

Poland in the Growth and Cohesion Policy of the European Union in the Conditions of Globalisation

Zdzisław W. Pułlecki¹

Introduction

The most important long-term social-economic program of the European Union is the Lisbon Strategy, that is, the program accepted at the meeting of the European Council in March 2000. It is aimed at making the European Union the leading world economy by the year 2010. Poland, entering the European Union, has become one of those countries that work on achieving the goals of the Lisbon Strategy in order to make the EU, in the planned time, "the most competitive and dynamic, knowledge-driven economy in the whole world, capable of stable, continuous development, of creating bigger numbers of better jobs and distinguished by a bigger social cohesion."² It should be also pointed out that lower so far, when compared with that of the USA, level of the commercialisation of research is a permanent feature of Europe; in other words, practical implementation of knowledge and of the research-development potential, which in certain fields reaches the highest world levels is much inferior. Market has not reached this area of activity in a satisfying degree yet, and the ties between the institutions of higher learning and the real social-economic life are relatively weak.³

¹ Adam Mickiewicz University, Poznań, Poland.

² *Biała Księga 2003, Cz. I, Polska wobec Strategii LizboDskiej*, Jan Szomburg, Polskie Forum Strategii LizboDskiej, (*White Book 2003, Part I, Poland in the Face of Lisbon Strategy*, Jan Szomburg, Polish Forum of Lisbon Strategy) Gdansk-Warsaw 2003, p. 8.

³ *Ibid.* p. 9.

1. The economic and social cohesion policy of the EU in the new conditions of development at the beginning of XXI century

In the connection of enlargement of the EU in the 2004 and globalisation process of the contemporary world economy in the long term program of the economic and social development of the EU very important role belong to the economic and social cohesion policy and structural policy. 18 February 2004 the European Commission presented the Third Report on economic and social cohesion⁴, which sets out its vision for cohesion policy in an enlarged Union for the period 2007-2013. The proposals follow those of the Union's future budget which included a Euro 336 billion package for cohesion policy⁵. The report contains concrete recommendations on how these resources should be used in order to narrow the economic gaps between Member States and regions and achieve faster growth and more sustainable development. The report will kick-off the discussions inside and outside the European institutions on the future of this major policy area⁶.

The Union faces many challenges in the period ahead: the rise of new technologies, the quickening pace of economic change, immigration from outside the Union. On top of this, the economic of the Union performances has faltered over recent years. Europe must respond to this situation. The EU need to involve all of the regions and people in generating wealth. This is precisely what this proposal is all about namely narrowing the gaps to achieve faster growth. In this situation it is important to see that growth and cohesion are opposite sides of the same coin⁷.

At the beginning of the XXI century the European Union was on the verge of historic moment in the development with the re-unification of the continent. However this will result in a major widening of the gaps between rich and poor. Helping the poorest regions will be top priority for the next generation of European aid programmes. While most of the poorest regions are in the new Member States, the EU still need to continue to help the regions in the Fifteen where the process of catching-up is incomplete as well as many other declining urban or industrial areas or those with persistent natural handicaps where serious economic and social problems persist⁸.

⁴ COM/2004/107.

⁵ Commission proposes a new partnership for cohesion in the enlarged Union, IP/0423, Brussels, 18 February 2004, p. 1.

⁶ Ibid., p. 1.

⁷ This point of view presented Michel Barnier, Commissioner responsible for regional policy and institutional reform of the EU.

⁸ See Commission proposes..., op.cit. p. 1.

Following the Commission's proposal for the budget for the period 2007 to 2013⁹ and in order to prepare the ground for a proposal for a new legislative framework for the Structural Funds, the Third Report on Economic and Social Cohesion sets out the basic data and a new political blueprint for a reformed cohesion policy in the enlarged EU¹⁰.

