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THE EUROPEAN UNION COHESION POLICY AND ECONOMIC DEVELOPMENT OF POLAND

JEL Classification Codes: *F62*

Keywords: *EU cohesion policy, economic development, economic regional disparities*

Abstract: *In order to remove regional economic disparities, the EU realizes the cohesion policy. The evaluation of the cohesion policy from the point of view of experiences of individual member states and the EU is not explicit. What is especially controversial here, are unsuccessful attempts to reach the main goal, which is social, economic and territorial cohesion. It does not mean the negation of outcomes of numerous researches which confirm a positive influence of the cohesion policy on the economic growth. The subject for a discussion is the right balance between the equality and effectiveness. The key issue is an answer to the question who and how to support. The question is whether the aid should be directed at the areas which guarantee the highest added value? Should it be the priority to give equal opportunity to the poorest and to support them? At present the cohesion policy is trying to combine both those goals. However, with the limited measures and rising social, economic and territorial disparities, those actions are ineffective. The pace of economic growth in Poland in the recent years – bigger than the average in the EU – has contributed to the making up for part of a development distance towards the rest of the member states. The cohesion policy had some participation in this process. The evaluation of the influence of the cohesion policy is not easy, though. One has to, however, separate its influence from other factors affecting the social-economic situation of the regions. The main aim of the article is an evaluation of*

the role of the EU cohesion policy in the stimulation of social-economic development of Poland, in particular its impact on the economy of the regions. The research method is an analysis of the literature of the subject. The bases of the conducted research were: statistical data, program documents, reports, national and EU law, quantitative and qualitative research and secondary sources presented in various studies.

INTRODUCTION

In order to remove the regional economic disparities, the EU realizes the cohesion policy. The evaluation of the cohesion policy is not explicit. The controversies are evoked mainly by unsuccessful attempts to reach the main goal, that is social, economic and territorial cohesion.

The subject for discussion is the balance between equality and effectiveness. The key issue is an answer to the question who and how to support. Should the help be directed at the regions, which guarantee the highest value added? Should the priority be the equalization of chances and support of the poorest? At present the cohesion policy is trying to combine both those goals. However, with limited means and rising disparities, those operations are ineffective.

The main aim of the article is an evaluation of the role of the cohesion policy of the European Union in stimulating social-economic development of Poland, in particular its influence on the economy of the regions and disparities.

The base of the conducted research was an analysis of scientific publications, statistical data, documents and legal deeds. On account of the extensivity of the problem, the author's attention is concentrated on selected theoretical aspects and on the evaluation of effects of the EU cohesion policy.

THE REASONS FOR REGIONAL ECONOMIC DISPARITIES IN THE LIGHT OF SELECTED THEORIES

In the literature of the subject one can easily find a lot of different classifications of theories of regional development. A synthetical division of those is presented by Gawlikowska-Hueckel (2003):

- the first group of theories explains the primary reasons of economic activity in the space,
- the second group of theories describes the processes and factors, which caused the acceleration of development of some regions and the stagnation of others,

- the third group of theories is connected with the search of reasons for the diversification in the context of economic growth.

The location theories are focused on explaining the spatial structures. Their goal is, among others, indicating an optimal place of economic activity.

The precursor of the location theory was von Thünen, who in 1826 created a concept of productivity of the state basing on the model of location of structures (Stackelberg, Hahne 1998, p. 36). An essential contribution in the development of the location theory was made by Weber, who proved that companies choose a spatial location for their the operations which provides the highest profits and the lowest costs (Gawlikowska-Hueckel 2003, p. 12). A significant participation in the development of the location theory was by Christaller. The main subject of his studies was the theory of the centres. Christaller was aiming at the establishing of regularities occurring in the arrangement of urban centers, in order to explain the general structure of the economic landscape. He assumed that the goods move from the places with higher centralization to the places with lower centralization. That process introduces a hierarchy of priority of places in the space, and it causes that there is rising a number of centres on various levels (Domański 1995, p. 114). Lösch has outlined, however, a sequence of factors deforming markets and creating disparities in spatial development.

