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# Issues and instruments for coordinated city-suburban development in Taurage County

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# City development- precondition for region development (1)

- Cities are home to most jobs, firms and higher education institutions and their action is decisive in bringing about social cohesion. Cities are home to change based on innovation, entrepreneurial spirit and economic growth. Urban growth or urban innovation strategy should be pursued strengthening the relations between the business sector, the research institutions and the public sector and promoting at the same time an attractive urban environment.
- Economic growth is sustainable when it is accompanied by measures designed to reduce poverty, social exclusion and environmental problems. The question of the sustainable character of growth is particularly important in cities most exposed to problems of social exclusion, deterioration of the environment, wastelands and urban sprawl. Cities can register significant differences in economic and social perspectives. There may be spatial inequalities (between neighbourhoods) or social inequalities (between different groups). Frequently, disparities include both dimensions. The quality of the urban environment may also constitute a factor of attractiveness.

# City development- precondition for region development (2)

- Urban and metropolitan areas function as the motors of national and regional competitiveness. Consequently it is important both to secure the growth of strong urban areas and to reinforce their link to their neighbouring areas/hinterlands within the region as well as to more remote rural areas. The large urban centres have a key role in transferring expertise, channelling growth and boosting competitiveness.
- Europe is characterised by a polycentric structure of small, medium-size and large towns. Many of them form metropolitan areas while many others constitute the only urban centre in the region. In order to pursue a sustainable development strategy of urban and metropolitan areas, it is necessary to ensure an effective management of the main urban systems: urban transport, energy management, waste management. A balanced spatial development requires careful planning and the improvement of the links between urban and rural areas.



# City development- precondition for region development (3)

- It is crucial for an effective urban policy to develop and implement models of metropolitan and urban governance. Engaging all relevant levels of government is necessary considering the holistic and multicultural approach that is necessary for an effective urban policy. The authorities responsible for different spatial level (regions, departments or counties, districts, cities) should cooperate in an organized manner, if possible on the basis of agreed planning tools. A balanced territorial development, a sustainable spatial balance, satisfactory links between urban and peri-urban and rural areas cannot be reached without a joint management and planning effort.
- The challenges to be met vary from one city to the next. Some cities have to solve the problems caused by population growth, increase in property prices, lack of available land, traffic congestion, and overstretched public services. Other cities suffer from population loss, dereliction, too few jobs or low quality of life.

# City development- precondition for region development (4)

- The *Regulation EC No 1083/2006 of 11 July 2006* laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and the *Regulation EC n° 1080/2006* on the European Regional Development Fund, and the *Community strategic guidelines on cohesion* adopted by the council on 6 October 2006 precise the role of urban policy in the context of Regional and Cohesion Policy. The *Communication COM (2006) 385* of 13 July 2006 to the Council and to the European Parliament on “Cohesion Policy and cities: the urban contribution to growth and jobs in the regions”, specifies the indications of the Strategic Guidelines and is a baseline document on the importance of sustainable urban development in European regional policy for 2007-2013.

## City development- precondition for region development (5)

- The Guidelines on Cohesion indicate that:
- *Programmes with a focus on urban areas can take several different forms.*
- *First, there are actions to promote cities as motors of regional development. ...*
- *Second, there are actions to promote internal cohesion inside the urban areas that seek to improve the situation of crisis districts.*
- *Third, there are actions to promote a more balanced, polycentric development by developing the urban network at national and Community level.*

# City development- precondition for region development (6)

- Increasing the attractiveness and competitiveness of cities, where the lion's share of European GDP is generated, is an important component of the Lisbon and Gothenburg strategy. In this context the urban objectives within regional and cohesion policy in the next planning period can be summarized as follows:
  - To increase the added value of Structural Fund interventions on urban issues, promoting an integrated approach to sustainable urban development, ensuring synergy between all the interventions financed by structural funds in the urban context and increasing the effectiveness and visibility of Community intervention.
  - To improve the governance of urban interventions, as a key element for facilitating a successful urban policy. This means engaging all relevant stakeholders, promoting an increased role of municipalities, achieving the right spatial balance and encouraging good planning and management practices.

