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# Regional Policy in Poland in the Years 2004-2013

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## ABSTRACT

The article presents determinants and regional policy objectives pursued in the years 2004-2013 in Poland. Theoretical approaches to regional policy are discussed and models of the regional policy implementation presented. The political changes that have taken place in Poland since 1990 and their influence on regional policy are also discussed. The main part of the article is devoted to the presentation of the impact of Polish accession to the European Union on methods of formulating regional policy goals and working out a national model of development policy in general and at the regional level specifically. The article also discusses plans concerning national regional policy for the years 2014 - 2020 as well as an assessment of past experience related to the preparation of regional development policies and assessment of their results.

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## Introduction

Regional policy is the fundamental one out of all the concepts and practical actions which has a bearing on the size and pace of regional development, and therefore on the changes in the spatial structure of the economy, both on a regional and local level. It should lead to enhancement of competitiveness of a region or a local entity, and thereby to changes in its competitive position. The purpose of this study is to put forward, against a background of formulations and theoretical concepts, practical solutions in Poland, and in order to do this, the assumed framework for the European Union's regional policy must be taken into consideration. However, practice in this area is to a large extent determined by this very framework because of the value of European resources which Poland receives for this purpose. The study will culminate in a synthetic assessment of the regional policy functioning in Poland, mainly since Poland's accession to the European Union.

For these reasons therefore, it should be emphasized that regional policy is one of the more important areas of public policy. The problems of regional development are amongst the key collective issues encountered both at national and regional community level. As regional policy, being an integral part of development policy, relies on the realization of public tasks in socio-economic, ecological, technical-technological and cultural regional development, it is one of the more important areas of public policy. The entities involved in regional policy are public entities with defined central or regional decision-making competence. However, the main objective of regional policy is development based on the existing regional resources and evolution of mechanisms which would overcome any threats to their development. Regional policy is, as already mentioned, of key significance to the enhancement of competitiveness in regional economies, and consequently also the whole nation and the form which permanent development is to take.

### Regional policy in economic concepts and theories

Each practical activity should be based on theoretical prerequisites, at times, on systemized, researched and universal theoretical concepts, and on occasions on intuitively visualized concepts. As regional policy is such a practical activity, it should therefore also be based on these prerequisites. Various regional policy concepts and theories at appropriate stages in the history of socio-economic development have found their practical expression. The following are fundamental to regional policy, and are relied on by theorists in their concepts and practitioners managing regional policy: region, regional resources, regional development, factors and obstacles encountered in regional development<sup>1</sup>. Reinforcement of the development factors (stimulant) and weakening or even limiting any impediments to development (inhibitor) should therefore be fundamental when defining regional policy aims and realization in practice.

Regional development theories and concepts are the theoretical foundations of regional policy. In the historical development of the last two to three centuries, the forms it has taken on, the aims and instruments, have changed, although this type of activity in the regions was not referred to as regional policy, and this name is relatively new. Regional development theoreticians claim that currently there is a lack of consolidated, universal and general regional development theory<sup>2</sup>. Therefore, many theories originated at various stages of the synthesis of research results of the correctness of economic development and are associated with various economic concepts, and moreover, are dispersed over a large quantity of scientific publications. Consequently researchers attempt various interpretations of these theories, to classify them and write studies on the subject. Their comprehensive classification was presented in the main part by Stackelberg and Hahne<sup>3</sup>, who classified them into two groups: 1. localization theories clarifying spatial structures and 2. growth or development theories focusing on the identification and explanation of the spatially diversified economic growth and development processes. A type particular of theory, whether accepted (or rejected), at specific historical stages of economic development defined the possibilities open to the state and regional entities which could stimulate and direct regional development, or the form of regional policy (although these activities were not necessarily referred to by these terms). Stackelberg and Hahne, and literature in general, include in the first group of theories (localization theories), localization theories going back as far as the 18<sup>th</sup> c (D. Ricardo and A. Smith; Ch. L. de Montesquieu and F. Quesnay; J. H. von Thünen; A. Weber; A. Lösch, E. M. Hoover and W. Christaller). Other theories in this group are F. Perroux's theory of growth poles, A. O. Hirschman's theory of geographic growth centres, G. Myrdal's theory of the vicious circle mechanism, J. Friedmann's concept of a centre and periphery, the network theory of M. Castells). This theory was subsequently expanded in works on spatial man-

<sup>1</sup> Fuller clarification of these fundamental categories in: *Gospodarka regionalna i lokalna*, Z. Strzelecki (ed.), WN PWN, Warszawa, 2008

<sup>2</sup> See.: K. Stackelberg, U. Hahne, 1998, *Teorie rozwoju regionalnego*, (in:) S. Golinowska (ed.), *Rozwój ekonomiczny regionów Rynek pracy Procesy migracyjne Polska, Czechy, Niemcy*, Raport IPiSS, z. Nr 16, Warszawa, p. 30.

<sup>3</sup> As above

agement (originating in works by W. Isard, L. Lefebvre and E. von Böventer, which combine localization theory with a partially elaborated theory of economic space and are unusually far-reaching in explaining the space diversity factors). Next, are the spatial management concepts, which were developed and improved<sup>4</sup> (they include works relating to regional studies<sup>5</sup>: W. Isard's, model of diffusion of information and innovation by the Swedish geographer T. Hägerstrand, P. Krugman's "The Spatial economy" – solutions on the subject of a balance in localization and also spatial structure<sup>6</sup>, A. G. Wilson's attempt to integrate spatial management as a discipline of knowledge).

The second group however, which has been defined in growth and development theories, has been categorized as three specific types: development "from above" I – classic representation, development, development "from above" II – theories of polarization and development from the "bottom up".

At the same time the group of economic theories of development also emerged modelled on the spatial management theory, strictly associated with regional and local economy, although the origins, as I mentioned above, go back to classic economy. The theory of development "from the top" includes:

- neoclassical models (A Smith's basic neoclassical model, D Ricardo's theory of comparative benefits and E. F. Heckscher and B. G. Ohlin's theory of proportionality of production factors),
- the Keynes model (J. M. Keynes' basic institutional model, its continuation: post Keynes growth model by R. Harrod and E. Domar, the theory of economic base – D. C. North and M. Rittenbruch). The basic Keynes model originated in the 30's of the 20c. In his model, the originator, J. M. Keynes, sought to establish additional consequences of investments as a result of total demand (national income), for production capacity and value of investment capital.
- phase models of regional development, of which the most familiar are: /obsolete/ Marxist, Rostow's – with the main role of the "lead sector", Kondratiev's cycles based on cycles of the economy and the theory of life cycles based on phases in the life of a product, which when applied to a region through changes of production localization take on the nature of the management of such region (ageing, emerging etc.)<sup>7</sup>.
- balanced development strategies (R. Nurkse 1953 and P. N. Rosenstein-Rodan 1961) and imbalanced (A. O. Hirschman 1958 and P. Streeten 1964). The originators and promoters of a balanced and imbalanced development strategy set themselves a key question, namely, how defined investment strategies may overcome "the vicious circle of underdevelopment" and reasonably quickly achieve the next stage of development<sup>8</sup>.

<sup>4</sup> See: R. Domański, 2002, *Gospodarka przestrzenna*, Wydawnictwo Naukowe PWN, Warszawa

<sup>5</sup> As a result of the long term process of development of the theory of urban planning and regional studies in its present form it is an interdisciplinary area of science, dealing with clarification of the economic, social and political behaviour in space of economic entities, households or citizens.

<sup>6</sup> R. Domański, 2002, op. cit., pp. 56-57.

<sup>7</sup> See K. Stackelberg, U. Hahne, 1998, *Teorie rozwoju...*, op. cit., pp. 62-66.

<sup>8</sup> As above, pp. 66-68.

- the originators and representatives of the polarisation theory maintain that the existing states of imbalance are the driving force of the cyclically cumulated development process, which may result in the emergence of even greater disparities i.e. polarisation (sectoral, regional).

On the other hand, the theory of development “from the bottom”, encompasses the following theories: basic needs strategies, autocentric development and selective separation and concepts of independent regional development. In my opinion, they can also be defined as follows; the first type (“from the top”) – exogenic, and the second (“from the bottom”), – endogenic.

In a sense, the second group of regional development theory “from the bottom”, became the theoretical opposite to the “from above” development theories, which portrayed a “hierarchical” world and accentuated the urbanized centres initiating growth processes reaching to the peripheries through diffusion of economic, socio-economic process. They were an answer to the processes which took place in particular in America and Europe, where the centre-peripheries model failed to function as in the theory. For, an astounding and “independent” modern development took place in regions which were once peripheries<sup>9</sup>. Representatives of this theoretical direction supported the claim that regions and peripheral areas may initiate pro-development incentive. This theory group includes the following theories: fundamental requirements, autocentric development and selective separation, independent regional development and endogenic potential usage.

