foundation of Regional Development, Janisław Muszyński – Member of the Group of Reflection over Lower Silesia, Maciej Zathej – The Regional Bureau of Spatial Planning, Wrocław, Mirosław Struś – Lower Silesian Centre of Strategic Studies.

the face of accumulating problems). So, the state's interference in the regional policy (or at least its effectiveness) will be reduced. In the face of the dissipation of higher order systems, close ties between people and their communities, that is - family, friendship and neighborhood ties within a local community and within a region, will become more important.

The role of regions will grow. They will have a more say provided that they know what to say. The formal side of the process (that is, legal acceptance of a higher position of regions) is not the most important and probably will be normalized post factum.

One should take into account the change of rules regarding the current regional policies in the European Union. They will aim at increasing aid to the strongest and centrally located regions at the expense of the weaker and peripheral ones. Therefore, regions should effectively use the EU funds currently available, without counting on the emergence of similar opportunities in the years to come.

The role of some other factors which were a basis for the development of the region in the previous decade and ideas for the development in subsequent years (foreign investments, tourism, pensioners' settlement) will be also diminished.

A decrease in the inflow of external funds for regional development will restore a proper rank for endogenous factors (the region's own potential and resources, advantages of regional specificity, intangible factors of development – social and moral capital).

In the face of a long and strongly influential period of instability, the concept of building a future ready region as outlined by Roman Galar assumes particular importance.

III. Closing remarks and an invitation to continue the Europa Quo Vadis research program

Professor Antoni Kukliński addressed the audience with preliminary post-conference comments indicating that Europe faces now three scenarios: Survival or Bankruptcy, or Renaissance. In this context, the Lower Silesia Conference is not a one event activity; it opens a longer term intellectual process to search for new approaches and new circles of stakeholders to tackle the critical challenges facing Europe and its regions. The proposed title of the second Lower Silesia International Conference would read *"The European Union facing the challenges of the XXI century"*.

Ivo Slaus – on behalf of all the participants - expressed gratitude and recognition to the Conference Organizers and especially to Professor Antoni Kukliński for his vision, perseverance and effective inspirations, in particular – the paradigmatic questions creating a chance for a remarkable and non-opportunistic discussion. Ivo Slaus thanked also the representatives of the institutions organizing the Conference for their hospitality. He emphasized the Conference participants' intellectual spirit and inspiring interventions owing to which it will be possible to approach the future in a more open-minded manner.

Janisław Muszyński thanked the participants for their contributions and will to continue the “Europa Quo Vadis” initiative and closed the Conference announcing also his intention to address the Chairman of the European Parliament Jerzy Buzek with a note highlighting the validity of the start and follow-up of this strategically oriented Lower Silesian research&policy project for the European Union, its Member States and regions – indeed, important for all of the Europeans.

Wrocław – Warszawa, 2010

PART FOUR

The future of European Regions

JAN WASZKIEWICZ

The world, Europe, Poland, a region after the crisis – to what extent is it possible to predict what they will look like?

1. Introduction

The purpose of this study is an attempt to determine what type of structural changes in the reality around us can be expected after the current crisis situation²²². Therefore, the paragraph in which an attempt (pursuant to [14]) is made to specify precisely this currently overused term is followed by an answer to the question whether and to what extent it is justified to speak currently about the crisis, and by the collection of opinions on the probable period of its duration and depth (and extent) of changes caused by it. In the subsequent paragraph, following in the footsteps of the author's previous research [15], it is analysed what questions related to the post-crisis situation we can reasonably raise and how we can try to find answers to them. In the subsequent paragraph, the tools previously described are applied to the current crisis situation and some probable effects of the development of the current situation are indicated. Finally, the last paragraph presents conclusions for pursuing a regional policy in the Lower Silesia.

2. Concept

2.1. Etymology and definitions

The word "crisis" (in Greek *krisis*) is derived from *krinein* – to sift, separate, choose, decide, judge, which in Greek meant *sifting, selection, decision*. So literally, this word means **a moment (period) in which something is decided, settled, separated**²²³... Thus, in the original meaning, what we are now inclined to regard as a result of a critical situation constituted its essence. So, adopting the current meaning of the term, we will treat the above term as the first and primary effect of crises, including the analysed current global economic crisis.

Dictionaries are quite consistent in determining the meaning of this term, although in accordance with their purpose (and also a linguistic custom), they put emphases a bit differently²²⁴. According to the definition, the **crisis** is a moment, a period of a breakthrough, a turning point (in a disease), a decisive turn; a period of a serious breakdown of existing trends (especially economic, but also

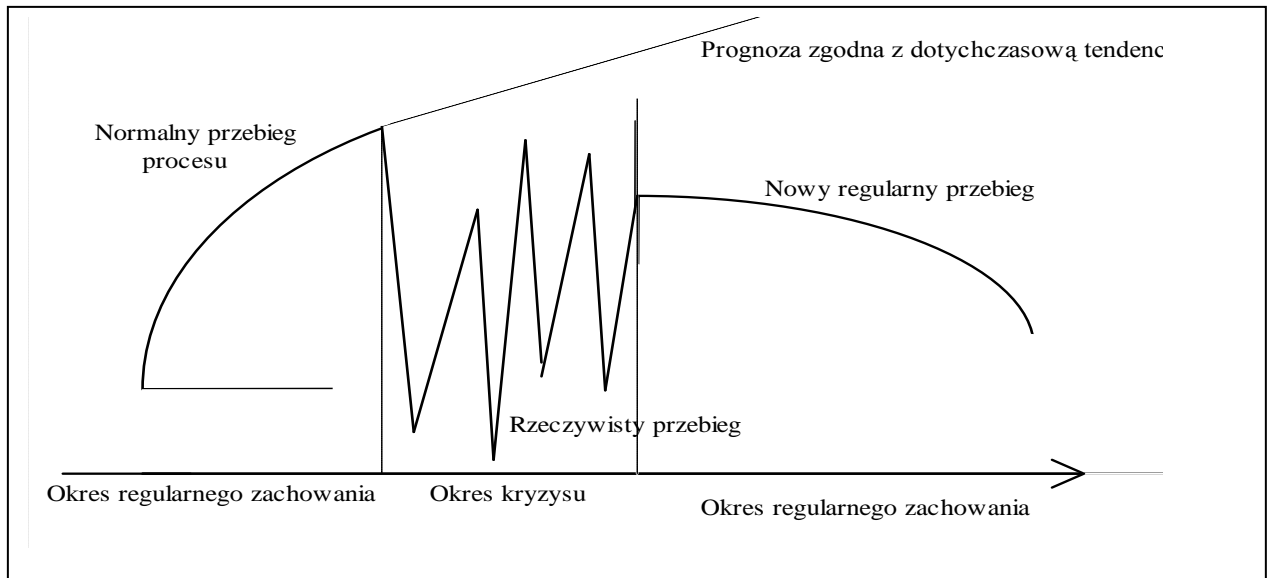
²²² **This** is a modified version of an article published in Polish in the brochure "Quo vadis Europa?", Krzyżowa 2009, Lower Silesian Political and Economic Forum.

²²³ Hence also *kriterion* – a distinguishing mark, judgment (something that enables sifting, selecting) and *kritikós* – one who can judge, distinguish, assess.

²²⁴ W.Kopaliński, *Słownik wyrazów obcych i zwrotów obcojęzycznych* [Dictionary of foreign words and foreign language expressions], Warsaw 1978, Wiedza Powszechna, *Słownik języka polskiego* [Polish language dictionary], Warsaw 1978, PWN, *The Penguin Wordmaster Dictionary*, London 1987, Penguin Books, *Webster's new Dictionary and Thesaurus*, New York, 1990, Russell, Geddes and Grosset. An Internet query shows that more recent editions and different sources put the matter similarly.

political, social, cultural trends). It is also a period of extreme troubles or dangers; an instability (in the functioning of a system or in its operation conditions).

2.3.Schematic representation of a crisis situation



(Source: [14])

[the chart: Normalny przebieg procesu = A normal course of the process

 Rzeczywisty przebieg = An actual course

 Prognoza zgodna z dotychczasową tendencją = A forecast consistent with the existing trend

 Nowy regularny przebieg = A new regular course

 Okres regularnego zachowania = A period of a regular behaviour

 Okres kryzysu = A crisis period]

The course of any process over time (it is one-dimensional in the chart, every real process is obviously much more complex) can be divided into two types of periods. In one of them, the course is regular, that is – as its name suggests – in line with some regulations applicable to it. Therefore, it is treated as understandable (sometimes it has a status of obviousness that we do not even give a thought to). This is reflected well by colloquial terms describing such a status quo. So we say that things are running **normally**, or **as usual** (that is – according to our habits), **predictably** (this means that based on an earlier course, we can create some predictions that, in principle, come true), or **as expected**. Finally, sometimes we find that things are running **regularly** (in accordance with the known or implied rules), **smoothly** (without any major shocks, disturbances, breaks).

The latter term is important and summarizes the rest. In mathematics, a smooth course is synonymous with the trajectory having a derivative at each point (in a multidimensional case – it is differentiable), thus by extending the existing course using a tangent, we can create forecasts relating to its further course. This is the essence of the above-mentioned predictability, which is a basis for planning activities and other reasonable ways of coping with the challenges we are facing.

The crisis – a period deviating from the norm, a period of a disturbance of the regularity. This is a period when not only previous predictions do not come true, but when it is difficult in general to speak about any predictability. Therefore, a lot of unexpected events occur, and everything escapes any rational assessment.

The crisis always means a transition between two phases of a process (the system behaviour) that differ in terms of quality, and ends with entering another period of a regular development, and even a little later – when we get to believe that we are dealing with a new normality that diverges from the one we remember from the period preceding the period of perturbation.

2.5. Essence

Thus, the crisis begins the moment of a usually violent and hardly predictable change of the existing trends. This moment leads to the inadequacy of ways of describing the situation (theories, models, conceptual systems, etc.) applied so far and the experience in coping with the tasks facing us. Such a state of affairs is sometimes a symptom of significant changes in the operating system or its environment. It may also be a result of an accidental accumulation of problems, each of which individually (but not all at once) would be solvable using the approaches applied so far. However, in total, they constitute a new quality that requires different cognitive tools and methods of operation, which I usually do not have on hand.

So it is clear that the crisis is a period of sifting out the ways of describing and evaluating the reality, concepts and rules of operation, authority and patterns, etc. In the case of social or economic crises, also functioning institutions and organizations, social positions, and even individuals are sifted out (not everyone can withstand the pressure of a rapid change in the surrounding reality).

3. Is there a crisis or not?

Since the autumn of 2008, the crisis in the global economy has been quite commonly talked about. Gradually, the language in which enigmatic terms (difficulties, turmoil, collapses of more or less local character ...) were used has been abandoned and it has been agreed that the term 'crisis' corresponds best to what we are dealing with in the economy on a global scale. A financial crisis (which was previously just a mortgage crisis in America) is not even talked about any more, although it is still disputable what scale and weight of the phenomenon we are dealing with. The end of the crisis has been solemnly proclaimed several times. However, financial problems of Greece, which accompany the writing of this text, and attempts to determine which further countries can follow Greece show that the news about the end of the crisis were too optimistic.

There is no doubt that the phenomenon is global in nature and applies to the whole economy (although to its various sectors to varying extents), while everything else – from reported data, through expressed opinions up to developed predictions reflects an overall confusion. Even the same persons who have the status of experts express conflicting views, depending on very instantaneous

changes in the situation (and perhaps on their personal mood). In a word – there are no theoretical (agreed) models or theories that would allow a more objectivised discourse to be held. However, if you do not believe official, optimistic declarations, you must take seriously **the possibility that the crisis will develop further and will affect more areas of social life**, and that it will last for a few years to come. Already at present, the economic crisis overlaps with some alarming processes from other areas. Even leaving aside the issues of climate and ecology, it is difficult not to mention serious demographic problems of important players in the world's game (all countries of Western Europe and Japan as well as China have a seriously deranged demographic structure due to the birth control applied in the second half of the past century). Worrying phenomena can also be observed in the civilization system (a tension between the cultures of Christian origin and countries of Islam²²⁵). Besides, there is a variety of conflict situations in various areas of the world, including ongoing wars (Afghanistan, Iraq and several African countries). Thus, the global system is far from stability, and overlapping and mutually affecting problems from various areas will become more serious.

According to the presented model of a crisis situation, the moment of its end cannot be predicted (although it is possible, as we shall see, to try to make some estimates). However, the opinions suggesting that a new stable course will begin in the current or next year seem unlikely. It is this assumption – of a long duration of the crisis and its scale comparable with the Great Crisis 1929-1933 – that is a basis for our further considerations. This gives them a quality of a warning forecast, which enables making decisions (also decisions to give up some actions) that are important for the future of a regional community.

4. What can be predicted and how to do it?

4.1 A few words about the prediction method

The crisis is global in nature and it can be solved only on a global scale²²⁶. Is it possible to predict its effects and how it will affect the further course of various processes both on a global scale as well as a scale of subsystems of the global system? Going back to the chart in Figure 1, it is worth noting that the course of the process or the system behaviour during the crisis period (as well as the length of this period) cannot be predicted (this is the essence of the crisis in our approach). However, it is possible to estimate its duration from the bottom, which we will continue further herein. After a period of crisis, the system enters a new period of regularity, so its behaviour becomes predictable again (of course, to some extent and with a limited accuracy). Thus, when aiming at predicting a further development of the situation, it is necessary to somehow "jump over" the period of crisis and to focus on what will be later instead of trying to predict the unpredictable. However, the problem

²²⁵ The theme was very popular after the attack of September 11, 2001, now it is avoided due to its political incorrectness. However, the problem exists and, more importantly, it is an internal problem of many countries with a culturally and religiously heterogeneous population (so almost all countries of the modern world!).

²²⁶ "Problems can be solved only on the scale on which they arise" [*translator's note: it is not an original text*]. It is a thesis of H. Wheeler [18], an American political scientist. Despite its simplicity, it has very good effects in analytical works and practical activities. However, there is often a problem with identifying a true source and scale of a given problem. Without this, however, we are sometimes trying to solve locally the problems of a much larger scale. Also errors in the opposite direction occur when, for example, attempts are made to solve local problems at the level of a country or a continent.

that we face is first of all a question not about details of the future situation (these cannot be predicted), but a question about a basis of future regularity, the principles which will probably determine the future dynamics of the system, and even its very structure. In other words, perhaps we are not able to predict the way of solving the crisis, but only the framework of potential solutions.

In [15], the following approach to forecasting the behaviour of systems in crisis situations was proposed. The first thing is to **estimate the duration of the crisis**. For this purpose, a procedure analogous to the examination of the critical path of a process course (a PERT method) can be applied. Thus, out of all phenomena characterising the crisis and defining its shape, we can choose the one that is most important. On the basis of a rational analysis we can determine what possible course of the crisis will contribute to achieving a new state of regularity of the behaviour of the examined system, or is even necessary for such a turn of events. By adopting the working hypothesis that necessary changes are introduced as efficiently as possible, we can estimate the duration of such a "perestroika". It can be reasonably assumed that the actual duration of the crisis will not be shorter than the value obtained in this way since actual activities will be carried out through trial and error, and so they will be longer than in the case of implementing a rational scenario.

As regards the behaviour of the system after the crisis, it is of key importance to separate **such features of the system itself and its environment which will not be substantially changed during the crisis**, and so their further behaviour can be foreseen using ordinary methods. Even if we do not know what the shape and dynamics of the system will be in a new period of regularity, we can reasonably believe that they will be consistent with just these extrapolations. And they provide a framework for the forecast of the system behaviour.

Finally, it can be also assumed that some of **general trends that emerged or even were initiated in the crisis** (if it is long enough) will be strengthened and will be an element of a new regularity.

Out of necessity, the method presented here is only outlined. It is described in more detail in the work cited here and it has been used quite successfully to analyze future systemic changes in the post-communist world (e.g. [16, 17]). This study is an attempt to use it to predict the effects of the current global crisis on the regional policy of the Lower Silesia.

4.2. The issue of the end and depth of the crisis

Before we use the considerations of the previous chapter to estimate the duration of the crisis, it is necessary to add a few words to what was said above about the possibility of predicting the end of the crisis. Both the beginning and end of the crisis are provisional dates, which may be determined differently depending on what processes are adopted as determinants of the crisis, what tools are used to analyse the reality, and especially what state we are inclined to regard as a new sign of abnormality in the case of the end of the crisis. This is evident, for instance, in the descriptions of the Great Crisis of the interwar period (usually it is regarded to have lasted in the period 1929-1933, although both dates are disputed). Sometimes it is considered to have begun on Black Thursday 24.10.1929, when the New York Stock Exchange panicked and share prices began to fall dramatically. However, as pointed out by a large analytical article in "The Economist" [4] for instance, it is rather doubtful that this day had anything to do with the beginning of the crisis (e.g. real estate prices had been falling since as early as 1925). All dates of the end of this process are even more doubtful. The English edition of Wikipedia even says that the Great Depression (it is not clear whether treated as a

part of the Great Crisis or as a separate phenomenon – since you can look at the issue from multiple perspectives) “ended at different times in different countries”. So if we look at the Great Crisis as a global phenomenon, we have a problem which of its endings should be considered really valid. The solution is provided by the same text with the conclusion: **“the American Great Depression ended in 1941 with America’s entry into World War II”**²²⁷. So if we look at the Great Crisis as we want to look at the current crisis described here, as a phenomenon relating to a complex global system whose subsystems are the economy, social life, civilization processes, etc., we cannot see any reasons to regard the year 1941 as the end of the crisis (though perhaps it was the end of the economic crisis). One has to have a very twisted imagination to treat what happened over the next four years as a new normal or regular course of events. So it is evident that it is necessary to **adopt the end of World War II and the establishment of a new world order in politics as the true end of the Great Crisis** (division of the world into spheres of influence at the conferences at Teheran, Yalta and Potsdam – 1944-5, capitulation of Germany and Japan – 1945, foundation of the United Nations Organization – 1945, the Cold War – from 1946, etc.), economy (the conference at Bretton Woods – 1944, the International Monetary Fund – 1944-46) in military matters. These constructive activities were accompanied by processes that were spontaneously changing the demographics or certain standards of civilization (the post-war expansion of military technologies, the shock of Hiroshima, the rapid development of higher education, further phases of expansion of women, the emergence of a young generation as an autonomous factor of economic and cultural activities ...).

There is nothing special about the fact that the Great Crisis ended with the Great Conflict. As shown in [14], the trend of recovering from a crisis through a conflict is natural and frequently observed. This can happen as a result of the fact that the crisis of a given system somehow detonates tensions frozen in the structure of a given system (but also always present in relationships between people). There are many – both psychological and systemic – reasons for such a turn of events. It has to be also said that sometimes the detonation of such potential conflicts is a deliberately selected technique of action. As a result of selecting (indicating, creating, etc.) an enemy, the odium of leading to the crisis (or not ending it fast enough) is removed from people in power, social emotions are channelled and made more predictable and easier to control, etc. Therefore, **one should take into account the possibility that also this crisis will not only abound in various local conflicts, but can also lead to a large-scale conflict** whose scope, outcome, duration and effects cannot be predicted, just as shortly before the outbreak of World War I and II, and even in their middle it was impossible to say anything about their progression, outcome and impact (these were far from anyone's expectations.) Thus, although this hypothesis is worth analysing and monitoring with regard to the development of the situation, its adoption leads us completely beyond the possibility of rational predictions. Therefore, we further **exclude this possibility from considerations**.

Under this assumption, **the current crisis can be estimated to last for at least another 5 years**. It is supported by the following reasoning. Since the crisis began in the financial sector, it will be reasonable to adopt (see section 4.1.) the **restructuring of the global financial system** as a critical process. A smooth execution of an analogous operation at the end of World War II was made possible through the dramatic simplification of the decision-making situation. The world destroyed by the war expected some arrangements in this area in order to start the post-war reconstruction process (requiring huge financial flows based on stable rules of the game). Besides, all political

²²⁷ <http://en.wikipedia.org/>, the entry *Wall Street Crash of 1929*.

decisions depended de facto on two partners. The war eliminated from the game not only the Axis countries, but also potential powers – France and China – destroyed by the war. The Soviet Union withdrew from joint actions and hoped for both the coalition and the capitalist system to collapse (at least its European part was undermined by the strong influence of communists). Thus, everything was decided by the United States and Britain – countries close to each other in terms of culture (especially when it comes to legal systems, but also banking systems). If it is added that in both cases a decisive role was played by strong and competent personalities (J.M. Keynes and H.D. White), it is noticeable that talks could be carried out smoothly, and compromises were reached in a decisive way. None of these conditions is met at present. Therefore, all the necessary agreements will require a lot of time and talks in various configurations. The very number of key partners taken into account (even if it is the G7 and not the G20 group) leads to a significant number of necessary consultations, and on top of that, some of them (e.g. EU members) will additionally have to agree the position with additional entities.

The discussions about establishing the principles governing the EU show how time-consuming processes we are dealing with. Various internal political perturbations (changes of governments sometimes combined with a fundamental change in the line of action). Everything indicates that the agreement of positions on issues that so vitally affect the interests of all parties will require the time comparable to the negotiation, modification, and ratification of the principles governing the European Union. Note that the work on the Treaty Establishing a Constitution for the European Union (Treaty of Nice) began in 2000, and in the middle of 2009 still a lot has to be done to complete the ratification process of its slimmed down version (the Treaty of Lisbon.) Little has been done so far in the case of a new global financial and economic order. Although the adoption of “global standards in the global economy and finance” was announced by the G7 summit (14/02/2009), it is still far from even outlining a solution to such problems revealed by the current crisis as:

- the scope of permissible/desired government control over financial institutions and principles of financial flows,
- the distribution of roles between the state and international control and regulatory institutions,
- the issue of one passport (a possibility of global operation of financial institutions with approval by one of governments),
- imposing discipline on banks considered “too big to go down” and on entities “too big to be saved”
- control over banks in the so-called tax havens...

The adoption of five more years for setting, negotiating and adopting global rules of the financial game is therefore a very careful estimation.

5. The post-crisis world

In this section, out of necessity, some elements of the future development of the global system which seem clear now are only briefly mentioned. This is not a full set and various trends worth considering are discussed extensively in publications by other authors (see [10]). Of course, in accordance with previous observations, they do not make up a detailed picture. However, each conceivable solution to the crisis situation will have to take them into account. A more detailed examination of each of the emerging trends as well as their suitable hierarchisation would require

separate, longer considerations, which must be postponed to another occasion. Pursuant to section 4.1., it is important that the defined trends be permanent enough to play a significant role during the period of recovering from the crisis (so at least over the next five years).

5.1. What will survive?

5.1.1. Ecology

Ecological processes run on a scale too big to be significantly affected by disturbances in the economic development lasting for several years (although local changes of trends are possible of course). In particular, this applies to so willingly discussed climate changes. The crisis will not reverse the noticeable trends and will not have a major impact on the climate warming or cooling. This does not mean, however, that the system is stable. Everything indicates, however, that in the coming years there will be major climatic perturbations with possible violent weather phenomena accompanying them. What's more, as R. Galar points out, the reconstruction of the global climate system can be very fast. "The models show that the main climate reconstruction can take place within a few years following the moment when the process becomes unquestionable" [8].

Thus, in the foreseeable future, the changes in this area will deepen crisis tendencies in other fields (and in an extreme case, they can completely dominate them.) It is an open question whether and what effects they can have for the new organization of the global system (the ideas put forward sometimes to organize global or at least regional rapid reaction force for natural disasters are elaborated upon sluggishly. It is of more importance to shift the interest of international military organizations, first of all NATO, in this direction).

5.1.2. Demographics

Furthermore, the future course of demographic processes can be predicted with a high degree of probability. If a world conflict as well as other violent phenomena that reduce the population (and change its structure) are ruled, even some changes of demographic parameters will matter little in the discussed period. This means, inter alia:

- a further dramatic aging of the population of the Western culture countries (except for both Americas) and the percentage increase of immigrants from other cultures, and their descendants,

- an increasing immigration pressure on highly-developed countries by less rich areas (but with a better demographic situation),

- intensification of migration trends due to wars, natural and civilization disasters (including the effects of the lingering crisis.).

- Even a drastic limitation of legal immigration possibilities will not significantly reduce illegal immigration, and staff shortages in aging societies will result in the demand for suitably qualified staff from other areas (brain drain or rather competence brain).

Demographics will be therefore a source of problems and tensions impeding the recovery from the crisis. Similarly as in the case of climate changes, also demographic problems can stand out and become the essence of the crisis²²⁸.

²²⁸ Migrations can lead to the collapse of the current civilization system as it was with the fall of the Roman Empire in the West (besides, Byzantium fell for similar reasons). In the fictional form, a

5.1.3. Shifts in the global balance

The centre of the economic development (and perhaps the civilization development in the long run) is gradually shifted. This is particularly true of China and India, which “although still poor in terms of GDP per capita quickly make their way from ridiculousness to power. Further successes help shake off the postcolonial trauma, regain confidence in own capabilities and try to regain a proper place among the leading global players” [8]. Although the crisis has deeply affected the economy of both of these countries, it has not stopped the process that was already advanced. The bridging of the gap has not slowed down too much – the existing economic powers slow down at a similar rate. What's more, it can be expected that less-developed economies may be much less affected by the economic collapse and can regain their earlier dynamism much quicker²²⁹.

It is equally important that the crisis clearly threatens the position of the global leader and its currency. It is now almost certain that after the crisis the role of the United States in the global economy (and in consequence also in politics) will be much smaller than in the past. It is also clear that contrary to bold statements of the Lisbon Strategy, the position vacated by the United States will not be held by the united Europe.

5.1.4. Other secular trends

In the literature on this subject, there is a wide range of various types of long-term tendencies (secular trends) on which the crisis will have only a corrective impact at the most, and which will affect the possible variants of its future solution. For example, let us mention only three (closely connected with the already mentioned ones):

political cannibalism – this term was used in [10] to describe the selfish attitude of the strongest players on the world scene, who show minimal concern for solving global problems or use this concern as a cover for implementing their own interests. The matter will be discussed further in the next paragraph;

quick approaching the limits of growth [10] – the depletion of spatial resources, raw materials, environmental resources of the planet. It is a return to theses of the Report for the Club of Rome of 1972;

a growing gap between rich and poor areas of the globe (also within certain countries) [9]
the inhibition of civilization development processes, including the innovative impetus (at the level of principal inventions, not the production of gadgets) [7, 8, 5].

All these trends indicate the coming period as a time of challenges and perturbations, which makes the question about the depth and duration of the observed crisis more urgent.

scenario of such a situation was created, for example, by J. Raspail, *The Camp of the Saints*, translated by M. Miszalski, Warsaw 2008, Klub Książki Katolickiej. The twenty-first century as a century of intensified migration is pointed out by [10]

²²⁹ As it was pointed out by Kutkowska B. in the discussion on this text, a relative backwardness of the Polish agriculture will be an advantage in mitigating the course of the crisis and recovering from it. The crisis has already affected most large-scale farms run in accordance with the Western “rules of the craft”.

5.2. Processes disclosed (dynamised, detonated...) by the crisis

5.2.1. The collapse of the global financial system

It was already mentioned above and some further consequences will appear in the following items of this list. A reform of the rules governing the system will almost certainly mean a more difficult access to funds for investment, production purposes, and also for public purposes.

5.2.2. The dramatic increase in public debt

Even if it is assumed that the crisis will cost just USD 4 trillion from public sources, this means that the debt of every inhabitant of the world will be about USD 600 (in six countries of Black Africa, the annual GDP per capita does not exceed this amount²³⁰). Of course, the amount needed to bring the situation under control (aid for companies, social aid, public works, etc.) will be much higher. Nobody knows what to do with such a heavy burden of obligations, and it is not a widely discussed topic now. It seems that people in power in individual countries will push this problem to their successors, and the age group that is currently controlling the situation – to the shoulders of future generations.

5.2.3. The crisis of the welfare state

The evident effect of public finance problems will be a problem of fulfilling previously made commitments relating to public and welfare functions by individual states. It is unknown how far the processes of this type will progress, it is clear, however, that after the crisis the states will be much more cautious with promises (and public money).

5.2.4. The crisis of pension systems

The problem has been discussed long, but the crisis escalates it.

The financial crisis may force the EU countries to review their pension systems. However, most Europeans who are just retiring have no reasons to be worried. (The European Union Report on pensions, <http://ec.europa.eu/news>, 9.03.2009).

I point out to the fact that these calming words are addressed not to all but **most** Europeans and only **present** pensioners, and not to those who will acquire these rights even in the near future. Besides, this calming is clearly temporary in nature.

5.2.5. The collapse of intergenerational solidarity

The previous section shows that the burden of supporting present and future pensioners will be shifted to a younger generation. It will have the form of additional contributions to the failing official system of aid for the elderly, or – a return to classic rules of care for the older generation. So it will require from the young a special expression of intergenerational solidarity in a particularly difficult situation. It is worth noting that it is the post-war generation of baby boomers leaving the stage now that broke – in the developed countries of the West – intergenerational pact rules that had been previously in force. In 1968, it rose in revolt that, as never before, was generational in nature, with slogans such as “Do not trust anyone over thirty!.” This is the generation that had effective means of birth control at its disposal for the first time and used them to cut itself off from the next generation

²³⁰ a more realistic estimate of USD 2,000 per inhabitant of the globe referred to in section 2 puts inhabitants of 40 countries, including such a populous country as Bangladesh, in an equally hopeless situation

(the current demographic crisis is its expression), and after reaching maturity, it also cut itself off from its obligations to the preceding generation (in the extreme case, it offered a privilege of euthanasia to extremely old people). Note (see subsection 5.2.2) that at present it shifts the burden of paying the costs of loans taken out by them to the next generation. Finally, as R. Galar points out, it currently presents the most selfish pursuit of all times. As research in the UK showed, one of the main concerns of elderly people is how to consume the resources gathered by them so as not to leave anything to the successors and not to make it happen too early at the same time.

