

FORMING OF BUSINESS CLIMATE AS A CHALLENGE FOR MARKETING IN THE CROSSBORDER REGION: A CASE OF THE BREST-BIALA PODLASKA-SIEDICE REGION

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1. The world wide trends towards cross-border cooperation and integration Cross-border cooperation can mean new chances for regional (endogenous) development. Cooperation in a border region is assumed to generate profits, peace, understanding and prosperity. It is founded on various benefits which may accrue from it, sometimes but not always to the mutual advantage of the countries concerned.

The process of regional cooperation and integration can be considered from several points of view. Gibb and Michalak edited the book entitled "*Continental Trading Blocs; the growth of regionalism in the world economy*". The authors considered regions to be large transnational blocs like the European Union, NAFTA (in northern America) and ASEAN (in Southeast Asia). In their view, it is better to speak about a process of growing regionalism instead of global integration or globalization. In the other words, integration and disintegration take place at the same time.

Cappellin and Batey wrote a book on "*Regional Networki, Border regions and European Integration*". This title stresses the role of border regions in European integration. Rumley and Minghi have edited a bundle of contributions with the title "*The Geography of Border Landscapes*", in which in particular the problems that arise from the existence of national borders are given attention. The series "*World Roundaries*" stresses the political aspects of boundaries. As is easy to notice, the two central issues concerning cooperation and integration seem to be the region and the border.

Border-crossing involves people, goods, money and ideas moving from one region to another and vice versa. The current growing interest in borders and border-crossing mainly concerns the borders of countries. Particularly in Europe, where the idea of a borderless continent is in the process of being firmly anchored in society, interregional and cross-border cooperation is regarded to be of great importance for the process of European integration. In this respect a case of the Brest-Biala Podlaska-Siedice region is important from at least two points of view: i/ the interactions take place between people

and organizations; ii/ the ultimate result of cooperation and integration of the both sides of the border.

2. Transportation linkages within the Brest-Biala Podlaska-Siedlce region The European Union puts much effort into diminishing the barrier effects of borders between the member states. It is worth to be said that regions and borders are inseparably linked. Particularly the regions along the inner borders of the European Union are emerging as new centers of economic activity. Nowadays their previous peripheral locations have turned into ones that can be characterized as much more central. In our opinion it could be considered also a case of the Brest-Biala Podlaska-Siedlce region. The important railways and motorways that connect East and West run through the Brest-Siedlce area. The modernization of the Berlin-Moscow railway line has already reached Warsaw, it arrives in Siedlce soon, then Terespol and Brest. A high speed railway link between Moscow and Berlin (of the French TGV type) is to be added to these infrastructural assets. However, it remains to be seen whether the region in question, is going to capitalize on these supposed opportunities for the once peripheral particularly on the Polish side of the border. It could be called after its old historical name "the Brest Route". We wish to declare that the region in question will embrace the process towards a future borderless Europe. To guide this process we should answer the question concerning the nature of borders, because they can divide or unite.

We are aware that almost fifty years of national borders closed for political and military reasons, made a real disruption and wiped out the transborder contacts. Such contacts could exist on the local level only under highly restricted control and within a strictly define scope. Under those conditions the region in question has inherited poor technical infrastructure linkages, poor facilities, a low urbanity of the operating settlement nodes as Siedlce and Biala Podlaska . As a rule there have been weak ties with metropolitan centers. In the case of Brest and the Republic of Belarus the speed of transition towards a market oriented economy and of the opening up of markets has been slow. The Brest inhabitants have started thinking and acting in terms of private economy, and they have been involved in the so-called the trade tourism. The knowledge of the advantages of market economy has begun to develop in the Brest community. In that sense one can say that the transition takes place on the mentality level.

A geopolitical location of the Republic of Belarus makes it a frontier country which is often labeled as a gate to the West. The Brest city and its

area is perceived in the same way. Brest becomes very attractive also for Russian and the other Russian speaking people, the former citizens of the Soviet Union, who have started to run their businesses. Many of them have already settled down in Brest, they have purchased real estate or they have already started to build homes. The investigation has shown that the new joint-ventures are coming into being. Capital has been flowing into the region due to its strategic location in Europe, as well as to the cheap and relatively high skilled labour.

3. Forming of business climate becomes a challenge for marketing in the cross-border region

Under those conditions there is the urgent need to improve the business climate both on the level of the newly founded companies and the entrepreneurial oriented individuals too. We have found that the forming of business climate becomes a challenge for marketing in the cross-border region in question. The business climate is the basis of cooperation, integration and interaction, which are largely determined by people or organizations, which have found interest in crossing the border. In the 1990s quite a number of scientific books or articles were published

concerning cooperation, integration and borders. Apparently, people crossing borders are still worth studying . Particularly the developments in Europe are watched closely and have far reaching consequences, as witness the following quote: "The success of regional integration in western Europe is one of the most important reasons for the present resurgence of regionalism in other parts of the world" . Border regions are defined as areas whose economic, social, cultural and political life are significantly affected by proximity to international border. They can include lack of interaction and lack of exploitation of economies of scale and scope due to hinterlands being cut off by the border. This can be seen in several functional and political fields of contact. E.g. the reason for lack of integration in border region is that the economic system competes on an international basis, while the political and legal systems are to a large extent nationally based. The interactions in border regions can be differentiated according to functional contexts, e.g. law, economy, politics and culture, as systems within modern societies , c.f. Fig. I.