The basic needs theory originated in the 60s of the 20<sup>th</sup> c<sup>10</sup>, as an alternative to the existing concept of development, accentuating economic and social development (the origin of this theory can be correlated with the commencement of activities towards balanced development).

The theory of autocentric development and selective separation<sup>11</sup> assumes that the peripheral regions should for a certain time be separated from the world system, undergo internal restructuring, and only after the essential changes should there be a return to the international arena. According to this theory regional development should be based on internal markets and resources available in the region. In practice, development scenarios which are akin to this theory appeared in ChRL (60. and 70.) and in Latin American countries (during the First World War and the world economic crisis ). The expansion of this theory led to the independent regional development theory evolving in the 80s<sup>12</sup>. Initially this concept appeared in countries whose geographical location included the Alps. In general, it applies to peripheral regions of developed countries and was to be a solution to the problem of participation of these regions in the national social and economic progress. The last in the group basic needs

<sup>9</sup> As above p. 85

<sup>10</sup> On the basis of ILO research researchers developed two different theories from this point of view: the strategy “redistribution with growth” and practicability of satisfying the basic needs of all persons (“Alternative development strategies”). See.: K. Stackelberg, U. Hahne, 1998, *Teorie rozwoju...*, op. cit., p. 89.

<sup>11</sup> See further *ibid*, pp. 92-100.

<sup>12</sup> Cf: K. Stackelberg, U. Hahne, 1998, *Teorie rozwoju...*, op. cit., pp. 100-101.

theories are theories of development and exploitation of endogenic potential<sup>13</sup>. This potential is understood as additional alternative development possibilities for the region, which can be exposed. They persist in the factors of production, investment potential of peripheral areas, intra-regional cycle and innovation of the regional environment.

Expansion on a large scale has taken place in contemporary theories of growth and development, with an emphasis mainly on knowledge, technologies, innovation, information, cooperation, decentralization, participation and culture. Amongst the many generalizations which are regulated according to concept, the following theories are of essential significance for regional policy: structural policies, learning regions, flexible production and specialization, industrial districts.

Structural policy theories relate to issues of government intervention in industrial policy, indicate the need for a retreat from old sectors of industry and introduction of new types of activity. The first of the above theories, is the market inadequacy theory, the second is the growth cycle theory.

The "learning region" theory is associated with research by Samuelson and Nordhaus, who acknowledged the dominant role of technological innovativeness in economic development. On this basis Florida put forward the concept of a "learning region" for a region where the primary "driving force" of development is "constant innovation and ability to adapt to the changing market conditions". It is assumed that this theory which is acknowledged to be dominant contemporarily, encompasses other theories such as: endogenic growth, innovation, institution and network of connections. "Participants" in regional development take part in the "learning" process: enterprises, public administration, higher education establishments, research institutes, social organizations and others. "Learning" involves mutual interaction and cooperation by those entities by creating an environment conducive to development of knowledge and innovation. Public authorities regional policy according to this theory should stimulate all factors which influence innovativeness and adaptation of the market, i.e. development of science and research, improving staff abilities and supplying enterprises with high technique<sup>14</sup>.

Other researchers in the 80s focused their concepts on new industrial districts, a reinterpretation involving a departure from the regional development theory of the 60s, evolved round the growth pole theory and was based on a large enterprise and a development zone merging around it and transition to the theories which take into account the territorial system. This found expression mainly in the works of Italian economists G. Beccatini and C. Antonelli who took the work of A. Marshall a step further, stating that the industrial district "is a socio-territorial unit, with ideal integration of entrepreneurs into the local community, where there is a system of values defining the norms and types of behaviour"<sup>15</sup>.

<sup>13</sup> op.cit., pp. 101-105

<sup>14</sup> P.A. Samuelson, W.D. Nordhaus, 2000, *Ekonomia 2*, Wydawnictwo Naukowe PWN, Warszawa i R. Floryda, 2000, *The Learning Region*, Z. J. Acs (ed.) *Regional Inno, Knowledge and Global Change*, Pinter, N. York, citation for: T.G. Grosse, *Polityka regionalna...op.cit.*, p. 31.

<sup>15</sup> A. Jewtuchowicz, 2001, *Terytorium i lokalne systemy produkcyjne a globalizacja gospodarki*, (in:) *Gospodarka i polityka regionalna okresu transformacji*, W. Kosiedowskiego (ed.), Toruń, p. 41.

This development process was later referred to as the "Third Italy". This type of organization of production has played a part in bringing about significant changes in the local socio-economic infrastructure, and thereby also the regional, technological innovativeness and flexible specialization, particularly in central and north eastern Italy. The Italian "Third Italy" success spread to other countries<sup>16</sup>. The industrial district sometimes takes on a specific shape as a technological district (technopol) also known as a innovative territorial system.

Another group of theories also stemming from the concept of A. Marshall's (1890) industrial districts, and modelled on the "Third Italy" experiences, is theoretic flexible production and specialization concepts<sup>17</sup> applying to groups of small and medium enterprises. This is a sector which changes production and adapts with ease to market conditions of consumers expectations and technological novelties. As its originators, M. Piore and Ch. Sabel,<sup>18</sup> maintain, the system is based on close cooperation of entities relying on common values and social relations, based on mutual trust. This leads to reductions in costs and an increased efficiency in the whole group of entities.

The development of globalization and changes in the organization of production also brought about changes in research results into the phenomenon of industrial districts. The effect of this was the evolution of the concept of industrial districts towards local production systems and innovation (LSP) signifying a productive grouping of small and medium enterprises specializing in one stage of a particular production process<sup>19</sup>. In other words, LSP is a "configuration of enterprises grouped together within a close area, maintaining inter-connections and relations with the environment in which they operate"<sup>20</sup>. LSP is a collective way of life, thinking, production, appropriate for a given community, in a given space and, a given environment. These relations bring external results for all entities. LSP is a worldwide phenomenon. The concept of industrial clusters (bunch) is akin to the theory of industrial districts. The concept derives from M. E. Porter (1990). It takes on particular significance at the theoretical level and in economic policy. Clusters arise in all sectors of the economy<sup>21</sup>. They function in regional and local development to permanently improve the level of competitiveness of these economies. Steps should be taken so that clusters become a system facilitating the establishment of enterprises and maintaining and attracting knowledge and know-how in a given region, thereby strengthening the competitive position of clusters<sup>22</sup>. If a consistent policy is in place, a cluster should be transformed into a regional innovation system (RIS). A significant role in this process falls to the public factor (regional authorities, commune).

<sup>16</sup> J. Dębski, 2005, op. cit., pp. 135-137

<sup>17</sup> T.G. Grosse, *Polityka regionalna...op.cit.*, pp. 33 et seq..

<sup>18</sup> M. Piore, C. Sabel, 1984, *The Secondo Industrial Divide*, N. York: Basic Books, citation for: T.G. Grosse, *Polityka regionalna...op.cit.*, p. 47, see also I. Pietrzyk, 2001, *Polityka regionalna Unii Europejskiej i regiony w państwach członkowskich*, Wydawnictwo Naukowe PWN, Warszawa, p. 47

<sup>19</sup> As above, p. 46.

<sup>20</sup> As above

<sup>21</sup> On the basis: *Raport o stanie sektora małych i średnich przedsiębiorstw w Polsce w latach 2001 – 2002*, 2003, PARP, Warszawa, chapter. 9.

<sup>22</sup> See.: Ł. Kalupa, 2006, *Klastry – geograficzne...*, op. cit., p. 186.

Consequent to the evolvement of the territorial production systems theory some, researchers attributed greater significance to social and cultural phenomena in regional development. Here, mention should be made of the theories of institutionalism associated mainly with the lead researchers of this direction: T. Veblen, W. Mitchell, J. Commons and D. North and theories based on the category of social capital associated with research by J. Coleman and R. D. Putnam<sup>23</sup>.

To sum up our solutions so far, it should be acknowledged that the regional development conditions which are reflected in many scientific syntheses are unusually far-reaching, varied and complex. They change in the process of historical socio-economic development and differ depending on the location in which they appear. Many of them suggest diverse ways of intervention by the state authorities in regional development in order to improve its effectiveness and efficiency so as to ultimately enhance the competitiveness of regional economies. Together with historical development and regional development concepts, the suggestions of state intervention in this development in the form of regional policy also changed.