Commission proposes a new architecture for EU cohesion policy, which is organised around three main priorities:

- Convergence: supporting growth and job creation in the least developed Member States and regions. First and foremost, this objective would concern those regions with per capita GDP less than 75% of the Community average¹¹. At the same time, temporary support is proposed for regions where per capita GDP would have been below 75% of the Community average for EU 15 (the so called statistical effect). Modernising and diversifying the economic structure, extending and upgrading basic infrastructure, protecting the environment, reinforcing administrative capacity, improving the quality of labour market institutions, education and training systems and increasing human capital would be the major issues of co-financing of national and regional programs. In addition, those Member States whose Gross National Product is below 90% of the Community average¹² will be eligible for the Cohesion Fund. This will continue to finance transport and environmental programs.
- Regional competitiveness and employment: anticipating and promoting change. The key objective of cohesion policy outside the least favoured Member States and regions would be twofold: First, through regional programs, cohesion policy would help regions and the regional authorities to anticipate and promote economic change in industrial, urban and rural areas by strengthening their competitiveness and attractiveness, taking into account existing economic, social and territorial disparities. Second, through national programs, cohesion policy would help people to anticipate and to adapt to economic change, in line with the policy priorities of the European

⁹ Communication from the Commission, *Bulding our common future*", COM/2004/101, see IP/04/189 of 10 February 2004.

¹⁰ Commission proposes..., *op. cit.*, p. 1.

¹¹ Measured at NUTS II level in purchasing power parities and calculated on the basis of the Community figures for the last three years available on the moment the decision is taken.

¹² Measured in purchasing power parities and calculated on the basis of the Community figures for the last three years available on the moment the decision is taken.

Employment Strategy (EES) by supporting policies aiming at full employment, improving quality and productivity at work, and social inclusion. "This will allow the Employment Strategy to be delivered on the ground, which is essential if the Union is to keep on track towards more employment, quality and productivity at work, social cohesion and equal opportunities", said Anna Diamantopoulou, Commissioner for employment and social affairs¹³.

- European territorial cooperation: promoting the harmonious and balanced development of the Union territory. Building on the experience of the INTERREG Initiative¹⁴, the report recommends the continuation of action to promote the harmonious and balanced integration of the Union's territory by supporting co-operation at cross-border and transnational level. In principle, all regions along the external and internal borders, terrestrial as well as maritime¹⁵ would be concerned by cross border co-operation. The key aim is to provide joint solutions to common problems between neighbouring authorities, such as urban, rural and coastal development of economic relations and networking of small and medium-sized enterprises.

The key principles of the delivery system for cohesion policy will be maintained such as strategic planning, decentralised management, systemic monitoring and evaluation. The report proposes important changes, including a new dialogue with the Council to help to ensure that cohesion policy is adjusted to the priorities set out under the Lisbon and Gothenburg agendas. Each year, the European Institutions would examine progress on the strategic priorities and results achieved on the basis of a report by the Commission summarising Member States' progress reports. From financial resources for the period 2007-2013, which is proposed to allocate Euro 336,3 billion or 0,41% of the Union's Gross National Income (GNI) in support of cohesion (0,46% before the transfers to the rural and fisheries instruments) around 78% of this amount would be for the "convergence" priority, some 18% for "regional competitiveness and employment" and around 4% on "European territorial cohesion"¹⁶.

Solidarity among the peoples of the European Union, economic and social progress and reinforced cohesion from part of the Community's overall objectives of

¹³ See, Commission proposes..., op.cit. p. 2.

¹⁴ Since 1990, the INTERREG Initiative has financed cross-border, transnational and interregional co-operation projects to reinforce the economy, infrastructures, employment and the environment.

¹⁵ Only maritime borders proposed by Member states would be eligible.

¹⁶ Commission proposes..., op.cit., p. 4.

“reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions”¹⁷, as laid down in the treaty establishing the European Communities. The instrument of solidarity, the Structural Funds and the Cohesion Fund, cover about one third of the EU budget (some Euro 38 billion in 2004)¹⁸. The resources are delivered through multi-annual development programmes, managed jointly by the Member States, the regions and the Commission¹⁹.

2. The implementation of the Lisbon Strategy

At its birth, Lisbon Strategy appeared to be a painless method for revitalisation of the EU economy, while taking advantage of favourable circumstances. It seemed that investing more public funds into research, education and the infrastructure of information society will allow to achieve such productivity growth that the change of social-economic rules of the game, and especially the redefinition of the so-called European social model, will not have to have a drastic character, that small adjustments will suffice. The first years after 2000 showed, however, that the increase in employment, in enterprising, and the role of the market and deregulation are in fact more important and more crucial factors for the process of development. Only when a certain progress in these areas has been achieved, it will become possible to increase significantly the public funds spent on technological information, and on research and development, and consequently to obtain the expected results. The problem lies not in catching up with the USA, but in avoiding stagnation, that is, the economic growth of only 1,0-1,5% annually. Moreover, the United States do not face the problem of ageing society, which gives them an immense advantage.²⁰

The process of adjusting the EU to demographic and globalisation challenges must be deep, and consequently, painful. For Western Europe there is no other way but to increase work efficiency. It is also necessary to bring about the cultural-mental changes (more responsibility for one's fate, less free time) and the institutional changes, including the redefinition of the role of the state and of the corporation systems, especially trade unions. The European Union societies must define a new point of

¹⁷ Ibid., p. 4.