As Roman Galar puts it, “Europe faces a generational revolt because of the demands put forward by masses of xenophobic old people, and encumbering the income of a relatively small number of young people – usually children of less effective people with moderate pensions²³¹. This can result in a social uprising, compared to which the events of the 1960s will be ridiculously insignificant since the reasons for the current confrontation are of a considerably more importance. Figures show that it won’t be easy for the democracy based on the *one person – one vote* principle to cope with this issue” [8].

Thus, the intergenerational solidarity, which is to a large extent a basis of social order and a guarantee of stable development [2], is faced with rather difficult and turbulent times.

5.2.6. *The end of cultural coexistence in the developed countries of the West?*

The revolt of young people in Western Europe will probably reveal the existing, but frozen conflict between different cultures (which can have both an ethnic and religious background)²³². As the dominant language of political correctness did not allow these issues to be raised, or their solution to be seriously discussed²³³, it will be more difficult to take a reasonable stance on them. An example can be reports on riots in Paris and in Brussels in 2007 and 2008 in which there was no word on the religious and ethnic origin of the demonstrators. Only their age (young people) and place of living (Paris suburbs) were mentioned. Both the crisis itself (the tendency to look for an enemy described in subsection 4.2) and the above mentioned tension resulting from the demographic structure (a significant portion of the population growth of the Western European states) contribute to the revolt brought about by the Third World immigrants.

The crisis is likely to change the scale of this phenomenon, its perception and the way of speaking about it.

5.2.7. *The deterioration of international solidarity*

The exacerbation of conflicts of interest at the international and interregional level is similar in nature. The former issue has a global character while the latter – European. The problem is that contrary to various declarations and agreements binding on the states (all treaties relating to the

²³¹ Besides, it is interesting and important to the evolution of socially accepted norms and principles of cooperation “All children will be born for us by the Right” – said a headline on the cover of “Forum” a weekly, No. 25 of 2006 – JW.

²³² When watching the development of the situation in Spain, it is difficult to rule out sharp ideological conflicts that are not caused by what is called multiculturalism.

²³³ According to existing stereotypes, and in spite of obvious facts, cultural or religious conflicts arising from lack of tolerance were thought to be possible only in the underdeveloped countries of Africa, the Middle and Far East, the Balkans, the Caucasus or Eastern Europe (including Poland).

establishment and functioning of the EU), individual states are primarily seeking to protect their own interests and ignore and sometimes violate interests of both the international convention and points of view of even close partners (it is this political cannibalism referred to in [10]). The crisis situation, in which it is more difficult to get a clear picture of the situation (even one's own situation) and understand the intentions of others²³⁴ and the game is played for the distribution of shrinking resources, will strengthen this trend. This throws some light on the future of the European Union, or rather the problems that will be encountered by tendencies to strengthen it quickly and decisively.

Probably, the funds assigned for aid to underdeveloped countries will be reduced. As part of UNDP, member states of OECD support the growth of the weakest with a staggering amount of one-third of a percent of its GDP (ca. USD 110 billion²³⁵). This money, which – similarly as a salary increase for Polish teachers – can be eaten up by the crisis, was intended to be used to reduce the world poverty to half of the 2000 index²³⁶. For people with a sense of black humour it will be educational to compare these amounts with those allocated to save some banks in the U.S. and Western Europe.

It is possible that the world that will emerge from the crisis will be more selfish, but also with a much more realistic (and not sentimental) attitude to the issue of international cooperation and aid.

It is worth noting that in addition to the deterioration of international solidarity in the field of big politics and politically determined economic activities, practical dimensions of international cooperation, such as capital flows (including foreign investments, global cooperation ties, tourism, etc.) will be adversely affected. Already now, a serious crisis affected communication and transport companies supporting the international cooperation (the volume of transported goods is a good and easy-to-use measure of international economic cooperation). It is doubtful that the former ties will be restored in an unchanged form after the crisis has ended.

5.2.9. The crisis of globalization

Although during the crisis, globalization will not be stopped but will surely lose its momentum, and some institutional solutions arising from it (and stimulating it) will be seriously modified, probably in the direction indicated by its competent critics, such as the Nobel Prize winner J.F. Stiglitz [12]. This applies in particular to the future financial system, global capital flows and the operation of global corporations.

5.2.10. The deterioration of the interregional solidarity in Europe

The weakening of the interregional solidarity will be of great importance to a regional policy. The rule that the European Union allocates considerable funds (which come from the richest regions) for aid to those areas that are below the European average forms a basis for the current regional policy. At present, changes of the rules in this area are discussed, and there is a clear tendency to boost the

²³⁴ For information about communication in a crisis and related problems see [14].

²³⁵ The other countries, including Poland, add ca. 4 billion.

²³⁶ This is one of the so-called UN Millennium Goals adopted in 2000. In addition to reducing poverty and hunger, they include ensuring an equal status for men and women, improvement of health and education, combating AIDS, environmental protection and building a global partnership between nations for the development (see <http://www.un.org/millennium>). The goals are glorious, though not very realistic, even with a much better economic situation than the one expected in the world in the coming years.

self-esteem of the strongest [1]. Changes in this direction seem inevitable, the more so as they are supported by substantial arguments (not only the argument that a cart will be pulled out of the ditch by the strongest horses²³⁷). Another similar (though not identical) tendency is the egoism of central regions closer to power centres, which defend their interests at the expense of peripheral regions. This egoism is visible in an emergency situation.

5.2.11. Shifts in the social structure

It is clear that the developing crisis will lead to a change in the social structure. Some groups will be pauperised (pensioners, specialists in the virtual environment of business and politics – PR, marketing, etc., heavily indebted victims of the boom of previous years, some employees of the public sector....), others will improve their position (see below), the hierarchy of the prestige of occupations will be changed (the rank of the banking sector will be reduced while the rank of some practical occupations will be increased). It is unknown in which direction and how far these changes will progress, and the above assumptions expressed in parentheses should be treated with caution, similarly as the opinion of Jim Rogers, an American investor, who correctly predicted the onset of the current crisis:

Farmers will drive Lamborghinis, bankers will be their drivers (manageria.blox, 05.03.09).

5.2.12. Changes in the perception of reality, its description and valuation

Changes in the valuation of occupations and social behaviours are a part of a wider process – changes in the perception of social and economic reality, categories of its description and applied (usually in an implicit form) valuation. Changes of this kind are very long-term and difficult to observe and describe. However, it seems that some myths and theoretical concepts become a thing of the past before our very eyes. Thus, the trend to create huge organizational structures (megastructures) in business practice seems to be coming to its end, while there is a return of ideas of various types referring to set aside concepts well expressed in the title of the increasingly often cited book by Ernst Friedrich Schumacher “Small is beautiful” [11]²³⁸. Keynesianism, which is dominant in economics, seems also to be in its last moments, and using the proverbial coup de grace an inept attempt will be made on its behalf to save banks by nationalising their unrecoverable debts. The latter also discredits also previous consensual political solutions, which were effective in the past decades and were striking a balance between socialist and liberal ideas (the welfare state, the social security state). This social liberalism has reached the point of absurdity described by the formula “privatising profits while socialising losses”. It is based on the challenging of a naive myth of progress (and its numerous mutations in economic and social sciences) with the common expectation of continuous exponential growth of the basic parameters of individual and collective prosperity. It seems to be replaced by more nuanced concepts, such as the concept of “black swans” (inevitable, hard-to-predict key

²³⁷ I leave it to the reader to answer the question whether the catastrophe was caused by the carter’s lack of consistency or sobriety.

²³⁸ A book by an outstanding economist, very popular in the 70s of the past century (the original was published in the United States in 1973) was inspired by the Catholic social science; it is ranked among the 100 most influential works of the second half of the twentieth century. However, after a huge international success at the very beginning, it was pushed out (as impractical) to the margins of interest of the intellectual and academic establishment. Until recently, it has been admired mainly by radical ecologists, alter-globalists and a few, however diverse and hard to classify individuals, such as N.N. Taleb and the author of this text.

changes affecting the course of essential processes in the real world), which is very popular recently and which was introduced by Nassim Nicholas Taleb [13]. By the way, it would be advisable to quote here the Lebanese economist's expressive proposals on the rules for recovering from the current crisis [3]. Maybe one piece of advise, the last one of his ten pieces of advice will be sufficient:

Make an omelette with the broken eggs. The point is that the world needs a new order, capitalism 2.0. What should be done? Marginalise the economics and business school establishments, cancel the Nobel Prize in economics, ban financial leverages and finally, teach people how to live in a world with fewer certainties, a world in which entrepreneurs, not bankers, take the risks and companies are born and die every day without making the news²³⁹.

Finally, the language of political correctness obscuring the discussion, and its underlying ideology are likely to fall victim to the crisis²⁴⁰. May the pendulum not swing back too far in the opposite direction!

6. Conclusions for the regional policy

The development of the situation described in the preceding paragraphs will have far-reaching consequences for the regional development and policy. The most important of them are listed below.

The crisis will result in slowing down or even regression of integration processes on a large scale (globalization, unification of Europe).

Importance of the state will also decrease (a catastrophe of public funds, inability to fulfil obligations to various social groups, increasing ineffectiveness of administration in the face of accumulating problems). So the state's interference in the regional policy (or at least its effectiveness) will be reduced.

In the face of the dissipation of higher order systems, close ties between people and their communities, that is family, friendship, neighbourhood ties, within a local community and within a region, will assume more importance.

The foregoing indicates that the role of regions will grow²⁴¹. They will have more say provided that they know what to say. The formal side of this process (that is legal acceptance of a higher position of regions) is not the most important and probably it will be normalised post factum.

One should take into account the change of rules regarding the current regional policy in the European Union. They will aim at increasing aid to the most strongest and centrally located regions at the expense of the weaker and peripheral ones. Therefore, one should **effectively**

²³⁹ Taleb's home website: www.fooledbyrandomness.com is recommendable

²⁴⁰ "The Parliament of Lithuania adopted the law on "the protection of minors", banning in particular any advertising of homosexual, bisexual and polygamous relationships. 77 deputies voted for the new legal regulation, three were against and four abstained from voting (<http://fakty.interia.pl>, 17/06/2009). It is worth noting that the pressure of the media, European institutions and concerned environments, which is usual in such situations, turned out to be completely ineffective.

²⁴¹ At the conference on the future of regions Regio Futures Workshop Meeting, Warsaw, 9-10.11.2007, Professor Antoni Kukliński used a metaphor about regions as a life rafts for victims of the civilization crash. This role was fulfilled by provinces of the Roman Empire after the fall of its western part.

use EU funds currently available for the region without counting on the emergence of similar opportunities in the years to come.

The role of some other factors which were a basis for the development of the region in the previous decade and ideas for the development in subsequent years (foreign investments, tourism, settlement of pensioners ...) will be also diminished.

A decrease in the inflow of external funds for the regional development restores a proper rank for endogenous factors (own potential and resources, advantages of regional specificity, intangible factors of development – a social and moral capital, etc).

In the face of a long and strongly influential period of instability, the concept of building a future ready region outlined by R. Galar [6]²⁴² assumes particular importance. It should be developed and applied in the Lower Silesia.

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ROMAN GALAR

Thinking about Regions for the Next Generation²⁴³

Introduction

Looking into a more distant future carries risks that are already well realized. Our tools of prediction are very limited, and they are going to remain limited, due to the unavoidably blurred perception of reality. It is obviously easy to make fools of ourselves. This is not only a personal discomfort, softened a lot by the extremely short public memory. The much greater danger of a faulty recognition of the future is in channeling common resources into some ratiomorfic²⁴⁴ visions (like nationalization, industrialization, globalization and other more or less well-meant but violent and totalitarian schemes).

The only comparable risks are involved in doing nothing while the incongruities in the social and economic fabric are gathering momentum. There is a whole philosophy of waiting patiently and optimistically until problems sort themselves out. It looks plausible only because the dead cannot speak for themselves. The 20th century disasters teach us both: that societies should face problems as soon, as they start to arise and that experimental approach should be used. Namely, the medicine applied should not be worse than the disease, and this condition should be tested first in a possibly limited scale.

Looking one generation ahead into the future of regions is a particularly ambitious undertaking. In the perspective of around thirty years, not only the present trends expire, but also many boundary conditions of the regional development turn to be challengeable. Still, Kukliński is right that such exercises are necessary²⁴⁵, if only to unburden our thinking from involvement in current issues and the related personal interests.

Such considerations bring us to the concept of the “future ready regions”. Regions are smaller than states but operationally similar to them. Therefore, in a number of functional spheres, the appropriately empowered regions might serve as proper testing grounds for diverse innovative ideas and spearhead implementation of the successful ones. This is a historically proved regularity that regions and their social capital give the proper frame of reference for analysis of creative cultures. In the approaching decades, when the impact of information and communication technologies will belittle the role of administrative functions, soft cultural factors may become the main reason behind the continued existence of regions.

²⁴³ This paper is reprinted from: *The Future of Regions in the Perspective of Global Change. Case studies*. Part one. Patrycja Jakubowska, Antoni Kukliński, Piotr Żuber (Eds), Ministry of Regional Development, Warsaw, 2009.

²⁴⁴ The term coined by Conrad Lorenz to denote ideas, which are apparently, but not really, rational.

²⁴⁵ A. Kukliński, Global development in secular perspective. The experiences and prospects of the years 1950 – 2050. Global catastrophe versus global renaissance (in:) A. Kukliński, B. Skuza (eds) Turning points in the transformation of the global scene, Warsaw 2006.

This contribution stresses the necessity of the next generation oriented attitude toward future, illustrates the practical impossibility of looking into a more distant future, assesses available tools for future prediction, enumerates the basic functions of regions and considers their durability, points on mounting stresses that will make the “future as usual” impossible in Europe, comments on present direction of regional policy, and advocates emergence of the “future ready” regions.

The necessity to provide for the incoming generation

In some aspects, the present generation of Westerners seems to be the most egoistic one in history. This has been due to the unprecedented affluence resulting both from the inherited geopolitical dominance and from the inherited innovative economy. This has been coupled with contempt for tradition, personalized by the older generation, which was not able to prevent the Great War and to appreciate pop culture. Institutions of the welfare state and trivialization of education were also helpful. New breed of politicians pandering to the whims of electorates and the brain washing machinery of modern marketing succeeded in making people believe that greed and relentless drive for personal satisfaction are enough to provide for progress and harmony.

The beginnings of this cultural shift looked pretty innocent and refreshing. The accumulated wealth and inertia of social fabric and institutions helped to mask consequences of this shift for a few decades. Only now, these consequences are becoming visible. The bills for untamed exuberance are piling up. All sorts of problems arise, while the social capital of trust, solidarity, responsibility and competence —that is necessary to deal with them — is almost exhausted.

The baby boomers generation has abused the state of law idea, to grant itself entitlements so great that they cannot be awarded to the next generation without collapsing the system. So the law is manipulated in such a way that the privileges of the new entrants will be reduced. At the same time, it is assumed that the young will work hard to provide for the claims of the old (saving for one’s own retirement schemes turn out to be confidence tricks). The potential of the great generational conflict is immense. The concept of the “acquired entitlements” leaves little room for accommodations, but the extensive package of some “Euthanasia Recommendations” remains within horizons of the present legal doctrine.

A long-term future is an absurd idea if concerns anything else than the future of our descendants. The cultures that miss this point are on their way to extinction. In the perspective of around thirty years, the main actors of present power games should be absent from the scene, and only consequences of their actions will remain, to be praised or cursed. This is a post-Keynesian perspective, in which our comforts matter not longer. Thus, the focus moves to education of our successors, providing them with a well cared for heritage and leaving them enough options to make their own choices.

One generation perspectives on the 20th century developments

Most young people asked for a vision of their own life two or three decades from now makes projections of the present with a “more, better and cheaper” bias. Yet, the one-generation scope of change might be both dramatic and disappointing, as the following examples illustrate:

- Could peaceful and affluent “Europe Felix”, which existed at the opening of the 20th century, predict the dire state of the continent in the middle of the Great Crisis with the WWI,

decomposition of empires, resurrection of long forgotten states and communist revolution thrown in between?

- Were the optimistic people in “swinging twenties” aware that their affluence will suddenly collapse and from the mist of the awesome technological and social progress the twin totalitarian specter is rising, grooming for the wildest cruelties in human history?
- Could the fans of progress in 1960s envisage that almost two generation later there will be no Moon bases, no thermonuclear power stations, and no automatic translation? Could they guess that, in the first decade of the 21st century, cancer will be still at large and the average lifespan will stagnate well below 90 years?
- Were the people concerned with containment of the “uncontrollable population explosion” in 1970s aware that a generation later their societies, which adopted the “individual success” model, will be quietly dying out?
- Were the people in 1970, when the buds of Internet and PCs were already well developed, conscious about the real impact of information technologies?
- Could the people in 1980s, scared by the military aggressiveness of the Soviet Union and sarcastic about the pitiful economic performance of China, predict that a generation later Soviet Union will be basically a bad dream, while China will be well on the way to the global economic dominance?

These experiences should not be discarded and due lessons should be taken. There are no convincing arguments that our generation is in a better cognitive shape than our predecessors were. Yet, the prevailing public attitudes do not favor this kind of learning.

The attitudes in question are building up around the concept of modernity that shows similar contempt to the past, as to the future. Not only the past is immaterial, as it is so detached from the modern comforts, mores and problems. The modern mindset and its post-modern extensions expect nothing really important also from the future. The future should bring more of the same — be it income, pensions, unemployment benefits, leisure, shopping spaces, travel, Internet, entertainment, freedom from diseases or prolonged lives. The change that modernity is feeding on and looking for is not a meaningful change. Wars and epidemics are as little expected, as the life redefining discoveries that abounded not so long ago. The enthusiasm that greeted the Fukuyama’s “end of history” declaration shows the extent of simplistic naïvety of modern brains. It might be that this mindset is the most fatal consequence of the welfare state policies. Such policies are protecting people not only from consequences of unfortunate events, but also from the consequences of their own follies. In effect, they inhibit the process of learning on the consequences of errors, which is the base of intelligent behaviors.

The ruling myth is that modern is better simply because it is new, and the post-modern is still better. No qualifying criteria, no value based assessments should obstruct the advance of novelties. True innovations are not expected also in the big high-tech firms, which were themselves innovated into existence relatively recently. They use to live in a fear of some “disruptive innovation” that would destroy their accumulated and “intellectually guarded” competitive advantage. What is looked for is a brave new design bundled with the MP3 player. The top scientists admit willingly that the general

framework of Universe is already known, and what remains is just filling in some details²⁴⁶. In the media space, the World Trade Centre massacre has been fast downgraded to the status of an incident, and the ensuing military conflict rewritten using the Vietnam War clichés. We live in a very complacent present so accurately characterized by Ortega y Gasset²⁴⁷. It feels no gratitude toward past that have created the comforts we enjoy; it feels no respect toward future — that may expand these comforts or annihilate them. Exultation resulting from the capacity to surf Internet leads to overconfidence bordering with ridicule. After all, using Internet now is no greater mental challenge than using of phones was in 1930s.

The lives of the modern differ from the usual modes of existence. These were either concerned mostly with past and dominated by the Myth of the Golden Age, or concerned mostly with future and dominated by the Myth of Progress. The present indifference might signify that humanity is already emerging from the exceptionally prolonged period of progress and wavers before plunging into another era of stasis. (The rebirth of traditionalism in many domains is telling too.) The problem is that humanity seems badly prepared for such a shift. In many aspects, its undisturbed existence depends on technologies that are not yet invented — especially, the environment repair ones.

The absurdity of the modern approach to the future seems obvious for these who care to take notice. Still, are there any ways to capture the future developments mentally, even if they would occur on the scale observed in the 20th century?

Conceptual tools to tame the future

The seemingly obvious response is to predict what is going to happen and to mend the future before the predicted disaster may materialize. Mending disasters preemptively would be of greater practical importance than accommodating for the “fortunate” developments. (The preferred practice is different, as it is easier to win clients and voters with “positive messages”.) Still, what are the available mental instruments to grasp the future events? The collection seems disappointingly small and unreliable. It contains approaches that might be characterized as voluntaristic, statistical and experimental. It may be observed that credibility of these approaches grows with their diminishing predictive power.

Voluntarism. Hubris and the need for caution

- Here is this particular concept of Nature, which implies that it has to respond positively to the consumer needs²⁴⁸. The most frequently expressed needs have to do with laziness, comfort, excitement and safety. It is assumed that it is enough to define the need, allocate enough resources, hire adequate specialist and the Nature will oblige. It is considered helpful to legalize such needs as entitlements. The nature does not always oblige, officially because of the scarcity of resources or unsatisfactory experts. These technical obstacles dissuade nobody, even elevated scientific and governmental bodies, from setting further priorities.

²⁴⁶ J. Horgan, *The End of Science*, Addison-Wesley, 1996.

²⁴⁷ Ortega y Gasset, *La rebelión de las masas*, 1930.

²⁴⁸ This might be considered as a vulgar version of the fundamentalist interpretation of the Greater Anthropoc Principle.

What about the fact that the real progress was concerned with creation of new needs rather than with providing for the existing ones? However, it was in the past. Nowadays, we are supposed to know, how to commission innovations!

- Sometimes, a simple fulfillment of needs is not ambitious enough. The opening of some “new frontiers” is sought for, like clean, cheap and inexhaustible energy sources, artificial intelligence, global connectivity, genetic engineering. The effects are usually of the “by the way” kind (like porcelain, by the way of alchemy and Teflon by the way of exploration of outer space). Again, the fact that the breakthrough innovations used to come unexpectedly impresses nobody. It was in the past!
- The top political and corporate circles generate a constant demand for the future foretelling, predicting, forecasting, delphing and foresighting (the new names come as the old ones get discredited). Their real interest might be not so much with the accuracy of prediction, as with the justification of possible failures. It is reassuring to be able to point out that unfortunate decisions were taken in agreement with predominant opinions of the best experts. Actually, all these social procedures go to great pains to eliminate marginal viewpoints. History again and again demonstrates how outsiders managed to exploit chances overlooked by expertise of the day. Naturally, these old stories make little impact on the modern minds.
- There is also a constant demand for sensational predictions on the side of the media. Eloquent “experts” are coming out with bliss or doom scenarios to the excitement of amazed public. Tetlock’s research²⁴⁹ points out that the optimists tend to be right 15% of times, while pessimists 12% of times only. This would give great odds to predicting that matters will stay as they are, if not the asymmetry of consequences in predicting boom or bust against the business as usual.

Statistical phenomenology. The mild magic

- Extrapolation of trends is the best-researched methodology of predictions and, in the stable environments, commercially reliable. Unfortunately, it gives little or none information on how the trends start, how they end, and what new trends may emerge. The real troubles with future begin when the important trends saturate (cell phones), collapse (real estate prices) or hit the barrier of plausibility (income from intellectual property).
- Attempts to go over limitations of trends incite all kinds of theories on the higher order regularities, especially of growth cycles. The exemplifications of growth cycles are widely demonstrated, especially in economy. What remains doubtful is that they represent some inherent, systematic, casual drive that might offer some predictive capacity. As far as we know, they might be completely random manifestations of life and death cycles, reminding of the regular bubbles rising from the bottom of a kettle with boiling water.
- Another constructs concerning the dynamics of change are that of turning points²⁵⁰, path dependency and path creation²⁵¹. Kukliński advocates integrating them into new field of

²⁴⁹ P.E. Tetlock, *Expert Political Judgment: How Good Is It? How Can We Know?* Princeton University Press, 2005.

²⁵⁰ F. Capra, *The Turning Point: Science, Society, and the Rising Culture*, (1982), Simon and Schuster, 1983.

trans-disciplinary research in regio-history, regio-diagnosis and regio-futures²⁵². It seems that these holistic interpretations are of much better cognitive value than the earlier described approaches. Yet their power is more with interpretation of what has already happened, than with predicting what may happen. They give good enough description of the kinematic of progress, but offer a little in the way of explaining its dynamics. They provide the language for the meaningful debate but the casual mechanics is still hidden from an observer.

Experimentation. The cultural impact

- The exquisite OECD publication on knowledge management²⁵³ undermines naïve hopes that development can be profitably structured into the research – development – production triad. The analyses concentrate on the inner working of the milieus that are still highly innovative, as the Silicon Valley is. It is pointed out that their superiority is based on the cultural factors: confidence, trust, cooperation, tacit knowledge, tinkering, etc. It seems worth observing that these factors were also predominant in the innovative 19th century workshops.
- In the same vein is the concept of the experimental economy proposed by Gunnar Eliasson, who points out that the academic environment, which is often officially endowed with the mission of innovating, is not creative enough to support the truly inventive ventures²⁵⁴. The growth of new ideas demands an experimentally organized economy, which is characterized by opaqueness, limited rationality and tacit knowledge. The real sources of innovative solutions are competence blocks, i.e. “configurations of diverse actors initiating development in some domain”.

“Black Swans”. The wild aspects of future

- The Enlightenment based concept of the predictable future was frontally challenged by Nassim Nicholas Taleb in his recently published book on “Black Swans”²⁵⁵. With the impact, the book has made so far, it should provide a widely recognized point of reference. The book is focused on the out of proportion effects triggered by some extremely rare and practically unpredictable events. Such events, called “Black Swans”, might decisively influence the total outcome of the otherwise dull processes (e.g., *In the last fifty years, the ten, most extreme days in the financial markets represented half of returns*). Taleb’s reasoning sounds very

²⁵¹ G. Schienstock, Path Dependency and Path Creation in Finland, (in:) P. Jakubowska, A. Kukliński, P. Żuber (eds) The Future of European Region, Warsaw 2007.

²⁵² A. Kukliński, The future of European regions. The problems of a brainstorming discussion. An introductory paper Warsaw Conference 2007, (in:) P. Jakubowska, A. Kukliński, P. Żuber (eds) The future of European regions, Warsaw, 2007.

²⁵³ Knowledge Management in the Learning Society. Educations and Skills Centre for Educational Research and Innovation, OECD 2000.

²⁵⁴ G. Eliasson, Industrial Policy, Competence Blocks and the Role of Science in Economic Development: An Institutional Theory of Industrial Policy, (in:) OECD Knowledge Management, Op. Cit.

²⁵⁵ N.N. Taleb, The Black Swan. The Impact of the Highly Improbable, Random House, 2007.

convincing, especially as he is a rare blend of a philosopher and a scientist and also a very competent financial market player²⁵⁶.

- The book persuasively demonstrates how poorly our minds are equipped to understand complexity and randomness that pervade our modern environment. There are compelling examples on: how even the theoretically fully predictable future dissolves due to the accumulation of errors; how specialization restricts thinking to the inside of the model; how even professional statisticians make ordinary mistakes when assessing chances in the real life situations; how unreliable is the expert knowledge, even in the well defined risk areas.
- It is argued that mental limitation is largely responsible for the simplistic model of the world, which dominates among both general population and the global decision makers. Within this model, the obsessive concentrations on the obvious opportunities of the present, makes people unaware of the tensions accumulating in the background. In this way, Taleb's book provides us with valuable hints concerning proper attitude toward future²⁵⁷.

The evolutionary approach

- In absence of reliable and focused theories of development, the general Darwin's theory of evolution might be used as a source of inspirations concerning progress. After all, its explanatory powers, relating to the development of species, are practically unchallenged, and the complexity of evolved solutions is yet to be matched by technology. As Konrad Lorenz pointed out: *the effect the mind strives to achieve is approached by the process in which trial and error, hypothesis and falsification play a similar role to that of mutation and selection in the game of the organic coming into being*²⁵⁸. Yet, the idea is not very popular, as some feel repulsed by the alleged "cruelty" of Darwinian forces (the fatal over interpretation of the *survival of the fittest* principle), some are too proud to admit that blind random forces may shape the human future, and some think that evolution is about genetics only.
- It is enough to experiment with a simple model of Darwinian evolution²⁵⁹, to notice its appropriateness. Simulations reveal a number of emergent properties that correspond not only to the obvious, but also to the paradoxical aspects of the real life development. In particular, even if evolutionary mechanisms work continuously with the same pace, the emerging evolution is clearly a two-phase process. One is apparent: evolution progresses in a burst of successive improvements, producing directional and practically irreversible shifts of traits. The other is latent: evolution stagnates in some quasi-equilibrium; where no trend emerges and no permanent improvement occurs. This stagnations ends only when some breakthrough innovations initiates another active phase. In effect, contrary to the popular

²⁵⁶ "Investors advised by "Black Swan" author Nassim Taleb have gained 50 percent or more this year as his strategies for navigating big swings in share prices paid off amid the worst stock market in seven decades." <http://www.bloomberg.com/apps/news?pid=20601213&sid=aDVgqxiT9RSg&refer=home> (2008.10.15).

²⁵⁷ R. Galar, On the "Black Swan" Inspired Attitudes toward Future, **In the same Volume.**

²⁵⁸ K. Lorenz, Der Abbau des Menschlichen, R. Piper co. Verlag, München, 1983.

²⁵⁹ R. Galar, Simulation of local evolutionary dynamics of small populations. Biological Cybernetics 65, 1991.

understanding that treats “evolutionary” as a synonym for “gradual”, the simulated evolution exhibits the typical revolutionary dynamics²⁶⁰.

- Evolutionary approach offers insight into the basic dualism of developmental processes, i.e. in the interplay of freedom and perfection in innovative endeavors. The same competition increasing methods that prove very efficient in the active phase of evolution make the breakthrough innovations practically impossible.

The conceptual toolbox of a “future-mender” is really limited. The first two approaches provide precise quantitative predictions which usually turn out to be false (voluntarism) or limited to the phase of unperturbed growth (statistics). The remaining three approaches give next to nothing in the way of predicting what and when may happen, yet they offer valuable insights into the phenomena of qualitative change. The practical consequences of these insights will be pointed out in the last chapter.

Pragmatic and cultural functions of regions

When considering the future of regions, it seems sensible to reflect whether regions have a future at all. It might be that regions are following a path of irrelevance and are passing out from the scene to be replaced by some more modern entities. In some aspects, it can be true. Yet, some rationales seem to favour the continuing existence of regions in the general network of the socio-geographical relationship. There is a number of different facets of regions that deserve to be considered.