## Realizing regional policy

### Regional policy models

As you will no doubt surmise from this analysis of the concepts and theories, they deal with the diversity in regional development, and the recommended regional policy<sup>24</sup> is based on regional diversity of development. A fundamental task has been set for regional policy, namely, that the growth of the quality of life of inhabitants apply to the whole country. Economists set it two goals: "improved allocation of resources of factors of production and reduction of imbalance in the level of development"<sup>25</sup>. Most often the signs of regional development are taken to be material conditions of inhabitants lives. Economists justify the need to isolate regional policy either because of effectiveness of management (level of economic development of the country could be higher if there was a different division of resources of factors between regions) or based on social equality and justness (when regional differences accrue action must be taken, as this creates policy problems and destabilizes society). The economy prefers the convergence of income per person as a measure of reduction of regional disparities, but other indices are also applied e.g. the scope of consumption, the employment market, social exclusion etc.

In such theoretical and practical situation, two models of regional policy evolved in the post-war period: passive and active<sup>26</sup>. Passive regional development policy is justified in neoclassical economic growth models in regions, where it is claimed that the economic growth rate of a region depends on the egzogenic rates of technical progress and popu-

<sup>23</sup> Cf: T.G. Grosse, *Polityka regionalna...op.cit.*, pp. 40-44.

<sup>24</sup> In literature this policy is identified with regional development, see: A. B. Czyżewski, 2002, *Rozwój regionalny w warunkach transformacji*, ZBS-E GUS i PAN, from research ZBSE, no 283, pp. 30.

<sup>25</sup> See as above p. 3.

<sup>26</sup> Czyżewski uses such definitions, see as above p 4.

lation growth in the region, mobility of products and factors of production (at constant productivity) result in an levelling-out in time, of income levels per inhabitant between regions, imitation technology and knowledge spreads to the regions, and migration levels out differences in the population growth rate in regions. In these neoclassical growth models the regional disparity of income per inhabitant is a sign of imbalance. The domain, however, of the regional development policy in passive models includes all steps taken to improve the functioning of the market, and it aims to eliminate barriers to mobility of factors of production and goods, and also sources of irregularity in transferral of information and technology between regions<sup>27</sup>. Supporters of this regional policy model include M. Fridman, R. Lucas, T. Sargent and their successors. In general, this direction of thinking displays characteristics of a neoliberal viewpoint, which calls into question the aim and necessity of any state support and involvement in regional development policy. For they claim that the free flow of factors of production and goods leads spontaneously to a state of equilibrium with no need for state intervention in regional development. Their criticism of the state's interventionism is directed at inefficient expenditure of public funds, expansion of the bureaucracy which supervises this activity and the numerous regulations which pose both a direct and indirect impediment to entrepreneurship.

An active regional development policy is associated with the notion of state interventionism and a welfare state, with connotations of J.M. Keynes' stance. Up to the mid 70's of the last century it was the dominant model in practice and was based on the assumption, that regional disparity does not disappear on its own as a result of improvement of the conditions under which the market mechanism functions. The theoretical basis explaining inter-regional differences in development is the self-driven process of an "accumulated effect", the result of accumulation of benefits in some regions, resulting in fact, in increased productivity and competitiveness. This, in turn, causes an increasing scale of production and market of production factors. These effects of the scale and absolute technical predominance means that mobility of products and factors of production propel growth in regions where they are present and not in lagging regions<sup>28</sup>. An excellent theoretical example of this is G. Myrdal's theory of regional polarisation from the mid 50s. In this model the task of regional development policy is therefore <sup>29</sup>:

- increasing productivity in lagging regions (public investments in education and infrastructure),
- "starting up" benefits from the scale of the economy (encouragement to increase the employment level and investment for entrepreneurs and realization of strategic public investments),
- promoting local activity (development of SME's).

This model was functioning in western countries with a high economic growth rate and where the nation had at its disposal a sizeable economic surplus<sup>30</sup>, and the main purpose of

<sup>27</sup> As above

<sup>28</sup> Ibid.

<sup>29</sup> Ibid.

<sup>30</sup> I. Pietrzyk, 2001, *Polityka regionalna...*, op. cit., p. 17.

economic policy was intensive industrialization, realizing heavy infrastructure without taking into account the specifics of the regions. This model with a state monopoly to conduct a regional development policy, is also referred to as a centralized paradigm of regional development<sup>31</sup>. The most important tools of regional policy in this particular model were grants and budget subsidies for investors, tax allowances, budget expenditures on infrastructure and production investments in peripheral regions and those clearly standing out in their development.

The energy crisis of 1973 brought an end to this regional policy model. Furthermore, globalization, international integration and ecological development concepts were beginning to dictate the conditions under which economies functioned. All these components combined led to a fall in the economic development rate and liquidation of budget surpluses. This is also related to a fall in the relative stability of internal and external management, which made state control due to decentralization less possible, accelerated technological progress, increased stability and flexibility of the small and medium enterprises sector, led to tertiarization of the economy, and also rapid development of the higher order of services. Because of this, the state's role in regional policy was redefined, and the state thereby lost the monopoly of conducting regional policy and regional development is no longer a highly dynamic derivative of economic growth in the country and an incidental factor of regional development<sup>32</sup>.

In these conditions in the 80s the third regional development policy model evolved, falling somewhere between the models of passive and active policy; its theoretical foundations were a combination of the theory of industry localization and the endogenous growth model<sup>33</sup>. In this model, besides the state, territorial authorities and institutions, the so called production sector "environment" (e.g. banks, development agencies, Chambers of Producers, venture capital institutions, scientific institutions, information exchange and flow of technology, industrial parks and incubators etc.) became regional policy entities. The objective of regional policy became to attain as high a level as possible of management efficiency by effective investment and stimulation of structural and sector adaptations in regions, which was to lead to increased competitiveness in regions. In realizing these goals the fundamental role falls to the "socio-cultural environment, which is defined as institutional resources of a region created by the regional economic ties, conventions regarding economic life and codes of behaviour stemming from tradition, accepted *implicite* by local/regional communities and constituting very important intangible resources in regional development"<sup>34</sup>. The central authorities of the country have a new role in this model, their function as co-ordinator is reinforced. Continuation along the lines of these transformations would see the emergence of a "third generation" regional policy based on the "network paradigm". This means that the policy relates to many areas of activity e.g. investment in the economic and social infrastructure and in B&R and human resources, business development and its immediate environment, all regions are supported and not just chosen ones, the state, as a promoter, encourages and

<sup>31</sup> Ibid, p. 16.

<sup>32</sup> See above, pp. 19-20.

<sup>33</sup> A. B. Czyżewski, op., cit., pp. 30-31.

<sup>34</sup> *L'annee de la regulation. Economie, institutions, pouvoirs*, t. 1, *La Decouverte & Syros*, Paris, 1997, p. 279, citation for : I. Pietrzyk, 2001, *Polityka regionalna...* op. cit., p. 25.

supports the market mechanism and creates conditions for cooperation for regional policy entities, and an enhanced regional competitiveness is regarded as a possibility that the situation of all regions will improve<sup>35</sup>.

The current regional policy model functioning in Poland has resulted from intensive transformations and is continually undergoing intensive changes. As a consequence of transformation of the political system, commenced in the 90s of the 20c, not only have Poland's strategic objectives changed but also the extent of induction tools used for a specific public policy, including a regional development policy. The development of regional policy in Poland is also the result of the EU integration processes and the increased significance of regions in the induction mechanism of EU public policies.

Several stages in the attitude to and realization of regional policy can be distinguished: the period of transformation of the political system (1989 to 1998), the preparation period to accession to the European Union (from 1999 to 2004), the first decade of European Union membership (from 2004 to 2013 ) and the programming period post 2013. Each of these is characterised by a predominance of a particular type of change. In the 90s the extended role of regional policy was a consequence of changes in the political system and transformation of the centrally planned economy towards a market economy. In subsequent years the extended role of regional policy among public policies occurred as a consequence of Poland's integration in the European Union. Recent years saw the introduction of an integrated development policy model in which regional policy is the primary link providing a spatial dimension to the other public policies.

### **Changes in the political system as a basis on which to build a regional policy system in Poland**

Transformation of the system, which took place in the 90s of the 20c in Poland changed the system in which the country was governed. There was a gradual move away from sectoral policies. Due to widespread transformations in the economic sphere protective action was necessary to minimize the consequences of the changes on the employment market (high unemployment), and the need to create new work places. Steps taken to realize public tasks, which also had the characteristics of regional policy included those based on providing support to the unemployed and those who were about to lose their job and protection of the weaker economic groups. This was also true of public authority activities regarding conscious exertion of influence on the socio-economic development of specific regions. They should include assistance to restructure collapsing sectors of the economy (mining, metal working), and aid for inhabitants in regions which had been affected by the bad state of economic affairs in these sectors. These acts were undertaken with a view to correcting the disparity in spatial development of the country through redistribution of budget resources in an inter-regional cross section (a centralized paradigm of regional development). The question of whether this was successful continues to be the source of considerable controversy.