¹⁸ Ibid., p. 4

¹⁹ The first cohesion report was published in 1996 establishing the foundations for „Agenda 2000”, the EU's political and financial framework for the period 2000-2006. The second report of 2001 launched debate about cohesion policy after enlargement culminating in the proposals of the Third report.

²⁰ Cf. *White Book 2003*, op.cit. p. 12

equilibrium between economic growth on the one hand, and social safety and social differentiations, on the other. It is also necessary to forego thinking in the terms of particular national interests and opening up towards a “win-win” situation, in which the liberalisation and integration of markets brings benefits to all, although those benefits are not necessarily equal. Success depends also on introducing a holistic, integrated approach. Further development and implementing the Lisbon Strategy will depend on the progress of the whole European project. Discontinuing it, or subjecting to governmental-national logic would have negative influence on the so-called Lisbon process.²¹

From the perspective implementation of the Lisbon Strategy one sees clearly that the countries of Northern Europe - Finland and Sweden - are most successful in this respect. People of those countries show the ability to define and consistently implement cohesive and long-term developmental strategies, the strategies that presume significant participation on the part of a, so to say, intelligent state. The countries of North-western peripheries of Europe, that is, Great Britain and Ireland, show great adjustment abilities, however, within the framework of the logic of the Anglo-Saxon model, which means less state interventionism. On the other hand, the countries of the “hard core” Europe, that is, Germany, France and Italy, show the weakest adaptation capabilities, although the efforts of just these three countries may have a decisive influence on the potential revitalisation of the EU economy by the year 2010.²²

In the face of the Lisbon Strategy any efforts to think and act alone - within national policies - cannot bring about excellent and long lasting results. It will soon prove necessary to take advantage of that huge developmental reserve in the shape of a uniform internal market. The economic situation will stimulate the political integration. At the same time, not only governments, but whole societies will exert the pressure to introduce reforms in those countries that slow down progress. Therefore, the first decade after the year 2000 will witness deep transformations in Western Europe. Only the collapse of the European project and the return to the idea of the European Union as a free trade zone, similar to the EFTA solution, could wipe out the crucial significance of the Lisbon Strategy.

When considering the Lisbon Strategy in most general terms, one can easily come to the conclusion that the success of its implementation serves Polish interests,

²¹ Cf. *Ibid.* p. 12.

²² See *Ibid.* p. 12.

since joining the group with low developmental and modernisation dynamics would certainly have a negative influence on long-term success of our accession. This does not mean, however, that we should unthinkingly treat the accession as a optimum development strategy for our country, and accept all its postulates and priorities. New countries entering the Union, as a consequence of its enlargement in 2004, will certainly introduce new accents to the Strategy, involving both its priorities and their implementation; on the whole, however, the Strategy will serve these countries well.

As far as the new member countries are concerned, certain parts of the Strategy are shared by them all, while other parts have individual character, which also concerns Poland. After thirteen years of transformation there emerges a system of basic priorities and development conditions, the system that forces us to a more comprehensive and versatile way of thinking and acting than the one triggered by the Strategy itself.²³ One can point, among others, to the following priorities:

1. development of entrepreneurship,
2. employment growth and modernisation of the social model,
3. liberalisation and integration of markets,
4. acceleration of knowledge-driven economy development,
5. strengthening of permanent development.²⁴

For our considerations here, as well as for our situation in general, the fourth segment, that is, the acceleration of economy development, based on knowledge, has a special significance. Therefore, it is necessary to make gradual preparations for this stage by a systematic development of a well organised research-development and innovative potential. However, in the present decade we will not be able to afford investments in the area of research and development on the level close to the one agreed to in the Lisbon Strategy (i.e., 3% of GNP). Even if - theoretically speaking - Poland could do this, the result would be an enormous waste of public resources. That is why one should follow his own speed of development and choose his own priorities, remembering that it is not the leading technologies, although certainly also important, that are the key problem for Poland (Poland obviously would not compete with the USA in this respect), but rather the increase of our capabilities to absorb the already existing technologies and the overall enhancement of innovations, even when they concern only traditional fields of production.²⁵ When taking into consideration

²³ See J. Szomburg, *Polskie priorytety wobec Strategii LizboDskiej*, w: *BiaBa Ksi'ga 2003...*, (Polish *Priorities and the Lisbon Strategy*, in: *White Book 2003...*), op. cit. p. 14.