Regions as cultural „standing wave” generators

- There is something in regions that used to make them often more stable than the encompassing states and even dividing borders. This might result from a unique and somehow meaningful history; from a community of fate in the still living memory; from a founding myth; from some locally appreciated deviation in customs and language; from some traditionally dominating technologies, etc.
- The geographic scale can be important too. Regions tend to be big enough to support the stereotype of homeland and small enough to be contained in the span of personal experiences. All such factors add to regional identity, which is the key reason for the civic engagement in regional matters. Regions used to have their specific modes. The hallmark of vital regions is their ability to tune up newcomers to their modes. Some regions lose their mode and dissolve into “normality”.

Regions as feudal fiefs

- European regions are often remnants of feudal princedoms. To a smaller or greater extent, the basic rules of the vassal system are still operative. The authority and protection goes downward. The due, but conditional allegiance goes upward. The fair degree of autonomy remains.
- The subsidiarity principle (this elusive aim of the EU) is naturally ingrained in the effective regional system. Thus the wealth created in the princedom stays largely within the princedom; as the post-medieval richness of European provinces still testifies. The matters

²⁶⁰ R. Galar, Knowledge Economy and Evolutionary Traps, (in:) A. Kukliński, W.M. Orłowski (eds), The knowledge based economy, The global challenges of the 21st century, Warsaw, 2000.

work best when people and authorities treat their region as a common heritage, which should be protected and improved for generations to come.

Regions as basins of attraction

- Region as the leading city plus its zone of influence used to be a good practical definition. It treats the region's main city as an attractor and the rest of the region as its basin of attraction. This attraction used to consist on the access to a range of higher order goods not readily obtainable in the lesser places (banking services, specialized medical services, cultural entertainment, higher education, legal settlements, luxury items, scientific research etc.). The practical reach of the region is often decided by people's preferences to visit this city more than another one.
- This scheme is now being destabilized by progress in communication technologies (procedural competences available on distance) and logistics (goods delivered to the doors of the final customer). Another destabilizing factor is the excessive competitiveness, which destroys the regional bonds. Lesser localities tend to regard the regional capital as a greedy broker that captures an excessive share of the common resources (especially these that come down for deployment). They prefer the direct dependence on central authorities, which, with the maturing of information technologies, is becoming technically feasible. The main city, in turn, tends to disregard the vital interest of localities, treating them as the area of brain drainage and dachas. Regional capitals are fond of exalted modern ideas that their geographical base is of little significance and their true destiny is the global network of metropolises. In the Polish context, it often means another clash of the insular rapacity with bossy complacency.

Regions as corporations

- This is a modern concept that seems to be attractive for regional clerks and regionally operating global companies, as it promises to get rid of nuances of local politics and to replace them with the straightforward commercial rules.
- Such a seemingly rational approach is rich in paradoxes and inconsistencies. Should inhabitants be treated as employees? Then, who is the employer? Residents as participants in a kind of an employee share ownership? What about the Schumpeterian creative destruction in the "corporate regions"? Can regions go bust, sell parts of them out, take over other regions, etc.? One thing seems certain — some regional officials would welcome the corporate pay rates and promotion schemes.

Regions as platforms of creative cooperation

- Innovative cultures used to have a regional reach and regional roots. Regions seem to be spatially and socially appropriate for the "face to face tinkering", which is the precondition of innovating²⁶¹. Ancient Attica, Renaissance Tuscany and the modern Silicon Valley share similar characteristics.
- The necessary ingredients of creativeness remind of the atomic piles. To start an innovative chain reaction a critical mass of competences and resources plus the high intensity of

²⁶¹ Knowledge Management in the Learning Society. Educations and Skills, op. cit.

spontaneous personal contacts (collisions) are necessary. The political and cultural assertiveness, expressed by the confidence in local abilities and skeptical reserve toward alien solutions is also helpful.

Regions as subunits of hierarchic governance

- Communication barriers of triple nature used to make regions the necessary components of power structures in bigger countries. First, there were physical limits on the speed of the information transfer. Information concerning developments in distant places, as well as the appropriate decisions were too retarded to allow for efficient administration, especially for crisis management. Delegation of authority to local centers was an obvious solution. Second, there were biological limits concerning the brain's processing power. It was necessary to decompose administrative tasks to manageable units. It was feasible to locate problem-solving capacity in places where problems arise. Third, there were anthropological limitations concerning the nature of power. For human brains, the ruler is a kind of a primeval alpha-male incarnation, whose presence should always be felt. Therefore, it was feasible to provide people with the personifications of power that might be accessed daily.
- Presently, all these factors are losing their significance. The transfer of information becomes instant. Computers offer practically unlimited processing power. Electronic media fill homes with the lively simulacra of the top politicians that talk, blog, charm, and even dance. Yet, it comes with the price. These new solutions are good only as far, as the reality might be subordinated to procedures. They create an environment, in which the reach of the living human intelligence is severely restricted.

Region as units of experimental policy

- In the wake of the planned innovations fiasco, some attention was given to the idea of experimental economy²⁶². A similar approach should be used with regard to regions too. Discussion concerning the division of competences between regions and states tend to present the issue in terms of power struggle, with one or the other side winning or losing. This seems unreasonable, as the properly functioning system of regions may be a precondition of an efficient state (or union of states). The reverse is also true. The main challenge to governments is administering the change, i.e. finding appropriate reactions to new situations. Relying on the existing expertise is not enough, as expertise, by definition, relates to the known situations and problems. The proper solution must be sought on the way of trial and error, which is a painful but also the only fail-safe way. Experimenting on the scale of a state involves great risks. Such risks might be greatly reduced if experimentation is scaled down to regions.
- The scale of regions makes them, in many aspects, similar to small countries. The regions of the same state tend to be of similar size, have similar problems and similar means to deal with them. What more, they tend to share the common cultural platform and the system of values, which facilitates communication and exchange of experiences. In effect, the solutions that work in one region can be relatively easily adapted by the other ones. For this reason, the proper decentralization of a state, i.e. allowing free initiatives and actions in the bounds

²⁶² G. Eliasson, *Industrial Policy, Competence Blocks and the Role of Science in Economic Development*, op.cit.

of the well-defined commonwealth, releases its adaptive potential. Such systems of regions may at the same time optimize the current situation, detect changes in the situation and produce original solutions of the innovative kind. The analogy to the market, with its free competition under the rules, and its ability to translate individual benefits into common good, seems obvious. In such perspective, the opposition: state – regions turns to be false. If the system is organized properly, synergy dominates.

Regions as “Black Swans” traps

- Remaining in the sphere of the Taleb’s metaphors it seems plausible to assume that “Black Swans” can be of the hopeful or of the disastrous kind. It may be argued that the properly run regions provide a good ground for breeding the first and avoiding the others.
- One of the central constructs of Taleb is the distinction between “Mediocristan” and “Extremistan”. Mediocristan might be interpreted as a somewhat traditional, limited environment that our atavistic brains are able to grasp. Extremistan denotes the modern, global, all-inclusive environment, with complexities beyond human comprehension. What makes Extremistan different from Mediocristan is the scalability of human achievements. In Extremistan the “winner takes all” effect prevails, what leads to tremendous disparities (be it personal income, books sold or scientific citations).
- In terms of the “Black Swan”, regions belong to the realm of Mediocristan. Successes are on the lesser scale and so are disasters. The common cultural platform makes them easier to predict and to contain. Prizes and punishments tend to be in proportion to merits and failures. The experiences of the neighboring regions might offer useful advice on how to develop successes and avoid troubles. In addition, in the world where the sought for careers would have regional rather than global dimension, the total amount of available human satisfaction should greatly increase. In such conditions the regional cultures might flourish, greatly augmenting the cultural deposits of humanity.

Potential challenges to the dominating trends — “Grey Swans”

The arrival of Black Swans is by definition unexpected, but some of them can be sensed coming from behind horizons of the usual. Especially so, if they are hatching from tensions that the system is unable to unload systematically. It might be impossible to predict when and how the discharge will happen, but the ultimate effects could be guessed, and one can only hope that there will be enough time to react.

Catastrophic climatic changes due to the global warming

It is still arguable if they are real. If so, it is impossible to say when they will happen. However, once they happen they can be very rapid. Some models predict that changes might develop into full-blown catastrophes in just few years since they become undisputable. Dramatic effects on the global scale might follow. Many urban and agricultural areas may become no longer sustainable, being hampered by food and energy shortages, failing transport, population shifts, economic and military conflicts. Serious attempts to counter the resulting worldwide crisis might demand that a kind of war economy replaces the present consumer economy (e.g. severe restrictions on cars).

Global financial crisis

The recent years have seen many attempts to create market economy with the risk removed. Banks in particular have turned into strongholds of the welfare state, with risks covered by public money. Stock investors largely disregard the Warren Buffett's advice: *stay away from businesses that you do not understand*. Investing has become a formal game, which is feeding on noises in the stock exchange quotations and contributes to increase of such noises. Due to the new, complex tools of risk distribution, the opacity of financial systems has become debilitating. Disproportion between money and goods seems appalling. The falling dollar demonstrates chasms of incompetence in the global economy. Attempts to play another round of “economic poker”, in order to postpone the day of reckoning, increase the cost of the unavoidable return to reality²⁶³.

Bloody conflicts as the last recourses of losers

Globalizing world provides little opportunity to abstain from the global game, which rules are alien to many people living outside the consumer culture. They also must play in the game they have never opted for. As the game is all-encompassing, they can become the total losers. At this moment, the conventional, transactional game might turn into a bloody conflict. In such a conflict, the losers may have a real chance to win, as long as they are ready to die for their cause. This is because consumers are evidently not ready neither for dying for any cause, nor for inflicting the ultimate damage. This difference in attitudes produces capacity for a great instability.

Sudden demise of the Western advantage

China and India, while still poor in the GDP per capita category, emerge as the top global players. Their consumer aspirations put great strain on the available resources, what is already felt. The Western concept to outsource arduous efforts and live from the intellectual property can misfire. The expected creative advantage of the West turns out to be somewhat illusory. Western societies have become trapped into addiction to cheap Asian products and seem unable to respond competitively. If the trend continues, the standard of living might slide down — from the exclusive to the statistically average. East Asia plays, according to the Western rules, to re-establish its historical dominance. Will it keep to the Western rules after succeeding?

Rejection of the individual success model

Other than commonly believed, natural selection works rather through reproduction rates than atrocities. Evolutionary losers are these who do not pass their traits to the next generations. The egoistic generation of the 1968 revolution starts to be wiped by age from the public scene. Due to natural selection, the increased fraction of next generation will carry genes of the people who preferred family to career. Burdened with necessity to pay for exuberances of the success people, young people might opt for the more responsible modes of life.

Possible failure of the European homeostat

The tendency of the EU to smooth rather than face problems resembles the attitudes in the SU during the late Brezhnev era (Fundamental reforms? — Not in our lifetime!) This leads to

²⁶³ This paragraph was written in the spring of 2008 and provoked skeptical reactions. Presently, at the beginning of autumn there is hardly a more obvious observation. Nassim Taleb has classified the incoming financial crisis as so obvious as being „White Swan”. It escaped attention only because the majority of experts were determined to look the other way.

accumulation of strains and rising costs of maintenance of the European comfort providing system. As abilities to name and solve problems are severely limited by political correctness and complexities of bureaucratic jargon, the possibility of wide-ranging breakdown cannot be excluded. In effect, this can lead to a more subsidiary Europe built of components that are more self-reliant.

In all these cases, an appropriate system of creative regions might help to compartmentalize disasters and alleviate their consequences. Participation in the current benefits of globalization notwithstanding, maintenance of a rudimentary regional autarky seems prudent and advisable.

Determinants of the regional policy

The EU trajectory of development is assumed to be generated by the great principles, such as equal opportunity, solidarity, subsidiarity and sustainability. In practice, some lesser but more easily implementable principles yield more influence, such as legal uniformity, common space, mobility, welfare. The future of the European construction seems blurred, certainly more blurred than its initial vision in 1950s. The blur includes the fundamental question: is it going to be a new quality, or just another incarnation of the Great Power Concert? It is depressing that such topics are so rarely discussed in Poland, with the prominent exception of Antoni Kukliński's example and initiatives²⁶⁴.

Reflecting on motivations of the regional policy in the EU's Poland, in the first decade of 21st century it seems obvious that the two perspectives are overlapping: one is institutional and real, the other is civic and somewhat potential.

Institutional and real-politic dimension

The self-governing regions were introduced in Poland at the end of 1990s, when the perspective of accession to EU was becoming clear. The earlier existing regional administration served as a direct transmission of the state policy. Presently, the state authorities tend to treat regions as an interface providing access to the pool of developmental resources distributed by the European Commission. They are not eager to lose control over these resources; and they have serious arguments to justify such policy. What the government willingly passes to regions, are the tasks that are politically troublesome and promise little success (roads, health service, employment). The regional self-governance is still largely a dummy. This is best expressed by the principal legal rule regulating autonomy of Polish regions, which emphasizes that what is not explicitly allowed is prohibited.

The European Commission seems to use regional policy to bypass authority of nation states and to realize the European priorities, as it seems fit. This is often an open minded and sensible policy. Yet, it is also the time-honored policy of supremacy building, once used by the European monarchs — reaching to the nobles over the heads of aristocracy, reaching to the citizens over the heads of the nobles, etc. Regions confronted directly with the EU's administration are less assertive and easier to patronize than states. This is stimulated by the creative favor winning policy. The cooperating regional actors enjoy the benefits accompanying European programs (travel, accommodation, tax exemptions). In some countries of origin, the extent of such perks might have been perceived as

²⁶⁴ E.g. A. Kukliński, Towards a new model of regional policy (in:) A. Kukliński, K. Pawłowski (eds) Europe – the strategic choices, Nowy Sącz, 2005. A. Kukliński, The transformation of European Regions at the turn of the XX and XXI century (1985-2025) (in:) A. Kukliński, B. Skuza (eds), Turning points in the transformation of the global scene. The Polish Association for the Club of Rome, Warsaw, 2006.

bordering on corruptive. From the perspective of Brussels, it may look as enhancing emergence of Euroelites.

It is evident that a number of key persons involved in the regional policies perceive reality in such pragmatic categories. From their position, all considerations concerning economic, social and cultural role of self-governing regions belong to a smoke screen that covers a real game of interests and influences. They are supportive to such divagations if they are medially functional. They tolerate them as long as they are not challenging the game itself.

If the real politic dominates, then the self-governing regions may turn out to be transitory beings, not longer needed when the power struggles abate. Especially so, when the progress in information and communication technologies will make their administrative existence unnecessary.

Civic and potential dimension

The civic interest in regional policies is motivated by concerns about the future of communities ranging from a fraction of million to several million people and inhabiting some consistent territory. The crucial questions are: do such communities really exist, do they matter and are they viable enough to survive? It would be illuminating to consider what is the place of regional communities in the newly emerging hierarchy of human affiliations.

This hierarchy will have to spread somehow between the flat 100% egoism, admitted by some success people, and the amorphous togetherness of all living creatures, postulated by ecological fundamentalists. Some levels of this hierarchy seem assured. As long as the evolved capacities of human brains remain as they are, it can be safely assumed that the fundamental tribal circles (family, friends, and acquaintances) will survive. Some global affiliations are also necessary to provide a general stability. What about usefulness of the other affiliations: neighborhoods, localities, regions, states, associations of states?

Technological progress eradicates technical limits on communication that have made certain types of administrative solutions indispensable (hierarchy and delegation of responsibility). The coming decades will show if this dissolution of barriers is also psychologically feasible.

Considering pragmatic and cultural function of regions, there are reasons to expect that the factors deciding about the continuing existence of regions will have much softer character than the present administrative regimes. Cultural and sentimental issues, based on biological and anthropological invariants might turn out to be more significant than the economical and political factors.

Stimulating emergence of the “Future Ready Regions”

The perspectives of the Polish regions are embedded in the perspectives of Poland and EU. The Poles are usually exposed to the three somewhat naïve clichés:

- **Joining the leaders.** It is a widely expressed hope, based on emotions reminding of sports. Yet, the trajectory of the maximal probability seems to be pointing to the reconstruction of the traditional center – periphery arrangement of Europe. Economic progress in the newly joined countries is powered by differences in standards of living (employment costs, social aspirations, ecological norms, etc.). With the diminishing differences, the developmental dynamic is bound to stagnate. Catching up with the best is hardly conceivable, also because

of the brain drain. Putting the matters in categories of sport: it is possible to get better results but hardly the better position. At least, as long, as regional progress will be imitative.

- **Getting rich on the EU money.** The general public is charmed to believe that the European funds will become the main facilitators of their future prosperity. The real dimension of the support funds escapes attention. Many exult that in the budget perspective of 2007-13 our country may expect the inflow of about 10 billion euro per year; a lot, as it is about 5% of the domestic GDP. Few realize that it is less than 0.1% of the EU GDP — not much in the way of improving the relative position. It is enough to mention that at the beginning of 2008, Great Britain had used similar amount of public money to bail out just one big bank in troubles²⁶⁵. Poles are excited that the EU funds will help to build a motorway system in their country. Few notice that rebuilding of roads and streets devastated by heavy trucks, which were allowed into the country in effect of some general EU regulations — may involve similar amount of money.
- **Becoming a “tiger”.** The favorite example used to be that of Ireland, as a country (of the size of a region) demonstrating that “it is possible”. Yet, is it really possible to copy the Irish example, or was it a unique Irish experience? A lot points at the second option. Ireland position was largely due to its role as a bridgehead of the US business in Europe. Possibly Slovakia or perhaps a cluster of Czech, Slovakian and Polish border regions might play the similar role for Asian corporations. Anyway, in just few months of 2008, the Irish example has lost a lot of its luster. Ireland is in crisis and on the way to repent for its earlier successes that are turning out to be follies. Finland, with its breathtaking technological advance, should be another favorite, but it is significantly less publicized. It might be because this is an example of success, which resulted from the intrinsic innovative drive rather than from external support. A pity, as the lesson from the Nokia story²⁶⁶ is very telling. What is not publicized at all is the example of the Brandenburg region, which demonstrates that great resources may be wasted in the well-meant effort to stimulate development without stimulating people.

These attitudes, which might be generally characterized as imitative, largely define thinking on many future issues, also on the regional ones. Assumption that all things worth inventing are already invented²⁶⁷, and can be at most improved and redecorated, sets a scene for the hierarchy of pursuits. Regions tend to identify superior regions, which evoke envy, and try to copy their institutions, procedures, ways of life even public events, calling this modernization. Dissenters looking for a deeper understanding are labeled as the third way deviants. Everybody is supposed to know there are only two ways: backward and forward. Historic arguments showing the predominant innovative role of the “deviants” are rejected because they recall the past — and experiences of the past are supposed to have nothing to do with modernity. Little attention is given to differences in the boundary conditions (income, geography, climate, culture etc). Scant regard is given to the creators

²⁶⁵ Nationalizing Northern Rock. A bank by any other name. *The Economist*, Feb 21st, 2008.

²⁶⁶ R. Galar, The path dependency and path creation concepts related in terms of evolutionary adaptations, (in:) P. Jakubowska, A. Kukliński, P. Žuber (eds) *The Future of European Regions*, Warsaw, 2007

²⁶⁷ “Everything that can be invented has been invented.” Charles H. Duell, Commissioner, U.S. Office of Patents, 1899, <http://www.cs.virginia.edu/~robins/quotes.html>

and causes of the desired opulence. Contributions of the present generation toward its maintenance are rarely reflected upon. The trend is to copy superficial exterior of a process or system without having any understanding of the underlying substance, what is sometimes described, after anthropologists, as the Cult of Cargo²⁶⁸.

Perspectives of regions depend obviously on the national, European and global context. Yet, if regional perspectives are to exist at all, a degree of regional autonomy must be assured to enable learning by doing. Without right decisions turning profitable and wrong decision turning painful, regions can only follow the trajectories decided by the grater external bodies. On such trajectories, regions are devoid of strategic initiative and may fell prey to the far away developments that are neither expected nor understood.

As an alternative to passive regions, which drift with the current of external developments, the future ready region can be proposed. This should be a region with personality, which is conscious of its values, possibilities and responsibilities. This should be a region aware that predictability of future developments is very limited, so the horizons of predictability have to be constantly scanned for new trends. Such region should be careful with committing its resources to grandiose priorities; they should opt rather for a harmonious development. Such region should be aware of the Taleb's "Black Swans" that might carry unexpected disasters and unexpected fortunate developments. It will try to have reserves to endure the former and an innovation stimulating policy to lure the latter.

The above proposition seems to be very remote from the current practice of Polish regional administrations. Yet it can be the only way to get out from the passive region predicament and to advance to the status of the creative region. On this way, some transformations of social fabric seem necessary:

Creating a regional attractor. Formation of a regional identity involving regional values. Identity that is both strong and open. A real, holistic identity, not limited to sports. Values that are attractive enough to compensate the crucial people for lower wages. Securing space for the comprehensive regional policy.

Creating a regional society. Transforming consumer masses and careerists into society. An organic, down-top approach is necessary. Involving people in public matters. Retreat from the *panem and circenses* policies. Building trust on fulfilled promises not inflated promises. Regional authorities and top players loyal to the region. Region as a responsibility rather than a career opportunity. Region as a small homeland. Consistent allegiances to the country, Europe and civilization.

Enhancing adaptive skills. Creative confidence and initiative. Skepticism toward modernization trough imitation solutions. Risk management in place of risk avoidance. Experimental economy. Accepting costs of sustaining diversity. Deproceduralization of the creative sphere. Increasing efficiency of education (shorter, more intense and much more diversified). Considering attainments more important than certificates.

²⁶⁸ http://en.wikipedia.org/wiki/Cargo_cult, 2008.04.17

Keeping options open for the next generation. Sustainable development. Preferences for the organic growth. Avoiding grand schemes of doubtful usability. Ban on debts that would burden the future generations. Training the young to take over.

Conclusions

The main body of this text was composed in the spring of 2008, in preparation for the Warsaw Conference on the future of regions²⁶⁹. Few months later, it is already evident that a big “Grey Swan” of the global financial crisis has landed and the Future is not going to be the same, as it was.

There is an urgent need to think about future. The developing global crisis is clearly a result of concentrating on the short term economically profitable issues, and escaping from fundamental problems (nature, culture, education). Two generations at least have been charmed to believe that the progress will solve all these problems automatically. This did not happen, we are in the social and environmental mess, and the time of reckoning seems near.

Thinking about future should be focused on the ascending generation. It should be unburdened from paying debts of the descending generation both in financial and environmental dimension. It should be prepared to cope with modern technologies and intricacies of human interactions. It should inherit the world still rich in possibilities, not jammed by consequences of our present obsessions.

We should get rid of illusions that future may be programmed. Fortunately, it is not possible due to the blurred nature of reality and the finite processing power. If not these fundamental limitations, we might have been living in cruel reality formed along the criteria of Joseph Stalin, Adolph Hitler and alike, or in the stupefying reality of financial speculators.

The “Black Swan” effect demonstrates that future depends critically on very rare and practically unpredictable events. In the long perspective accommodating for such events is of much greater importance than profiting on the well-recognized advantages. The experimental approach emphasizes the importance of learning by doing or, putting it bluntly, learning by errors.

Globalization restructures reality in a way that is in many aspects advantageous and in some aspects necessary. However, its complexity leads to emergence of “Extremistan” that is the perfect breeding ground for the disastrous “Black Swans”. Were the global systems more decomposed and scaled down, the effects of the winner takes all rule would be softened and the learning abilities restored.

Regions, as “Mediocristans”, which are able to encompass most aspects of human existence, seem to be indispensable in a viable global system. Recognizing necessity of states, a significant transfer of authority toward regions would offer a chance to get over historical animosities and superstitions dividing historical nations, which have repeatedly brought havoc upon relatively innocent people.

To rise to their potential, regions should become the future ready regions. This implies decisive shift in administration of resources. The leading metaphor is that of the “war of manoeuvre” versus the “war of position”. The strategies should concentrate not on exploitation of recognised opportunities,

²⁶⁹ Ministry of Regional Development Conference on “The future of regions in the perspective of global change”, Warsaw, June 2008.

but on building capacity to deal with unexpected. Regions should be able to do both: resist unfortunate events and to stimulate fortunate, innovative developments.

ROMAN GALAR

On the “Black Swan” Inspired Attitudes toward Future²⁷⁰

Introduction

Attempts to discuss future seriously used to be burdened by the necessity to challenge a number of the commonly accepted clichés of doubtful value. These clichés, concerned mostly with the degree in which future might be predicted, analyzed, influenced and programmed, are rooted mostly in the proud illusions of the Enlightenment. This “men controlling their destiny” and “computing the future of universe knowing position and momentum of all particles” stuff got discredited by the progress of science quite a while ago. Yet, in the meantime, the illusory logic of these clichés has turned to be irresistible for general public.

This is especially so with social scientists and politicians, as the self-imposed task of programming future inflates their importance. In response to repetitive failures of grand projects, based on the delusion of predictability, vast and complex explanations are being produced. These are either plot theories, implying the vicious involvement of hidden enemies, or inadequacy theories, pointing to the need of models still more complicated and fed with still more data.

Without explicit dissociation from these illusions, the ideas of the adaptive approach toward future developments in general and progress in particular are hardly graspable. Attempts to dissociate had to be lengthy (while, not sufficiently long), secondary to the main topic, negative, and detrimental to the author’s credibility. It is so much easier to debate from inside of an acknowledged paradigm than to argument, while challenging the paradigm itself. After publication of the “Black Swan”²⁷¹, the situation should become more comfortable. Recognized by Amazon as the best not fiction book of the year 2007, it has spent 17 weeks on the New York Times Bestseller list and was translated into 27 languages. With such an impact it might be expected that the “Black Swan” will provide a well recognized point of reference in the matters concerning practical approach to future challenges.

In this short contribution I try to give my personal view on the content of the book, relate some of its principal concepts, share my understanding of its messages and remark on its importance for the ongoing discussion about the future of regions.

The “Black Swan” content

The author of the book is a rare bird. After making enough money as a Wall Street risk analyzer at the end of 1980s, he has got disgusted with the profession. He left and used thus gained affluent independence in a private quest for the honest understanding of the corporate mindset. I find the effect very rewarding. Good reading, plenty of anecdotes, well placed sarcasm, vivid popularization of Western intellectual heritage — all this dedicated to the cause of reason and common sense.

²⁷⁰ This paper is reprinted from: *The Future of Regions in the Perspective of Global Change. Case studies*. Part one. Patrycja Jakubowska, Antoni Kukliński, Piotr Żuber (Eds), Ministry of Regional Development, Warsaw, 2009.

²⁷¹ N.N. Taleb, *The Black Swan. The Impact of the Highly Improbable*, Random House, 2007.

The book is focused on the out of proportion effects that the extremely rare and hardly predictable events, called “Black Swans”, might have. Taleb insistently points out that while most attention concentrates on the everyday’s details, the total outcome is largely formed by unexpected occurrences. This might seem kind of obvious. Is not human life defined by the singular moments when the genetic lottery produces one’s genotype, the partner for life is first encountered or a false step makes one a cripple, etc? Yet, it doesn’t seem trivial when Taleb notices that: *In the last fifty years, the ten, most extreme days in the financial markets represented half the returns.* This observation relates to the sphere that is assumed to be well controlled by the professional competence.

The book aims to explain why the existence of Black Swans is so commonly ignored. Even admitting that they might have happen in the past, people tend to believe that there were eliminated from the modernity of our times. Taleb explores this phenomenon involving in his arguments ideas of ancient and modern philosophers and referring to the recent research in mathematics and psychology. In this process he is very discriminating with regard to authorities. Some, especially Mandelbrot and Popper get idolized, while a number of idols of market and academia get denigrated. “Black Swan” is certainly a book bent on propagating the ideas of falsification and self-similarity into the mainstream.

The book demonstrates convincingly how poorly our minds are equipped to understand complexity and randomness that pervade the modern environment. There are compelling examples on:

- How even the fully predictable future dissolves due to accumulation of errors (to predict the effect of the ninth rebound of a billiard ball, the gravitational pull of the people standing around the table would have to be taken into account).
- How specialization restricts thinking to the interior of the model (a statistician informed about a “honest coin” that has shown tails 99 times in row, will argue that the probability of tails coming next is 50%; while a man of the street will opt for 100% — assuming disinformation and guessing that the coin must be faked).
- How even in the well defined risk areas the expert knowledge is unreliable (estimates of risk by professionals engaged at stock exchanges provide at average as good results, as assumption that prices will stay the same). This is nicely corroborated by the recent events on the financial markets.

Main concepts

Debilitating fallacies

A large part of the book is devoted to the discussion of some common fallacies that distort perception of reality and hide from view the impact of the highly improbable events.

- Silent evidence fallacy — consists on the selective assessment of history. Attention focuses on *the rosier part of the process*. This forms a base for unjustified optimism.
- Lucid fallacy — exposed when studying uncertainty with an apparatus build on the games of chance. This ignores the real life ambiguity concerning adherence to the rules of the game.
- Narrative fallacy — due to the natural urge of human minds to make sense of what has happened, by wrapping it in a consistent story. This masks the impact of chance.

- Round trip fallacy — visible when the absence of evidence is mistaken with the evidence of absence. This is responsible for a range of serious blunders like the formula feeding frenzy in 1970s.

“Mediocristan” and “Extremistan”

The central construct is the distinction between “Mediocristan” and “Extremistan” . Mediocristan might be interpreted as a kind of traditional, limited environment that our atavistic brains are able to grasp. Extremistan denotes the modern, all-inclusive environment, with complexities beyond human comprehension. The important difference is the scalability of human achievements, leading to the effect that “the winner takes all” (be it personal income, books sold or scientific citations). Taleb points out that a dentist — a representative of a Mediocristan person — might become affluent after 30 years of drilling teeth. This is in sharp contrast to Extremistan careers, where a market player, actor, writer or innovator might achieve colossal and practically instantaneous success. The upside is that, in difference to being a dentist, the chances of total failure among the adepts of Extremistan professions are close to certainty. This explains rat races and gives Taleb an occasion to a nice venture into intricacies of fractal randomness.