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<sup>35</sup> See: D. Woźniak, 2005, *Model polityki rozwoju regionalnego a konkurencyjność województw na przykładzie województwa małopolskiego*, AE w Krakowie, manuscript, Kraków, p. 46-48.

An important form of public assistance on the regional level was aid targeted at the special economic zones (SEZ) under the *Act on Special Economic Zones* of the 20 October 1994. Government policy which used SEZ as a tool should be seen as flexible and to a large extent open to the needs of specific investors. However, it did not take into account to a sufficient extent the country's long term economic goals or development priorities of specific regions. In time, SEZs found themselves almost completely outside the bounds of regional policy, as evidenced by the lack of appropriate reference in NSRF. The functioning of the zones was also not sufficiently connected with the self-government regional policies.<sup>36</sup>

Activities in the area of regional policy conducted in Poland at the beginning of the 90s were characterized by a marked degree of centralization, therefore one of the main aspects focused on in this period was the reform of the country's political system resulting in greater autonomy for individual regions. The basis was the creation of administration structures for the functioning of a nation governed in accordance with the law, which made possible departure from the monopoly of central authorities acting in various areas of public policy, including regional policy. As a result of the reform two separate sections of administration were formed: government and self-government. Territorial self-government was introduced at local level. The fundamental unit of territorial self-government became the commune. Once local self-governments had a legal personality this created conditions whereby communes and towns were seen as important players in conducting development policy. Thereby, a system was initiated in which regional policy was conducted both by central/state and self-government authorities, but exclusively on the local level. The defect of the system was due to lack of regulation as regards according a legal personality to voivodship self-government, so that they would be able to become important participants in regional development policy.

Not until 1998, with the public administration reform, under the *Act on Introduction of the three-stage territorial division of the country* of the 24 July 1998 was there a clear division of functions of the public authority between the local authorities, regional self-governments and government and government administration (central and outlying). The voivodship self-government became responsible for the regional development policy, thereby becoming its main executor on the regional level. Under the *Act on Voivodship Self-Government*, of the 5 June 1998 voivodship self-governments had to formulate development strategy, development in voivodships, constituting the most important planning document of regional self-government policy.

Changes of roles and positions from a quality aspect of Polish voivodships in programming socio-economic development of the country and region were commenced. One of the main objectives of the reform was to create larger regions (voivodships), which could independently use and manage European funds after Poland's accession to the EU, and above all, efficiently formulate and draw on the potential of voivodships. New voivodships complied with level NUTS 2 of the European cohesion policy, which was the basis for Poland's preparation of the essential operational documentation of European cohesion policy.

<sup>36</sup> *Report on the development and regional policy*, Ministry of Regional Development, Regional Programs Coordination Department, Warsaw 2007, p. 75-77

The creation of sixteen “large” voivodships strengthened the position of regions in the socio-economic development in the country and reinforced their position in realizing regional policy. With the delegation of some competences to the regional level, the voivodships became financially independent (however the scale of tasks assigned to voivodships did not ensure total financing). Once the voivodships took on legal personality it was possible to include the regional level in the realization of regional policy and enabled realization of complex regional policy in Poland. Irrespective of the changes at regional level, at central level the office of the minister competent for regional development matters was created (*Act on Sections of Government Administration* of the 4 September 1997). This is evidence of the increase in significance of regional policy in the national public policy.

### **Poland’s accession to the European Union as the main factor reinforcing the role of regional policy amongst public policies in Poland**

European funds made it possible to speed up the socio-economic development of the country and to even out the differences in the level of development in specific territories. Poland had to create conditions for the absorption of European funds. The combined sum of resources engaged in realizing the *Initial National Development Plan 2000-2003* (WNPR), *National Development Plan 2004-2006* (NDP), *National Strategic Reference Framework 2007-2013* (NSRF) in 2000-2013 totalled 103.9 billion euro,<sup>37</sup> of which over 81 billion came from Community resources. The financial resources of EU cohesion policy are one of the fundamental factors reinforcing the role of regional policy within public policy. The worse the situation of the voivodships budgets is, the greater their significance becomes. Absorption of such value of financial resources involves the creation of an appropriate system, including legal, strategic and institutional frameworks<sup>38</sup>.

The fundamental document for a medium-term development strategy was the *Initial National Development Plan 2000-2003* (WNPR). WNPR was realized through national programs and regional programs. Instruments by means of which WNPR was implemented were pre-accession funds: Phare, ISPA and SAPARD. Realization of regional policy on the voivodship level in 2000-2003, apart from programs targeted regionally, was implemented through “voivodship contract” instruments. The voivodship contract was an instrument used in negotiations as part of the support accorded to regions.

It was not until 1999 after the voivodships commenced functioning and with somewhat moderated social consequences of the transformation reforms up to 2003. Since 2004 regional policy in Poland has been conducted in accordance with the principles and with considerable

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<sup>37</sup> To realize WNPR 3,5 billion euro was designated, of which 2,4 billion euro will come from EU subsidies provided in the pre-accession programs (NDP, 2003, p. 59). The combined sum of public funds (structural funds, Cohesion Funds, national resources) located in realizing the National Development Plan totals approx. 14.8 billion euro, of which 11.4 billion euro came from community funds. The combined total of resources designated to realize defined tasks in NSRF was 85.6 billion euro of which 67.3 billion euro came from the European Union budget (NSRF, 2006, p. 116).

<sup>38</sup> The fundamental legal Act regulating the functioning of the regional policy in Poland in 2000-2004 was the *Act on the Principles of Regional Development Support* of the 12 May 2000.

financial support of the EU (Because Poland pays contributions to the EU budget it is a net beneficiary of the EU). These years, in accordance with EU programming principles, cover two periods 2004-2006 and 2007-2013, which differ from each other primarily in the value of the finance allocation designated to Poland, as the whole country was included in Objective 1 of the cohesion policy (in the years 2007-2013 also Objective 3).

12.8 billion euro was received for the first allocation period, of which 8.6 billion came from structural funds and 4.2 billion from the Cohesion Fund. Poland defined, for the first years of EU membership, its strategic directions of socio-economic development, sectoral and regional aspect integrating with each other, in line with the principle of cohesion policy programming, in the National Development Plan (NDP)<sup>39</sup>. This document assumes that the strategic development objective for Poland is *“to develop a competitive economy based on knowledge and entrepreneurship, capable of long term harmonious development, assuring growth of employment and achieving social, economic and spatial cohesion with the European Union on a national and regional level”*. It was decided that this objective was to be achieved through five *“development axes”*:

- supporting competitiveness of enterprises by modernization and structural adaptation of the production sector,
- developing human resources and increase in employment,
- creating conditions to increase the investment level, permanent development and promotion of spatial cohesion,
- structural transformation in agriculture and fishery, development of rural areas,
- reinforcing development potential of regions and countering marginalization of some areas.

Based on the NDP the Foundations of Community Support for Poland was drawn up, which defines the directions and level of support from structural funds. Priorities and directions for use of FS and activity within the framework of Community Initiatives EQUAL<sup>40</sup> and INTERREG<sup>41</sup> were defined in the NDP. In order to achieve the strategic goal and Development Axes (induction) a regional (Integrated Operational Program for Regional Development – ZPORR) was established and five sector operational programs (SOP). Furthermore, the Operational Technical Assistance (increasing the efficiency of management and induction institutions). Priorities and activities were set for each program. In total, as many as 26 priorities and 99 activities were set. In all certainty this had an effect on the efficiency of management of these programs.

<sup>39</sup> Approved by the Council of Ministers on 14. 01.2003.

<sup>40</sup> This is a program supplementing activities realized with EFS within the SOP Development of Human Resources and ZPORR regarding supra-national cooperation to promote new methods of countering all forms of discrimination and inequality on the labour market. 5 subjects were dealt with from this scope, for which 134 million euro (plus 44,6 million euro national co-financing).

<sup>41</sup> This is INTERREG III supporting cooperation along the border (Component A), international (B) and interregional (C) both on the external and internal EU borders. Projects relating to economic, social and spatial issues. Within component A have been foreseen for realization for a sum of 177,1 million euro, B – for 2 programs 31 million euro and C – at 2 large zones 13,28 million euro.