# *Regions For Economic Change (1)*

To secure the sustainable development of the region, Taurage county Regional development plan 2006-2013 maintains the following key challenges and targets:

- Taurage region in the nearest 10 – 20 years will develop rapidly, dynamically and sustainably ensuring high living quality, lowest unemployment and laying foundation for knowledge society. The main developmental factors for the region are modern and competitive in the Baltic Sea area Klaipeda seaport, production and services based on contemporary technologies, competitive recreational and tourism industry, effective small and medium scale business network. Restructured regional rural holdings and producing ecological products, capable of competing in EU market.
- Most prosperous economic areas in the world are distinguished for their high entrepreneurship. Taurage region substantially lags behind most EU and Lithuanian regions in terms of numbers of business start-ups and survived businesses. In order to create more businesses in the region, the city-hinterland alliances should be constituted and businessmen communities must be established for sharing motivation and qualification.

## *Regions For Economic Change (2)*

Taurage city has the strongest viability in the region. Although the viability of minor centres is weaker, but in some cases it is sufficient considering their size and role. Jurbarkas and Silale are distinguished for their sufficient viability and critical mass. Taking into account short distance to Taurage city, it is likely that private sector will undertake delivery of services of sufficient level, quality and range. The factors stimulating delivery of services will strengthen these centres. Situation in Pagegiai and other peripheral county locations is more complicated. Most difficulties in attracting investments from private sector to service delivery will experience Pagegiai and Silale. In future viability of Taurage city will likely be much stronger compared to other regional centres, however, to attain higher quality and range of services, much more incentives and support will be needed. Jurbarkas also has quiet strong potential for services development. Pagegiai together with Jurbarkas possess good service development potential, reinforced by Nemunas river water and land tourism opportunities and programmes to be prepared. Projects of tourism development, e. g. Bicycle trail, Via- Hanseatica motoring route are already prepared. Border customs is also important factor, as well as rich cultural heritage and natural resources.

## *Regions For Economic Change (3)*

- Taurage county Regional development plan creates a basis for development of regional economy. Successful policy is founded on innovative employment of local advantages aiming to ensure region's competitiveness and balanced economic growth.
- Cooperation will be conducted with main entities participating in regional development process and pursuing the same objectives. Regional institutions will collaborate with State managing institutions and private sector based on partnership, strategic thinking, responsibility and power sharing principles.
- Strategic projects will be employed as incentive measures for development. Comprehensive development will be implemented in regional centre/Taurage city and around it. Transport, logistics, and cargo transportation sectors, also establishment of specialized small and mid-scale companies, recreational and tourism services system development are essential for new economic development.

## *Regions For Economic Change (4)*

- Diversification and restructuring of economy are the key factors. The processes of production and management will be improved on all levels. Additional advantages and added value will be created by concentrating economic activities that support each other. Balanced rural development will be achieved by concentrating activities of smaller volume in smaller regional centres/townships and settlements. Viability of minor centres and rural locations will be sustained by investments into local business sector and its stimulation and diversification into non-traditional businesses. That will be achieved through dynamic and innovative rural development policy based on sustainable development of agriculture, forestry, natural environment, recreational and tourism sectors. Long-term investments into human resources, mainly investing into education and training will help to ensure the development in desirable direction. High quality education and training will be available for everybody, thus establishing a culture of innovation and entrepreneurship

## *Regions For Economic Change (5)*

- In order to implement main objectives of well-balanced and sustainable regional development, it is necessary to involve many public institutions and private companies, which could affect regional development by their policy, programmes and decisions. These are State and regional authority institutions, municipalities, agencies, nongovernmental organizations/NGOs and private sector. Integration of these activities will need:
- Clearly identify key driving force on the regional level that would consolidate all actors of the development process for strategy implementation;
- Partnership between authority institutions on national, regional and local levels;
- Integrate relevant strategy elements into plans and programmes of various public institutions indicating clear objectives and responsibility;
- Establish reliable supervision and communication systems supporting implementation process;
- Prepare other strategies on regional and local levels ensuring implementation of economic development and spatial strategies.