The studies of the location theories were conducted also by Isard (1956), Lefeber (1958) oraz von Böventer (1962), who indicated the main factors influencing the diversification of the economic space. What is particularly important are the considerations of von Böventer, who was trying to create a location theory with the consideration of the achievements of his predecessors (Thünen, Christaller, Lösch). He has isolated three groups of factors, which directly affect the diversification of the economic space. They are: agglomeration conditions, costs of transport and the dependence of economy on the resources of the earth (Głąbicka, Grewiński 2003, p. 20).

The spatial structure of the regions is affected by agglomeration effects and the urbanization process. From the research conducted by Maier and Tödting (1987), it results in a concentration of economic enterprises with similar subject of business activity in one region, allowing them to obtain additional benefits. They result from the specialization, concentration of highly specialized services in a given region, development of institutions of enterprises' environment and also mutual contacts between the employers and employees. The concentrated spatial structure of production also favours the development of infrastructure in a given area. Maier and Tödting were right in emphasizing that the simultaneous occurrence of the mentioned factors can cause a certain „chain reaction” and therefore influence the location

decisions of the subsequent economic enterprises. In the long period, the process causes a faster development of a given territory.

Neoclassical theories, deriving from the school of Smith, assume that the market in a natural way is aiming at the balance. Therefore, considering the problem of regional diversity, in a situation of perfect competition and a perfect mobility of production factors, one can state that the factors will concentrate where they will reach the highest outermost usefulness. Their migrations, so that the differences in social-economic development between the particular areas, will last until the outermost utilities within the whole area are evened out. The mechanism of leveling of disparities in the development between the particular regions results from the assumption about the decreasing revenues from the applied capital and from the rising accumulation of capital in the poorer regions. In the more affluent areas, which have a significant capital resource, the production growth occurs in a pace less than proportional, in relation to the capital growth. That relation decreases the inclination to savings, and therefore to making investments. The direct result is slowing down of the pace of the economic growth. In the less affluent regions, the increase of capital accumulation causes a dynamic production growth and thus an acceleration of the pace of economic development in relation to the better-developed regions. As a result, there occurs a leveling of diversity in the social-economic development of certain areas. This regularity refers equally both to the countries and to the regions (Gawlikowska-Hueckel 2003, p. 71).

The Keynes model, as different from the neoclassical models, assumes that despite the condition of economic balance, there may occur incomplete exploitation of production factors, in particular – labour. Keynes hardly emphasized the supply aspect, but concentrated on an analysis of the demand side of the economic processes. He claimed that the entire use of the production factors depends exactly on that factor. Keynes' deliberations are used in *economic base theory*, which assumes that the development of a region depends on the internal demand, in connection with exports and imports of goods. The increase of regional demand may be stimulated by the increase of the external demand (exports growth). It is the so-called base activity. The revenues from exports may be used to finance imports and to purchase local goods and services, which creates an intra-regional multiplier effect. In this model, the base area (area of production and exports) determines the size and changes in the demand of the non-base area.

An interesting approach to the problem of regional development is contained in the phase models, which considered an effect of three groups of factors: social, economic and political ones. Among those, an especially interesting seems to be the Rostow model. Rostow assumed that the society was undergoing the subsequent stages of economic development. However,

the most important for the initiation of the growth and development is the “take off” moment, which is the one in which the scale of investments begins to remarkably enlarge the real product and extort continual changes in the technique of manufacturing, and the increasing stream of incomes is financing the following investments and causes the further growth of the region’s incomes. That observation may be of importance first of all to the boosting of the development of the regions with economic backwardness. The moment described by Rostow (a *big push*), is for those regions an attractive method of breaking a closed circle of low production level, small market, little savings and little capital resources (Szmyt 1999, p. 53).