Skeptical Empiricism

Taleb is an outspoken critic of “platonicity”, i.e. of tendency to concentrate on the well defined objects and models, while ignoring their interface with the inherently messy real problems. There are many lucid observations that will not endear him to the influential group of what he calls the “Bildungsphilister” type researchers. As an antidote to the Platonic approach Taleb advises skeptical empiricism, which, among others:

- prefers minimal (and falsifiable) theories against grand, general socioeconomic models;
- advocates the virtue of being rather broadly right than precisely wrong;
- recommends suspicion toward data, especially if they pretend to be computed probabilities (all kind of forecasts, especially financial);
- urges to move from observations to books, not from books to practice.

Suspicion of the Gaussian

Taleb is not really eager to discuss where from the Black Swans are coming. He is engaged in angry rhetoric based on supposedly fundamental opposition between the mediocre Gaussian events and the splendid and terrible Black Swans. This seems to me a most disputable part of his reasoning. One might point on a number of truly catastrophic effects that arise suddenly from the usual Gaussian noise, if its effects are selectively accumulated (notch effect, quantitative evolution). Some Black Swans might appear because we were stubbornly not looking in the direction where they are hatching. Both procedural approach and political correctness are very adamant in declaring what should not be taken into account. These parts of the book are better at thought provoking than explaining.

The message

The main message is to be aware of the Black Swan possibility. The arrival of Black Swans is by definition unexpected, but some of them might be already sensed breeding behind horizons of the usual. Especially so, if they emerge from tensions that the system is unable to unload systematically.

It might be impossible to predict when and how the discharge will happen, but the ultimate effect is more or less certain, and one might only hope that there will be enough time to react. Taleb calls such events “Mandelbrotian Grey Swans”.

Elements of critique of the modern society

Taleb admits that he is most often irritated by these who exercise their skepticism against religion but not against economists, social scientists and phony statisticians. He points sarcastically on academic philosophers, who are professionally employed in the business of questioning what people used to take for granted. They exercise skepticism toward existence of gods, definition of truth, redness of red, meaning of meaning, etc. Yet they believe blindly in stock market and abilities of their pension plan managers to multiply their income. This observation extends easily to less elevated layers of society. Contempt for old superstitions is more than matched by adulation of the new ones. Supposedly rational economy and politics are hanging on irrational beliefs of consumers and electorate that everything is going well.

Elements of personal advice to the fellow humans

The book is saturated with personal advice that I find both intelligent and amusing. Taleb is practical about necessity to earn enough money to gain the freedom of action. Then he advocates the attitude of the 19th century gentlemen; i.e. doing what one finds worthy of doing. He writes that: *not matching the idea of success others are expecting from you is only painful if that's what you are seeking*. His existential position is: *I don't run for trains* implying elegance and control of one's own life that is most refreshing. It brings to my mind an ironic comment by Professor Tadeusz Zipser: *we do everything to jump on the tram that is just driving to the depot*. (It was given in a somewhat different context of public discussion on some modernization by imitation venture.)

The future of regions input

Taleb notes that Black Swans might be of the disastrous and of the hopeful kind. One might denote a market meltdown, the other some crucial technological innovation. He admits that *half of the time I hate Black Swans, the other half I love them. I love the randomness that produces the texture of life, the positive accidents*. It might be argued that the properly run regions provide a good ground for breeding the second and avoiding the first type of Swans.

We live in the period of globalization. In this perspective regions are very secondary beings. Yet, it might be noted that attempts to globalize — i.e. to encompass the whole available sphere of interactions with one order — abound in history. Globalization has all appearances of a perfect business arrangement. Its benefits are obvious: it provides the greatest markets and simplest rules. The reasons, why globalization has not yet finally succeeded, are more ambiguous.

One of the reasons is that global solutions leave no options. The global system itself, as well as its principal corporations and organizations, have no real competitors. This lack of diversity makes learning on errors practically impossible, as there are no viable competitive alternatives to compare the effects. All policies are by necessity the “only possible” policies, with the painfully well know implications.

Taleb expounds a lot on the Frederic Bastiat's remark: *We can see what governments are doing and therefore sing their praises – but we don't see the alternative. But there is an alternative; it is less obvious and remains unseen*. This might be a crucial realization, when the sense of the division of

power between regions and states is considered. It is obvious that some decisions have to be taken at the higher level of governance. It is evident that some decisions can be taken both at the central and at the local level. Arguments against devolution of power point at lower cost, increased order, superior competence, enhanced control etc. Argument for devolution use to point at possibilities of local optimization and pay homage to democratic principles. The ultimate reason for implementing subsidiarity principle is rarely mentioned. And the reason is that devolution of power will make alternatives and their effects visible. Once they are visible the learning by doing might start, thus opening the way for the system evolution.

Another deficiency of globalization is that global actors tend to escape local limits to growth by moving growth to the wider arena (e.g., the real estate amok and Harry Potter frenzy). This brings successes and failures on the unprecedented scale and their consequences tend to be cumulative and crushing.

Still another deficiency is a strong tendency to shift local problems elsewhere, instead of solving them on the spot (e.g. European CAP effect on the global food market). In this way the tensions become global and have to relax globally. The global system operates as an “Extremistan” *par excellence*.

This three reason might be helpful in understanding why the episodes of globalization in human history were so short-lived their obvious advantages notwithstanding. Each success prolongs the game, but one irreparable failure might close it. And the global system tends to accumulate little failures into failures big enough to crash down the whole; while providing little forewarning and no reliable alternatives. The necessity to deal with such cumulative crashes might reveal a new, unasked for, face of globalization — an authoritarian global crisis management. In the Autumn of 2008 we might be just witnessing its emergence.

If the global systems were more decomposed and scaled down, the effects of the *winner takes all* rule would be softened and the learning abilities restored. In terms of the Black Swan, regions belong to the realm of Mediocristan. Successes are on the lesser scale and so are disasters. The common cultural platform makes them easier to predict and to contain. The experiences of the neighboring regions might offer useful advice on how to develop successes and avoid troubles. In addition, in the world where the sought for careers would have regional rather than global dimension, the total amount of the available human satisfaction should greatly increase. In such conditions the regional cultures might flourish, greatly augmenting the cultural deposits of humanity.

Conclusions

The main “Black Swan” input to the discussion on predicting future is — forget it. Future is based on uncertainty, unless it is a stagnating future, i.e. the prolonged present. Future might and should be controlled, but awareness is more important than planning. Control of the future is a matter of strategic initiative. It demands good maneuvering abilities of vivid intelligence rather than procedural fortifications of fake certainty. Taleb is adamant in his message: *Avoiding being a sucker. The antidote to Black Swans is to be non-commoditized in ones thinking.*

It should be stressed again that “Black Swan” was written by a financial markets insider. An insider that succeeded in Extremistan and become deeply critical of its working. Critics go very deep, and many potent ideas from classical philosophy to modern mathematics are invoked in argumentation.

Despite of the Author's academic credentials, "Black Swan" is not an academic book — it is a book of passion and it is only broadly right. This is advantageous, as it gives Taleb a chance to influence culture not just specialization.

It is impossible not to remark on timing. This highly speculative work has hit the market just a moment before its speculations started to turn real. Now the world wobbles on the brink of an precipitous crisis resulting from the wrong assessment of chances. Taleb asks: *How these whose job is to make us aware of uncertainty fail us and divert us into bogus certainties through the back door?* There is hardly a more timely subject to consider.

Introduction

Whether we discuss the current Crisis or Renaissance of Europe, it is necessary and wise to include European regions in the discussion. Regions have been the reality of the European civilization ever since the recorded history, and probably much longer, given the sense of territoriality that seems inherent in human beings. Regions – as cradles of social and economic life – have preceded, managed to co-exist and most probably will succeed in outliving all other forms of political organizations in the European civilization, including the states.

Despite this sense of permanency, regions, on the whole, have constituted a remarkably flexible and adaptive type of social organization – one that appears to have been able to meet very different challenges facing humans over time, both as individuals and as corporate social groups exceeding basic kinship and local structures. This has been so to a large extent because the regions have been based both on formal and informal social structures and processes – in most successful cases managing to turn themselves into higher order social corporate groups. As such, they seem to have depended heavily on and benefited from the corporate spiritedness, strategic (long-term) orientation of the regional elites as well as their holistic visions of the regions' development.

Without these elite qualities, the mobilization of the regional (human and other) resources for the purpose of regional development – including trust and a dominant (guiding) value structure that (should) culminate(s) in idiosyncratic developmental goals – would appear difficult, if not outright impossible. That is, provided that the elite aspirations are not totally divorced from the reality of the regional populations and/or reduced solely to rent-seeking behaviour. In sum, a high degree of flexibility in the particular region's self-organization, the scope for their agency – their self-programming capacity, as recently formulated by the Lower Silesian authors²⁷³ – would seem one of the prerequisite for any region's success as a social and economic entity.

Also in political terms (meaning both politics and policies), regions have assumed growing and not diminishing functions and roles, especially in contemporary Europe – as vividly exemplified by the expanding range of the European Union's policies directed at/through the European regions and a regionalization shift across the EU and beyond. While including the regions in the overall structure of multi-level governance, it is hoped that the regions may and are likely to continue to provide fertile ground for various social and economic innovations and adaptations needed to make individuals and social groups grow and develop in a more sustainable way. This is especially the case in the current period marked by

²⁷² This paper draws on A. Gąsior-Niemiec, The problem of Eastern Poland – a holistic approach, in: M. Stefański (ed.), Endogenous factors in development of the Eastern Poland, Lublin, 2010.

²⁷³ See for instance the papers by R. Galar, J. Waszkiewicz, J. Muszyński in the consecutive volumes of the RegioFutures series edited by Jakubowska, Kukliński, Żuber and published by the Ministry of Regional Development since 2007 as well as the their contributions in the present volume.

the on-going reconstruction of the state functions and roles – regardless of one’s opinion on this restructuring.

Yet, it is quite clear that in the today’s interconnected and globalized world, rife with challenges that exceed the scope of single-handed intervention by not only states but also global actors, be it the EU, the USA, ASEAN or BRIC etc., to fulfill these hopes the European regions need both an expanded range for their endogenous self-programming capacity *and* a conducive stabilizing framework created by the higher order political agents, such as the states, supra-state and international organizations. This includes a substantial revision of – if not a withdrawal from the race-to-the-bottom-and-short-term-profit-only “philosophy” of the Anglo-Saxon neoliberal growth paradigm and globalization currently driven by this paradigm. This also means recuperating some degree of political controllability over the destabilizing globalization forces that currently are free to wreak havoc on states and regions alike.

Despite their overall huge developmental potential, not all of the regions take advantage of their agency and capabilities and/or not all of the time. Both endogenous and exogenous factors could be blamed for such failures or various mixtures thereof – depending on the region and the wider circumstances. Nonetheless, one issue appears quite clear: regional development does not follow a one-linear and uninterrupted vector of development. Regions may grow, flower, but also stagnate and collapse – in economic, political, social and cultural terms. However, regions may also regenerate – on their own and/or owing to a mixture of endogenous and exogenous factors, including (but not necessarily and not exclusively!) national/European regional policies and foreign direct investment. Moreover and importantly, as proven, *inter alia*, by several available case studies, regional growth, development and regeneration do take time – that is, regional development is a long-term business, much depending on both targeted and flexible investment, patient capital(s) *and* the quality of the region’s corporate spirit.²⁷⁴

Still, as much as this may sound politically incorrect, some regions should probably be allowed to dissipate as distinct political-administrative entities – especially the “artificial” ones that are created top down and persistently prove themselves to be unable to build and use their corporate agency. A kind of a “variable geometry” allowing for an increased variability and flexibility of regional structures and competences instead of the usual one-size-fits-all solutions should be considered as way to both encourage and discipline regional institutions, elites and populations. At the same time, such variability and flexibility would ensure a much greater scope for the self-programming capacity of the regions replacing the current trend to mechanically copy and implement all types of “best practices” without sufficient regard to the endogenous capacity of the regions at stake.

Within such a revised outlook on regions, a revised approach to state and regional institutions, regional development and regional policies is also needed – if only to help better assess whether they really fit and benefit the regions and the regional societies and to increase the level of accountability for policy-making, public support and spending. In turn, this implies a need to search for more encompassing and holistic approaches to the analysis and measurement of (regional) development – ones that go beyond the dominant (often simplistic, short-term and not infrequently misleading) “economistic” approaches, especially the ones

²⁷⁴ Compare e.g. both the RegioFutures series published by the Polish Ministry of Regional Development, *op. cit.* and the case of Flanders as presented by H. Baeyens in the present volume.

that prove to be so much attuned to the aforementioned Anglo-Saxon neoliberal growth model while insensitive to both scholarly and commonsensical critiques.²⁷⁵

In the remaining part of this paper, I am outlining a sketch of one of such more encompassing, holistic approaches to analyzing regions and their development. This sketch, proposed here only as a starting point, is obviously a subject for further elaboration and discussion. Moreover, owing to my longer-time research interests, the outlined analytical model is focused predominantly on the so called lagging (peripheral) regions – such as e.g. the Triple Mezzogiorno regions, including *Polska Wschodnia*, as recently analyzed, *inter alia*, by Kukliński (2008, 2009) Amoroso (2008, 2009) and several contributors to the volume edited by Stefański (2010). One of the stimuli to search for the new model is dissatisfaction with the many routine descriptions of regional underdevelopment (or lacking development) found in the literature as well as with the related policy practices and recommendations. One of the hopes is to emphasize the possibility of opening analytical venues that are both ready to go beyond the determinism and fatalism spread by the dominant structural (macro)analyses, especially the ones bred by neo-liberal dogmas, and to include more firmly in the regional analyses some seemingly intangible factors of development, such as value orientations, dominant discourses and prevalent images of the reality, including the images of the future.

Regional analysis – an attempt at a holistic approach

The rationale

Building upon some scholarship of critical new political economy and some sociological approaches, I am going to argue for a „three-dimensional” analysis of regional developmental trajectories that encompasses three spatial-temporal perspectives: a) structural; b) conjectural and c) constructivist. This type of analysis decidedly requires an interdisciplinary apparatus that may be employed to identify and dissect the sources, causes and factors of the developmental processes, while making it possible to picture the processes in a more dynamic manner. Critically, the proposed analytical approach aims at moving the problematic of development back to the arena of democratic politics, inclusive of the role of social forces and not solely of seemingly “objective” laws/forces of the economy.

This is firstly a result of adopting an analytical rule that requires from the researcher to reveal ideological assumptions inscribed in *any* model of development, *any* policy of development and in *any* (even the most technocratic) developmental doctrine – economic just as well as the other ones (cf. Samuels 1991). Secondly, this is closely related to a requirement that development should be treated as a *social* and *cultural* (and not exclusively economic) process that involves choices and decisions concerning collective-public goods (and not only individual-private ones), while the decisions concerning developmental processes stem from concrete value preferences in which decision-makers are embedded (cf. Adam et al. 2005), being also, moreover, a matter of political will. Thirdly, this is directly connected with a preference for a dethronement of the idea of unceasing and as fast as possible economic “growth” as an undisputed, taken for granted, self-explicable and self-legitimizing developmental imperative. Consequently, in the advocated approach, development is treated as a strategic and collective enterprise, meaning that it ceases to be conceived in quasi-

²⁷⁵ Compare e.g. J. Stiglitz, Freefall, 2010 for a discussion of the misleading nature of the usual measures, such as GDP.

biological terms as something that just happens independently of subjectivity, will and agency of social, economic and political actors (cf. Rončević 2008).

The model

Relating to the research practice of Fernand Braudel (1999), the leading representative of the French historical school of *Annales*, a political economist Eric Helleiner (Helleiner 1997; cf. Ravenhill 2008) initiated an attempt to create an analytical perspective that would enable a comprehensive view on the phenomena of development/lack of development (backwardness) in the contemporary world. As much as Helleiner aimed at an analytical frame that was suitable for research focusing on the dynamics of economic globalization, the opening he provided may be fruitfully followed in analyses focusing on the regional level. Irrespective of the spatial scale involved, what is of primary interest to the researcher following Helleiner's opening, is to strive to provide a holistic explanation and understanding of the sources and causes, patterns and consequences of uneven development.

On grounds of the proposed approach, the phenomena of development and lacking development (backwardness) are most generally conceived of in terms of *dynamic*, material and immaterial, effects of complex processes and historical trends whose description and explanation simultaneously involves three temporal perspectives and three corresponding analytical logics concentrating, respectively, on: (1) the time of *longue durée* that is served by structural analyses; (2) the epochal time that is served by conjectural analyses; and (3) the current time that is served by constructivist analyses.

These perspectives and their corresponding types of analytical logics reflect the variegated pace of historical time, the changeable nature of configurations of factors impacting on the directions and courses of developmental processes as well as different perceptions of a possibility to manage the developmental processes in a strategic manner. It is worth adding that while each of the three perspectives benefits from breaking the boundaries of scientific disciplines that conventionally have „arrested” the researcher within just one field of enquiry – be it history, economics, sociology, anthropology etc. – a dedication to interdisciplinarity becomes a *sine qua non condition* in the case of conjectural analyses, whereas constructivist analyses (frequently conducted in the “borderlands” of economic and social sciences, philosophy and linguistics) in addition require a considerable fluency in methods of discourse analysis.

The joint application of the three aforementioned *complementary* perspectives and logics is to lead not only to a better understanding of the socio-economic map of the contemporary world and to the re-articulation of the political dimension of decisions pertaining economic processes (extraordinarily masked by the dominant neoliberal discourse), but is also to result in the breaking of the tendency to privilege a static, overly determinist, if not fatalistic, picture of developmental differences and inequalities in the scale of regions, states or other macro-spatial arrangements (the global East vs. West, North vs. South etc.). Each of the listed temporal perspectives and their corresponding interpretative logics emphasizes a different stratum of factors that may be taken to constitute the main causes of development/lacking development experienced in the given social/physical spaces. Likewise, each of them sheds different light on the issue of a possibility to change the existing pro-/anti-development configurations, that is the issue of negotiating and shaping the conditions, instruments and goals of developmental processes – in other words, the issue of self-programming capacity.

The structural perspective

For the *structural perspective* it is typical to focus analytically on the time of *longue durée* that is the time measured in centuries. The researcher's eye is concentrated on the most stable (permanent or recurrent), exhibiting considerable inertia spatial and economic structures (to a lesser degree: political and social) that mark their presence on maps of the analyzed social systems „from one age to another”, as it were. Adopting this perspective, development or stagnation may indeed be perceived in terms of unchangeable, if not irreversible „states” (rather than trends or phenomena) that sediment and reproduce in given spaces and within given socio-economic systems from one century to another. The structural analysis produces a kind of a „freeze frame” image of developmental processes and differentials that is simultaneously highly polarized, revealing various „centres”, „semi-peripheries” and „peripheries” which are then arranged along the spectrum of wealth-poverty; progress-backwardness; expansion-implosion; dominance-subordination; innovation-imitation; accessibility-marginalization etc.

Anthony McGrew (2008) explains the persuasiveness and predominance of this analytical perspective in contemporary economic sciences and political theory and practice (which develop in the shadow cast mainly by economic experts) pointing out that structural accounts belong to the type of strong, positivist causal explanations, leaning to materialism and determinism and stressing „objective” imperatives and developmental stimuli that primarily result from technological progress and the logic of capital accumulation. A technological innovation automatically triggers change – economic, political and social. The requirements of capitalist rivalry and competition, profit maximization and market expansion get in turn translated into institutionalization, reproduction and deepening of concrete systemic advantages as well as into the emergence and deepening of „natural(ized)” developmental disparities.

Moreover – what is extremely important in the period of econometric fetishism – the majority of such structural advantages allows for their description in terms of „hard”, that is quantitative indicators, statistical tables, graphs and maps showing “black on white” the lasting permanence and expansion of spaces in which the structural advantages are concentrated as contrasted with the rarification of exchangeable resources and functional linkages when we move from a centre to a semi-periphery and further on to a periphery.²⁷⁶ Although structural explanations do not completely negate the role played by political actors, the significance of strategic action pursued by states, regions and other social forces or the weight of dominant worldviews, these kinds of factors are only attributed a secondary status relative to the „hard” structural ones, such as urbanization patterns, technologies, ownership structures, volumes of economic capital, transportation and communication infrastructures, production structures, institutions facilitating the accumulation and circulation of capital, economic regimes etc.

Good examples of structural analyses may be found in the scholarship focusing on globalization of the world system, documenting the emergence, accumulation and lasting permanence of the systemic advantages typical of the Western capitalist economies in the global scale since the 16th century onwards (cf. Wallerstein 1974). With regard to *Polska Wschodnia*, elements of such structural analyses are regularly present in the papers revealing e.g. the medieval and Partition-era legacies found in the regions of the Eastern Wall or, more

²⁷⁶ This is basically to prove that 1) once established, the divide between rich/developed and poor/backward regions is permanent and impossible to change; 2) the developmental disparities constitute a phenomenon that is not even historical but rather „natural”; 3) the policy of development, if addressed at the poor regions, is effectively a policy of „wasting” resources. Perhaps it is useful to mention that this kind of thinking is strongly reminiscent of the nineteenth century social Darwinism (see Balcerowicz 2010).

broadly – in the areas east of the Vistula River (Gorzela, Jałowiecki 1993; cf. Kukliński 2010). Nonetheless, a fully fledged Braudelian structural analysis of those regions still awaits a dedicated research team, basing on available statistical data, findings of economic historians and political economists, less explored archives, regional and local case studies etc. (cf. Chiriot, 1989; Kula, 1955, 1983; Małowist, 1993; Mączak, 1967, 1994; Polanyi 1962).

The conjectural perspective

For the *conjectural perspective* it is typical to focus on the historical time encompassing the particular epochs with their characteristic (i.e. distinguishing them from the preceding and subsequent historical periods), relatively stable and easily recognizable institutional patterns and practices sustaining the concrete types of socio-economic and political formations accompanied by specific (investments in) infrastructures, techniques, technologies and civilisational competences (cf. Sztompka 1993; Adam et al. 2005), as well as scientific and political doctrines providing justification and legitimacy to the former. Adopting this perspective, we are able to delimit and describe models of economic, political and social life dominating in the given historical period (epoch) within the given spaces, as well as being capable of pointing out the *concrete* factors that jointly co-created in the given period a specific „conjuncture” – facilitating developmental processes in the analyzed states/ regions or conversely, inhibiting their development. Such factors could include environmental impulses (e.g. an earthquake or a discovery of new natural resources), political ones (e.g. wars or long-term investment programmes), cultural ones (e.g. sedimentation of the norms such as clientelism/solidarism) etc.

Embracing this perspective visibly contributes to the undermining of fatalism and paternalism typical of structural analyses by drawing attention to mechanisms enabling the emergence of conditions („conjunctures”) that trigger the emergence and subsequent consolidation/reproduction of structures facilitating development (or blocking, hindering it) in particular social systems within particular temporal and spatial frames. The conjectural approaches are then specially suited to the explanation of chronologies, forms and concrete historical causes of patterns of uneven development. In this case the researcher pays much more attention to the overlaps, synergies and feedbacks resulting from the interaction (or just co-occurrence) of specific historical circumstances, trends and events whose cumulative effects produce concrete social phenomena and processes (development/backwardness) in a very specific form, characteristic of the specific space in the specific time period.

For example, the patterns of uneven development characteristic of the current phase of globalizing world economy could be interpreted as cumulative consequences of overlaps and feedbacks linking – especially since the 1980s – the effects of certain macro-political conditions (e.g. the demise of bi-polar geopolitics and the subsequent unrestrained hegemony of the United States), technological innovations (e.g. information revolution), economic practices (e.g. postfordism), institutional practices (e.g. liberalization of financial markets), social trends (e.g. consumerism) and ideological hegemony of neo-liberalism (e.g. Washington/Post-Washington Consensus). These (and of course many other) factors have jointly created a conjuncture strongly privileging the so called financial economy/creative economy/knowledge-based economy that was developed in the centres (especially metropolitan ones) of the (especially Anglo-Saxon) West.

This conjuncture enables quick production of (virtual) wealth and the equally quick production of internal (real) inequalities – economic, social, spatial etc. – in the central spaces while restraining and draining developmental capacities and resources located in the semi-peripheries and peripheries of the globalized system. Simultaneously, this conjecture enables (on the one hand) the patchwork-like (often “comprador”) economic growth and

industrialization of some regions of the global South *and* (on the other hand) – the continuation of exploitative drainage of other regions in the global South, producing effects such as their ever growing “unsustainable” debt, socio-economic decline and political collapse manifest in the phenomenon of ever more numerous “failed” and “failing” states of today (cf. Stiglitz 2002; Ravenhill 2008). Not so bleak, and yet quite a similar pattern is discernible in the relations between the European West and the East.

The comparison of the neoliberal developmental conjuncture initiated on a larger scale in the 1980s by *concrete decisions* taken and implemented by the conservative governments of the USA and Great Britain with the earlier developmental conjuncture (regulated by the state basing on the post-war socio-democratic consensus and Keynesism) that was characteristic of the West, especially Europe, in the post-war period until 1970s, makes it easier to identify and pinpoint those concrete and specific factors that jointly produce, reproduce, consolidate and legitimize the current patterns of uneven development.

This comparison makes it easier to see that the neoliberal conjuncture – despite its promises – not only reinforces the „inherited” inequalities and developmental disparities but is responsible for their rapid deepening and the rise of new developmental gaps. Despite the many periods of fast and high economic growth and the rapid creation of gigantic private wealth since the 1980s, the gaps between the rich and the poor (regions, social groups, individuals) are not diminishing but growing, while simultaneously (albeit at different paces) in most of the states which got reoriented to the neoliberal order (with a notable exception of Scandinavia so far) we witness a progressive deterioration and degradation of the public sphere (infrastructures, goods, services, norms of social interaction, communication etc.) (cf. Ravenhill 2008).

From this vantage point, the structural advantage and dominance of the rich/developed who – quite in accordance with St Matthew’s rule – get ever richer/more developed while the poor/underdeveloped get ever poorer/less developed, ceases to be „eternal” and „natural” in as much as the researcher is able to quote several convincing data (including “hard” – quantitative ones) that clearly evidence the fact that during the conjuncture based on the socio-democratic consensus and Keynesism the developmental disparities were decidedly more moderate than they are now, during the conjuncture based on neo-liberalism and neoclassical economy (cf. Ravenhill 2008; Castells 2007-2008). While the opportunities and chances for the poorer (individuals, regions, states) to develop and grow were by no means breath-taking during the previous developmental conjuncture, they did exist and were intentionally provided for and maintained on the systemic level. During the conjuncture dominant today, such opportunities and chances are much more reduced and erratic, not the least by the systemic push towards the fiction of “free” play of the “free” markets. This clearly shows how the structural dimension of uneven development can get de/constructed in a relatively short period of time.

In a similar vein, if we recall the case of the Italian regional duality and the permanence of the image of Mezzogiorno as if “by nature” unable to develop, a new interpretation of that problem emerges when developmental conjectures in both parts of the Apennine Peninsula are compared, let us say, from the 12th to 14th centuries or at the verge of the 19th and 20th centuries. It is a historically proven fact that in those periods the South was more innovative, better developed and richer than the North. What we thus learn is that the current state of backwardness and poverty of Mezzogiorno is by no means „natural”, „eternal” or „irreversible” (cf. Putnam 1993; Brown 2003). The case of the political/economic and cultural antagonism between Flanders and Wallonia in today’s Belgium is quite similar in this respect: in the past Flanders used to partake in the wealth and prosperity produced by nowadays poor and “backward” Wallonia. The case of Ireland provides another vivid example of the insight gained through research into developmental conjectures: for centuries impoverished,

backward and seen as unable to develop on its own, after gaining independence from Great Britain and a few decades of trial and error, in the second half of the 20th century, the country managed to take advantage (and co-shape) a new developmental conjecture that has earned it the name of the Celtic Tiger. In the aftermath of the current crisis, which had been bred by the neo-liberal practices to which this country got in some respects very well attuned, Ireland's developmental trajectory might be in for another radical turn.

The solid (albeit unfinished and significantly deconstructed after 1989) success achieved in the interwar period in just a few years by creating practically *ex nihilo* the sea-port and city of Gdynia on the Baltic coast as well as by building the foundations of *Centralny Okręg Przemysłowy* (Central Industrial District) that had been purposefully located in the poor and backward central-eastern part of the interwar Poland (broadly, in today's *Polska Wschodnia* as delimited by Kukliński 2010) evidences equally clearly the need to analyze developmental configurations and patterns through the prism of developmental conjectures, inclusive of political strategies and decisions. Then, it is easy to see that the developmental conjectures are composed not of some „natural” and „eternal” quasi-biological structures/patterns of development but rather of very concrete factors stimulating/hindering the birth and growth of spatial developmental potentials. Political decisions to stimulate/diminish systematic investment in the economic base and infrastructure (technical and social) in the given space, taken at the level of the state, form an important element of such conjectures.

The conjectural perspective undermines thus the conviction stipulating an unchangeable and unchallengeable nature of the existing patterns of uneven development. In other words, conjectural interpretations emphasize a *conditional* character of developmental processes – that is their dependence on specific, historically changing (and thus *changeable*) configurations of circumstances and factors – from technological to political. Not ignoring the weight of the structural factors (spatial, economic, technological), within this research perspective the researcher will put more stress on the role of strategic decisions and actions impacting on the direction and strength of trends reinforcing or weakening the existing „structural context” (and thus initiating or blocking the developmental impulses). What is more, the researcher will also pinpoint the influence of chance events and circumstances that might have had the capacity to reverse the developmental trajectories, such as natural catastrophes, wars, systemic changes etc.

The works of Latin American *dependistas* (cf. Frank Gunder 1967) provide good examples of such analyses. Nevertheless, one should also highlight the more general theoretical input contributed to this kind of political economy by Gunnar Myrdal – well exemplified by his concept of cumulative causation (Myrdal 1963). Another – and more recent example is Manuel Castells who provides an excellent account of the rise of the informational economy and the network society in the second half of 20th century (Castells 2007-2008). Even more recently, there have been published several conjectural analyses focused on contemporary Finland – the country where just within a decade or so a complete strategic change of the developmental trajectory was successfully executed, which was animated and coordinated by the Finnish state (cf. Castells, Himanen 2009).