From the total sum of 12.55 billion euro designated in 2004-2006 for regional development support, merely 2760.7 million euro was allocated to management by regions within the ZPORR. This was only 22% of the total resources. Besides this characteristic of central management you should also note the structure of ZPORR drafted at central level. Although it is commonly accepted that the division of resources for allocation to specific priorities and actions in voivodships was accepted in strict consultation with the voivodship managements, in reality they had a limited role in this decision-making process. In effect, (based on binding criteria) the largest portion of this amount went to the following voivodships: mazowieckie (10,86%) and śląskie (10,14%), the remainder to the following in portions: dolnośląskie – 8,1%, kujawsko-pomorskie – 5,14%, lubelskie – 7,28%, lubuskie – 2,99%, łódzkie – 5,69%, małopolskie – 6,71%, opolskie – 2,78%, podkarpackie – 6,96, podlaskie – 3,98%, pomorskie – 5,78%, świętokrzyskie – 4,82%, warmińsko-mazurskie – 6,59%, wielkopolskie – 7,1%, zachodnio-pomorskie – 5,07%. Moreover, some of the voivodships received 167.9 million euro towards transport in agglomerations, and all 39,9 million euro for technical assistance.<sup>42</sup> The structure of this division taking into account the support calculated per inhabitant presents a completely different picture.

After Poland's accession to the European Union, the system assumed for usage of pre-accession funds was continued. Poland accepted EU cohesion policy solutions in the following areas: programming, management, financing, monitoring, evaluation and choice of projects. The acceptance of a relatively decentralized model of structural funds management and transfer of considerable responsibility and the scope of resources to voivodships was an important decision.<sup>43</sup> As a legally established Community member, Poland benefited from resources within the regional policy, including from the *European Regional Development Fund* (ERDF) and *European Social Fund* (ESF). For the purposes of realizing goals, targets and principles of EU regional policy in 2004-2006 two documents were drawn up: *National Development Plan* (2004-2006) and the *Bases of Community Support*. In the subsequent programming period 2007-2013 the fundamental documents realized were *National Strategic Reference Framework* (NSRF) drafted in accordance with the principles expressed in the *Community Strategic Guidelines*.

The solutions proposed by the European Union regarding the system of planning and realization of regional policy, required definition of the regional policy goals. The strategic objective NDP 2004-2006 was the development of a competitive economy based on knowledge and entrepreneurship, capable of long term harmonious development, ensuring an increase in employment, improvement of social, economic and spatial cohesion with the European Union on the regional and national level.<sup>44</sup> The strategic objective defined in NSRF 2007-2013 is fairly similar to that set out in NDR 2004-2006. It related to the creation of conditions for increase in the competitiveness of the economy based on knowledge and entrepreneurship ensuring growth of the level of social, economic and spatial cohesion. The objective of the strategic regional policy in the financial perspective 2014-2020 is the effective use of specific

<sup>42</sup> Cyt. za: *Droga do...*, op. cit., p. 105.

<sup>43</sup> *Polityka regionalna w Polsce*, Ministry of Regional Development report, Warszawa 2011, p. 16

<sup>44</sup> *Narodowy Plan Rozwoju*, Warszawa 2003, p. 63

regional and territorial development potential to achieve the aims of development in the country – growth, employment and cohesion over the long term. Up to 2020 three specific goals were designated for regional policy: support for the enhancement of competitiveness of the regions; building territorial cohesion and countering the marginalization processes in problem areas and creating conditions for successful, efficient realization, in partnership, of development activities targeted territorially<sup>45</sup>. The regional policy objectives are therefore different in the present programming period, showing changes in the regional policy model.

**Integrated development policy – drafting a national development policy model, including a regional development policy model.**

During the 2007-2013 programming period the approach to regional policy changed. These were also years of intense change in the strategic approach to development. In the programming period, the “*National Development Strategy 2007–2015*” drawn up by the Ministry for Regional Development became the basis on which strategic directions of socio-economic development were defined. The main objective of the development strategy was acknowledged to be “*raising the level and quality of life of Poland’s inhabitants: of specific citizens and families*”<sup>46</sup>. On the basis of the main objective and also the assessment of socio-economic problems as a consequence of development delays, insufficient investment in the Polish economy and external conditions, development priorities were defined singling out the most important directions and the main activities<sup>47</sup>:

1. Increase in competitiveness and innovation of the economy
2. Improvement of the condition of the technical and social infrastructure
3. Increase in employment and raising its quality
4. Building an integrated social community and its safety
5. Development of rural areas
6. Regional development and improving territorial cohesion

Five national operational programs were put in place to realize these development priorities: Infrastructure and the Environment, Innovative Economy, Human Resources, Development of Eastern Poland and Technical Assistance and 16 Regional Operational Programs (ROP), and also European Territorial Cooperation Operational Programs (ETCOP).

In total, in 2007-2013 within the EU cohesion policy 67 billion euro was reserved for their realization, which together with the national allocation and co-financing of the investment with private capital, totalled over 100 billion euro. This is a very considerable amount indeed, which provided a great opportunity for decided progress in investment by Poland, including in the economy which uses high technology.

However, the following portion of funds was reserved for specific programs: OP Infrastructure and Environment – 41,3%, OP Innovative Economy – 12,3%, OP Human Resources – 14,4%, OP Development of Eastern Poland – 3,4 %, OP Technical

<sup>45</sup> Ibid p. 89

<sup>46</sup> *Strategia rozwoju kraju 2007–2015*, listopad 2006 r., Ministry of Regional Development, Warszawa, p. 24.

<sup>47</sup> Ibid

Assistance – 0,8%, ROP – 23,8%, ETCOP – 1,0% (a reserve was formed from 3% of the resources)<sup>48</sup>. As can be seen, the extent of centralization of the funds in the period 2007-2013 practically did not change in comparison with 2004-2006, as the regions received almost a similar amount of funds for their management.

Specific regions received the following portions of funds (expressed as a percentage) to realize regional operational programs: dolnośląskie – 7,33, kujawsko-pomorskie – 5,74, lubelskie – 6,98, lubuskie – 2,65, łódzkie – 6,08, małopolskie – 7,79, mazowieckie – 11,06, opolskie – 2,58, podkarpackie – 6,86, podlaskie – 3,84, pomorskie – 5,35, śląskie – 10,35, świętokrzyskie – 4,38, warmińsko-mazurskie – 6,26, wielkopolskie – 7,69, zachodniopomorskie – 5,05. Diversity of the structure of resources received is, for the most part, determined according to the principles assumed for the realization of regional programs according to size of a particular voivodship in terms of the number of inhabitants.

### **Perspective for 2014-2020**

In 2009 the document *Assumptions of the Management System of Poland's Development*, which was the basis on which the system of management of the system development in the country was drawn up. The system for management of development includes strategic programming, institutional sub-system and sub-system for implementation. Regulating the strategic planning system has enabled easier comprehension of the associations between strategic documentation. In the system the main strategic document relating to regional policy – “*National Regional Development Strategy 2010-2020. Regions, towns, and rural areas*” is one of 9 integrated strategies. In particular the significance of NRDS is based on integration and directing territorially public horizontal intervention. The NRDS contains a new perception of development and regional policy, where its significance has been reinforced. Regional policy is treated as the deciding policy on the development of Polish space and at the same time marking out the direction for tasks undertaken within other public policies.

The NRDS contains a new paradigm of regional policy which entails, primarily, transition from the traditional redistribution of resources to an approach assuming reinforcement and usage of territorial potential. It is also a departure from the division into central policies and regional development policy, in favour of one, common policy defining objectives for all public entities in respect of territory. The model which has been presented is a departure from short term subsidies distributed by a superior authority “for the least privileged areas” to the model of long term, decentralized development policies addressed to all regions.<sup>49</sup>

The multi-sector (horizontal) approach to development activities targeted territorially involves the introduction of an integration and coordination system of public policies, which have a significant territorial influence, with regional policy goals defined for individual territories. An instrument of integrated programs was proposed designated for areas of stra-

<sup>48</sup> *National Strategic Framework Reference 2007-20013*, 2006, Ministry of Regional Development, Warszawa

<sup>49</sup> *Krajowa Strategia Rozwoju Regionalnego 2010-2020. Regiony – miasta – obszary wiejskie*, Ministry of Regional Development, 13 July 2010, p. 14-19.

tegic intervention whilst retaining spatial integration, conducted within the regional policy framework. In this system the role of the regional level was increased in launching development processes in a multi-level management system. The diverse approach to various types of territories (within their functional meaning), taking into account the multi-dimensional characteristics of development processes, allows for a policy which is adapted to the social, economic and environmental conditions present in the specific areas<sup>50</sup>.

The Act of 24.01.2014 (see footnote 50) introduces a new instrument, a territorial contract, coordinating the activities of government and self-government administration in the voivodship, the purpose of which is to improve coordination of activities for both levels of administration and tailor investment financing to the specific needs and characteristics of each region. Unfortunately, in practice (at present negotiations of contracts are in progress) the notion of contracts has been distorted, their main part consists of draft government programs. In order to reinforce the territorial approach of development policy, the concept of a functional area, an area of strategic intervention by the state, and also a problematic area has been introduced. The amended Act clearly veers towards support for the development of regions and towns in the new financial perspective. Combining socio-economic and spatial activities will make management of development more effective. Of assistance in this will be the inclusion of the National Spatial Management Concept 2030 and National Municipal Policy in the strategic documents system.