²⁴ *Ibid.*, p. 15.

²⁵ Cf *Ibid.*, p. 16

the needs of the present economic growth in the area of research and development, one should first of all think about the introduction of more market, about supporting and promoting only these areas of activity which promise first-rate effects and world quality. In other words, it is better to have a smaller research and development sector but of a much better quality.²⁶ However, like in other areas, this requires an informed, bold, intelligent and strong state.

The Lisbon Strategy postulates undertaking a number of steps for the creation of an information society, steps that are defined in detailed programs, the most important of which is *eEurope Action Plan 2000*. The main goal of *eEurope Action Plan 2000* was the proliferation of internet communication. As a result the number of households with the access to internet has doubled. Now, almost every firm and school has this kind of access, while Europe presently boasts the fastest scientific backbone network. Meanwhile, the “new” Member States, have accepted a plan, which assumes active participation of this countries in achieving the goals of *eEurope*.

When answering the question - what shape is the Polish post-accession strategy supposed to take? - one should explicitly state that passive approach in the area of creating the information society means being sentenced to remaining the backwater of Europe. Poland has the advantage in the form of the size and the dynamics of its market, the demand for the products based on knowledge, and the research, scientific and intellectual potential. On the other hand, the Polish market for refined products is being served, to a high degree, by foreign firms which only rarely locate their know-how in Poland. Polish firms are mostly active in the sectors of low added value and must therefore base their competitive ability on low labour costs. One can present a number of cases when threats are accompanied by a certain, specific kind of chances, for example:

- underfunding of science and institutions of higher learning = social readiness to improve education; putting private resources into the school system,
- population explosion that has now reached their late teens and the increase of unemployment among the young = young people getting education in the IT sector,
- lack of financial resources = undertaking the activities which do not demand investments, e.g., creating the legal basis for e-economy, skilful fiscal policy.

So far, the basic weakness of the Polish policy in the area of the information society (IS) and the knowledge-driven economy (KDE) lies in the inertia of

²⁶ See *Ibid.*, p. 16

bureaucratic structures and the lack of proper coordination. Besides, those weaknesses include also political, economic, regulation and technological factors, and the factors which belong to the domain of education, science, R&D, and, last but not least, to the domain of psychological weaknesses. Polish position vis-à-vis the Lisbon Strategy should be characterised by particular attention being paid to social problems, especially in the face of the EU enlargement. Education, and especially the so-called permanent education, is one of the most important instruments preventing the social differentiation, or even social exclusion. Therefore, Poland should pay special attention to the participation of the candidate countries in the EU programs directed at the development of education and educational information infrastructure, particularly university networks.²⁷ It is also necessary to implement a clear social-economic policy, the policy of cheap information, of supporting research-development potential and strong academic centres, of encouragement addressed to foreign firms for conducting in Poland their research-development activities and of supporting intellectual entrepreneurship.²⁸

3. European Research Area (ERA)

The Lisbon Strategy assumes a radical transformation of the European economy towards the economy based on knowledge (New Knowledge-Driven Economy). This general goal is to be achieved mainly through the creation of the European Area of Research and Innovation, called generally ERA (European Research Area), and by increasing funds spent on research and technology development. By 2010, these funds are to reach the level of 3% GDP, with 2/3 of them coming from the private sector, and 1/3 from the public resources.

The role of the research and development area in the EU activities for the development of the knowledge driven economy is seen particularly clearly in three great schemes:

- information society for all,
- creation of the European Area of Research and Innovation,
- creating a friendly environment for setting up and for development of innovative firms, especially small and medium-sized ones.