The constructivist perspective

For the *constructivist perspective* it is typical to focus on the so called time of events (*l'histoire evenementielle*), encompassing current actions, declarations, mindsets and attitudes of social actors – from individuals to governments – who are constantly involved in reacting to the emerging events and circumstances and try to shape them and influence them in accordance with the way they perceive and interpret those events and circumstances. Explanations offered by the researcher embracing the constructivist perspective are seemingly

„soft” and indeterminate, stressing the significance of cultural and ideological factors: habituses, mental schemata, symbolic images, linguistic practices, communication techniques etc. Not denying the weight of more tangible structures and conjectures, much more attention is paid to the role of immaterial factors, first of all to the role of dominant ideas and discursive formations, alongside political and organizational cultures.

On this ground, it is for example claimed that to understand discursive mechanisms responsible for the social construction of economic facts and processes is as much important as an enquiry in the material foundations of those facts and processes. In other words, to fully understand patterns of development and developmental disparities it is equally important – at times even more important – to understand the ideas and discourses presenting and justifying (naturalizing, legitimizing) them as “objective”, “natural”, “desirable”, “beneficial” etc. (or quite the reverse) than to analyze them with an exclusive focus on those of their causes that are translatable into material factors and “hard” statistical figures (cf. Schmidt 2002; McGrew 2008).

Therefore, analyses carried out using the constructivist perspective first of all draw our attention to the ongoing social construction of reality (here: developmental trends and political decisions facilitating their emergence and/or reproduction) by means of ideologies, world images and hegemonic discourses produced by dominant actors who are able to impose their worldviews on entire societies. Such analyses make visible the hidden mechanisms involved in the production and promotion of specific interpretations of development/backwardness (and their causes) as „objective” and „justified” facts. Presented as legitimized facts – additionally strengthened with an emblem of „hard” statistical data – those visions and interpretations may then be exempt from the debate and negotiation within the framework of normal democratic politics. They start to be seen as independent of the social forces, irreversible and quasi-biologically determined processes and trends.

While granted the status of unquestioned „truth”, value preferences and norm hierarchies, concrete interests, advantages (profits) and motivations that form the foundations of those processes and trends become politically and socially „invisible”. Political decisions taken on the basis of those „truths”, especially the ones that take the shape of public policies (whether interventionist or deregulatory – depending on the dominant „truth”), are then presented as non-negotiable: „obvious”, „corresponding to objective facts”, „congruent with the public interest”, „necessary” etc.

For instance, one of the most important techniques to legitimize the currently dominant neoliberal model of „development” (and the group interests benefiting from it) involves the tacit rule that prioritizes exigencies of unstoppable economic growth, whereas social, cultural and ecological consequences thereof are marginalized.²⁷⁷ Another example of the same sort of (thought-and-language control) techniques is constituted by the rule that until very recently has excluded any critiques of the policy goals and means derived from the hegemonic Washington and then Post-Washington Consensus by *ex ante* compromising any voice critical of wholesale liberalization, deregulation, commercialization and privatization as a symptom of populism, (post)communism, if not ignorance and stupidity (cf. Žuk 2008; Stiglitz 2010).

Yet another technique is based on the rule excluding critiques of political rationality that imposes the logics of “pure” economic “rational” calculation on all types of public

²⁷⁷ It is worth highlighting that this technique is *inter alia* premised on a (typical for neoclassical economy, absurd and dangerous in light of most social theory, political philosophy and even economic theory – just read Adam Smith [1997, 1999]!) assumptions picturing an autonomous (a-social) individual guided solely by the rule to always maximize the profit and minimize the cost as the only type of actor involved in economic relations, while economic relations are being pictured as the only rational and needed type of inter-human relations.

investment. This rule is particularly efficient in denying any legitimacy of non-economic interests and also those *de facto* economic interests that appeal to rules of classical long-term investments („patient capital”) that do not conform to the current neoliberal preference for short-termism and instant profit (cf. Bogle 2009 reminding us of the now almost forgotten difference between investment and speculation).

A similarly efficient technique to delegitimize the claims (interests and values) of the current “losers” (be it badly paid workers, poorer regions or states ruined by so called short term investors) involves their discursive stigmatization (cf. Gašior-Niemiec 2010). In other words, economically losing individuals, social groups, regions etc. are systematically portrayed as cultural Others. Demanding a fairer economic deal, defending their economic interests or appealing for *more equal opportunities to develop*, those “losers” are pictured as enemies of progress and civilization: as irrational remnants of the past (cf. Bukraba-Rylska 2010), carriers of „oriental mentality” (cf. Buchowski 2006) or a parasitic burden to be done away as quickly as possible (cf. Mokrzycki 2001). In short, the economic claims are thus annulled on a cultural plain.

Convincing, well theoretically *and* empirically grounded examples of constructivist analyses may be found for example in the stream of post-colonial research (cf. Said 1991), post-apartheid research (cf. Norval 1996) and analyses of Thatcherism (see Hall, Jaques 1983). From the vantage point of research into uneven development in the regional scale, such as the scale of *Polska Wschodnia*, one could certainly benefit from publications signaling a new stream of research focused on the problem of Mezzogiorno that highlights the role of the stigmatizing discourse masking obvious disadvantageous elements of the actual anti/developmental conjectures constructed by dominant political and economic actors (cf. Rossi 2004). Likewise in the case of the regions of Eastern Germany (cf. Lentz 2006).

It needs to be clearly stressed that constructivist analyses are not meant to replace structural and conjectural ones, but rather, by definition, they are meant as a *crucial* complement to the latter. Providing explanations that make a recourse to actors’ motivations, preferences, interests, identities, to ideas, symbols and discourses co-constituting collective action as well as setting the limits for the horizon of social expectations (collective imaginations), such interpretations contribute a necessary corrective to the findings resulting from structural and conjectural research, since the latter, tending to diminish the import of human and social factors, may breed determinism, conservatism or opportunism when highlighting „objective” and “permanent” developmental disparities and such causes thereof. In this sense, constructivist analyses are the least deterministic and the most open to search for alternative developmental trajectories (alternative futures).

Summing up, in as much as we decide to view developmental processes as phenomena bred by complex causes that necessitate taking into account multiple factors – in other words as much as we opt for conceiving of development as a multi-layered historical process that realizes in a few different historical times (Helleiner 1997) – their understanding and explaining will require an analysis that is not only sensitive to the mutual impacts, overlaps, feedbacks and synergies of a variety of structures, factors *and* human choices (technical, economic, political etc.), but also an analysis that can tackle the variegated pace of social and institutional change. And in as much as development will mean to us something more than just economic growth, an analysis of its sources (causes), patterns, consequences and strategic attempts to change its trajectory will have to accommodate the role and significance of social and cultural factors, including the role of values, symbols, language and images.

Conclusion

The problem of uneven regional development is not a new problem. It has plagued many European countries, most notably Italy, Germany and Poland. The many failures of regional policies – both at the national and European level – testify to the fact that this is a real problem and difficult to solve. Yet, to a large extent the existing approaches to analyzing regional development and models to measure the regions' "progress" have been in many aspects flawed, focusing for instance almost exclusively on macro-economic and structural indicators, especially the ones attuned to the dominant Anglo-Saxon model of growth. Also, those approaches and models did not allow for a more encompassing analysis of the concepts and practices of regional policy paradigms and the role of regional actors in the developmental processes. Finally, they were often silent on many crucial factors, such as dominant value preferences, discourses and images that are conducive – or not – to the overall attitudes of the regional policy-makers and societies to development, including the crucial – in my view, issue of the ability to breed and sustain a sense of corporate responsibility for the region's well being without which it is near impossible to conceive of the region's self-programming capacity.

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Statistical methods of analysis of information society growth: examples of regions in Italy and Poland

Abstract. The paper presents an analysis of information society growth in the regional perspective, starting with a methodological approach to predicting social penetration of diverse high technology artefacts. This approach gives a basis for predicting information society growth in regions of Italy and Poland, using several standard indicators of such growth, and computing so called delay or advance times of such growth for diverse regions. The results show that regions in both Poland and Italy are strongly diversified. The maximal span between delay and advance times amounts in Italy to 5.5 years in the case of (bigger, EU) regions, 8.5 years in the case of (smaller) regions corresponding to voivodships; in Poland 2.5 years in the case of regions, 3.5 years in the case of voivodships, but there are examples of a span of 17 years in the case of districts (*powiaty*) of Mazovia; thus, statistical regional aggregation results in smoothing out duality indicators. Poland is slightly ahead (from 0.5 to 2.5 years, depending on indicators and regions) when compared to Italy, which shows that not the economic wealth but strategic determination is the reason for the growth of information society.

Keywords: Information society indicators, dynamics of social penetration of high technology, logistic curves, delay times, Internet use penetration

Introduction and methodological approach

We are taking for granted that we are living in the period of informational revolution which involves a broad socio-economic use of diverse artefacts of high technology, in particular computers and the Internet. The paper concentrates on methods of measuring, predicting and comparing the growth of social penetration of such artefacts in diverse regions.

To illustrate such processes of social penetration, we quote here in Fig. 1 historical data concerning the United States. The great crisis during 1928-33 perturbed the growth of electricity and telephone use, but most regular and telling is the growth of (colour) television use.

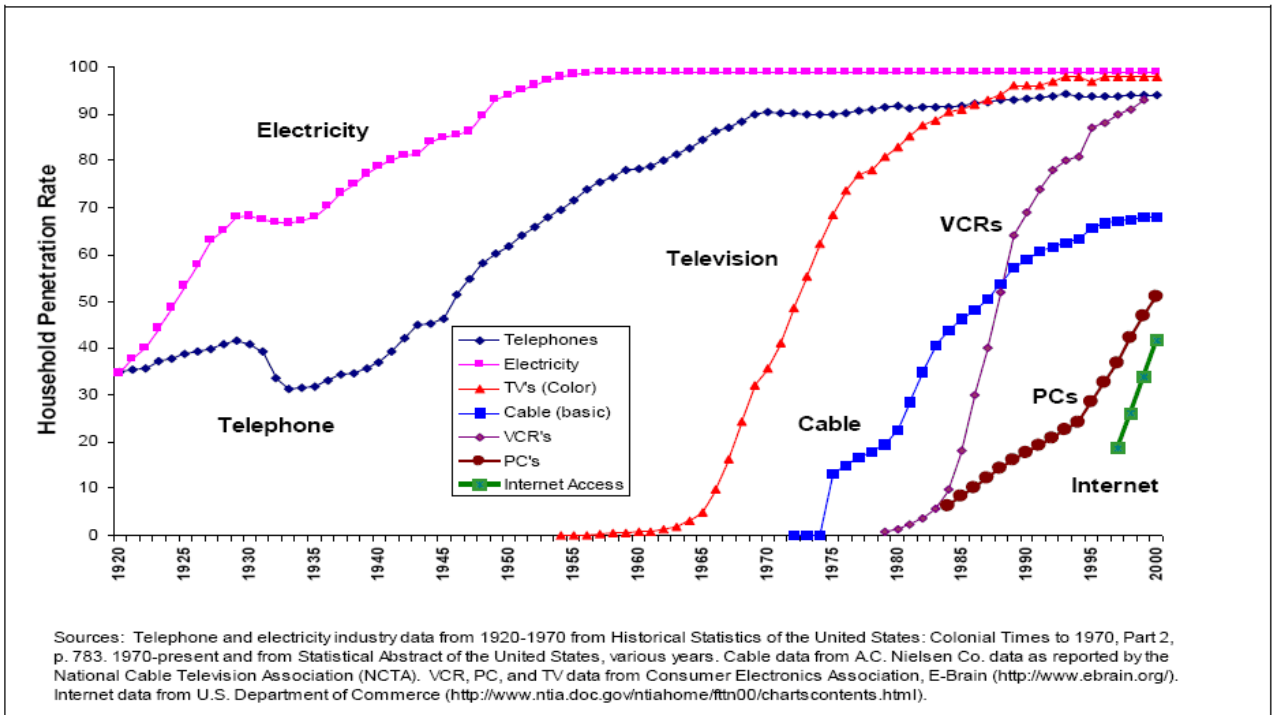


Fig. 1. Growth in the use of electrical and electronic artefacts in USA in years 1921 – 2000²⁷⁸.

The basic inventions concerning television (television camera and television receiver) occurred between 1932-28, the first television broadcast in 1936, see [1]) are much earlier than the start of social penetration of television which in 1960 did not exceed single percents of the population in the United States (in the case of colour TV; black and white TV started to penetrate about 15 years earlier); thus, between an invention and the start of social penetration there is a pure delay time, see [2], in this case about 20-35 years. The social penetration curve, when it starts, is typically approximated by a kind of logistic (e.g., sigmoidal) function – although, obviously, such penetration does not start at minus infinity. Typical problems in analyzing and predicting such social penetration are what type of logistic function to select, how to estimate its parameters, what quality of prognoses can be obtained by applying such functions to a shorter sequences of data (for example, as those describing the Internet use, Fig. 2), etc. These problems were analysed in detail in our recent paper in Polish [3], here we present only a short summary.

²⁷⁸ From <http://www.ntia.doc.gov/ntiahome/fttn00/chartscontents.html>.

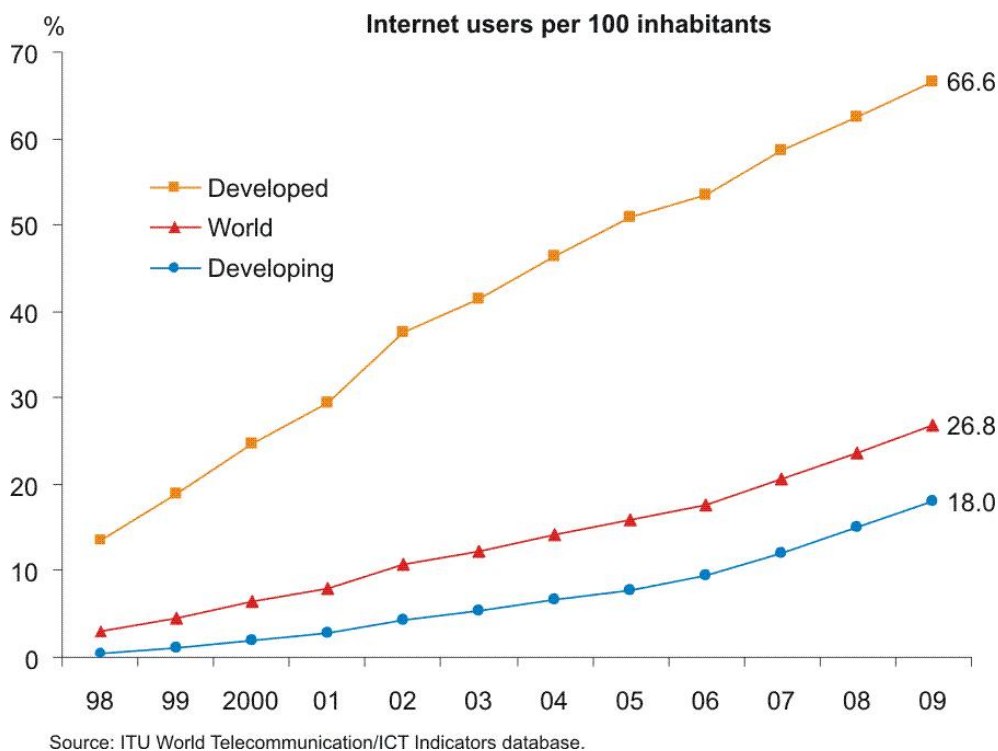


Fig. 2. Internet users per 100 inhabitants in 1998 - 2009. Source: ITU.

In the case of our main interest – the regions of Italy and Poland – we had even shorter sequences of data (e.g., only 4 years). In order to derive reasonable conclusions from such short data series, we first studied in detail longer data sets, trying to predict from them while using only their beginning data. Below we indicate main elements and results of this study.

We used two types of functions: the classical logistic sigmoidal curve $q(t) = a / (1 + b \exp(-c t))$, and the Gompertz function $q(t) = a \exp(- b \exp(-ct))$. The parameters a , b , c are responsible, respectively, for the saturation level, time shift and the maximal speed of growth. The classical logistic curve has a maximal speed of growth and the inflection point at its middle (when $t = \ln(b)/c$, $q(t) =$

$a / 2$); its maximal speed of growth amounts to $q'_{\max} = ac/4$. The Gompertz function has a maximal speed of growth $q'_{\max} = ac/e \approx ac/2.72$ and the inflection point below its middle (also when $t = \ln(b)/c$, but $q(t) = a/e \approx 0,367 a$). When looking at the actual growth of television penetration in the USA, we can see that the maximal speed of growth occurs below the middle of the curve, hence Gompertz function seems to be a better choice; but the statistical fitting of parameters indicates that sometimes the Gompertz function and in other cases the classical logistic curve is better. We performed also a sensitivity analysis of parameters a , b , c for these two functions; again, no clear conclusion concerning a superiority of one of these functions can be drawn. Thus, we used both of these functions in further applications.

For statistical fitting, we used data on the penetration of black and white TV in the USA (a long data series, 1950-78), and data on the penetration of mobile telephones in Poland (shorter data series, 1993-2009). These data are illustrated on Fig. 3. We can see that these curves are not quite

similar to logistic functions; but they are realistic examples that we used to study the questions what are the main difficulties and what is the accuracy of using only a part of such data to predict the remaining part. The full study was presented in [3]; the main conclusions are as follows.

The most difficult to estimate is the saturation parameter a . Standard statistical software has difficulties and often fails to fit this parameter automatically; we developed our own optimization loop in order to estimate this parameter. If there are independent reasons for choosing a (such as using relative data where $a = 100\%$ by definition), then parameters b, c can be estimated relatively easily and robustly by standard statistical software, both for classical logistic and Gompertz functions. Even if the estimation of parameters b, c is based on a short data series, the resulting curves give reasonable prediction of “future” (as compared to the data used for estimation) data series.

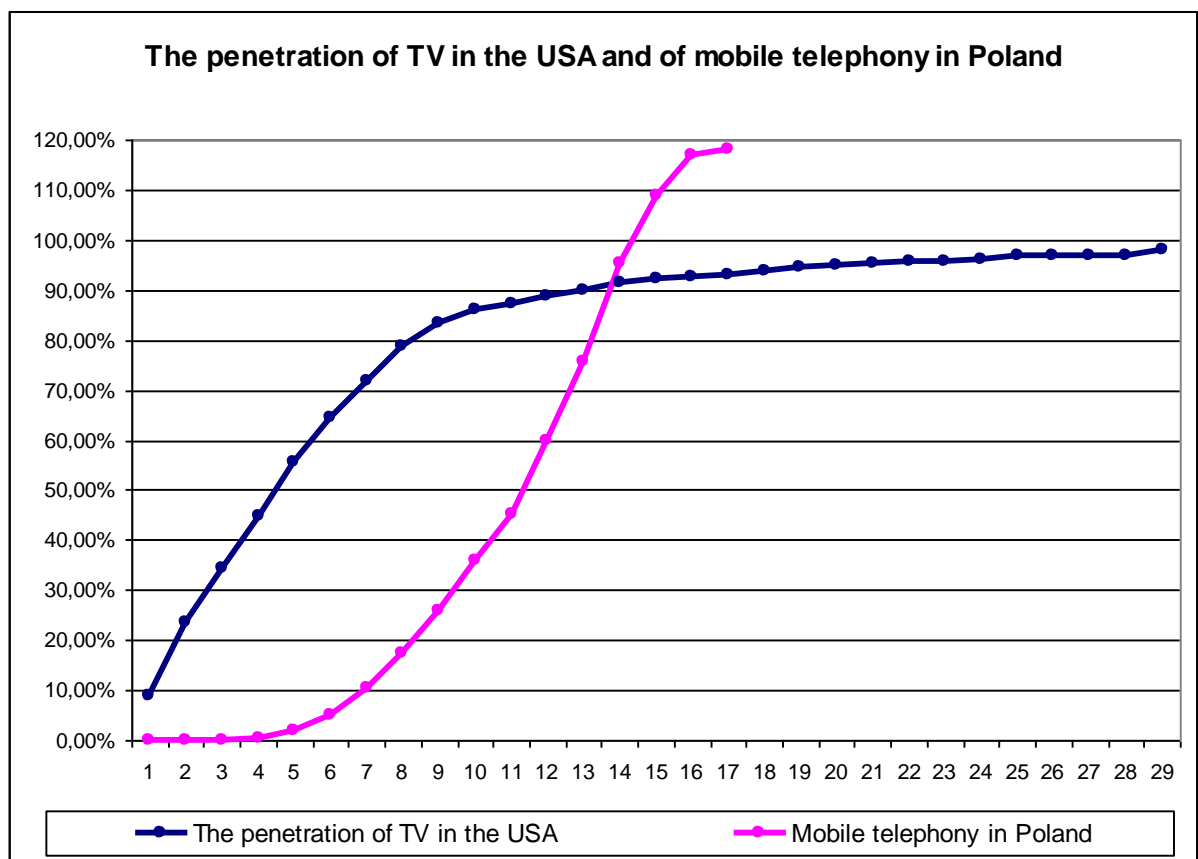


Fig. 4. The penetration of TV (colour and black and white) in the USA and of mobile telephony in Poland.

The estimation with Gompertz curve gives slightly better results concerning the saturation parameter a ; the classical logistic curve tends to under-estimate this parameter. In some cases (television in USA) the Gompertz curve gives systematically better estimation, than classical logistic curve; but in other cases (mobile telephones in Poland, later years) the classical logistic curve is better. This might, however, be influenced by the fact that the later years of the growth of mobile

telephony in Poland is perturbed by the recent economic crisis. The differences between the historical data and the estimated curves are illustrated in Fig. 4.

Another methodological issue concerns the fact that the national and regional data on the penetration of high technology artefacts are highly diversified; how should we then compare, say, two Gompertz curves statistically fitted to data from two regions? In [4] we proposed a method of comparing *the delay or advance times*. We establish *reference data* of comparison (e.g. an average of entire country in a selected year) and, if a given region is in this year below that reference data, we compute as *the delay time* the time interval needed for this region to achieve the reference data according to the curve fitted to the data of this region. If a region has already achieved the reference data, we compute as the *advance time* the time interval passed from the moment when this region had data equal to the reference data. Of two regions, the better is obviously the one with larger advance time or smaller delay time. If one region has delay time, another advance time, then the one with advance time is better, but the difference between them is the sum of (absolute values) of advance and delay. Such time difference can be rather large, if we address data for smaller territorial units, such as districts (*powiaty*) in the Mazovia region: in [4] we found the maximal time difference of 17 years (in the percentage of schools with the Internet access). For larger territorial units, such differences diminish due to statistical averages; however, counting such differences in years gives indicators that are relatively objective and intuitively easy to interpret (how many years are needed to catch up).

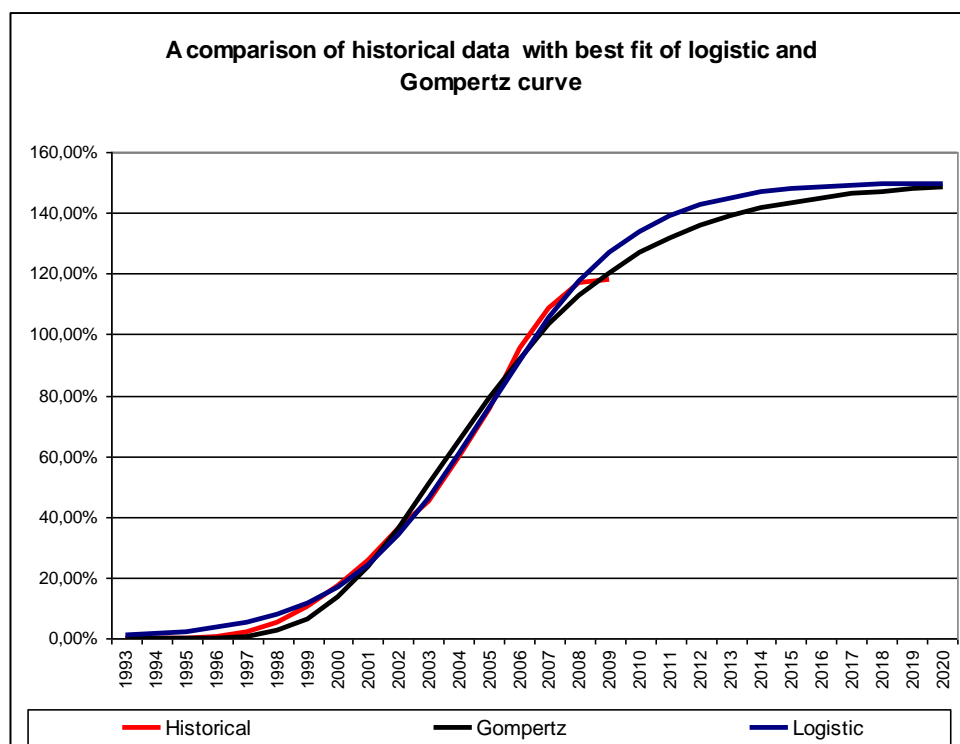


Fig. 4. Penetration of mobile telephony in Poland. A comparison of historical data with best fit of logistic and Gompertz curve.

Indicators of ICT development and data for Poland and Italy

We used ICT (Information and Communication Technology) data from the portal Eurostat in the section Information Society Statistics that has subsection on Regional Information Society Statistics, see Fig. 5.

In the regional perspective, the data concerning ICT in EU is scarce. Moreover, they contain only very short (4 years, sometimes even 3 years) time series. However, using the experience gained by the analysis described above, we fitted Gumpertz and logistic curves to the data with assumed saturation levels a ; this results in reasonable prognoses for these data, we must only treat these prognoses with deserved caution. We used the data for four indicators:

- ❖ Households with access to the Internet at home;
- ❖ Households with broadband access;
- ❖ Individuals regularly using the Internet;
- ❖ Individuals who ordered goods or services over the Internet for private use;

all in relative units (%). The data are presented in Table 1. For Polish voivodships we have longer series of statistical data, but coming not from Eurostat, only from GUS (Polish statistical bureau).

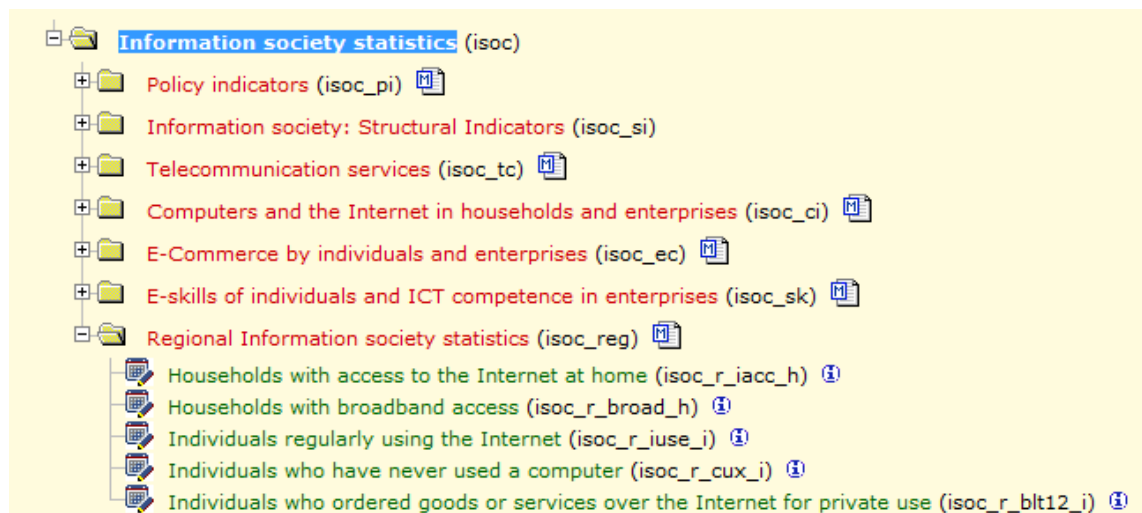


Fig. 5. ICT data on the portal Eurostat.

Source: http://epp.eurostat.ec.europa.eu/portal/page/portal/information_society/data/database

Table 1. Data from portal Eurostat.

isoc_r_iacc_h-Households with access to the Internet at home

Last update	19-03-2010
Extracted on	17-04-2010 11:48:10
Source of data	Eurostat
Households having access to the Internet at home	Percentage of households

INDICATORS	OBS_FLAG	UNIT	INDIC_IS	
GEO/TIME	2006	2007	2008	2009
Italy	40	43	47	53
Nord Orest	43	47	50	55
Piemonte	38	42	45	52
Valle d'Aosta/Vallée d'Aoste	38	41	48	54
Liguria	37	39	41	49
Lombardia	47	51	54	57
Nord Est	43	47	51	57
Provincia Autonoma Bolzano-Bozen	42	49	55	59
Provincia Autonoma Trento	44	52	49	55
Veneto	43	48	48	57
Friuli-Venezia Giulia	41	44	52	56
Emilia-Romagna	43	45	53	57
Centro (IT)	44	47	51	58
Toscana	45	47	47	57
Umbria	43	46	50	55
Marche	43	46	48	59
Lazio	44	47	54	58
Sud (IT)	33	36	40	48
Abruzzo	39	46	46	56
Molise	40	45	49	53
Kampania	32	37	41	51
Puglia	32	33	36	43
Basilicata	41	39	45	46
Kalabria	31	35	38	44
Isole (IT)	33	36	38	48
Sicilia	30	32	35	46

Sardegna	41	46	47	55
Poland	36	41	48	59
Centralny	:	41	47	57
Południowy	:	41	49	60
Wschodni	:	37	44	55
Północno-Zachodni	:	42	50	63
Poludniowo-Zachodni	:	41	49	59
Północny	:	44	47	59

An additional complication is that the concepts of regions in Italy and in the EU are slightly different: Italian regions are smaller, corresponding rather to Polish voivodships. Thus, for more objective comparison, we used two concepts of regions in Italy: *smaller regions* (compared to Polish voivodships) and *bigger regions* (Nord Ovest, Nord Est, Centro, Sud, Isole, compared to Polish regions Centralny, Południowy, Południowo-Zachodni, Wschodni, Północny, Północno-Zachodni).