How can one achieve a higher stage of development – remaining on the grounds of the theories of the development phases (Rostow)? The supporters of the balanced development (Nurkse, Rosenstein-Rodan) claimed that a progress in many fields can occur permanently only with a minimum investment in each of them. The basic method of the development stimulation was thought to be the extension of the internal market through the investments in various industrial branches, considering the income flexibility of the demand. This way, regional production will be enlarged, oriented at the preferences of the local consumer. The discrepancies among the followers of this concept refer to the role of the investment initiator. Some of the authors think that it falls on the private investors (Nurkse), others (Rosenstein-Rodan) however, are expecting the involvement of the country (regional authorities) in the initiation and coordination of the investment process. The supporters of the strategy of an unbalanced development (Hirschman, Streeten) claimed that it is only investments that remove the narrow throat of development and create the surpluses, which can next be reinvested. The initiation of the system of investment stimulation may entail the economic development of the whole region (chain reaction) (Stackelberg, Hahne 1998, pp. 59–68).

The classical and neo-classical theories referring to the problem of regional development were based on an assumption that a spatially co-related system aims at the state of balance. In the 1950’s, a lot of economists noticed that regional development does not lead to the state of balance. It is just the opposite, the disparities in the social-economic development are deepening. An attempt to describe this phenomenon were the theories of polarization.

Among those, which was of crucial importance, were the works of Schumpeter (Mikosik 1993). They concerned the stimulation of innovations in the form of the so-called waves, which entail economic growth. Schumpeter ascribed the main role to the so-called base innovations which, by evoking a sequence of less or more important innovations, support the economic growth and contribute to the development of a given sector.

The feature of the technological change, which was emphasized by Schumpeter, is an uneven layout in time and space, leading to the occurrence of technological gaps between the companies and the countries. The changes of technological gaps, so a convergence or differentiation of technological possibilities, depend on the innovation capacity, and that, in turn, depends on the following factors: specificity of the technological process, including the source of a change in technology (endogenous or exogenous), scientific-research base, economic incentives stimulating technological processes, a character of the government's policy (Zielińska-Głębocka 1996, p. 102).

The founder of the theory of regional polarization is thought to be G. Myrdal. He claimed that all the cyclically accumulated and intensive processes of development or crises, caused e.g. by a change of demand, incomes, investments or production, lead to the creation of centres of growth and under-developed areas. The polarization effect is strengthened when the faster developing poles of growth are absorbing the production factors from the peripheral regions. Then it comes to the migration movements, accumulation of investments in the centres of growth and their abandonment in the peripheries. The process of inter-regional disparities in a given area is deepened (Myrdal 1963).

Myrdal defines this phenomenon as a *back-wash effect*. He also observed a reverse phenomenon – a *spread effect* – an effect of the development spreading from the centres to the peripheries. It is about the transfer of certain investments to the peripheral areas, propagating of urban lifestyle and the growth of demand in the centre for the products from the peripheries. Those factors can constitute a stimulus for the development, however they are not able to balance the back-wash effect. Therefore, the polarization phenomenon is strengthened.

Another group of concepts included in the polarization theory are the core-periphery models. Among the main representatives of this concept there are Prebisch and Friedmann. Considering the problem of the deepening disparities in the social-economic development between the core area and the peripheries, Friedmann has formulated the following theses (Stackelberg, Hahne 1998, p. 83):

- the centres make the peripheries dependent on them through their own institutions and organizations, which function in the peripheral area and directly or indirectly influence its activity,
- the centres confirm their advantage over the peripheries through the polarization mechanism, the so-called *feedback effect*, which is caused by the economic dominance of the core regions, influence of information, psychological effects (the climate favouring the innovative investments in the centre), modernization effects, an effect of innovations feedback (the

flow of innovations in the core region between the enterprises and the branches) and the growth of efficiency.

There are numerous examples of areas in which the social-economic development did not occur according to the assumed and above described scheme core-peripheries, in which the large centres are dominant (agglomerations). The history of the regional research provides evidence that the process of development and modernization of peripheral areas is, in fact, possible. Its mechanism does not result from the operations of external forces, however. On the contrary, the stimulus of the development are the internal (endogenous) factors.

The basic factor which directly affects the processes of convergence and regional polarization is economic growth. Its pace and dynamics determine the level of development of particular areas, and therefore the deepening or eliminating of social-economic disparities in the scale of the regions and countries.

Until the beginning of 1980s, the dominant one was the theory of growth based on a neoclassical model of functioning of economy, which resulted in a tendency to economic convergence and diminishing of a distance in the development between the rich and poor countries.