²⁷ See *White Book 2003...* op. cit., p. 21

²⁸ Cf Ibid., p.21

The most general goal of the European Research Area is “creating the conditions ensuring the increased role of the European research through strengthening the cohesion of the research activity with the policy supporting it”. While enumerating the detailed tasks defined in this scheme, one should note the following:

- the development of the system for creating the networks of excellence and setting up a relevant map of them,
- analysing and monitoring the results of R&D sector in relation to the funds invested in that activity,
- perfecting the environment for the growth of private spending on R&D (partnership between R&D institutions and the technological firms starting innovating activity, motivating tax policy, assisting through venture capital and the European Investment Bank),
- employing benchmarking in the system of national research and in the application of the proper instruments in the state policy; identifying the basic indices used for the evaluation of the research results in different areas, as well as selecting proper indices for the evaluation and measurement of human resources development; preparing the European Chart on Innovation,
- ensuring technical conditions for building a fast, trans-European network of electronic communication between universities, scientific libraries, research centres and, in time, schools,
- encouraging the scientists to be more mobile, and looking for the most talented, and taking proper care of them,
- minimising the patent costs of inventions within the European Union - achieving the level of the best and best protected European patent.

The evaluation of the completed R&D tasks is being done mainly through measuring the invested funds in relation to the scientific and technological effects, particularly in the form of patents and supplementary measures. The EU governments and businesses still invest less in research and development than the USA or Japan. Funds for R&D, measured as the percentage of GDP, in the European Union are lower than 2% (1,94% in 2001), compared to 3% in Japan or 2,7% in the USA, although the levels of R&D funding in the EU differ considerably between member countries. Sweden reached 3,8% of GDP as early as 1999, Finland reached 3,36% in 2000, while Ireland, which in 1997 spent only 1,39%, in 2003 also reached the level planned in the Lisbon Strategy.²⁹

²⁹ See *Ibid.*, p. 23

So far, the most important instruments, in the European Union, allowing to realise the strategy of the economy development based on R&D, are so-called framework programs, and also special and supplementary programs that were included into the structure of ERA. They are supposed to ensure the cohesion of the development conception and levelling out of the development for particular member countries, and eventually lead to the increase in competitiveness of the Union as a whole.

The successive, that is, the EU's Sixth Framework Program for Research and Technological Development and Demonstration (EU FP6), is the main tool for stimulating European international cooperation in the area of scientific research and development activities. It is to be realised in the years 2002-2006. The FP6 budget of 17,5 billion euro represents 3,9% of the whole EU budget (in 2001), and 6% of all public spending on research in the EU countries. It is 17% higher than that of the Fifth Program (1998-2002). The goal of FP6 is to create the European Research Area which would promote scientific perfection, competitiveness and innovations through better cooperation and coordination. This goal comprises those schemes of the Lisbon Strategy that would ensure the success of the European Union in the field of competitiveness. The main features of FP6 include:

- simplification of management methods,
- focusing the efforts on a smaller number of priorities than that in FP5
- introduction of new tools (chiefly networks of excellence and integrated projects),
- promotion of partnership and cooperation - linking up with national and regional programs, and with other initiatives.

The research within the Sixth Framework Program is focused on a few strategic priorities which include, among others, information sciences (Info), biology and medicine (Bio), materials and materials technologies (Techno), education (Edu). Establishing the priorities is connected with the chances for funding research projects in given areas and for the implementation of the results from the Union resources, both in member countries and in candidate countries, which gives also a chance for Poland to initiate new research possibilities and to enlarge the European cooperation in the priority areas.

In Poland, in 2001, the R&D participated in the state budget only in 0,43%, which meant 3,302 billion PLN. In 2002, however, the percentage was even lower (0,36%), which meant only 2,632 billion PLN. At the same time, research and science received about 2/3 of that sum from extra-budget sources.

Throughout the decade the extra-budget sources participated in funding research programs on more or less the same level, that is, of about 0,3% GDP. The overall

funding of R&D in 2002 reached 0,66% of GDP. The situation is much worse, when we consider the sums of money spend on one researcher (in thousands USD PPP). In Poland, it is 39 thousand USD PPP, which is the lowest amount of money in all OECD countries, four times lower than the average in the EU, three times lower than in the Czech Republic, more or less on the level of funding in the countries of Latin America.