Comparison of ICT penetration in Italy and Poland

Delays and advancements of development

As indicated earlier, we can use Gompertz (or logistic) curves fitted to the data from Table 1 to determine delays or advancements of subsequent regions when compared to reference data. As such reference data we have selected the year 2008 and the average indicators for Italy. The results are presented in Table 2.

Table 2. Delays (indicated by minus sign) or advancements in the development of ICT indicators for (bigger) regions of Italy and Poland

Region	Italy	Nord Ovest	Nord Est	Centro (IT)	Sud (IT)	Isole (IT)	Poland	Centralny	Południowy	Wschodni	Północno-Zachodni	Południowo-Zachodni	Północny
Households with access to Internet at home	0,0	1,0	1,0	1,0	-2,0	-2,0	0,5	0,0	0,5	0,0	0,5	0,0	0,5
Households with broadband access	0,0	0,5	0,0	0,5	-1,0	-1,0	1,0	1,0	1,0	0,0	1,0	0,5	1,0
Individuals regularly using	0,0	1,0	1,0	1,0	-2,0	-1,5	1,0	1,5	1,0	0,0	1,0	1,5	1,5

Internet														
Individuals who ordered goods or services over Internet for private use	0,0	2,0	2,0	1,0	-3,5	-2,5	2,5	3,5	2,0	1,0	2,5	2,5	2,0	

We see that Poland is slightly ahead of Italy in most of these indicators. There are regions in Italy (Nord Ovest and Nord Est) that are slightly ahead (0.5-1 year) of Polish Wschodni region, but on average Poland is ahead 0.5-2.5 years, while the maximal difference (individuals who ordered goods or services over Internet, in the Polish region Centralny versus the Italian region Sud amounts to 7 years. This cannot be explained by better economic situation, because even Polish region Centralny has lower GDP/capita than Italian Sud; thus, the reason for this difference must be a more informed society equivalent to a stronger strategic orientation and determination.

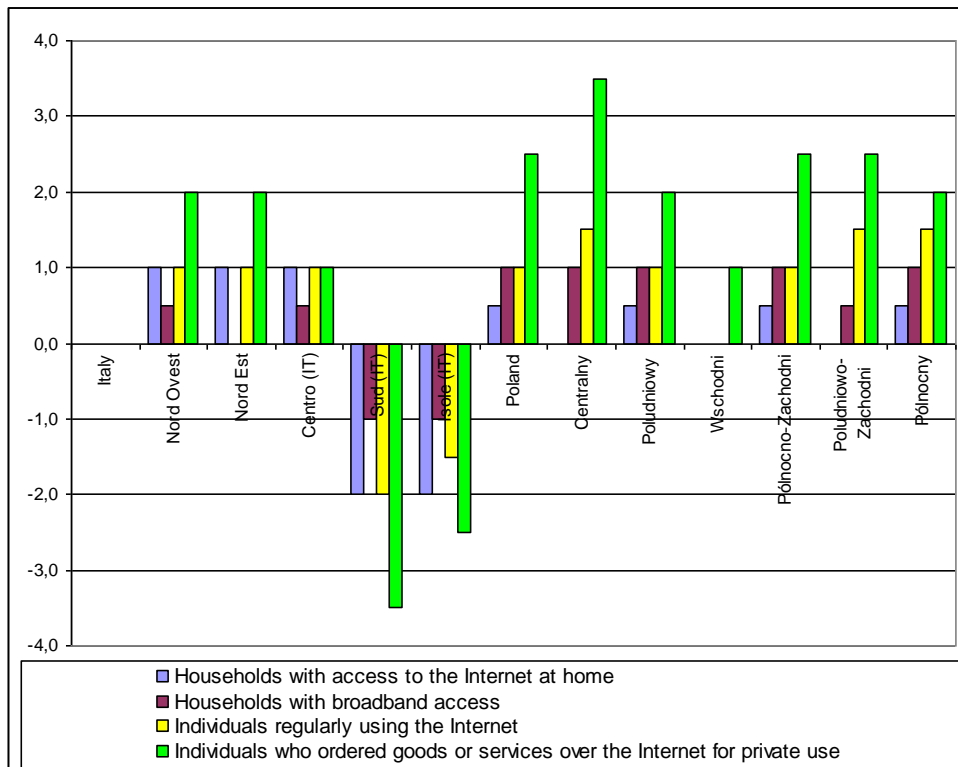


Fig. 6. Advance or delay of (bigger) regions of Italy and Poland as compared to the average of Italy in 2008.

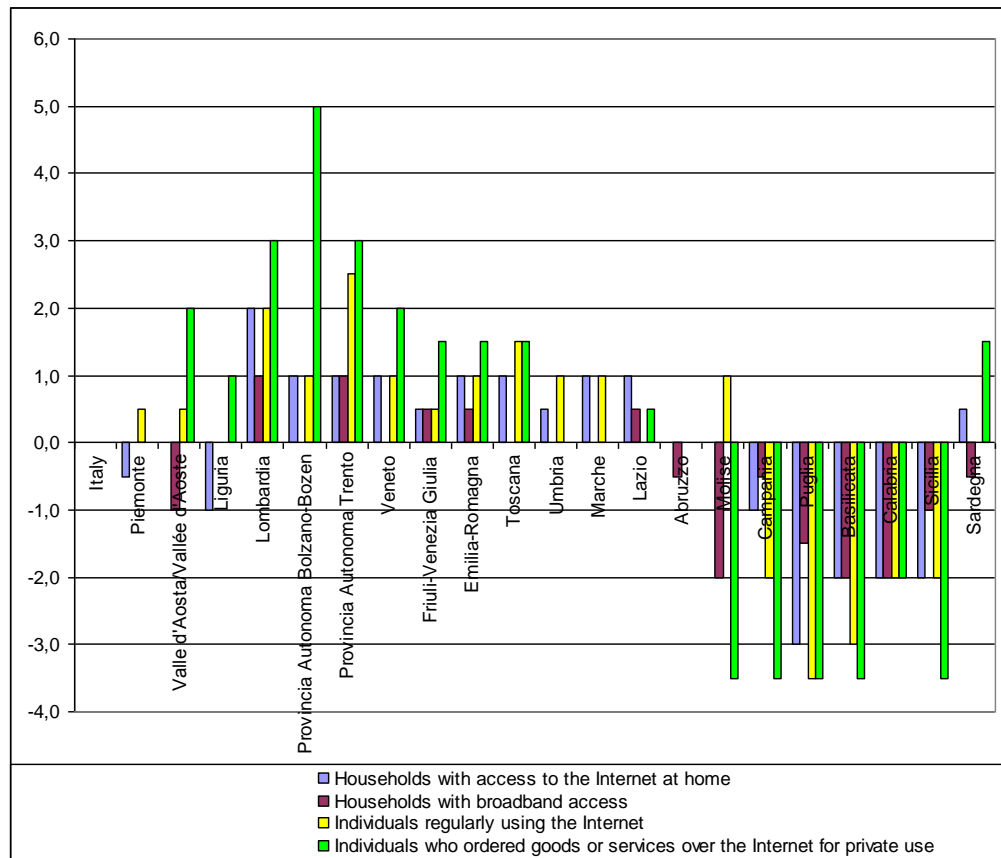


Fig. 7. Advance or delay of (smaller) regions of Italy as compared to the average of Italy in 2008.

The biggest difference between the (bigger) regions of Italy concerns individuals who ordered goods or services over Internet and amounts to 5.5 years, while in Poland the corresponding biggest difference is 2.5 years. These biggest differences can be used as indicators of the duality of development; they are bigger in Italy than in Poland, but we must stress that they depend on the size of territorial units compared.

The data from Table 2 is illustrated by Fig. 6. However, when we use data for smaller territorial units (smaller regions of Italy), their diversification is much stronger, see Fig. 7 (we do not repeat the corresponding table, see [3] for details), and amounts maximally to 8.5 years. We noted before that the diversification of voivodships in Poland amounts to 3.5 years, while in even smaller units, districts (*powiaty*), we observed maximal differences of 17 years in Mazovia in Poland [4].

Rankings

Rankings respond to the question “who is the best” or which region is most advanced in ICT penetration. If there were an only one indicator of ICT penetration, ranking would be easy. However, we cannot measure ICT penetration with one indicator only; thus, it is necessary to use multi-criteria ranking. In [4], we presented diverse ranking methods and results. Here we only stress that traditional methods of ranking, based on weighting coefficients, are as subjective as the determination of such coefficients. There is no possibility of obtaining an absolutely objective ranking; but we might select methods of ranking (not using weighting coefficients) that are as objective as possible, see [5]; we shall call these methods shortly *objective ranking*.

Thus, we consider two methods of multi-criteria rankings:

- ❖ Traditional, subjective, based on subjectively defined weighting coefficients;
- ❖ So called objective (as objective as possible), based on the set of evaluations of criteria or indicators and on reference values resulting from averaging these evaluations.

An example of subjective ranking (with equal weighting coefficients for all four indicators of ICT penetration) is given in Table 3 for (bigger) regions of Italy and Poland and in Table 4 for (smaller regions of Italy. In both cases, we use values of ICT indicators as predicted for year 2010 by fitting logistic curves to historical data.

Table 1. Multicriteria subjective ranking of (bigger) regions of Italy and Poland; year 2010

Region	Ind_1	Weight	Ind_2	Weight	Wsk_3	Weight	Ind_4	Weight	Sum	Ranking
Nord Orest	58,1%	1	49,6%	1	47,8%	1	16,6%	1	43,02%	9
Nord Est	60,4%	1	48,3%	1	47,4%	1	17,7%	1	43,44%	8
Centro	60,9%	1	52,0%	1	47,9%	1	15,2%	1	44,01%	7
Sud	51,2%	1	39,1%	1	36,5%	1	7,6%	1	33,59%	11
Isole	50,3%	1	40,5%	1	39,1%	1	10,2%	1	35,01%	10
Centralny	63,2%	1	60,8%	1	56,1%	1	28,9%	1	52,25%	3
Południowy	67,3%	1	58,4%	1	54,3%	1	26,1%	1	51,51%	4
Wschodni	62,1%	1	55,9%	1	49,8%	1	22,8%	1	47,64%	6
Północno-Zachodni	70,3%	1	65,9%	1	55,6%	1	26,1%	1	54,45%	1
Poludniowo-Zachodni	66,2%	1	60,2%	1	55,0%	1	30,5%	1	52,98%	2
Północny	63,8%	1	60,5%	1	53,7%	1	27,8%	1	51,43%	5

Table 2. Multicriteria subjective ranking of (smaller) regions of Italy; year 2010

Region	Ind_1	Weight	Ind_2	Weight	Ind_3	Weight	Ind_4	Weight	Sum	Ranking
Piemonte	55,1%	1	46,4%	1	46,5%	1	13,1%	1	40,28%	13
Valle d'Aosta/Vallée d'Aoste	58,4%	1	40,4%	1	47,4%	1	17,7%	1	40,97%	10
Liguria	50,8%	1	45,5%	1	45,5%	1	16,2%	1	39,51%	14
Lombardia	60,2%	1	51,3%	1	49,2%	1	17,6%	1	44,58%	3
Provincia Autonoma Bolzano-	64,7%	1	47,5%	1	47,4%	1	20,6%	1	45,02%	1

Bozen										
Veneto	59,0%	1	46,9%	1	50,0%	1	15,1%	1	42,73%	8
Friuli-Venezia Giulia	60,8%	1	49,2%	1	44,6%	1	19,4%	1	43,50%	6
Emilia- Romagna	61,3%	1	50,6%	1	49,4%	1	18,2%	1	44,86%	2
Toscana	57,6%	1	49,9%	1	48,9%	1	16,8%	1	43,28%	7
Umbria	58,1%	1	47,5%	1	47,9%	1	13,1%	1	41,64%	9
Marche	60,7%	1	51,11%	1	47,71%	1	15,46%	1	43,75%	5
Lazio	62,3%	1	53,81%	1	45,85%	1	15,84%	1	44,45%	4
Abruzzo	58,9%	1	43,21%	1	44,66%	1	14,91%	1	40,41%	11
Molise	57,1%	1	31,15%	1	48,23%	1	9,55%	1	36,52%	15
Kampania	55,0%	1	45,47%	1	36,49%	1	6,60%	1	35,88%	16
Puglia	45,0%	1	34,97%	1	32,75%	1	6,04%	1	29,68%	20
Basilicata	47,93%	1	30,92%	1	35,76%	1	9,55%	1	31,04%	19
Kalabria	47,4%	1	31,91%	1	36,05%	1	11,17%	1	31,63%	18
Sicilia	48,4%	1	39,76%	1	37,22%	1	8,25%	1	33,40%	17
Sardegna	57,6%	1	42,54%	1	44,58%	1	16,66%	1	40,33%	12

The examples of objective ranking given below concern (smaller) regions of Italy; however, we compare here also the approximated (by logistic curves) values of indicators from 1995 until 2030. This way we can observe the changes of rankings – historical and predicted. The results of such rankings and their change in time are shown in Table 5. We see that e.g. Lombardia, first in the ranking for the years 2000-2009, is predicted to drop to the 10. rank in 2020 and 2030, while Emilia-Romagna, ranked 3. or 2. place in 2005-2009, will attain in 2010 and keep the 1. place until 2030. For regional policies and management, more interesting than first are the last places: Puglia and Basilicata are dropping to them, overtaken e.g. by Calabria and Sicilia. However, these conclusions and forecasts might change, if longer time series of data will be available.

Table 3. Objective multi-criteria ranking of (smaller) regions of Italy; predicted changes

Lp	Year	1995	2000	2005	2008	2009	2010	2013	2020	2030
1	Piemonte	11	17	15	11	12	12	13	12	13
2	Valle d'Aosta/Vallée d'Aoste	16	15	13	13	13	13	11	7	7

3	Liguria	12	7	10	14	14	14	14	14	11
4	Lombardia	3	1	1	1	1	2	6	10	10
5	Provincia Autonoma Bolzano-Bozen	5	8	5	3	3	3	2	4	4
6	Veneto	6	9	2	5	7	8	8	11	14
7	Friuli-Venezia Giulia	10	10	7	6	6	6	5	5	5
8	Emilia-Romagna	18	12	3	2	2	1	1	1	1
9	Toscana	7	13	6	4	4	7	7	8	9
10	Umbria	8	5	4	9	9	10	12	13	15
11	Marche	19	16	12	8	8	5	3	2	2
12	Lazio	17	11	9	7	5	4	4	3	3
13	Abruzzo	14	14	14	12	10	9	9	6	6
14	Molise	4	3	16	16	16	16	17	17	18
15	Kampania	13	19	18	17	17	17	18	18	17
16	Puglia	2	4	17	20	20	20	20	19	19
17	Basilicata	1	2	11	15	18	19	19	20	20
18	Kalabria	15	18	19	19	19	18	16	16	16
19	Sicilia	20	20	20	18	15	15	15	15	12
20	Sardegna	9	6	8	10	11	11	10	9	8

The results from Table 5 are illustrated graphically in Fig. 8.

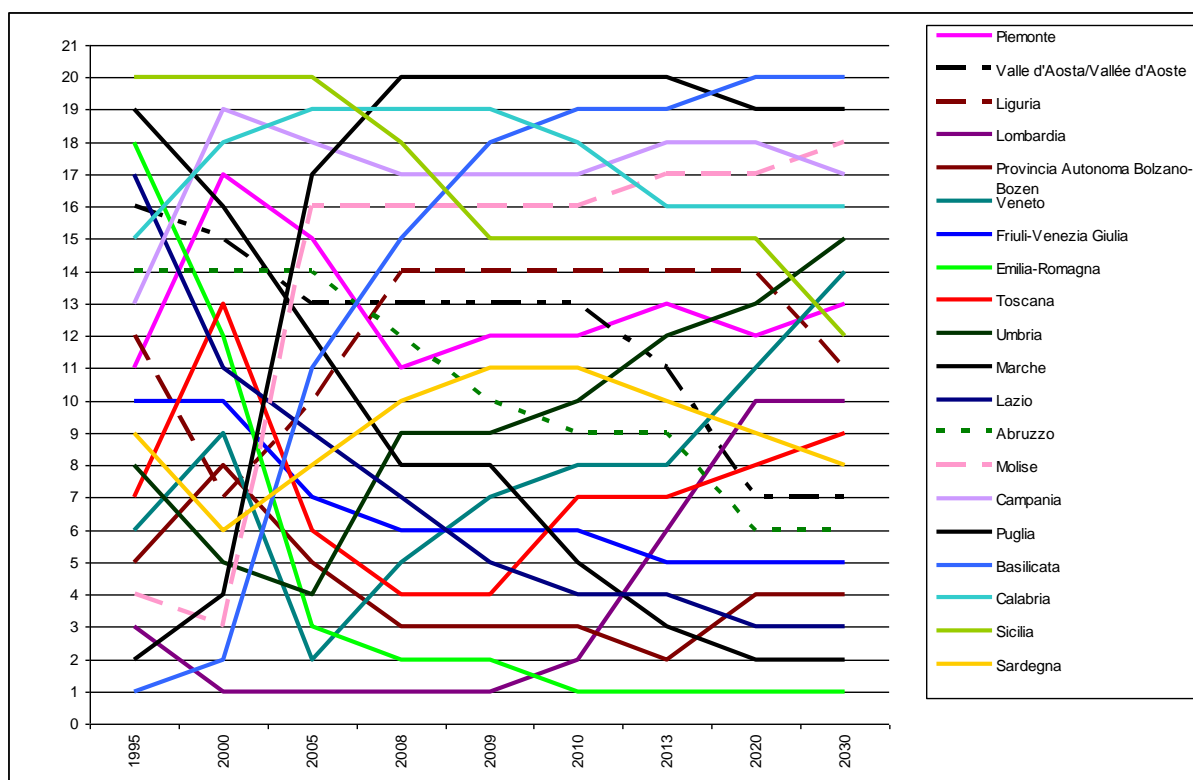


Fig. 8. Multi-criteria objective ranking of (smaller) regions of Italy, change in time (lowest is best)

Summary

The conclusions of the paper concern two spheres. One is the methodological sphere: diverse methods of estimating the dynamics of growth in social penetration of high technology artefacts, diverse methods of multi-criteria rankings. We have shown that an estimation of the dynamics of growth might be better if based on the Gompertz function instead of the classical logistic (sigmoidal) function. The so called objective ranking can be more robust than the traditional subjective ranking based on weighting coefficients.

Another sphere concerns regional and infrastructure strategy and policy. Conclusions from such analysis of growth of ICT use might have fundamental implications for regional strategies, see [6], [7]. The paper proposes a method of measuring and comparing indicator of duality – the maximal time span between the advance and delay times between smaller territorial units (e.g. districts/ *powiaty*) of a bigger territorial unit (e.g. regions or countries). The results obtained so far indicate that Poland has slightly smaller duality indicators than Italy and is slightly ahead of Italy in the social penetration of ICT. This might suggest that the differences cannot be explained by a better economic situation, because generally Italy has a higher GDP/capita than Poland; thus, the reason for such differences must be either more informed society or, which is partly equivalent, a stronger strategic orientation and determination.

However, this general theme deserves further, more detailed studies. On the other hand, there is no doubt that methods and approaches presented in this paper could be valuable for regional strategies, since they allow, e.g., to identify the least developed territorial units and measure their delay times.

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BUILDING REGIONAL IDENTITY OF LOWER SILESIA IN THE CONTEXT OF THE NATIONAL REGIONAL POLICY AND THE EU COHESION POLICY CONCEPT

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Source: M. Wolańska, E. Skoczeń - Regional Bureau of Spatial Planning (WBU)

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BUILDING REGIONAL IDENTITY OF LOWER SILESIA IN THE CONTEXT OF THE NATIONAL REGIONAL POLICY AND EU COHESION POLICY CONCEPT

Basic information about the region

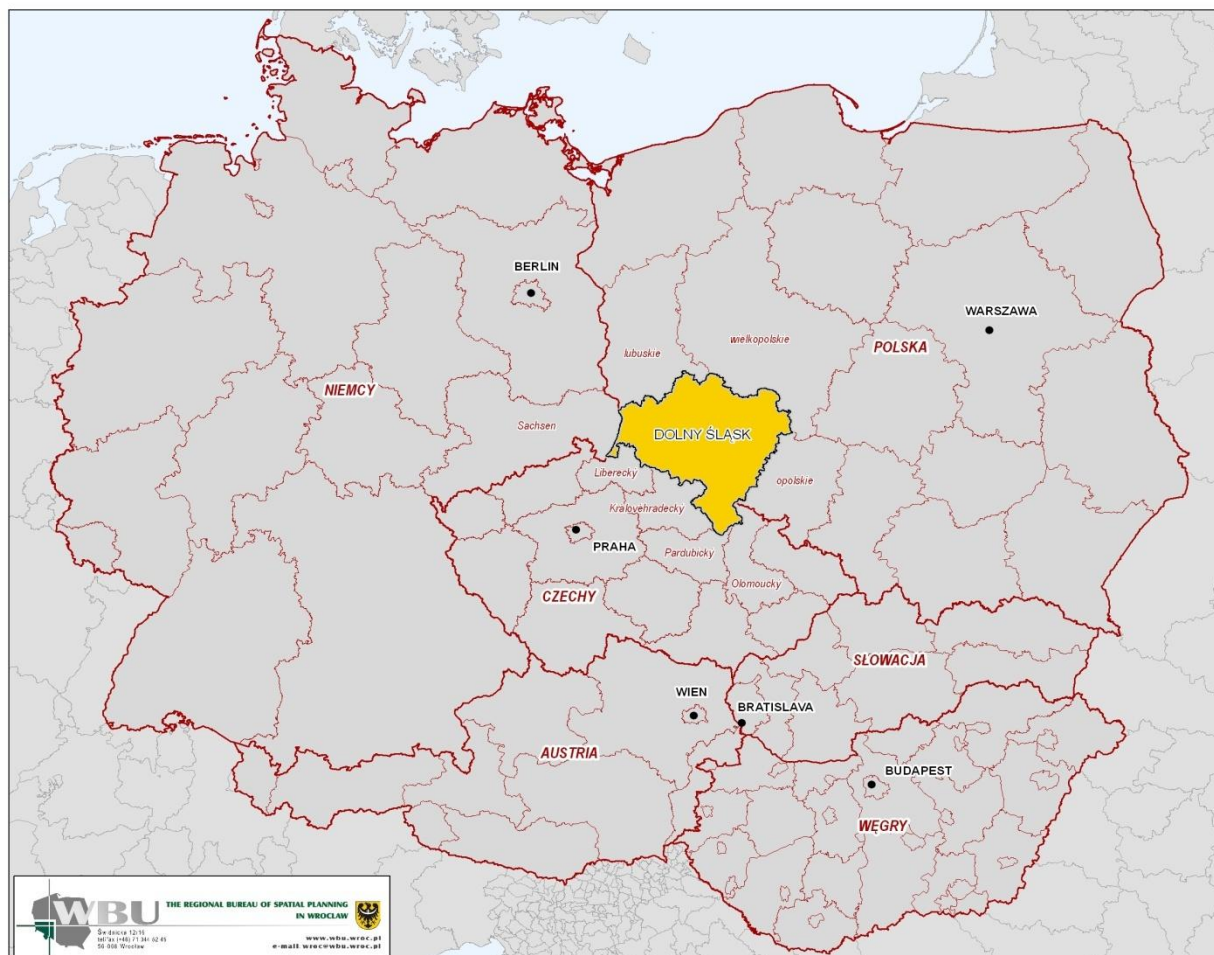
The Lower Silesia Province as an administrative unit was created in 1999 as a result of the administrative reform introduced by Prof. Jerzy Buzek's government, which will be discussed in detail later in this article. The Province is located in the south-western part of Poland and in the west it borders on the Federal Republic of Germany, in the south - on the Czech Republic, and within the country the region borders in the east on the Opolskie Province, and in the north on the Lubuskie and Wielkopolskie Provinces.

According to the nomenclature of the European Statistical Office (Eurostat), Lower Silesia and the Opolskie Province form the south-west macroregion (NUTS 1), and as a region (NUTS 2) it is divided into five sub-regions (NUTS 3): Wrocław, Legnica Głogów, Wałbrzych, Jelenia Góra and the city of Wrocław, the largest city in the region and also its capital. According to the basic three-tier administrative division of the country, the Lower Silesia Province includes 26 districts (the so-called country districts), 3 district cities (known as municipal districts) and 169 communes (36 urban, 55 urban-rural and 78 rural ones).

The region occupies a total area of 19,947 km² and is the seventh largest province in Poland, which represents 6.4 % of the country's area. The administrative area of Lower Silesia is inhabited by about 2.9 million people, which represents approximately 7.7% of the Polish population, of which about 2 million live in cities (there are 94 of them), and about 0.9 million inhabit rural areas. The

²⁷⁹ The authors are the employees of the Marshal's Office of Lower Silesia (Department of Regional Strategy at the Department of Regional Policy in the Department for Regional Development)

population density in the region is approx. 150 people per km², while the average density for the whole country is around 124 people per km²⁸⁰.



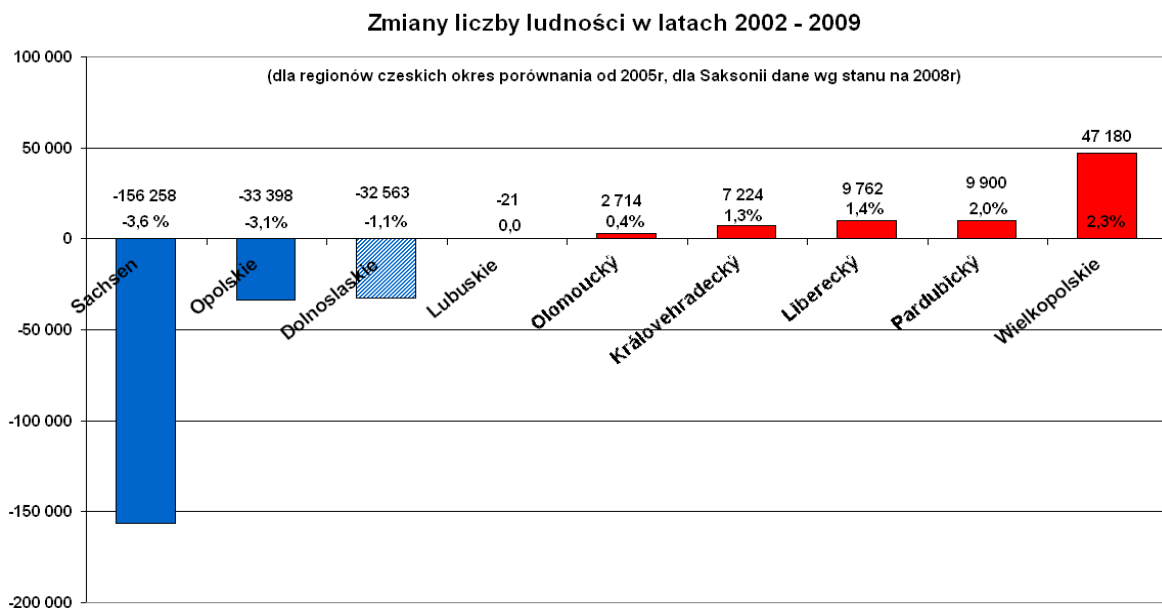
Source: M. Wolańska, E. Skoczeń - Regional Bureau of Spatial Planning (WBU)

The following drawings present some socio-economic aspects of Lower Silesia from the perspective of several-year dynamics compared to its neighbouring regions:

²⁸⁰ Data obtained from the Regional Data Bank of the CSO.

Changes to the number of population in 2002-2009

(for Czech regions – comparative period from 2005, for Saxony – data as at 2008)

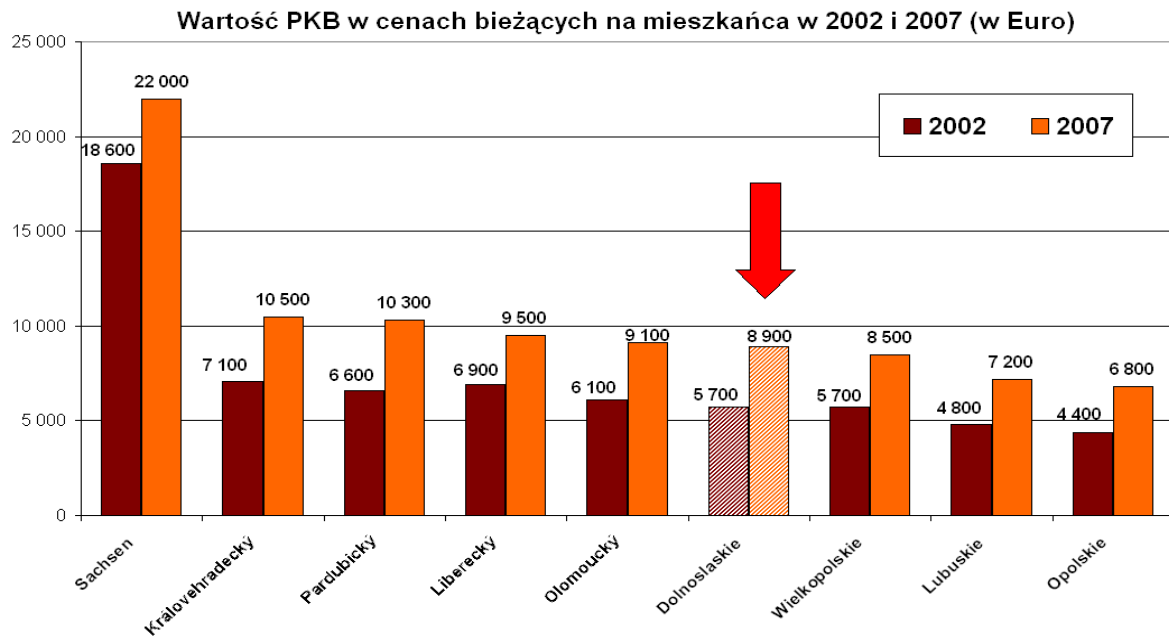


Source: Own study based on Eurostat data

In 2002-2009, a decrease in population in Lower Silesia was observed as the region's population fell by more than 30 thousand compared to 2002, which accounted for 1.1%. This is a highly undesirable and dangerous situation for many reasons, including labour shortages, the threat of collapse of the pension system, the phenomenon of over-investment - investments will not be properly consumed by the public (within several years, they will prove unnecessary). It is worth noting the position of Wielkopolska, where the population in this period increased by 47 thousand.