The advocates of the so-called new theories of growth are of a different opinion. The new theories appeared in 1980s. Barro, Sala-i-Martin, Lucas, Romer ascribed the key role to the knowledge accumulation and technological advancement of endogenous character. Therefore, they claimed that both those factors are not subject to the rule of decreasing incomes. Technological changes result directly from the research and development and from innovations, whose results are implemented in practice.

For the founders of the new theory, it was difficult to accept that in the neoclassical models the source of a long-term growth, which is technical progress, is an external factor. They showed, therefore, that in the neoclassical model of growth there are no incentives for rationally operating enterprises to invest resources in the creation of the technical progress (Domański 2003, p. 54). The ability of particular regions to create and absorb new technologies may determine the pace of economic growth, and therefore the deepening or eliminating the inter-regional disparities. In the models of endogenous growth, human capital and accumulation of knowledge increase productivity of other resources. A special place is occupied by technological progress. Such an approach allows for the acceptance of certain guidelines addressed at the economic policy, including regional policy. The new theories of growth are suggesting an effect of positive external effects, which are subject to the *spillover* process. The potential subjecting of instruments and areas of support of the regional policy to the factors indicated by new theories can be a chance for economic development in the regions.

To sum up, there is more than one theory which explains the existence of regional disparities. The theories interpret the reality in different ways. Are there, in fact, economic mechanisms, which may lead to the diminishing of disparities in the development between the regions? According to the advocates of the theory of endogenous growth, which is at present the leading school of discussions of the problem of economic growth, the answer is positive. The endogenous models make the pace of growth conditional on two factors: technical progress and capital resources (physical and human). Therefore the economic growth depends on the ability of economy to learn, and the economic policy, favoring the growth of resources of physical and human capital, as well as knowledge, leads to the acceleration of the pace of economic growth and diminishing of disparities between the areas.

REGIONAL INTEGRATION AND ECONOMIC DISPARITIES

The growth of importance and interest in the problem of the regional development in recent years is, to a large extent, connected with two key trends in the development of the global economy: globalization and regionalization.

Regionalization can be discussed on two planes. Firstly, we distinguish the process of international economic integration, which is a creation of regional integration agreements (regionalization of the global economy). Secondly, there is an observed phenomenon of isolating and increase of growth in importance for the regions within particular countries (regionalization of national economies). The globalization and regionalization processes can lead to the takeover of numerous competences in the social-economic range, both by beyond-national and regional institutions. Moreover, the globalization process of the global economy in the context of economic development may lead, on the one hand, to the diversification of globalization effects and marginalization of some areas, on the other hand, to the growth of importance of the territory and the location as the source of competitive advantage. We thus have two apparently opposite phenomena, together with the globalization. What is also rising is the importance of a territory in the regional and local dimensions. In literature, the term *glocalization* was introduced, being the combination of the word globalization with localization (Pietrzyk 2004, p. 9–12).

It should be emphasized that a territory has a broader meaning than just the one defining a physical space. It also embraces the space created by a given community, accumulated knowledge and skills, together with institutions, relations between them and the actors of the social-economic life. In the light of the above described tendencies in the regional development, as

the studies indicate, the biggest benefits are gained by the areas generating two basic categories of agglomeration benefits, namely large metropolis and territorial forms of the production organization. In the first case, they are first of all the benefits resulting from the concentration of different kinds of activity, in the second case, however, the effects of geographical concentration of complementary kinds of activity (Pietrzyk 2004, p. 13–14).

In the literature of the subject, it is underlined that the most competitive ones are, currently, not individual enterprises, but groups of related enterprises, supported by the research-development centres, schools and universities, institutions of business environment, local and regional authorities and non-governmental organizations (Jewtuchowicz 2005, p. 72). The participation of a country in a integration grouping determines the social-economic situation of the regions, and in particular it affects the processes of convergence and polarization. On the basis of the EU experiences, one can distinguish three key stages of integration, which used to influence and still do influence the regional economic disparities, which is liberalization of trade turnovers, common market and economic and monetary integration. For the present situation in Poland, it is the common market that is of key importance.