4. Poland and the strategy of building the knowledge-driven economy in the situation of integration and globalisation

Although the distance to the European Union countries has not been recently reduced, it must be pointed out that there has been a huge progress in the level of education of human resources in Poland, especially in higher education, which is particularly important when the state accepts the strategy of building the knowledge-driven economy. Gross scholarisation coefficient (the relation of the number of people learning on a given level of schooling to the total population of people whose age corresponds to that level of education) for higher education increased to 41% in 2000, compared to only 13% in 1990. This is the result of the growth of the number of students, from 404 thousand in 1990 to 1585 thousand in 2000. The number of students in every 10 thousand people rose to 406, compared with 105 in 1990.³⁰ Unfortunately, the fields of education chosen by the young do not always correspond to the needs of the Polish economy, which results in a relatively high unemployment rate among people with higher education.³¹

When making a decision of accepting the strategy that leads to building the knowledge-driven economy, as defined by the Lisbon Strategy requirements, it is necessary that Poland creates and implements at least the following crucial types of policy:

- the policy for developing research and development potential, and human resources potential,
- innovation policy (supporting innovation efforts in economy),
- cheap information policy (building of information society).

The implementation of the Lisbon Strategy in Poland should, in practice, mean the efforts that result from the current methods and tools of the above mentioned

³⁰ Ibid., p. 25.

³¹ Cf Ibid., p. 25.

policies, and which also take into account national priorities in the scientific, technological or regional policies, but which, at the same time, are compatible with those that are being currently employed in the European Union.

The goals defined in the Lisbon Strategy identify also the development schemes for Poland, the area of R&D included. The EU criteria and procedures, related to the participation in the framework programs, determine the progress of this process and the choice of the development factors in Poland, as well as the behaviour of those economic entities which are interested in the participation in these programs.³² The necessity to conform to the Lisbon requirements determines the tasks that Poland should carry out in the years 2003-2010 in order to create a chance for a based on partnership cooperation within the EU in the future.³³ If, however, Poland rejects the Union path, it will be impossible for this country to participate in the framework programs, and in other forms of financial aid, which would mean suspending the reforms of the R&D sector, of the system for financing research and development of innovative entrepreneurship. Yet, a membership fee is obligatory, regardless how much the member state benefits from the EU financial aid. If, however, a country accepts the challenge of carrying out a strategy based on strengthening the innovation factors of development, it will be able to gradually increase the profits resulting from the participation in the European research and innovation area, and to close up slowly the technological gap.³⁴

Technological progress is usually accompanied by the development of markets and by the establishment of new organisational rules.³⁵ This process, however, destroys previously existing forms of social solidarity. Contemporary changes of global character are, to a certain degree, a threat to local communities, because firms, looking for cheaper labour, often move their business abroad. Also outsourcing, that is, commissioning work, especially services, abroad, through internet, becomes much more frequent. On the other hand, due to that, young, well educated people are able to find more interesting and better paid jobs. This is also true for Poland, where this form of work commissioned from abroad, for instance from the "old" Member States of the EU and USA, becomes more popular every day.

³² Ibid., p.26.

³³ Cf Ibid., p. 26.

³⁴ Cf Ibid. p. 26.

³⁵ Cf F. Fukuyama, *Zaufanie. Kapitał społeczny a droga do dobrobytu*. (Translation from English. *Trust: The Social Virtues and the Creation of Prosperity*) A. and L. Zliwa, Wydawnictwo Naukowe PWN, Warszawa WrocBaw 1997, p. 352.

Foreign firms more frequently than before open their development and research centres in Poland. This has been done by, among others, Motorola, Intel, cooperating with Microsoft, Unilever, Volkswagen and Fluor Daniel. Polish engineers work, for example, for the headquarters of General Electric, Lufthansa, Siemens and Lucent Technologies. In this new situation, resulting from the globalisation of labour, it is important that one becomes a partner of foreign capital and is not just being kept by it.

In the first years after 2000 creative employees besides having one boss in a branch of a foreign firm in their native country, very often had another boss somewhere abroad, to whom they had to report the progress of projects. A few dozen of people were working in this way in the Warsaw office of HP contacting through internet with superiors and subordinates in different places in Europe.³⁶ Thus, the functions of home or regional headquarters dispersed. Goods and services were designed by people from all over the world and the same quality products were supplied to customers everywhere. Nevertheless, the wages of creative people, working intellectually, were in Poland several times lower than the wages of people doing the same job in "old" Member States of the EU and the USA.

At the same time, however, there were people who earned comparable money to those in the States or Western Europe. For example, the consultants with adequate practice in the network consulting firms, could belong to that group. There was an opinion that managing process in this type of firms has such a global character that the bosses of appropriate divisions decide where each particular consultant should work. Besides, all their employees, all over the world, are evaluated in the same way and the value of their work is calculated according to the same rules.