Legal provisions were adopted to allow, e.g. the development of communal associations. Associations created in this way represent national interests but also function across the border in that they work together with communal associations on the other side of the border. The most important con-

sequence of choosing a legal form for functional alliance is the ability to exercise independent financial management and have self-sufficient support systems for projects. Under these conditions, independent personnel can be employed, contracts can be finalized, and finally, projects can be carried out in the region. The problem should be solved by an institutionalization of cross-border cooperation in the form of corporation in the area of public law is in part associated with the administration of the distribution of funds. Economic interactions are detectable in trade relations or in competition situations. The political level is a much more short-term form of interaction, and it is measurable per legislative period. The cultural context for interaction consists of: the spoken language, the history of the region, and forms of education. The enumerated components can be different or identical, and they play an important role for cross-border regions.

The functional relationships are only activated in circumstances where mutual interests are involved. If one side of the border is clearly better off than the other, then it can be expected that both sides of the border will have the same level of interest in organized cross-border cooperation. The vision of cross-border cooperation should be marked by very different notions on both sides of the border. The program of crossborder cooperation can combine the fields of culture, youth, sport, economics, transportation, infrastructure etc. The routine work should be completely done on a voluntary basis by the members. Only a number of secretaries can be provided through the re-allocation of part-time positions from the administrations. Following the experiences of the cross-border regions, which are well described in the literature, the cooperation is more a result than a goal of the border regions working together. Some of them tried to established an institutional level of cross-border cooperation, the others made no such attempt.

4. Borders as a barrier to interaction

In general, borders can be defined as barriers to interaction, The function of borders as a barrier to interaction results from differences in the regulation that exist between various bordering societies and social structures. The interactions involved can be of different types. These interactions form the business climate in the border region, e.g. they depend on the forms of payment (money exchange) or forms of direct relationships between individuals. When crossing a border, regardless of whether this takes the form of a physical crossing by car, the transfer of money into another country via a bank, or telephoning a company or friend in a neighboring country, the border is ex-

perienced as a tangible barrier. There are also some barriers which we can define as an obstacle designed to or capable of delaying or preventing the free flow of either goods, money, labor or know-how, and thus interfering with the normal functioning of markets.

Regional scientists have suggested that whatever form the Europe of regions will take, the resulting picture will lead "not to new rigid boundaries but a patchwork pattern of overlapping jurisdiction or to a variable geometry of multiple transnational cooperation networks". All over the world, neighboring regions combine their efforts in all sorts of regional cooperation. Thus, they create borderlands or border regions in which interaction is intensified instead of being blocked by the border.

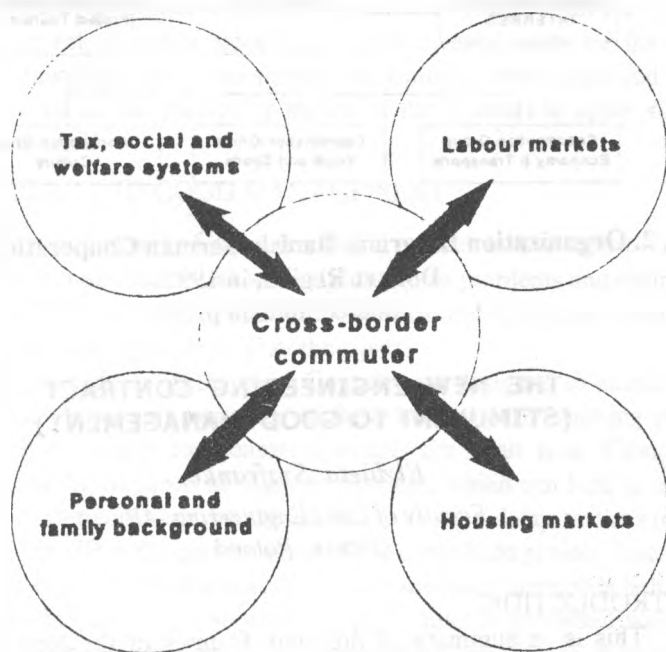


Fig. 1. Four factor-group for cross-border commuting.

Source: Schack M., Hansen C., 1997, Cooperation in Border Regions - Why and How? Case-studies of Euro-regions along the German-Dutch Border and the Danish-German Border Region, Institut for Grenseregionsforskning, Aabenraa, p. 13.

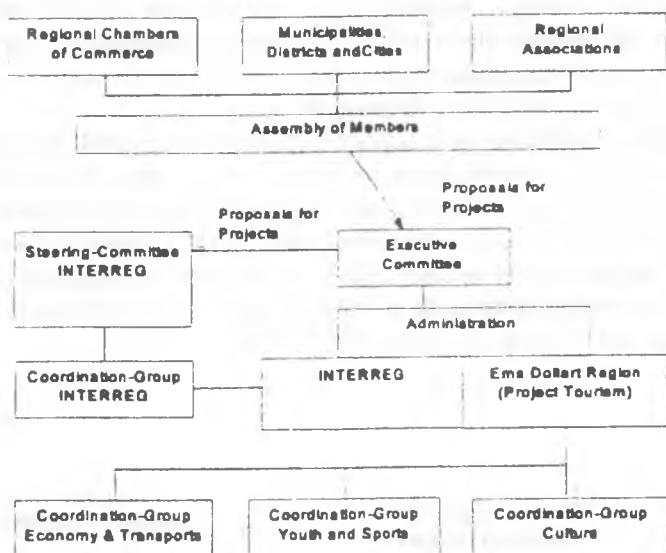


Fig. 2. Organization Diagram, Danish-German Cooperation in Ems Dollart Region, in 1997

Source: Ibidem p. 24.

THE NEW ENGINEERING CONTRACT (STIMULANT TO GOOD MANAGEMENT)

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INTRODUCTION

This is a summary of the main features of the New Engineering Contract which appeared in the new market conditions. The New Engineering Contract has been developed to meet the current and future needs for a form of contract to be used in engineering and construction generally which is an improvement on existing standard contracts in a number of ways.

The New Contract is intended to be used for engineering or construction work containing any or all of traditional disciplines such as civil,