Regional policy is the fundamental means to implement the *EU Innovation and Europe 2020 strategy: Strategy for intelligent and balanced development conducive to social inclusion*. The European Council has pointed out that regional policy may assist in releasing the EU's growth potential whilst at the same time making use of the promotion of innovation in regions, and in doing so also ensuring complementary capacity between EU, state and regional support for research and development, innovation, information and communication technologies and entrepreneurship. The regions, as the main institutional partners for higher establishments of education, scientific and research institutions and small and medium enterprises, play an important part in the innovation process, thereby constituting an essential component of the *Europe 2020 strategy*.<sup>51</sup> The provisions on the regional innovation strategy reinforce the development of innovation in regional development strategies (RSI). The purpose of RSIs is to support the regional or local authorities in defining and introducing an effective system supporting innovativeness in the region. Many of the goals set out in regional innovation strategies are common to all voivodships. Regions most often indicated building an knowledge-based economy, improvement of cooperation in research and development centres with business, supporting cluster development, revitalizing institutions in the busi-

<sup>50</sup> Through *The Act on amendment of the Act on the on the principles of conducting development policy provisions and certain other Acts* of 24 January 2014, which defines the legal framework, also including those resulting from the directives of European Commission for the programming process of the new perspective 2014-2020, is the Act under which provisions in strategic documents became legally binding .

<sup>51</sup> Notice of the Commission *Polityka regionalna jako czynnik przyczyniający się do inteligentnego rozwoju w ramach strategii Europa 2020*, KOM(2010) 553 final version, Brussels 6.10.2010, p. 3.

ness environment and improved access for small and medium firms to external finance.<sup>52</sup> Creating intelligent specializations at regional level transfers responsibility to the regional level for the form which innovative policy targets were to take, reinforcing the role of regions in the development of innovation.

For the years 2014-2020 *National Development Strategy 2020. An active society, competitive economy, efficient state* (NDS 2020) is the basic definition of the country's strategic directions of development. This is a development strategy for the medium-term perspective indicating the country's strategic tasks necessary to reinforce development processes. It defines, amongst others, the essential reforms to limit and eliminate barriers to socio-economic development, including the weaknesses in the Polish economy brought on by the economic crisis. At the same time there was a focus on the usage of socio-economic and spatial potential, which through reinforcement and appropriate usage will continue to stimulate further development. With this aim in mind, three strategic areas have been marked out: An efficient and effective nation, Competitive economy, Social and territorial cohesion, in which the main tasks will be realized. The main goal assumed is the *reinforcement and usage of the economic, social and institutional potentials ensuring speedy and balanced national development and improvement of the quality of inhabitants lives*. NDS 2020 is targeted not only at public administration. It integrates all public entities around strategic goals, and also social and economic environments, which participate in development processes and may support them both on the central and regional level<sup>53</sup>.

In NDS 2020 a provisional schedule was drawn up to realize activities and the method by which they are to be financed. In *Strategy* changes were taken into account in legal conditions for the drafting and realization of strategic documentation, including: replacing *Lisbon Strategy* with *Europe 2020*, passing a new Act on Public Finances, publication of the consolidated text of the Act on the Principles for Conducting Development Policy.

The *Partnership Agreement* (PA), the basis for defining intervention with the use of European funds in the context of cohesion policy, common agricultural policy and common fishery policy, indicates the strategic and programming documents for the new financial perspective in Poland for the years 2014-2020. The document contains, amongst others, the most important regulations for investment of EU funds, linkage between the funds and the strategic documentation, division of the funds into specific fields, operational programs system, division of responsibility for management of EU resources between the regional and central level. Executive instruments of the PA include: national and regional operational programs, which, together with the above Agreement, form a cohesive system for implementation of European resources. The main aims of the PA are to increase competitiveness in the economy, improve the country's social and territorial cohesion and improve the efficiency and effectiveness of the country. The above aims are identical to those in the *National Development Strategy 2020*, whilst retaining cohesion with the *Europe 2020* strategy.

<sup>52</sup> [http://www.pi.gov.pl/Polityka/chapter\\_86578.asp](http://www.pi.gov.pl/Polityka/chapter_86578.asp) [access: 2 July 2014.]

<sup>53</sup> *Strategia Rozwoju Kraju 2020. Aktywne społeczeństwo, konkurencyjna gospodarka, sprawne państwo* (NDS 2020), Ministry of Regional Development, Warszawa 2012

In 2014-2020 82,5 billion euro<sup>54</sup> was designated to realize EU cohesion policy in Poland, out of which:

- approx. 77,6 billion euro will be available in operational programs,
- approx. 700 million euro will be available in European Territorial Cooperation programs,
- 4,1 billion euro will be designated for infrastructure projects of European significance in transportation, energy and information technologies within the instrument "Connecting Europe Facility" CEF,
- approx. 473 million euro from the Fund for European Aid for the Most Deprived (FEAD) will be made available for programs ensuring food for the most deprived persons and clothing and other basic articles for the homeless and children experiencing material hardship,
- approx. 287 million euro from the general pool managed by the European Commission designated for technical assistance,
- approx. 71 million euro will be designated for innovative activity connected with development of urban areas.

The main investment priorities will be scientific research and its commercialization, key road connections (motorways, express roads), development of entrepreneurship, environmentally-friendly transport (rail, public transport), national digitization (broadband access to the Internet, e-services administration) and social inclusion and professional activation. VAT in EU co-funded projects will be at the qualifiable cost. The level of EU co-finance of 85% will apply to regions lagging in development and 80% = Mazovia.

In the new financial perspective for the most part the most resources will continue to be invested in transport infrastructure (road and rail), but the highest growth in expenditure will be the innovativeness and support of entrepreneurs. With the use of repayable financial instruments it will be possible to support a greater number of projects realized by small and medium enterprises. Investments will be financed in environmental protection and energy and projects including those relating to culture, employment, education or countering social exclusion. Projects involving comprehensive revitalization, ecological urban transport, and a low-emission economy will receive financial support. Also voivodship towns and the surrounding communes will realize common projects, including those regarding availability of communication, thanks to the new application of integrated financial instruments (ITI).

On 8 January 2014 the Council of Ministers accepted six national operational programs, including one supra-regional for voivodships in Eastern Poland (lubelskie, podkarpackie, podlaskie, świętokrzyskie, warmińsko-mazurskie). On the 23 May 2014 the European Commission approved the Partnership Agreement which is the most important document defining investment strategy of European resources in Poland in the new financial perspective.

The division of EU resources into national programs is as follows: Infrastructure and Environment Program – 27,4 billion euro; Intelligent Development Program – 8,6 billion euro;

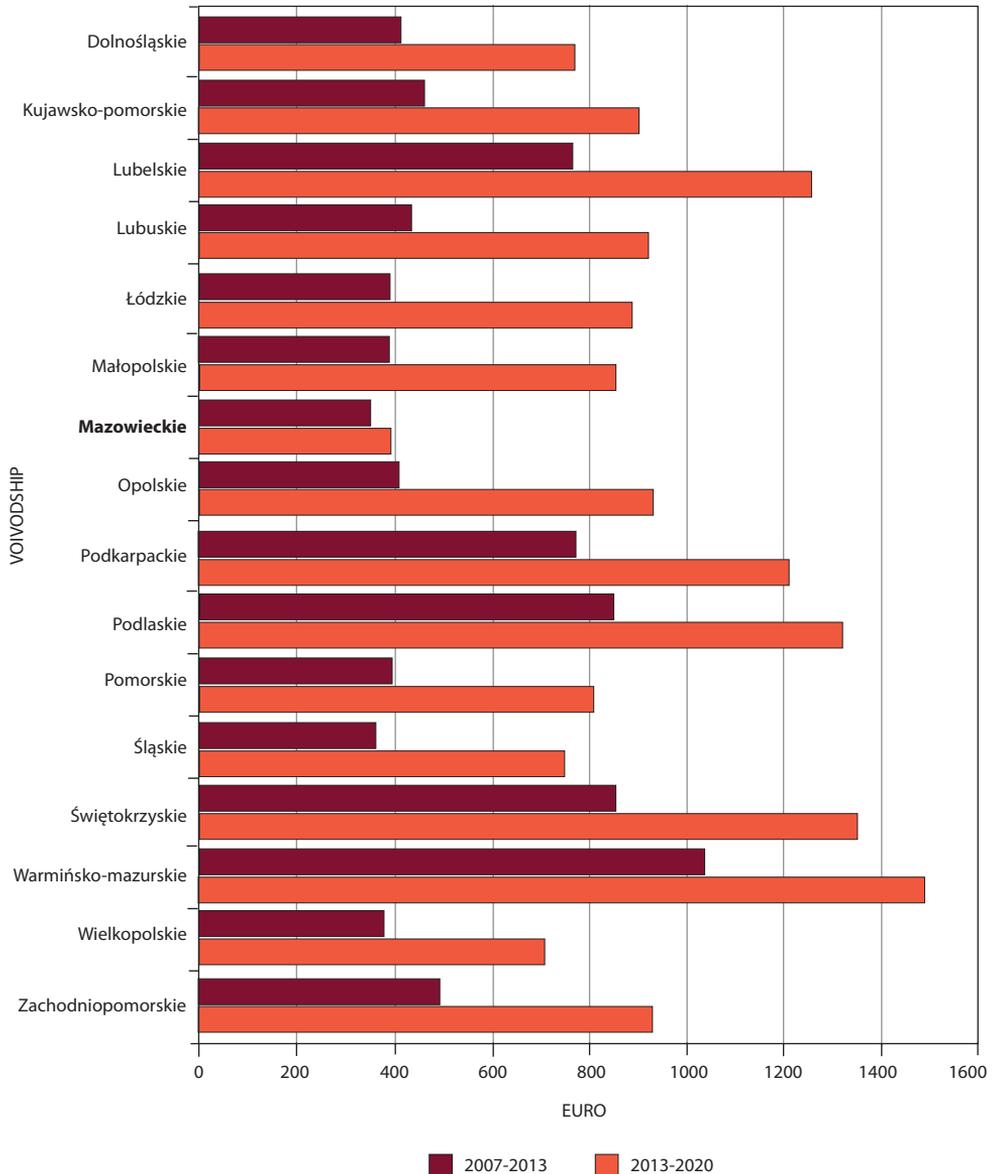
<sup>54</sup> Entire allocation for Poland under the cohesion policy will be 82 536 555 129 euro.