Motorola Poland had the policy of setting up wages on the higher than average level in this line of business. One of the twenty world software centres of that firm is situated in Cracow. It prepares mainly software for the infrastructure of mobile telephone networks, working in the CDMA system (not used in Europe but used in the USA, Japan and a number of Asia countries). There is no competition between different centres of Motorola which work under one name - Global Software Group. There is a standing rule there that several centres work on the same project.³⁷ The competition, if it arises, is informal and concerns, for example, the value of the expert analysis prepared by different centres.

³⁶ Fandrejewska, A., *GBowy do wynajęcia (Heads for Hire)*, Business Week", March 2003.

³⁷ Ibid.

The process of changes not only destroys old social structures; it also builds new ones. Japanese *kaisha* may be an example here; they are a source of social solidarity in many respects stronger than that of a family, and surely stronger than that which existed in the earlier forms of social organisations.³⁸ During the so-called decade of greed, in the eighties, when some American firms fired their employees without mercy, thus causing the destruction of local communities, other corporations introduced numerous organisational innovations: lean manufacturing, production teams, quality control on production level, and so on. The aim was to break down the social isolation which resulted from the Taylor rules of mass production. The firms which yielded to the logic of organisational changes became more productive and at the same time much more group-oriented.³⁹

Rapid technological progress, observed especially in electronics, generates opinions that computers open quite new perspectives in creating "virtual communities", that is, such communities that are not dependent on geographical location and distribution. Contrary to those opinions, it would seem that many technical inventions, introduced after the Second World War, have just the opposite effect, that is, they lead to an alienation and isolation of an individual. Film and television, unlike the earlier forms of entertainment, that is, social meetings, discussions with people of similar interests, or simply ordinary conversations, represent a one-sided exchange of information and lack of direct interaction on a social level. Besides, the mechanism of their dissemination - electromagnetic waves, videocassettes, cable television - enables their reception in the quiet of our homes and eliminates even the interaction of the type possible in such a narrow social space as that of a cinema theatre.⁴⁰ Therefore, it is not surprising that there is an opinion that a new information revolution, in some way related to knowledge-driven economy, may possibly bring some positive trends, but only future will show whether a virtual society is an adequate substitute for direct human interrelation.⁴¹

The biggest advantage of the present globalisation wave should be seen in the fact that we can benefit from the skills of the most talented people from all over the world. This is without doubt a real benefit resulting from the changes that are presently taking place. However, there are also threats. During the earlier waves of globalisation

³⁸ Cf F. Fukuyama, op. cit., p. 353.

³⁹ Ibid. p. 353.

⁴⁰ Ibid. p. 357.

⁴¹ Similar opinion was expressed by R.D. Putman, *Bowling Alone: America's Declining Social Capital*, "Journal of Democracy", 1995, No 6, p. 75, and F. Fukuyama, op. cit. p. 357.

many firms eventually returned again to producing and designing in their home countries as a result of losing control over the most important elements of activity. They also had many problems with the coordination of cooperation. Most firms commissioning IT services were not happy with the cooperation. The reason was the problem with communication; besides cooperating firms did not always kept the deadlines. As a result, many firms which had decided to make use of the outsourcing would have serious problems in the first few years of applying that system.

Highly qualified employees, such as skilled IT experts, specialising in managing payrolls, and such as financial analysts do not have to worry about employment, because for them there are plenty of jobs. The question is whether the wages they receive will be on the same level. It is easy to imagine that, for a firm, reducing payment costs for highly qualified labour, this reduction will be more important than their skills. At the same time, however, there is a common opinion that if some foreign firms started specialising in the field that requires high qualifications, they might find themselves in an advantageous position in relation to those employees who until then boasted having the highest qualifications in, for example, such country as the USA.⁴²

By accepting commissions from abroad a country like Poland may profit economically more than by building new factories producing sports footwear or mobile telephones. It is estimated that by 2008 the export of information services, and other intellectual products, from less developed countries will guarantee them higher financial profits and higher employment. Commissioning work abroad is becoming more common due to the fact that in the countries in which wages are low there is a massive increase of number of graduates from the institutions of higher learning.⁴³

While considering the above issues one should point out that the process of outsourcing development has only just started. This tendency is just taking shape and it is the result of the need to lower costs. More cautious firms, such as insurance firms, electric energy suppliers, and so on, also begin to use outsourcing. It is estimated that these services may not really become widespread earlier than in the year 2010.