The reduction of customs duties, connected with the creation of integration agreement may influence the size and structure of production of particular regions. On the one hand, there may occur an increase of imports of cheaper foreign products, and at the same time – a fall in the regional production. On the other hand, however, the resources used earlier for production of protected goods may be used in other sectors of the economy. Specialization and the growth of the economies of scale may be favorable both for the given region and for the whole integration grouping. (Gawlikowska-Hueckel 2003, pp. 131–132).

Although the regional integration agreements enable the acceleration of the pace of economic development of member states, they, in fact, do not guarantee an even distribution of benefits into all the participating countries and regions. Therefore, a question arises, whether some countries do not accelerate the pace of development at the cost of other countries. It is especially important in the case of integration of partners with a diversified social-economic situation. The neoclassical theory of international trade indicates that in consequence of the trade exchange, there occurs an adjustment of not only prices of goods, but also prices of production factors. The process is strengthened in the case of the ensured free flow of those. Free trade, deepening the complementariness of economies causes that economic development of the better developed partners, entails a growth of the states and the under-developed regions. Due to the liberalization of the trade, the demand for the products from under-developed countries is rising, and there

occurs a reallocation of resources and transfer of technical expertise to the areas with lower costs (e.g. level of payments). Therefore, by the free trade and flow of production factors, the specialization and economic co-relations are deepened, which leads to the gradual equaling of the levels of development and incomes of the production factors.

On the other hand, among the theories of polarization, the disparities in the development of the countries and regions are discussed, in particular, when they were remarkable at the time of creation of a regional integration grouping. The process of maintaining and strengthening of an advantage of a better developed region, is defined as the so-called effect of the backward wave or a polarization effect. The better developed regions attract the capital and the workers with the highest qualifications, whereas the less developed regions are not able to eliminate the disparities, having a smaller resource of savings, smaller investments and the less efficient workforce (Kundera 1996, pp. 168–169).

Liberalization of the flow of production factors is positively influencing the prosperity. By creating a common market, one can accelerate the realization of dynamic effects of the customs union. Firstly, due to the intensification of the restructuring process, which occurs as a result of the liberalization of the trade in the customs union. An effective allocation of resources within the common market favors the positive changes in the structure of the economies of the states forming a regional integration grouping. Secondly, the integration of the market of manufacturing factors is increasing the competition between the institutions and financial organizations, causes them to achieve the economies of scale and raise the quality of financial services and products. The benefits will be, in particular, for those enterprises which have so far lacked an access to the foreign markets. (Molle 2000, pp. 168–169).

International flow of production factors, in particular – work and capital, may be also considered as one of the aspects of the spatial organization of production. It is important due to the problem of regional diversification. The location decisions made by the economic enterprises may be influenced by such factors as accessibility of technology, accessibility and a price of the production factors, layout of the demand and the structure of the markets and the organization of a company. A common market makes an opportunity for enterprises to optimally locate investments according to the aims, functions and a kind of a conducted business activity. For example, innovation companies will choose a location which will simplify the contact with research & development institutions and at the same time will provide an access to the qualified staff. The logistics companies will choose an area, which will allow for a professional and quick service of a certain market of consumers.

In fact, however, we do not always observe a fast process of regional adjustments. Among the factors delaying the equalizing of the level of devel-

opment between the regions, are mentioned the following: a lack of a favorable economic environment, low quality of human resources, lack of a basic infrastructure, weak scientific-research potential and innovative potential and other. Additionally, in the neoclassical model, the mobility of the workforce plays an important role. It is important for the restoration of the regional balance in the labour markets. The outflow of some of the work resources to the developed regions may diminish the regional disparities. It can, however, lead to the weakening of the development potential, since it is the highly-qualified working staff that is the most susceptible to migration. Opening of the markets leads to the changes in the regional specialization and concentration of the business activity.

It can be stated that a common market positively influences the cohesion through the four main mechanisms: product and process specialization, foreign direct investments, strengthening of competition and the reduction of market disruptions (Pelkmans 1997, p. 256).