Table 1. Comparison of EU funds with a breakdown according to voivodships within the ROP and PORPW/POPW in the years 2007-2013 and 2014-2020

voivodship	European funds within the RPO and PORPW/POPW framework											
	million euro						in euro per inhabitant					
	2007-2013		2014-2020		2007-2013		2014-2020		2007-2013		2014-2020	
ROP	PORW	ROP	PO PW	ROP	PORW	ROP	PO PW	ROP	PO PW	total of ROP and PORW	total of ROP and POPW	
Dolnośląskie	1213,14	-	2250,38	-	420,89	-	772,17	-	-	420,89	772,17	
Kujawsko-pomorskie	951	-	1901,71	-	4460,23	-	907,13	-	-	460,23	907,13	
Lubelskie	1156	508,57	2228,82	488,15	532,04	234,07	1029,17	225,40	-	766,11	1254,57	
Lubuskie	439,17	-	944,06	-	435,46	-	922,55	-	-	435,46	922,55	
Łódzkie	1006,38	-	2253,88	-	392,17	-	892,75	-	-	392,17	892,75	
Małopolskie	1290,27	-	2875,45	-	394,43	-	857,30	-	-	394,43	857,30	
Mazowieckie	1831,5	-	2087,87	-	354,14	-	393,81	-	-	354,14	393,81	
Opolskie	427,14	-	944,06	-	409,95	-	934,53	-	-	409,95	934,53	
Podkarpackie	1136,30	487,47	2112,21	467,89	541,72	232,40	991,67	219,67	-	774,12	1211,35	
Podlaskie	636,21	386,86	1212,43	371,32	531,90	323,43	1011,46	309,78	-	855,34	1321,24	
Pomorskie	885,06	-	1863,02	-	401,64	-	813,52	-	-	401,64	813,52	
Śląskie	1712,98	-	3473,60	-	366,87	-	752,53	-	-	366,87	752,53	
Świętokrzyskie	725,81	375,3	1363,23	360,23	567,11	293,24	1070,05	282,76	-	860,35	1352,80	
Warmińsko-mazurskie	1036,54	447,37	1726,61	429,41	726,44	313,53	1190,20	296,00	-	1039,97	1486,19	
Wielkopolskie	1272,79	-	2447,85	-	376,73	-	707,02	-	-	376,73	707,02	
zachodniopomorskie	835,44	-	1599,70	-	493,51	-	929,30	-	-	493,51	929,30	
<b>POLAND</b>	<b>16555,73</b>	<b>2205,57</b>	<b>31284,90</b>	<b>2117,00</b>	<b>434,24</b>	<b>x</b>	<b>811,89</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	

Source: based on data: BDL - GUS, National Strategic Reference Framework 2007-2013 - Minister for Regional Development, Financial perspective programming 2014 -2020 - Partnership Agreement - Ministry of Infrastructure and Development.

**Diagram 1. Comparison of EU funds for voivodships within the ROP and PORPW/POPW expressed per inhabitant in EURO**



Digital Poland Program – 2,2 billion euro; Knowledge, Education, Development Program – 4,4 billion euro Program Eastern Poland – 2 billion euro; Program Technical Assistance – 700,1 million euro.

Furthermore, a Development of Rural Areas Program, 8,6 billion euro, was also negotiated and specific allocation for the Youth Initiative Employment of 252,4 billion euro.

In the current programming period the voivodship self-governments will manage a pool of European funds which is larger than that up to present, i.e. approx. 40% cohesion policy funds, that is, 31,28 billion euro. These programs will be financed from two funds, from the European Fund for Regional Development Fund and European Social Fund. The division of EU resources of 31,28 billion euro into regional programs is as follows: dolnośląskie – 2,25 billion euro; kujawsko-pomorskie – 1,90 billion euro; lubelskie – 2,23 billion euro; lubuskie – 0,90 billion euro; łódzkie – 2,25 billion euro; małopolskie – 2,87 billion euro; opolskie – 0,94 billion euro; podkarpackie – 2,11 billion euro; podlaskie – 1,21 billion euro; pomorskie – 1,86 billion euro ; śląskie – 3,47 billion euro; świętokrzyskie – 1,36 billion euro; warmińsko-mazurskie – 1,73 billion euro; wielkopolskie – 2,45 billion euro; zachodniopomorskie – 1,60 billion euro; i mazowieckie – 2,09 billion euro.

The structural division of resources in the voivodship regulated system in the new financial perspective, in comparison with the previous programming period, is set out in the table 1 below and diagram 1.

The level of EU funds allocated for regional operational programs in voivodships in the years 2014-2020 is 89% higher than in 2007-2013. However, the government operational program addressed to voivodships in Eastern Poland has remained on a similar level (2,1-2,2 billion euro). The higher allocation for ROP is, partly, due to decentralization of the management of funds, in line with the subsidiarity principle, whereby tasks are to be carried out at the lowest proper level – in the case of regional policy these are therefore regions.

The second important change in the new perspective is the marked decrease in the allocation for the Mazowieckie voivodship in the funds designated for ROP. Whilst in the years 2007-2013 the Mazowieckie voivodship received the largest allocation (1,8 billion euro – 11% of the total of all ROP's), in 2014-2020 as a more developed region it was already in eighth position (2,1 billion euro – 6,7% of the total of all ROP's). This difference is all the more visible in the figures per capita. Although in both perspectives the Mazowieckie voivodship received the lowest allocation per capita out of all the regions, in the years 2007-2013 it totalled 81,6% of the national average , and in the years 2014-2020 merely 48,5% (not taking into account the government operational programs for Eastern Poland).

### **Assessment attempt**

Poland's accession to the European Community brought many beneficial social, economic and political changes. In general, it should be emphasized that the real return to the western civilization "family", long awaited – over 50 years – by many generations, through which it increased its credibility on the international arena, made it possible to speed up the changes in the political system, increase the pace of the development processes, growth of trade exchange and successes, especially in some branches in a common, uniform market, influx of foreign investments and increase of possibilities for cooperation for Polish enterprises, opening up the EU labour market, improvement of environmental standards and education opportunities.