⁴² P. Engardio, A. Bernstein, M. Kripalani, *The New Global Job Shift*, Business Week, 2003, February 3.

⁴³ Ibid.

Conclusions

Because of the increasing role of science, or knowledge, in the process of economic growth, the European Union Council proposes, among other prospective goals, to strengthen the ties between the education system and the market through the application of such instruments as EURES (European Employment Service)⁴⁴. However, this cannot be used as a pretext for lowering the responsibility for such issues as the education of the society in the democratic spirit, the evaluation of the results of hitherto undertaken activities, and the effective intervention efforts aimed at levelling the differences, when the scientific achievements are lower than the required standards. This especially applies, in proper proportions, to financial support.

Higher education can be used for accelerating the economic development and for building the political democracy. Financial aid coming from different programs of financial support, such as the structural funds, for example, may be helpful, to a significant degree, in achieving this goal. At the same time, the financial means of that type facilitate a faster adaptation of the Polish higher education to the Union standards. And this becomes particularly important in the situation of membership Poland in the European Union.

While considering the development of higher education in the twenty first century, in the situation of the European integration and globalisation, first of all one has to bear in mind the issues of quality, of human resources management and financial management, and also the role of international cooperation.⁴⁵ The problems of higher education in the twenty first century were discussed during the international conferences in Havana (November 1996), Dakar (April 1997), Tokyo (July 1997), Palermo (September 1997), and Beirut (March 1998).⁴⁶ The main political goals in that area, and the strategies necessary to implement them, have been proposed for each geographical region.

A special importance of the higher education is seen in a long-term education of societies and also in a permanent education, which is related to the requirements resulting from fast technical and technological changes, and especially to the growing

⁴⁴ Członkostwo Polski w Unii Europejskiej - na jakich zasadach? Urząd Komitetu Integracji Europejskiej, (*Poland in European Union - on What Terms?* European Integration Committee Office), Warsaw, March 2003, p. 119.

⁴⁵ See B.C. Saugal, *Looking Ahead at Universities for the 21st Century*, II EP NEWSLETTER, October-November 1998, No 2., p. 12.

⁴⁶ Ibidem.

role of computer technology, used in a very important segment of economic and social development processes, that is, in information processes. At the same time the value of higher education in the whole education system will be growing. As a result, the ties between higher education, scientific research and production processes, that is, the ties characteristic for knowledge-driven society, will help to reduce unemployment. There is also the need for steady modernisation of teaching curricula in existing university specialisations. This should be complemented by a broad international cooperation, especially with the best scientific and academic centres.

Incorporating Poland, through the integration with the European Union, into the processes of globalisation will further its fuller participation in an integrating world system of mutually dependent economies, and in the educational benefits. The globalisation processes continuously strengthen the role of education. Globalisation of research and development work is one of the most interesting phenomena in the world today. Research and development work more than anything else is pure information. It may be based, here and there, on physical experiments but its transfer, exchange and planning is, to a high degree, pure information. Fifteen years ago, and earlier, science was a global enterprise requiring the communication between scientists through periodicals or world conferences. Due to cheap telecommunication it is more practical for corporations to have their own research centres all over the world and to coordinate their activities. The corporations that have those new networks may choose and employ the best and the most intelligent employees in a very competitive world environment, because they can offer them the best pay, best opportunities and working facilities.⁴⁷ Therefore, the corporations can always reach for the best people everywhere.⁴⁸ A significant role, in this respect, in less developed countries, also in Poland, is played by the educational processes on the higher level, including the new forms of teaching and learning, such as self-teaching or remote teaching.⁴⁹ This is so, because the accelerated adaptation to changing requirements of the job market and to technological transformations, and consequently, the growing significance of a knowledge-driven economy, becomes more and more important.

⁴⁷ See J.F. Coates, *Sieci korporacyjne jako innowacja społeczna*, „Transformacje”, Pismo interdyscyplinarne, (Corporation Networks as Social Innovation. “Transformations”. Interdisciplinary publication.), May 2001, p. 21

⁴⁸ Cf. *ibid.* p. 21.

⁴⁹ See D.T. Dziuba, *Efektowność ekonomiczna i edukacyjna systemów zdalnego nauczania*, „Transformacje”, Pismo interdyscyplinarne (*Economic and Educational Effectiveness of Remote Teaching Systems*. “Transformations”. Interdisciplinary publication), May 2001, p. 101-121).

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