To sum up, the regional integration agreements enable the acceleration of the pace of economic development of the member states, but they do not guarantee an even distribution of the benefits among all the regions. The benefits will be observed the most quickly by those regions which possess a modern, highly-developed and technologically advanced economy. Those regions are characterized by the exports potential, which can face up to the competition in the broader market and they specialize in the production of modern and highly-processed goods. They may, however, face the labour market problems which result from the exports of labour-absorbent goods from the poorer regions.

The negative effects of the integration processes can be especially felt by the less developed regions. In the long term, the process of integration may be accompanied by the phenomenon of convergence, so the disparities in the social-economic development of the regions of the member states of the EU should be decreasing (see: El-Agraa 2001, pp. 393–399).

OUTLINE OF THE COHESION POLICY OF THE EUROPEAN UNION

In order to remove the regional economic disparities, the European Union realizes the cohesion policy. Its most essential premises are: effectiveness and equality (Pelkmans 1997, pp. 255–256).

Effectiveness is an argument of economic nature. The regional economic disparities contribute to the inappropriate use of the production factors. The instruments of the cohesion policy, through the mechanism of redistribution, contribute to the removing of barriers in the development. Then the re-

sources which were not used or that were used inappropriately can again participate in the process of production. This way, the cohesion policy contributes to the more effective allocation of resources, and therefore to the growth of prosperity.

Equality is an aspect of social nature. The concept of the European integration assumes, among others, solidarity and social cohesion, according to which, the disparities are not accepted. One can thus assume certain minimum, equal standards of an access to the public goods. The areas which are not able to reach those objectives receive additional support through the mechanism of redistribution of incomes. Those means are meant to contribute to the improvement of living standards and to giving equal opportunities. This way, the expenditures on the realization of activities in order to remove disparities between the social groups, the regions and the states are justified (Molle 2000, pp. 442–443).

The cohesion policy means, therefore, the activities of public authorities oriented at the evoking of the social-economic development in the regions. Its main goal is to limit the economic, social and territorial disparities, to provide the permanent and balanced growth and to raise the competitiveness and innovation of all the regions.

The main sources of financing of the cohesion policy include the European Regional Development Fund, European Social Fund and the Cohesion Fund. The cohesion policy is realized in accordance with the specified rules. The most important ones include: programming, partnership, unanimity, cohesion, concentration, extras, coordination and monitoring and control. They constitute the basic guidelines for the member states and their regions. They regulate all the questions connected with the use of operating programmes, starting with the planning and programming of aid, through the realization of operations and spending of funds, ending with the monitoring, evaluation and financial control.

The contents and the form of the rules do not result from the theory of economy, but are mainly the result of experiences gained by the Commission, member states and the regions, and the effect of numerous analyses, researches and expertise devoted to the evaluation of the results of the EU cohesion policy.

The rules, to a large extent affect the shape of the cohesion policy. Working them out has enabled the member states and the regions to use the structural funds and other instruments in a more effective way, among others through: concentration of assets in selected regions, increased control, discipline of the beneficiaries, better coordination and the improvement of the cohesion of operations. Although the rules are often perceived as barriers in an access to funds, then however they order the system of realization of projects. At the same time they allow for a choice of good projects and for

a better use of financial assets. They can therefore be assumed as economically justified and in agreement with the rules of rational proceedings.

EVALUATION AND EFFECTS

Evaluation of the cohesion policy from the point of view of the experience of individual member states and the European Union is not explicit.

The controversies are evoked especially by unsuccessful attempts to achieve the main goal. It does not mean the negation of the results of econometric research which confirm the positive influence of the regional policy on the economic growth. Those and other research methods confirm, however, that the structural funds contribute to the growth of GDP per capita and to the reduction of unemployment. The positive macroeconomic results of the EU projects were the biggest in the cohesive countries and in the regions embraced by the goal 1. The goal 1. is directed at the poorest regions, whose GDP per capita is lower than 75% of the EU average.