The European cohesion policy played a specific role in the country's development, prompting action to which made up significantly for the many years of neglect regarding development, and reduction of inter-regional disparities. *After ten years of membership, the cash flow balance sheet between Poland and the EU looks very positive for us. The balance of settlement between Poland and the EU, which was in the black, came to a combined sum of 61,4 billion euro. Payments for the cohesion policy totalled 58,7 billion euro, which included 13,1 billion euro from the financial years 2004-2007 and 45,6 billion euro in the years 2007-2013. Furthermore, 29,4 billion euro was allocated to the Common Agricultural Policy, and the remaining goals 4,3 billion euro. Expressed as per capita of inhabitants in Poland in the years 2004-2012 it gained 1391 euro net, in this context taking up seventh place out of all the member countries (the average for the EU was 1358 euro<sup>55</sup>. Funds which Poland received in the programming period 2004-2006 totalling 12,8 billion euro and the funds forecast for 2014-2020 totalling 82,5 billion euro should be included in these amounts.*

In the entire period of EU membership it is the increase in EU funds received for management by regions which decidedly deserves a positive evaluation. In the first programming period (2004-2006) this was 22%, in the second – 27,2% (of which 23,8% for ROP and 3,4% for EDP OP) and in the third – 40,5% (of which 37,9 for ROP and 2,6 % for EDP OP).<sup>56</sup> Moreover, the self-government voivodships will receive for management in the current programming period (2014-2020) almost twice the amount of funds in comparison with that in the period 2004-2006. At the same time, the largest beneficiaries in the period 2004-2013 were territorial self-government units (over 34 % of the value of projects). In the co-financing structure in almost all voivodships expenditure on transport is dominant (from 25% in kujawsko-pomorskim to approx. 45% in łódzkie voivodship), and next for development of human resources (from 15% in pomorskie voivodship up to 20% in warmińsko-mazurskie to over 20% in małopolskie and podlaskie)<sup>57</sup>.

Thanks to EU funds in the area of transport, for example, the following were realized:<sup>58</sup>

- a combined total of 2103 km express roads and motorways were either built or modernized;
- 13831 km of national voivodship and county highways were built or reconstructed;
- the shortening of travel time had significant effects;
- 2,3 thousand km of railway lines were laid/reconstructed (although you should note that at the same time there was a limit on the number of passenger connection services, and decrease in the length of railway lines in service. However, there was an improvement in the technical state of the railway infrastructure and the percentage of tracks was increased – from 5% in 2003 to 23,5% in 2012 – on which trains could extend the speed over 120 km/h;

<sup>55</sup> Influence of Poland's membership in the European Union and realizing cohesion policy for the development of the country, Ministry of Infrastructure and Development, Warszawa, April 2014, p. 7.

<sup>56</sup> It should however be emphasized that EDP OP is managed by the Ministry, but resources are directed to 5 voivodships in eastern Poland so these have been treated as directed to regions.

<sup>57</sup> Influence of membership ..., op. cit.

<sup>58</sup> On the basis of as above

- there was a relaxation in the provisions on access to the Polish market for carriers from other Community countries; including low-cost, air transport developed at a more rapid pace;
- significant investment outlays allowed for the increase of throughput capacity of airports and for the construction of some regional airports;
- from 2005 there was also an investment boom (purchase of new rolling stock, renovations, construction of railway sub-grade, trolley bus infrastructure, a metro line was constructed in Warsaw etc) the access for inhabitants, particularly in towns, has increased to municipal communication and a significant improvement in the quality of municipal transport services;
- a decided improvement in the safety of road and rail traffic.

Thanks to activity involving the transport infrastructure significant progress has been made in improving spatial inter-regional and regional cohesion. This does not mean that Poland has achieved the optimum state in this area. To achieve this, investment is necessary, of which a significant portion will be realized in the current programming period.

Furthermore 9,1 thousand enterprises have received support in the form of EU funds for investments and over 700 to launch investments. As a result of completed projects the number of entities conducting development and research activity has increased significantly (increase from almost 1,0 thousand in 2004 to 2,7 thousand in 2012). Nevertheless, experts assess the activity in the area of R+D in the increase in GDP<sup>59</sup> as of little effect.

Access to educational establishments/facilities in JST has improved and the equality of education and its infrastructure is improving, e-learning has developed, many new faculties have been introduced in higher educational establishments ("new faculties on order") and a decided improvement in technical fittings and fixtures for further education schools and also their base of real estate.

Investments in the area of environmental protection and prevention of natural disasters have received significant support. The number of towns equipped with sewage treatment plants (in relation to the number of inhabitants in particular in zachodniopomorskie, mazowieckie and opolskie voivodships) has increased by 63, 36 thousand km of sewage piping 12 thousand water pipe network<sup>60</sup> have either been built or modernized. In the regions significant investments have also taken place in energy, including RES.

Significant support has also been received for activity relating to the labour market, employment and social integration (approx 6,6% of the value of all projects (*per capita*) to voivodships: podkarpackie, warmińsko-mazurskie, świętokrzyskie (and therefore to regions in Eastern Poland) and zachodniopomorskie. It was estimated, that as a result of investment, employment of persons in the 20-64 age group has risen by approx. 800 thousand. Furthermore, there has been a positive assessment of professional training projects, improvement of employee qualifications and their adaptation to changes on the labour market and as a consequence limitation of the unemployment rate. It is also noteworthy

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<sup>59</sup> Ibid

<sup>60</sup> Ibid

thy that sometimes these activities are assessed sceptically as e.g. ineffective training or over-qualification.

Literature notes that not all the possibilities have been exhausted which, post accession, could have brought greater effects generating considerably quicker and more in-depth structural changes both at national and regional level. They include<sup>61</sup>: predominance, as regards quantity, of parameters in the evaluation of induction processes of cohesion policy; very wide dissemination of intervention directions; political mechanisms of degenerating the philosophy of EU structural intervention; absence of the essential comprehensive structural intervention; inefficient selection process of financial ventures list within the European cohesion policy; weakness of financial procedures and monitoring system and evaluation and disparities in the process of management of EU structural resources over a time-period.

Such resolute and sharp criticism of the possibilities which are on offer to Poland must however take into consideration the conditions in which this policy was implemented. For there was a lack of experience in both institutions and in staff, as the country did this almost from the initial state (and at the same time the political system was being transformed and all obstacles in this were experienced) and in time all these areas were improved. You should also remember that at this time all types of political positions were levelling out out political offices of political parties which often conflicted with each other. Irrespective of these reservations the results obtained from the regional policy in 2004-2013 on balance should be regarded as positive. Most certainly they would have been negligible or even eliminated considerably the global crisis after 2008.

## Conclusions

In the most recent decades regional policy has made a permanent mark on Polish development policy and its position is becoming increasingly important. Although today it is difficult to pinpoint the theoretical concept on which it is based, we should be rather inclined to accept that it is associated with the model of regional development policy positioned between the passive and active policy models, in its theoretical base combining the theory of localization of industry with the model of endogenic growth. Development of regional policy in Poland should certainly be associated with the reform of the political system in the 90's of the 20c, establishing self-government territorial units. However, it should be stressed that it took on increased importance on commencement of preparations for accession to the European Union. In the first years of membership the growth in significance of regional policy in public policy was associated with induction of reforms necessary to absorb resources from the Community. A regulated (in comparison with other areas where sectoral or horizontal policies functioned in Poland) programming and realization system of the European Union cohesion policy, supported with a considerable transfer of financial resources, was a

<sup>61</sup> See also: J. Szlachta, 2014, *Przegląd zasad i kierunków ewolucji polityki regionalnej Polski i Unii Europejskiej do 2013*, (in:) K. Gawlikowska-Hueckel, J. Szlachta (ed.), *Wrażliwość polskich regionów na wyzwania współczesnej gospodarki. Implikacje dla polityki rozwoju regionalnego*, OficynaWoltersKluwer Business, Warszawa, pp. 266-270.

factor mobilizing Polish administration into action and caused considerable interest in policy targeted at the regions. The solution of creating its own development policy system, including regional policy was expressed in the Assumptions of the *Management System of Poland's Development* and NRDS towards the end of the first decade of this century. As a result of accession Poland gained considerable resources to realize many necessary and awaited investments in regions so as to speed up their socio-economic development and raise the civilization level and conditions of life of inhabitants within a shorter time span. Although there are many deficiencies in the results of the research results on the realization of regional policy in Poland, generally, the effects achieved as a result, are very positive however, depending on the type of sector and areas, correction is sometimes very significant in investment as in fixed assets and human resources. In this manner the gap and delay which we noted for all EU countries has narrowed.

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#### **Polityka regionalna w Polsce w latach 2004-2013**

#### **STRESZCZENIE**

Artykuł poświęcony jest uwarunkowaniom i celom polityki regionalnej prowadzonej w Polsce w latach 2004-2013. W artykule przedstawiono teoretyczne podejścia do polityki regionalnej oraz stosowane w praktyce modele jej prowadzenia. Omówiono także zmiany ustrojowe jakie zaszły w Polsce od 1990 roku i ich wpływ na kształtowanie się polityki regionalnej. Główną część artykułu stanowi prezentacja wpływu wstąpienia Polski do Unii Europejskiej na sposoby formułowania celów polityki regionalnej i wypracowywanie krajowego modelu polityki rozwoju ogólnie i w wymiarze regionalnym. W artykule omówiono także zamierzenia na lata 2014-2020 oraz dokonano oceny dotychczasowych doświadczeń związanych z przygotowaniem polityki rozwoju regionalnego i oceny rezultatów jej prowadzenia.

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