# *Regions For Economic Change (6)*

- The before-mentioned ambitious aims and goals of Taurage county Regional development acquired the substantiated preconditions in the midst of 2007, after enactment of amended Lithuanian Law on Regional Development (May 17, 2007, VIII-1889).
- Pursuant to the need to enhance the prioritized development of underdeveloped Lithuanian regions, i. a. Taurage county, the Law facilitates the more rapid development of regional centres, who undertake the role of development axes for adjoining peripheral areas, townships, settlements and villages.
- Within January-October, 2007 considerable undertakings have been accomplished to enhance the working cooperation links between the Regional centre (Taurage city) and surrounding municipalities. Taurage city is determined as the development axis for other towns and settlements of the county. The main emphasis is set to strengthen the Taurage city employment capacities to ensure working places for surrounding towns and settlements facilitating the labour force to commute to operating enterprises in Taurage. Specific Taurage town development programme 2007-2013 in line with Urban instrument requirements has been developed and approved by the Ministry of the Interior (Management Authority).
- In line with the stipulations of the Decision of the Lithuanian Government on Problem territories (January 31, 2007, No 112), the Specific development programme for Jurbarkas municipality (as Problem area) has been elaborated to introduce the sustainable development of the district, and surrounding rural areas.

## *Regions For Economic Change (7)*

- "Lithuanian partner/Taurage county, in the scope of SEBco project WP1 is focused upon Taurage region (as the whole underdeveloped area) prioritized development in 2007-2013. The prerequisites for the development are laid down in the Decision No 575 of Lithuanian Government dd May 23, 2005, "On Lithuanian Regional Policy Strategy 2013". The Strategy of Regional development is targeted for the enhancement of territorial and social cohesion between the Lithuanian regions precluding the growth of disparities within the regions. The underdeveloped networking of cities and surrounding areas is the main hindrance for the latter to exploit the advantages of cities, who may facilitate the services and jobs for the periphery. This may be improved by implementing of special development programme, who should be introduced under oncoming governmental "Programme for reduction of development and Socio-economical disparities between Lithuanian regions". The programme implicates not only bridging of development disparities gaps between the regions/counties but also the disparities of municipalities and neighbourhoods within the counties as well. The emphasis in the above Programme is made upon the enhanced development of central city of county (administrative centre of the county, in our case it is Taurage town) and municipal cities and the surrounding neighbourhoods (townships and settlements).

## *Regions For Economic Change (8)*

- The main emphasis is to strengthen the employment capacities of Taurage town to ensure the working places also for commuters travelling from the surrounding areas. Alike scheme should be applied in case of municipal towns and surrounding neighbourhoods (townships and settlements). Currently, 2 specific development programmes are developed and submitted to the Government, viz., 1. Special development programme for Taurage town in the scope of EU "Urban" programme ensuring the Taurage town development as the development-axis for the whole region, and 2. Specific development programme for Jurbarkas municipality as the Problem area (district). Later, alike programmes for Silale and Jurbarkas municipalities would be elaborated. The "Programme for reduction of development and Socio-economical disparities between Lithuanian regions" is in general targeted to the creation of city-periphery/vicinity agglomeration, implicating the diversification of human activities in surrounding areas (rural vicinities) to secure employment of rural residents on one hand, and the partial employment of unemployed labour from of periphery, by commuting to the well-developed towns of county.