An important indicator allowing comparability of the phenomena is the GDP per capita - in addition to the condition of overall development, also proving the quality of life of the inhabitants of the area concerned. In 2007, the value of the GDP in Lower Silesia amounted to 8.9 k€ per capita, which was the best result among Polish regions neighbouring on Lower Silesia, and a good result on a national scale - the Polish average is 8.2 k€ (the Czech Republic and Germany accounted for 12.3 and 29.5 k€ respectively). Unfortunately, in this case, Lower Silesia was behind all of its neighbouring foreign regions. However, it should be emphasised that the dynamics of changes in the GDP per capita in the period 2002-2007 in Lower Silesia reached one of the highest levels - it increased by 56% compared to 2002.

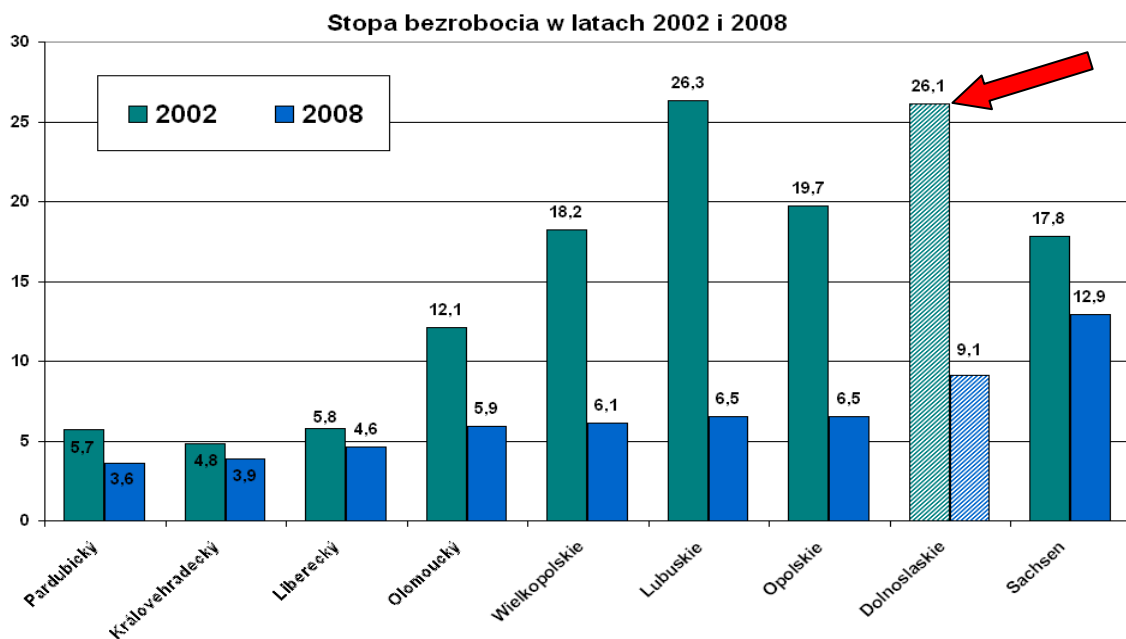
GDP in current prices per capita in 2002 and 2007 (in EUR)



Source: Own study based on Eurostat data

In the period from 2002 to 2008, a significant reduction in the unemployment rate was recorded in Poland - in the case of Lower Silesia - from a high of 26.1% in 2002 to 9.1% in 2008. A similar decline was recorded in other Polish regions. It is worth noting that the decline in unemployment was so significant that the Polish regions have obtained a better result than Saxony, where in 2008 the unemployment rate remained at 12.9%.

Unemployment rate in 2002 and 2008

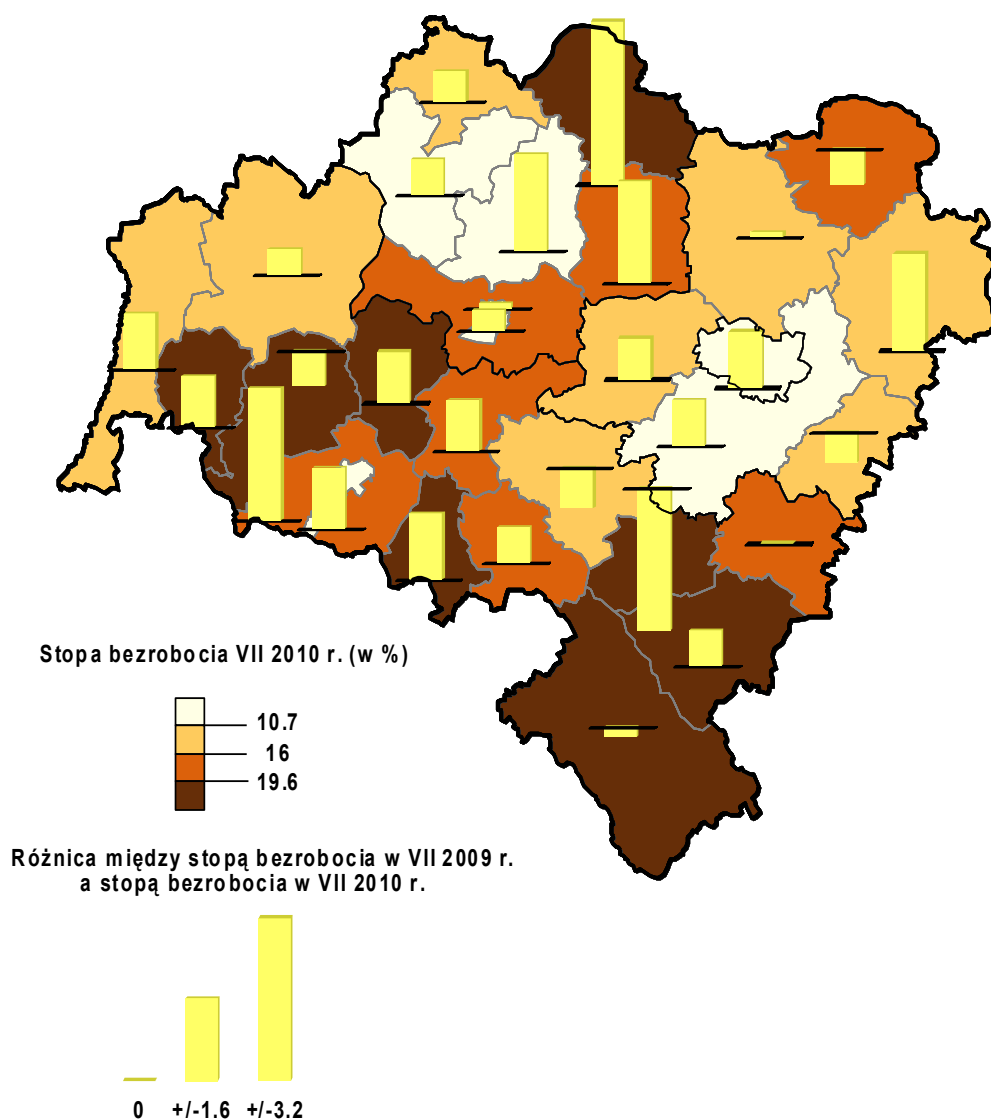


Source: Own study based on Eurostat data

It should be remembered that 2008 saw a number of negative trends in the economy - since then, according to the regional data of the CSO, the unemployment rate in Lower Silesia in 2010 has increased to 12.2% (in Poland - 11.4%, as at 31 July 2010). The following figure shows the unemployment rate in July 2010 in the Lower Silesian districts and change in relation to July 2009:

Unemployment rate in July 2010 (in %)

Difference between unemployment rate in July 2009 and in July 2010



Source: Helena Dobrowolska-Kaniewska based on CSO data

As presented in the figure, the unemployment rate is very high in several districts - almost 20 percent and more (the highest level in Zlotoryja and Luban districts - over 24%), which makes these areas potentially at risk of negative socio-economic phenomena, developmental stagnation and exclusion. For comparison, at the end of July 2010, unemployment rates higher than in Lower Silesia were recorded in the following provinces: Warmińsko-Mazurskie (18.1%), Zachodniopomorskie (15.2%), Kujawsko-Pomorskie (14.8%), Lubuskie (14.6%), Podkarpackie (14.5%) and Świętokrzyskie (14%).²⁸¹ The areas of development opportunities and threats in Lower Silesia are discussed in more detail in Chapter IV.

²⁸¹ Based on the report of the Provincial Labour Office of Lower Silesia entitled "Information on the employment situation in the Lower Silesia Province in July 2010."

Regional identity

In the European space, regions are becoming more important links involved in and influencing on the civilisation development of the continent. On the one hand, they form a unique symbol of identity for the inhabitants, and on the other, they are becoming increasingly significant players in a globalising world, especially those that experience dynamic processes of social, cultural, artistic, economic or scientific development, which are strongly interconnected. Such a "robust" region becomes the driving force for the country, which it is located in, and for both its closest and broader surroundings, making it an attractive place for new investors or tourists on a global scale. Of course, the regions of Europe also include regions slightly less dynamic in terms of development, which do not always exist in the minds of not only of the inhabitants of the world, but also of our continent. Therefore, a concern for the future of Europe, "Quo Vadis Europe", should focus on ways to intensify cooperation in building a network of strong, well-managed and resilient regions. "The classical doctrine of regional development recognises the region as a quasi-state. Today, we look at the region also, and perhaps primarily, as a quasi-business. [...] This approach is absolutely the case. The region of the 21st century has to internalise the experience of transnational corporations in strategic planning. This internalisation is very important from the standpoint of a new model of regional policy."²⁸²

"The region is a real socio-economic unit of today's Europe; it is often examined in terms of economy, but we can and should go further. The region is not just an economic or even a cultural reality. The region may become a fundamental political reality for the future Europe. "

*Denis de Rougement*²⁸³

Focusing on regions in the European planning, strategies, visions of development should primarily contain an element of good cooperation. Good cooperation, that is not the one that is calculated only for individual purposes, instantaneous success of one season and a short perspective, but for long-term, carefully thought-out, planned and successfully executed actions, constantly supported by both the Community instruments (e.g. the Cohesion Policy) as well as national instruments in the form of government initiatives (e.g. initiating and providing financial support for regional governments for projects of cooperation in science and business) and local government initiatives. Such cooperation would mean preservation of the diversity of the continent

²⁸² A. Kuklinski: Towards a New Model of Regional Policy: edited by P. Jakubowska, A. Kuklinski, P. Zuber: The Future of Regions. In Search of a New Paradigm, Warsaw 2008, p. 375.

²⁸³ O. Freeman: Local Democracy in Europe - Practical Experience - Regionalisation in Western Europe, "Community" of 18 January 1992, issue 3

in the spirit of European unity, while alleviating the danger of separatism and nationalism - a bottom-up interaction would facilitate building and nurturing a sustainable foundation for Europe.

Meanwhile, Polish regions are concerned about the unfortunately still quite small attachment and identification of the inhabitants with their regions, that is provincial local governments creating communities of local patriotism. There are several reasons for it, one of them is that for many years in the post-war Polish history regions were merely an administrative attribute of central power, in addition, after the reform in 1974, they became even more fragmented. Residents, if already attached to their region, perceived and still perceive "their" land rather in its local dimension, more often calling themselves residents of a given town or village. Even the organisers and participants of various types of conferences, symposia or meetings are attached to the names of the cities where they are held - they are at a conference in Gdansk, Krakow, and Warsaw, not in Pomerania, Malopolska or Mazovia. An exception is the Silesia Province, where there is a strong attachment to cultural identity, however, in this sense Czestochowa, Bielsko Biala or Sosnowiec are rather weakly attached to the region, just like in the case of other parts of Poland. This is due to the misalignment of the administrative borders of the province to the historical, geographical and social conditions. At this point it should be stated that currently both in everyday speech and unfortunately in public debate, the concept of Silesia is incorrectly identified only in relation to the administrative borders of the Silesia Province. After all, the historical and geographical region of Silesia is a vast land located in the basin of the upper and middle Oder and the upper reaches of the Vistula River, also covering some area of the Czech Republic (Silesia around Opava and Zaolzie), and in German nomenclature part of Lusatia is also considered as a part of Silesia (Silesian Upper Lusatia). The incorrect identification of the region only with its small portion is also present in the domain of sport, namely in football. In the Polish custom, the matches of Polonia Bytom and Ruch Chorzow are referred to as "the oldest Silesian derby", while, in fact, the first football derby of Silesia was played in the season 1904-1905 between the teams of SC Schlesien Breslau and SC Alemannii Cottbus. It is characteristic in this regard that the name Schlesien Breslau means in Polish nothing else but Slask Wroclaw²⁸⁴.

Administrative reform of Poland

The tradition of regional identity in Poland dates back to the oldest history of the Republic, and the formal introduction of self-governance at the level of the province in January 1999 allowed for reconstruction of that identity. The very idea of regionalisation emerged after restoration of the

²⁸⁴ <http://wks.pl/news/3156,Chca-miec-Slask-na-wylacznosc.html>

self-government system in communes in 1990²⁸⁵ (on the basis of the amended Constitution of the Republic of Poland of 22 July 1952.²⁸⁶, the Act of 8 March 1990 on local self-government – now on commune self-government²⁸⁷ – and over one hundred other acts regulating the powers of those territorial division units of the country²⁸⁸), which – so to speak – went down in history as "the commune reform"²⁸⁹.

The discussion of the idea and need for regionalisation was started both in newspapers and specialist magazines (in particular the ones that deal only with political concepts or solutions in Poland and other countries)²⁹⁰, in reference literature, but also in scientific and political circles. In addition to the discussion, positive actions were taken, by establishing in March 1991 the Team to Develop the Concept of Changes in the Territorial Structure of the State (led by Jerzy Sulimierski), working in two sub-teams: for spatial division and for the territorial system of the state, in order to discuss and develop the fundamental issues related to structural reforms that would allow for changes in the territorial structure of the state²⁹¹.

In November 1991, this team presented a report, which included, inter alia, the following statement: "[...] Regionalisation in terms of administrative division, defined as a significant reduction in the number of provinces (from 49 to 10-15), should be associated with the creation of second level local self-government - districts, all of which should be included in the new provinces - regions [...] Systemic forms of regionalisation must not take the same form throughout the country (all

²⁸⁵ H. Izdebski, M. Kulesza: *Public Administration - General Issues*, 2nd edition, LIBER, Warsaw 1999, pp. 186-190.

²⁸⁶ The amendment concerned, inter alia, changing the title of the Constitution of the Polish People's Republic of 22 July 1952 (consolidated text of 1976 Journal of Laws No. 7, item. 36, as amended) to the Constitution of the Republic of Poland; the Act amending the Constitution of the Polish People's Republic of 29 December 1989 (Journal of Laws No. 75, item. 444), the introduction of regulations providing for the establishment of the local government system in the commune; the Act to amend the Constitution of the Republic of Poland of 8 March 1990 (Journal of Laws No. 16, item. 94) and the introduction of many other solutions to reform the country's political system.

²⁸⁷ i.e. Journal of Laws 2001, No. 142, item. 1591, as amended.

²⁸⁸ H. Izdebski, M. Kulesza, op. cit., p. 70

²⁸⁹ Although it refers to the concept of regionalisation in the postwar period, it should be noted that works on regionalisation were also carried out before World War II by the Commission on Streamlining Public Administration (acting under the direction of Maurycy Jaroszynski between 1928 and 1933) (H. Izdebski, M. Kulesza, op. cit., pp. 1961-1962, H. Izdebski: *The History of Administration*, 5th edition (revised), LIBER, Warsaw 2001, p. 158).

²⁹⁰ It would be impossible to quote all studies, still some are worth mentioning: L. Mażewski: *Legal and Systemic Position of the Polish Region*, "Community" of 17 November 1990, issue 36; M. Styczeń: *Polish Regionalism (History and Perspectives)*, "Community" of 20 April 1991, issue 16; P. Adamowicz, L. Mażewski: *The Assumptions of Polish Regionalisation*, "Community" of 15 June 1991, issue 24; L. Mażewski: *How to Regionalise Poland?*, "Community" of 10 August 1991, issue 32; Winiarski: *Poland as a Regional State*, "Community" of 30 November 1991, issue 48; T. Markowski: *Local and Regional Development – Laissez Faire or State Intervention*, "Local Government", 1991, issue 4, pp. 14-21; O. Freeman, F. Saint – Ouen: *Political Support for Regional Economic Development in Western Europe*, "Local Government", 1991, issue 7 – 8, pp. 63 – 68.

²⁹¹ Apart from this Team, another one was established: the Team for the Reform of State Administration (led by Jerzy Stepień), aimed at preparing proposals for transformation of the central administration (by comparing it with other countries, analysing their actual functioning etc.) (H. Izdebski: op. cit., pp. 229-230; H. Izdebski, M. Kulesza: op. cit., p. 70, p. 159).

provinces) and can be introduced successively. The introduction of these more advanced forms of regionalisation requires a significant transformation of the function and structure of the central administration, and the introduction of political regionalisation should also include substantial amendments to the Polish Constitution [...] The regionalisation processes should not be combined [...] with the institution of local government, which refers to local issues, but they should be treated separately, both in administrative and legislative terms [...]”²⁹². This report clearly hinted that the territorial reform would be a long-term and spatially diversified process, resulting in the creation of a new political and state structure of Poland, and regionalisation itself would be the last stage of that reform.

Work on the concepts of regionalisation were taken up by two more teams: the Team for the Reorganisation of Public Administration set up in January 1992 (chaired by Jerzy Stepien), which in March of that year introduced the "Initial ideas for reconstruction of public administration" and the office of the Plenipotentiary of the Council of Ministers for Public Administration Reform established in October 1992 (led by Michal Kulesza), which from December 1992 to March 1993 presented its "Guidelines and directions for the public administration reform of the Republic of Poland", also taking into account the achievements of the previous teams. It should be noted that the works of the latter team were conducted under the Constitutional Act of 17 October 1992 on the mutual relations between the legislative and executive institutions of the Republic of Poland and on local self-government²⁹³. Unfortunately, the resolution of the Sejm in June 1993 stopped the works on "regionalisation" of Poland until 1998, when the territorial reform was - after a long battle - brought to a close by the Plenipotentiary of the Government for the Systemic Reform of the State (once again in the person of Michal Kulesza), and put into effect on 1 January 1999²⁹⁴. During the "break" period, the issue of regionalisation was raised only in specialist magazines or in reference literature²⁹⁵.

Issued under the Constitution of the Republic of Poland of 2 April 1997,²⁹⁶ a set of acts transforming the territorial system of the state, has contributed to the decentralization and deconcentration of power, the introduction of minor changes in the previously functioning

²⁹² H. Izdebski, M. Kulesza: op. cit., p. 159.

²⁹³ Journal of Laws No. 84, item 426.

²⁹⁴ H. Izdebski: op. cit., pp. 231-232, pp. 242-243; H. Izdebski, M. Kulesza: op. cit., pp. 70 – 71, p. 73, p. 160.

²⁹⁵ See especially E. Wysocka: General Characteristics of the Regions, "Community" of 25 January 1992, issue 4; B. Jałowicki: The Regional Issue, "Community" of 11-18 April 1992, issue 15-16; M. Strubińska: About Regions in CEI, "Community" of 30 May 1998, issue 22, J. Stepien: State Taken into Pieces, "Local Government", 1995, issue 5, Z. Gilowska, J. Płoskonka, S. Prutis, M. Stec, E. Wysocka (collective work): Structural Model of the Province (region) in a Unitary Democratic State, "Local Government", 1997, issue 8-9, E. Wysocka: New Regionalization of Poland - Test and Evaluation, "Local Government", 1998, issue 12

²⁹⁶ Journal of Laws No. 78, item 483 as amended.

communes, re-establishment of districts, and, above all, the creation of 16 provinces (regions)²⁹⁷.

Power in the region (province) is exercised by: the Regional Assembly, as a decision-making authority (resolution-passing) and the Provincial Board as an executive body, headed by its Chairman, that is the Marshal of the Province. The provincial system is determined by the Statute of the Province, adopted by the Regional Assembly after consultation with the Prime Minister and, like in the French region, the province is presided by a representative government, a Provincial Governor.

As a result of the elections to all decision-making bodies of the Polish territorial units, which took place in October 1998, representatives of local and regional communities were appointed (they started to operate on 1 January 1999) and the process of building a civil society was initiated. Also relevant in this regard was the introduction of direct commune head elections at the commune level (mayor, president of a town) under the Act of 20 June 2002 on direct elections of the head of commune, mayor and president of a town²⁹⁸, which significantly increased people's sense of responsibility for the fate of their local communities, as well as their interest in the process of election of the local government. These conclusions lead to the question whether a similar legislative procedure should not be used also with respect to the executive bodies of local government units at district and provincial level, although - as in the case of Spain and Italy - we will have to wait for many years for the exact results and conclusions on the yet still ongoing construction of self-governance in Poland.

The creation of self-government regions gave residents the chance to decide on their lives, by selecting their representatives to Regional Assemblies and appointing their hosts - Marshals along with the Provincial Board. Since then, the region has become not only a purely administrative domain, supervised by administrators delegated by the government - Governors, but it has its own host. One can argue whether at the time of the reform a better solution would have been to identify the self-government host of the region as the Governor - due to the long period of existence of the term in Polish and the fact that it is rooted in the minds of people who assign the position to the area of a given province. As to this day, there is some confusion in the society about who is who and what the Governor's and the Marshal's responsibilities are²⁹⁹. Subsequent years have brought further changes involving taking ever greater responsibility for the development of the region by their hosts,

²⁹⁷ The Constitution of the Republic of Poland mentions regional and local self-government (Art. 164(2)), and emphasises the fundamental character of the commune (Art. 164(1)). The set of acts includes, inter alia: the Act on commune self-government (previously the Act on local self-government) maintained as still effective (after minor amendments and adaptation to the Constitution of 1997), the Act of 5 June 1998 on district self-government (consolidated text Journal of Laws of 2001 No. 142, item 1592 as amended), the Act of 5 June 1998 on provincial self-government (consolidated text Journal of Laws of 2001 No. 142, item 1590 as amended) and the Act of 5 June 1998 on government administration in the province (consolidated text Journal of Laws of 2001 No. 80, item 872 as amended).

²⁹⁸ Journal of Laws No. 113, item 984, as amended.

²⁹⁹ See Position of the 8th Forum of Chairmen of the Regional Parliaments of the Republic of Poland of 7 October 2008 on the amendment of nomenclature of functions in provincial self-government bodies.

which manifests itself in taking over new tasks previously falling within the competence of the government administration. Such areas are among others health services - provincial hospitals, construction and maintenance of roads - provincial roads, co-funding of improving communication solutions, railway communications, support for cultural institutions, support for business, and finally distribution of EU funds under the Regional Operational Programmes and the Human Capital Operational Programme. This process is a long, difficult and arduous road, resulting from the need for gradual legislative changes, rules for the transfer of funds from the state budget, changes in regional participation in the natural persons (PIT) and corporate (CIT) income tax revenues. These actions are intended to bring about decentralisation of the public administration, which stems from Art. 15(1) of the Constitution, including the system of distribution of financial resources, and thereby creating conditions for the growth of people's regional awareness and the subsequent stressing of their presence in Europe.

A new concept of the national regional policy

Adopted by the Polish Government in July 2010, the National Strategy for Regional Development 2010-2020: Regions, Cities, Rural Areas (**NSRD**)³⁰⁰ provides a new model of regional policy, whose strategic goal is the effective use of specific regional and territorial development potential for achieving the objectives of national development - growth, employment and cohesion in the long-term horizon. The NSRD also provides for new financing instruments that will ensure appropriate management of funds for further development of the regions. The coordination mechanism will have the form of a territorial contract implemented in partnership - an instrument that provides an integrated way to achieve the objectives of a given territory, i.e. integrated use of financial resources, which, on the one hand, are intended directly for the implementation of the regional policy, and on the other hand, for the implementation of sectoral projects. In other words, it aligns budgetary resources to the real needs and conditions of the regions in the areas of strategic intervention. National and regional priorities will be confronted with each other and the best solutions, which are good for both the development of the region and the country, will be selected through negotiations. Such a model is also expected across the European Union as strong, cooperating regions are the future of Europe.

All provinces, including Lower Silesia, participated in many-months consultations on the document³⁰¹, being aware of its importance in the context of the new assumptions of the

³⁰⁰ Full text of the NSRD is available at www.mrr.gov.pl.

³⁰¹ including the NSRD Consultation Conference organised by the Marshal's Office of Lower Silesia in Wroclaw on 22 October 2009.

development policy. The consultations in Lower Silesia were attended by representatives of science, social and economic organisations, which resulted in the adoption of the positions of the Provincial Board of Lower Silesia³⁰². They highlighted not only the regional but the whole country's needs, including its emphasis at:

- urban policy, including not only metropolises, but the dense Polish network of small and medium-sized cities, which should be bonded by infrastructure networks, planning systems and systems of managing the common labour market and the common resources of educational, communication, cultural and medical services, the establishment of appropriate tools to control the suburbanisation processes to counteract unwanted changes in the spatial and functional system,
- enabling the formation of supra-regional strategies - including the initiative to create a strategic document for Western Poland,
- developing the transport network, including the development of inland water, maritime and rail transport in the national and European transport network and the fact of the unused potential of the Europe's connection running in the Baltic - Adriatic axis under the initiative of the Central European Transport Corridor (CETC - ROUTE65).

It should be emphasised that with the adoption of the NSRD and undertaking work on the concept of the new regional policy of the country, work on defining the scope of the operation of regions in Poland and the tasks assigned to them was initiated, assuming that further decentralisation of the State will take place. It can be recognised that the activities are part of another stage of the regionalisation activities in Europe³⁰³.

Precisely for this reason and in line with the demands contained in the NSRD and the requirements included in the positions of the Provincial Board of Lower Silesia on the NSRD, in January 2010, the authorities of Lower Silesia took the initiative to create a strategic document for the Western area of Poland. It will aim at building a platform for cooperation and joint action of five provinces (Dolnośląskie, Lubuskie, Opolskie, Wielkopolskie, Zachodniopomorskie), which would definitely support the negotiations under the territorial contracts referred to in the NSRD. Also, in view of the possible creation of the Operational Programme for Western Poland, the provisions of this strategy would become the determinant of its implementation. The priorities of the

³⁰²The Position of the Provincial Board of Lower Silesia of 19 November 2009 on the draft of "the National Strategy for Regional Development 2010-2020. Regions, Cities, Rural Areas"; 2nd Position of the Provincial Board of Lower Silesia of 7 May 2010 on the draft of "the National Strategy for Regional Development 2010-2020. Regions, Cities, Rural Areas". Full texts of the positions are available at www.umwd.dolnyslask.pl.

³⁰³ More: T. Bogusz: Political and Legal Concept of Regionalism, Acta Universitatis Wratislaviensis, No 2778, Review of Law and Administration LXVIII, Wrocław 2005.

agreement on undertaking joint works on the strategy signed by the Marshals of the five provinces in August 2010³⁰⁴ are to include communication, information society, science and cooperation of science with the economy, energy security, water resources and flood protection, spatial planning, urban development and tourism. Nevertheless, these priorities may change after the planned diagnosis of the status of the socio-economic development of these regions, which will be the basis for the joint strategy. It should be clearly stressed that the idea of the development of the strategy stems from the fact that these regions are lagging behind, however, there are strong internal disparities: in addition to the hubs of dynamic growth (Wrocław and Poznań agglomerations, Zielona Góra, Legnica - Głogów Copper District), there are areas of stagnation, which should be supported to strengthen and accelerate the broadly understood processes of development. The growth areas can be defined as "places in geographical space characterised by rapid socio-economic development in relation to other places, whose presence has a positive effect on the environment. The areas considered to be stagnant are characterised by a relatively lower level of development in relation to the average for the region, with additional phenomena such as: low standard of life or weak economic activity."³⁰⁵

According to A. Raczyk, the growth and stagnation areas in Lower Silesia in 2007 can be divided into³⁰⁶:

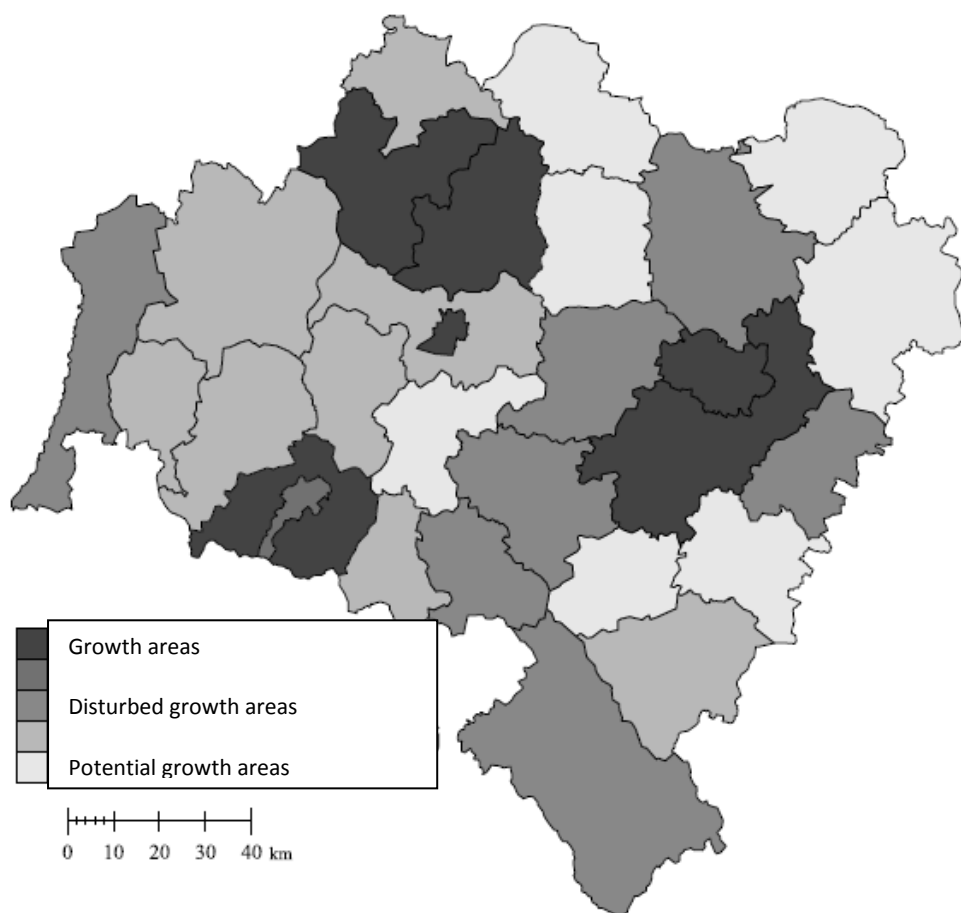
- areas of growth - the level of economic development in 2007 over 100% of the national average, change in the synthetic indicator in 2000-2007 - above the national average,
- areas of disturbed growth - the level of economic development over 100% of the national average, change in the synthetic indicator in 2000-2007 - below the national average,
- areas of potential growth - the level of economic development in the range from 80 to 100% of the national average,
- areas of economic activation - the level of economic development below 80% of the national average, change in the synthetic indicator in 2000-2007 - above the national average,

³⁰⁴ Full text of the agreement is available at www.umwd.dolnyslask.pl.