## *Regions For Economic Change (8)*

The sustainable Taurage county regional development and high-standard living quality of residents are achievable by:

- Reinforcement of competitiveness of county cities and businesses in them;
- Facilitation of preconditions for the entrepreneurship, i. e. support of cooperation, networking, internationalization;
- Development of engineering infrastructure;
- Development of transport infrastructure;
- Promotion of business start-ups, spin-offs, clusterisation;

## *Regions For Economic Change (9)*

- Development of business advisory services;
- Development of Business incubators, Industrial and Technological parks;
- Development of Financial engineering for business;
- Improvement of Vocational training;
- Orieting of higher education institutions to provide relevant skills to the graduates in line with labour market needs;
- Enhancement of Human resources and administrative capacities;
- Bridging of socio-economic disparities inside the region creating the social development spots in the municipalities;
- Improvement of investment environment in the region

## *Future challenges (1)*

The regional development of Taurage county, after a long-year deviations, currently are on purposeful rails. All operations in governing of above-listed programmes and initiatives are under general supervision and control of Lithuanian Ministry of Interior (director of Regional policy department, Mr. Sergejus Krispinovicus, the heads of divisions, Mr. Arunas Grumadas and Mr. Gediminas Cesonis). At the regional level, the processes are under control of Taurage county Governor, Mrs. Irena Rickuviene (she also being the Chairman of county Regional development council). The actual daily work is carried out by the Regional development department of Taurage county Governor's administration (director, Mr. Simas Einikis), who is in permanent contact with all relevant county stakeholders (municipalities, NGO's, socio-economic partners, business entities etc. who are assembled into Working group) with regular working meetings in order to embrace all the economic and social aspects of county development and to strengthen inter-municipal cooperation.

## *Future challenges (2)*

A special development plan 2007-2013 for Taurage region is currently under elaboration in conformity with all the legal acts concerned. Development of regional as well of each county municipality Master plans (who would be finalised in early 2008), also finished Land management reform (on January 1, 2008) would be the solid basis for the segmentation of activities in cities and suburbs, and this would commence the functioning of land market, thus facilitating the common land use for various stakeholders. After the issue of the Lithuanian Government Decree on the "Programme for reduction of development and Socio-economical disparities between Lithuanian regions" (presumably in midst of November current), the special working packages would be developed for the implementation of actual projects in line with the Programme requirements. Starting 2008, up to 2013, huge amounts of EU Structural aid alongside with Lithuanian State budget allocations would be absorbed via regional development projects targeted to better the welfare of county residents.

## *Future challenges (3)*

- And last but not least, oncoming EU Cross-border cooperation programmes and initiatives 2007-2013 (Interreg IVC, South Baltic, Baltic Sea Region and Lithuania-Kaliningrad, Lithuania-Poland-Kaliningrad) will contribute substantially to the business networking and internationalization, as well for “people-to-people” liaison.
- One specific issue is in interest of Taurage county authorities, and has been taken into account after the Working seminar in Taurage on May, 11, 2007, encompassing the international relations and employment as well. Due to vast complex of various tasks to be fulfilled in the scope of Kaliningrad region 2007-2011 Development programme, the Kaliningrad region Government is looking for the Taurage county construction and road, agricultural and logistics companies and firms to join the above Programme, since Kaliningrad region has the deficiency of skilled labour force and equipment for the above-listed works. This may well reduce unemployment in Taurage county, as well to increase employability and to enhance wellbeing of county residents on one hand, and to increase business internationalization on the other hand.
- As far as all partners in SEBco project are eligible for the above-listed EU CBC programmes, we encourage all you to submit more joint projects in 2008-2013 and employ our team-spirit and experience gained further on.

# *Joined by Via-hanseatica*

- And one of the projects to the Baltic Sea Region Programme 2007-2013 may be well discussed just now, and the topic of it is coherent to all SEBCO partners, it is the “Tourism development in the Via-hanseatica zone, VHB-Zone”.





*Looking to future*

**THANK YOU!**