³⁰⁵ A. Sobala – Gwosdz: Centres of Growth and Stagnation Areas in the Podkarpackie Province, the Institute of Geography and Spatial Management at the Jagiellonian University, Krakow 2005, p. 248 (op cit. ed. H. Dobrowloska-Kaniewska, E. Korejwo: Endo- and Exogenous Determinants of Growth and Stagnation Areas in Lower Silesia in the Context of the Innovation Strategy for Lower Silesia, Wrocław 2009, p. 6).

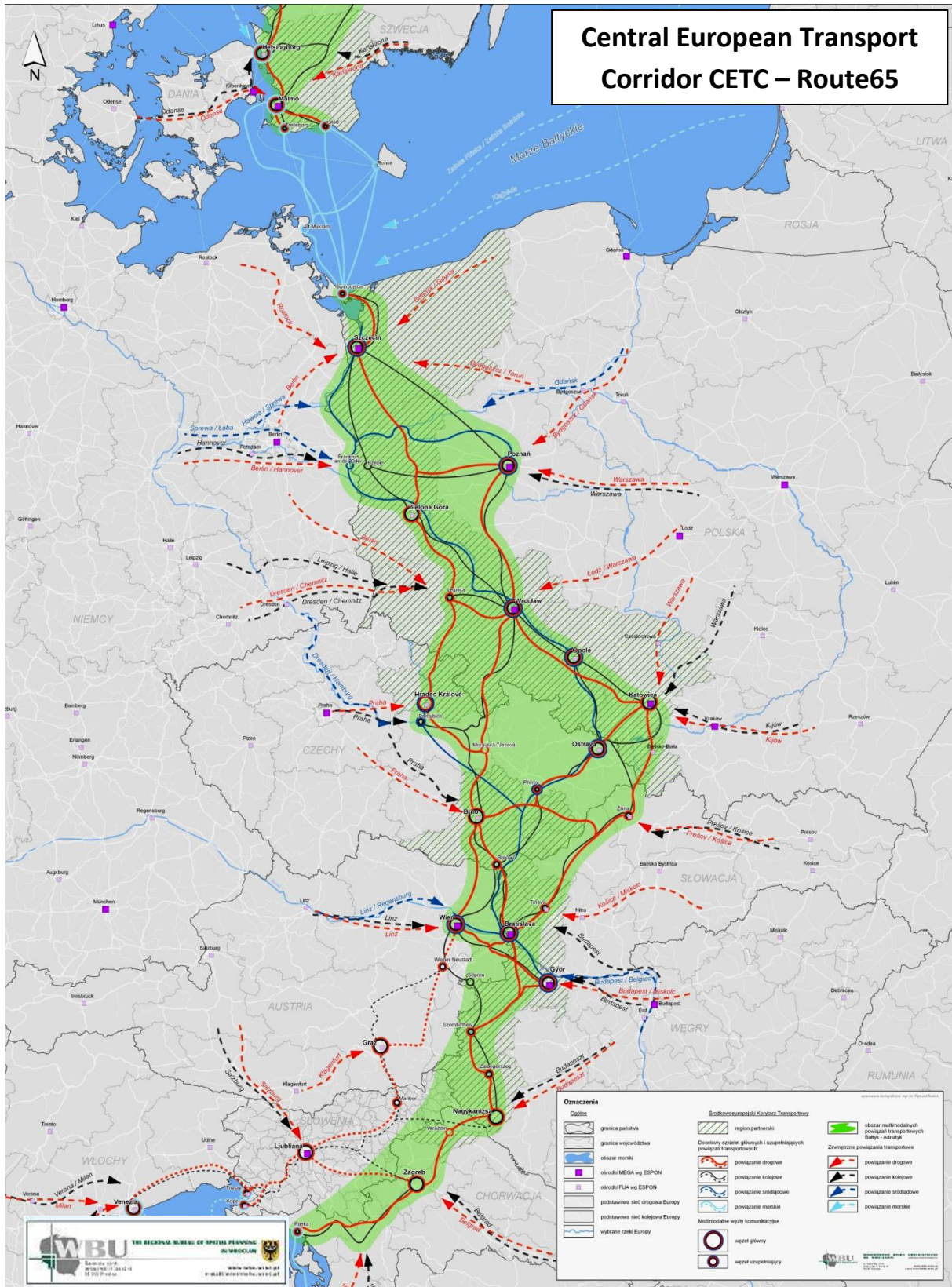
³⁰⁶ A. Raczyk: Identification of Growth and Stagnation Areas in Lower Silesia: edited by H. Dobrowloska-Kaniewska, E. Korejwo op. cit, p. 11

- areas of stagnation - the level of economic development and its change in 2000-2007 - below the national average.



Source: A. Raczyk: *Identification of the areas of growth and stagnation in Lower Silesia.*

The development of the strategy document also aims at identifying the development potentials of the Western Poland macroregion, determining the shape of state intervention and the integrated model, joint development management within the scope of the strategy. According to the NSRD, the central government, in addition to support for problem areas, should also take a strategic intervention in high opportunity areas, such as Western Poland. In this case, the implementation of many projects is not possible without the cooperation of various provinces, because they are linked, inter alia, by the Oder River, efforts to create the international Central European Transport Corridor CETC, cross-border location, as well as common problems such as the need for better management of rural areas, the need to improve the transportation system, to improve safety related to natural disasters and to stimulate cooperation between enterprises and research institutions. This joint initiative will increase the attractiveness of Poland both in terms of tourism and investments.



Source: Bureau of Spatial Planning in Wrocław (WBU)

The overarching objectives Western Poland and Lower Silesia, whose implementation forms a strategic, long-term action plan, and that are assumed to be part of the supra-regional development strategy, should include:

I. Combining the potential and maximising the opportunities:

- strengthening the polycentric and hierarchical system of settlement in the area (using the potential of urban areas for regional development based on the polarisation-absorption model) is the determinant of Poland's development, because the provinces of Western Poland have important economic and scientific centres of growth at a national scale. Facilitating cooperation between science and business, opening to interregional cooperation between higher education institutions, and creating economic relations ensuring socio-economic integration of Western Poland,
- maximising the use of economic opportunities arising from the geographical location of the macro-region in the vicinity of the European growth centres (Berlin, Prague, Vienna) will give a fresh impetus to the development of Western Poland and consequently other parts of the country. Strengthening the competitiveness of Western Poland should be based on supra-regional cluster cooperation of firms and the R&D sector.

II. Preventing peripheralisation and reducing regional disparities:

- it is necessary to reverse the peripheralisation process resulting from lack of high-speed connections with the rest of the country, including road and rail connections with the capital city of Poland. Journey times from Wrocław, Jelenia Góra or Szczecin leave us far behind in comparison with European standards. Now we can speak of a "Polish" airport in Berlin due to the availability and quality of communication in Germany,
- investments in transportation accessibility within the Western Poland macroregion, especially in the north-south line (the Central European Transport Corridor - CETC)
- more dynamic development of Western Poland requires the availability of high quality services for the sectors of modern knowledge-based economy, which determines the inflow of capital and human resources necessary to overcome economic disparities.

III. Meeting global challenges:

- a relatively weaker level of the economy in Western Poland in comparison to the highly developed regions of Europe requires interaction with German regions, for example, the Oder Partnership is an opportunity to meet the challenges such as global economic competition, environmental and energy security, in the form of cooperation in cross-border relations as part of a strong Central European economic area,

- human capital resources are a critical factor in development, so it is essential to counteract the negative phenomena in the labour market (ageing population, migration, and a lack of alignment of the educational system to the needs of the economy).

IV. Integrating supra-regional development management:

- the strategy for Western Poland has to be a tool for coordination of the development at the macro-regional level, so it requires the development of solutions and principles for strategic and spatial planning, and urban development, as well as joint ventures for development. This process, being based on bottom-up involvement of regional authorities, will be an unprecedented experience in the practice of regional development policies in Poland,
- strategic planning process based on partnership relations of regional authorities and socio-economic circles in the macro-region, should also lead to agreement and subsequent implementation of flagship projects (for improving the availability of transport, research and business projects, and "network" tourism products, etc.), whose promotion should shape the regional community awareness of participation in the implementation of historical transformation in this area,
- flow of knowledge as part of cooperation on the development of the strategy will help find ways to solve similar problems in various provinces such as intra-regional disparities, and formulate a joint program of activities in this field, while strengthening the identity of the inhabitants and willingness to cooperate among regional hosts.

In summary, the reasons for developing a strategic document for Western Poland is the need to strengthen the development potential of the macro-region and its integration into the national potentials (compliance with the NSRD), by way of conscious, intentional, and long-term planning of projects in the area, within which financial and human resources and the accompanying knowledge and technology will be allocated.

The Cohesion Policy and its importance

The local government of Lower Silesia, in addition to participation in developing the final shape of national documents, also actively participates in work on European documents³⁰⁷. The work on the shape of the European Cohesion Policy after 2013 is of particular importance in this regard. The Cohesion Policy, which dates back to 1967, when the Directorate-General XVI for Regional Policy was established within the the European Commission, is now, after many years of evolutionary changes, one of the main policies of the European Union. It now consumes 35.7% of the total EU budget, which represents a huge increase in expenditures compared to barely a few percent of the EU budget earmarked for the cohesion policy in the 1970s.

The cohesion policy has been strongly emphasised in many major European documents, particularly in the EU primary law. Provisions relating to the broadly understood cohesion were, for instance, included in Art. 3 of the Treaty on European Union³⁰⁸, which mentions support for social, economic and territorial cohesion as well as solidarity with Member States as one of the responsibilities of the EU, in Art. 174-178 of the Treaty on the Functioning of the European Union³⁰⁹, which defines the mission of the cohesion policy, among others, stating that "In order to promote harmonious development throughout the European Union, it shall develop and pursue activities aimed at strengthening its economic, social and territorial cohesion. In particular, the European Union shall aim at reducing disparities between the level of development of various regions and the backwardness of the least favoured regions." and Protocol No. 28 to these Treaties³¹⁰, stating that "the promotion of economic, social and territorial cohesion is essential for full development and enduring success of the Union".

The importance of the cohesion policy has also been strongly emphasised in the Europe 2020 Economic Strategy adopted at the European Council summit in June 2010, which included a statement that "the Cohesion Policy and its structural funds are important in themselves, but apart from that, they are also important mechanisms allowing to achieve smart and sustainable growth favouring social inclusion in the Member States and at regional level."

Due to the fact that Poland and its regions are currently the largest beneficiaries of the Cohesion Policy among the Member States, the announcement of the reform of the EU support instrument triggered a lively response in our country. One of the most important Polish documents on the future shape of the Cohesion Policy after 2013 is the Position of the Polish Government of

³⁰⁷ The position of the Provincial Board of Lower Silesia of 29 December 2009 on the concept of the future Cohesion Policy after 2013; Opinion of the Provincial Board of Lower Silesia of 27 April 2010 on draft "Europe 2020" Strategy published by the European Commission on 3 March 2010; Opinion of the Provincial Board of Lower Silesia of 20 July 2010 on the draft position of the Government of the Republic of Poland of 7 July 2010 entitled "*The Cohesion Policy as an effective, efficient and spatially diversified response to the development challenges of the EU*". Full texts of the above-mentioned documents are available at www.umwd.dolnyslask.pl.

³⁰⁸ Consolidated version of the Treaty on European Union of 7 February 1992 (Official Journal of the EU 115 of 9 May 2008, vol. 51, p. 13).

³⁰⁹ Consolidated version of the Treaty on the Functioning of the European Union of 25 March 1957 (Official Journal of the EU C 115 of 9 May 2008, vol. 51, p. 47).

³¹⁰ Protocol No. 28 on Economic, Social and Territorial Cohesion.

18 August 2010³¹¹. An active role in the consultative process on the future framework of the Cohesion Policy have been also adopted by the self-government authorities of the Lower Silesia Province, addressing the Position of the Provincial Board of Lower Silesia on the concept of the future Cohesion Policy after 2013³¹² to the most important actors both of the national and European political scene. The position on this matter has also been expressed by the Convent of Marshals of the Republic of Poland in the document of 21 January 2010³¹³. Another "Polish" document of this type is also the Strategic document on the future Cohesion Policy of the EU Commissioner for Regional Policy, Mr. Pawel Samecki of December 2009³¹⁴.

The Cohesion Policy, which has an integrated and horizontal character in relation to other policies, expresses the potential for a flexible response to changing priorities and challenges, as well as opportunities and threats for the development of the Community. These include, above all, globalisation, which is a contribution to the formation of peer networks of economies and societies around the world, the emergence of new economic powers such as China, India or Brazil, the development of knowledge-based economy and its importance in building competitive advantages, climate change and the need to develop a plan to counteract this process based on rational premises, the diversification of sources and channels of transmission of energy and the broadly understood EU energy security, the urgent need to find answers to unfavourable demographic trends in European societies and the consequent problems of the pension and health systems of the Member States, or the fight against other major social problems as unemployment, poverty and social exclusion. "An integrated approach stresses that the promotion of development requires close coordination of the public policy. For example, both investment in infrastructure and in education and innovation can contribute to development. However, such coordination may actually take place only at the regional level, because growth factors are very different depending on the region. As a result, the cohesion policy is mainly based on integrated regional development strategies."³¹⁵

In view of the still appreciable effects of the financial and economic crisis, which has caused many losses both in the global economy and economies of almost all countries of the world, the Cohesion Policy will continue to play an important role as a pillar of European integration, facilitating adaptation to new circumstances. Its role in promoting the overall harmonious development and responding to regional differences in the post-crisis period will be more important than ever.

Despite the passage of time, the Cohesion Policy, which was based on the fundamental argument about the need to compensate poorer EU regions for smaller benefits from European integration, i.e. the economic and monetary union, still has a significant importance for the socio-economic development throughout the Community. The value of the Cohesion Policy for the development of a United Europe has increased even more after the next enlargement processes, which resulted in the accession to the EU, among others, of countries of the former communist bloc, which had and still have to make difficult and costly transformation, and catch up the long-term backlog in socio-economic development, especially in the field of technical infrastructure and human resources. Removal of infrastructure gaps in regions with respect to communication links with the

³¹¹http://www.mrr.gov.pl/rozwoj_regionalny/Polityka_spojnosci/Polityka_spojnosci_po_2013/Debata/Documents/drugie_stanowisko_ps_po_2013.pdf

³¹² http://www.umwd.dolnyslask.pl/fileadmin/user_upload/_temp_/Spojnosci_-_stanowisko_ZWD.pdf

³¹³ http://www.konwent.opolskie.pl/data/other/stanowisko_dot._polityki_spojnosci_ue.pdf

³¹⁴ http://ec.europa.eu/regional_policy/newsroom/pdf/pawel_samecki_orientation_paper.pdf

³¹⁵ Panorama – Inforegio, Regional Policy – an Integrated Approach. Wide Perspective, issue 34, 2010, p. 4.

metropolitan areas/regional capitals is also the best way to achieve the social objectives of the cohesion policy by facilitating access to jobs to those living in areas affected by high unemployment. And it is to the "Convergence" objective that over 80% of funds under the regional policy for 2007-2013 have been allocated.

It is also important to point out and emphasise that the Cohesion Policy supports not only the new EU Member States in catching up civilisation backwardness, but also the poorer regions in the "old 15" Member States, which, despite high levels of overall socio-economic development of these countries, still require strategic intervention in order to improve their economic situation. This applies in particular to regions in countries such as Spain, Portugal or Italy. In addition, efficient and effective implementation of the Cohesion Policy supports the development not only of the directly supported regions or even countries, but also generates benefits for the neighbouring Member States, including the rich countries of the "old 15". Entities from other Member States can benefit through the direct implementation of projects financed from EU funds, or may benefit from the increased potential for absorption of the supported regions.

The preservation of the Cohesion Policy in its current form, but with some necessary modifications, is also supported by the fact that it resulted in a significant increase in the activity of research entities cooperating with economic entities, which extends and strongly reinforces the range of activities aimed at achieving the Lisbon Strategy objectives. The richest regions in the EU also benefit from this policy. This is shown by their higher economic growth, job creation, improving the quality of the environment, improving equality of opportunity in society and increasing the standard of life. It should be acknowledged that this is an important and effective instrument to increase the development and competitiveness potential of European regions.

Given the above, one can say that the support for less developed regions will also lead to extracting their unused endogenous development potential, which, through appropriate mechanisms for financial support included in the Cohesion Policy, can be used for the benefit not only of these regions, but basically of the whole EU, including the developed countries of the "old 15", by increasing its consistency both in the economic, social and territorial dimension.

Moving the centre of gravity postulated in the debate over a new EU budget and the shape of the new Cohesion Policy after 2013, including the financial resources, to new priorities, namely research, innovation, environmental protection and combating climate change, will not bring the expected results in less developed countries and regions, because they still do not have adequate infrastructure and human capital resources for such development. However, the countries that joined the EU in 2004 and 2007 as well as some regions of the "old 15" are still struggling with developmental problems and cohesion with the rest of the Union. These areas still have not developed the expected level of development mechanisms. Moreover, the regions with the value of the GDP lower than the EU average still form the majority among the Member States. It should be remembered that the "new EU Member States" have been enabled to use the support of structural funds only several years ago, and although a lot of success has been achieved in modernising economies and improving the quality of life for the residents of these states and their regions, the economic indicators in these areas still remain at a much lower level than in the "old 15". This also stems from objective reasons - it is difficult to overcome in a few years underdevelopment accumulated for decades as a result of command economy and totalitarian regime. It should also be borne in mind that in areas with low development level, access to the basic "achievements" of

civilization, such as sewage systems, road or railway infrastructure, local ICT network, is still problematic, although in recent years many the projects have been implemented, needs are still very large. These areas and their inhabitants still need some time to be able to begin to fully comply with the rules and strive hard towards the goals outlined in the Lisbon Strategy and the Europe 2020 strategy, which is already in the final stages of development and is to replace the Lisbon Strategy.

As for the Lisbon Strategy and the general sense of innovation, it should be stressed that the Cohesion Policy is an important tool for achieving pro-innovation objectives provided in this strategy for the Member States. In 2004-2006 in Poland, more than 50% of the projects co-financed from EU funds under the European Cohesion Policy were aimed at achieving its objectives, and in the 2007-2013 programming period, more than 60% of the funds were earmarked for pro-Lisbon activities.³¹⁶ The Structural Funds and the Cohesion Fund significantly promote the development of knowledge-based economy, information society, research and development activity and support enterprises in the implementation of innovation or business support institutions.

It is also worth noting the contribution of the Cohesion Policy to the institutional convergence of the public administration systems in the new Member States through the dissemination of modern models of long-term strategic and financial management, as well as transfer of specific know-how in the field of target-orientated programming, monitoring, control and evaluation. The Cohesion Policy also promotes the processes of decentralisation and streamlining of public administration through decentralised management of EU aid.

Summary

The fall of the communist system in Central and Eastern Europe and the resulting transformation of countries from this area, including Poland, towards democracy, free market economy and civil society have given us not only freedom but also responsibility and a wide range of obligations to care for the development of our regions. The restitution of local government in 1990 and the further reform involving the introduction of the three-tier territorial division of the country, which entered into force in 1999, were the milestones in the implementation of the constitutional principle of decentralisation of public power.

It should be emphasised that an important element of development is also strengthening the identity of the community, both at the local and regional level. This process must be closely related to the integration process, covering various aspects of human activity - political, cultural, economic, etc. - and have the form of cooperation and integration of national, regional or local communities through participation in relevant organisations or the creation of special structures ensuring such cooperation and integration.

"Nothing about us without us" is such an important slogan for Poland and its painful history, but this must now be supplemented by the phrase "but with mutual respect and deeper cooperation

³¹⁶Ministry of Regional Development: EU Cohesion Policy after 2013, Warsaw 2009, p. 88

between European regions." The development of the idea of "Europe of Regions" as a coherent, rapidly developing and modern network of European regions can be an effective solution to the problems that are emerging due to the globalisation of the world and development processes. This idea can be contrasted with man's feeling of being lost in the world, globalisation and unification. Everyone has a need to refer to the fixed and unchanging base points and values - which can be unleashed by building the awareness of regional identity. This is possible under the Europe of Regions.

"The region is part of the state, which determines the wealth of the country, reflects its cultural, social and finally economic diversity. European experience has shown the value of creation of efficient and strong regional administrative units in terms of economy and administration [...]"

Through the development of self-governance at the regional and local level, the state increases a sense of responsibility in residents, not only in political but also in administrative, economic and financial matters [...]"

Claude Haegi³¹⁷

³¹⁷ The statement by Claude Haegi - Chairman of the Congress of Local and Regional Authorities of the European Council - for the Association of Polish Cities: A. Brzozowska, Regions in Europe - Strong and Independent, "Community" of 14 February 1998, issue 7.

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Europa Quo Vadis? Post scriptum

ANTONI KUKLIŃSKI, JANISŁAW MUSZYŃSKI

A. The Conference

The Lower Silesian Regional Self-Government and the Lower Silesian Foundation for Regional Development have jointly organized an international Conference “Europa Quo Vadis”, which took place in Wrocław, June 10-13 2010.

The Conference could be seen as a test for the question if the Region of Lower Silesia is a sufficiently strong community in the cognitive and pragmatic dimension to join the stream of path-breaking discussions related to the future of Europe facing the historical reconfiguration of the global scene. We are convinced that the content and the intellectual climate of the Conference have given a firmly positive answer to this question.

The Conference was a creative encounter of 40 personalities representing the academic community, the self governmental community, the community of international organizations and the banking community.

B. The post conference volume

The encouraging results of the Conference created an inducement to change the *verba* of the conference into the *scripta* of the post conference volume.

The 20 contributions incorporated into this volume are organized in four chapters:

Chapter one – a paradigmatic interpretation of the dramatic question of the XXI century – Europa Quo Vadis. Chapter one is not only a suggestion how to see the scope of the discussion related to the future of Europe. It is also a proposal how to outline an international research programme “Europa Quo Vadis”.

Chapter two – this is a diagnostic chapter analyzing the transformation of Europe at the turn of the XX and XXI century. This is only the beginning of the empirical route of “Europa Quo Vadis”. We need to design and implement a comprehensive network of empirical studies analyzing the transformation of Europe in the years 1990-2010.

The European Commission acting *via* Eurostat should prepare a well designed comprehensive data bank: the strategic data concerning the transformation of Europe in the two decades of 1990-2010. It will be much easier to mobilize European social sciences to develop comprehensive studies on the transformation of Europe when Eurostat has provided such a strategic data bank comprising purposefully selected information. Maybe in this context a more general discussion could be promoted how to define a set of 100 indicators, which would be a common denominator in all studies concerning the transformation of Europe.

Chapter three – Europe facing the challenges of the XXI century. The set of interesting contributions published in chapter three is an innovative interpretation of the strategic choices of Europe of the XXI century³¹⁸. This is an inducement to start in the framework of the “Europa Quo Vadis” Programme a concentrated effort to prepare a series of comprehension prospective studies of the years 2010-2030³¹⁹. This should be a well designed effort to build an integrated system of empirical and prospective studies representing two substantial and methodological dimensions: the diagnostic dimension of the years 1990-2010 and the prospective dimension of the years 2010-2030. This proposal can be reformulated in the following way – Europe facing the challenges of the reconfiguration of the global scene. The experiences and prospects of the years 1990-2030³²⁰.

Chapter four – the future of European regions. The new “Europa Quo Vadis” Programme should be seen as a parallel effort in relation to the Regio Future Programme designed and implemented by the Polish Ministry of Regional Development³²¹.

Especially interesting in this context are the regional Quo Vadis papers published in volume 4 of REDEFO³²².

In chapter four we find the contributions of J. Waszkiewicz³²³ and R. Galar³²⁴ which are relevant in the context of the “Europa Quo Vadis” Debate. The paper prepared by T. Bogusz, M. Zankowski and A. Łysoń³²⁵ is a welcome beginning of a monographic study by Lower Silesian covering the experiences and prospects of the years 1990-2030. These papers together with the other contributions included in this chapter could be seen as an inspiration to prepare in the framework of “Europa Quo Vadis” Programme a set of monographs covering the experiences of selected European regions in the years 1990-2030³²⁶.

* * *

The volume of *Europa Quo Vadis* is not only a „perpetuation” of the results of the June 2010 Conference. It is also an opening of the “Europa Quo Vadis” Research Programme³²⁷.

C. “Europa Quo Vadis” Programme, *Europa Quo Vadis* Volume. The perspective of Lower Silesia.

The Lower Silesian Society³²⁸ is facing the dramatic global challenges of the XXI century. To face these challenges this society is building up its cognitive and pragmatic capacities to define and

³¹⁸ Compare A. Kukliński, K. Pawłowski (eds) *Europe – the strategic choices*, Nowy Sącz 2005.

³¹⁹ Compare A. Kukliński, *The Regio Futures Programme. Experiences and Prospects*, Ministry of Regional Development, September 2010.

³²⁰ A. Kukliński, K. Pawłowski (eds) *The Atlantic Community. The Titanic of the XXI century?*, WBS-NLU, Nowy Sącz 2010.

³²¹ Compare [footnote 258](#).

³²² P. Jakubowska, A. Kukliński, P. Żuber (eds) *The future of Regions in the perspective of global change*, Case Studies, REDEFO volume 4, Warsaw 2009.

³²³ J. Waszkiewicz in the preconference volume.

³²⁴ R. Galar in volume 3 REDEFOe.

³²⁵ T. Bogusz, M. Zankowski, A. Łysoń, *Budowanie tożsamości regionalnej Dolnego Śląska*, Urząd Marszałkowski, Wrocław 2010.

³²⁶ A. Kukliński, footnote 258.

³²⁷ Compare A. Kukliński, preconference volume p. 4.

redefine the trajectories of its development integrating the challenges of universality and uniqueness of the experiences of Lower Silesia. We have to enrich the knowledge and imagination how to develop the self-programming capacity³²⁹ of the Lower Silesian Society.

This self programming capacity is the real foundation of the autonomy of each region, including Lower Silesia. The self programming capacity of the Lower Silesia Society is a phenomenon deeply embedded not only in the internal experiences of the Lower Silesian Society, but also in the experiences of the European Union seen in the global context.

The encounter between the internal and external experiences is creating the motivation for Lower Silesia to organize in Wrocław annual conferences – “Europa Quo Vadis”. The first June 2010 conference was a triple success:

- a) The success of creative participation by a group of European personalities who have accepted the invitation to participate in the Conference
- b) The success to create an inspiring intellectual and pragmatic climate of the Conference
- c) The success to transform the *dicta* of the Conference into the *scripta* of the post conference volume.

This triple success is opening the way for the Second “Europa Quo Vadis” Conference in June 2011. The next Conference should be seen as a real test of the self programing capacity of Lower Silesia. The conference could be perceived as an encounter of the self programming capacities of 6 European regions following the contributions published in volume 4 of REDEFO³³⁰.

The annual “Europa Quo Vadis” Conference series in Wrocław should be an important element in the creation of a permanent stimulus for the development of the self programming capacity of the society of Lower Silesia.

D. “Europa Quo Vadis” Programme. *Europa Quo Vadis* Volume. The perspective of the European Union.

The dramatic question “Europa Quo Vadis” embodies an unprecedented challenge for the „strategic mind” of the European Union. Unfortunately, the present capacity of this „mind” is weak. There are different trajectories leading to rapid improvement in this strategic capacity. One of the trajectories is to change a growing community of the European Regions into European centers of strategic thinking, joining the grand debate “Europa Quo Vadis”.

In this perspective, the European Union³³¹ should welcome the Lower Silesia initiative as an inspiring example for other European regions to follow. Maybe the Polish Presidency of the European Union 2011 will be able to create new channels for the enrichment and diffusion in Europe of the

³²⁸ Compare DATAR, *Amenager la France de 2020. Mettre les territoires en mouvement*, Paris 2002. In this inspiring study, the French society is representing the highest order in the organization of the French space.

³²⁹ Compare footnote 258.

³³⁰ See footnote 258.

³³¹ Compare, *Charlemagne. Rules of the Brussels club*, The Economist, September 11 2010.

Lower Silesian experiences. Naturally, the society of Lower Silesia must strive to further develop its powers of self programming capacity.

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