The example of cohesive countries shows that it is the way of spending funds that matters for the development of the regions, not their amounts. In Spain, Ireland and Greece the largest part of assets was assigned for the infrastructure, development of human resources and the industrial surrounding. There were, however, various proportions of the division of funds into those areas of support. In Ireland, where the highest rate of growth was noted, the biggest amounts were directed at education and the support of entrepreneurship. It is estimated that the use of structural funds caused an additional GDP growth by 1.56 % in 2000 and by 1.2% in 2005. At the same time, there was a remarkable growth of value added per capita in the years 1999–2004 (in the South-Eastern region from 23 thousand EUR to 35 thousand EUR, in the Middle-Western region – from 15 thousand EUR to 23 thousand EUR) (Galiński 2009, p.134).

From the experience of Ireland, it results that the effectiveness of the EU aid is connected first of all with three factors: an appropriate choice of development priorities, combination of structural investments with a responsible policy of public finances and also with an intensive development of professional qualifications of the workers of public administration. The experience of the cohesive countries indicate the lack of a clear connection between the scale of support from the structural funds and the economic results of the countries – beneficiaries of the cohesion policy. It may mean, that the internal economic policy is more important than the subsidies from the EU.

The European Commission, analyzing the allocation of the structural funds and their influence on the regions embraced with the support, has also

indicated that there exists a positive influence of the regional policy on the social-economic cohesion in the area of the EU¹.

There exist, however, pieces of research independent of the European Commission, which question or downgrade the positive influence of the structural funds on the convergence processes. Boldrin and Canova, using the backwardness model, conducted a research on 185 regions of NUTS II in the years 1980–1996. The results did not allow for the statement that the disparities in the development between the regions are decreasing. Boldrin and Canova conclude that the cohesion policy plays mainly a redistribution role and is based mainly on the political premises, not economic ones. Similarly, a research of Canova and Marcet, embracing 144 regions of NUTS II in the years 1980–1992, did not allow to unquestionably confirm the thesis of convergence. The authors emphasize, however, that there is no unambiguous evidence for the fact that the lack of the regional policy could cause further deepening of disparities in the social-economic development between the regions of member states (Boldrin, Canova 2001).

It should be, however, underlined that the cohesion policy contributes to a larger involvement of public and private capital in the development projects. In the period 2000–2006 for each 1 EUR invested in the regions of the goal 1, there were further outlays of about 0.9 EUR. In the regions embraced by the goal 2. the additional outlays were even three times higher than the primary value of an investment (See: *Growing Regions* 2007, p. viii).

What also is worth mentioning, is a fairly often omitted effect of the cohesion policy, which is the so-called institutional convergence. The rules of the cohesion policy, in fact favour the improvement of the quality of functioning of the institutional system of the member states, it especially refers to the monitoring, evaluation and financial management (See: *Polityka spójności* 2008, p. 19).

Poland is currently the largest beneficiary of the cohesion policy of the EU (about 20% of its budget), replacing Spain, which since 1989 used to be the largest beneficiary of the European funds. In the programming of the structural funds and the Cohesion Fund, for the years 2004–2006 Poland could use (by the end of 2008) over 12.8 billion EUR. As part of a financial

¹ See: *The impact of Structural Policies on Economic and Social Cohesion in the Union 1989–99*, European Commission, Brussels 1997; *Sixth Periodic Report on the Social and Economic Situation and Development of the Regions of the Community*, European Commission, Brussels 1999; *Unity, solidarity, diversity for Europe, its people and its territory*, Second Report on Economic and Social Cohesion, European Commission, Luxembourg 2001; *A new partnership for cohesion – convergence, competitiveness, cooperation*, Third Report on Economic and Social Cohesion, European Commission, Luxembourg 2004; *Growing Regions – growing Europe*, Fourth Report on Economic and Social Cohesion, European Commission, Luxembourg 2007.

perspective for the years 2007–2013 Poland will have received over 67 billion EUR. In the evaluation of the Ministry of Regional Development, together with the national means, the average annual level of outlays on the cohesion policy will amount to about 5% of GDP.

From the reports of the Ministry of the Regional Development it results that in the years 2004–2008 the influence of the cohesion policy on the social-economic situation of regions in Poland was relatively little, mainly due to the tightness of funds and the schedule of their spending. Since 2008, the influence of the cohesion policy on the economic growth, investment activity and the labour market in Poland has increased. The biggest effects are expected only in the years 2013–2015. Moreover, in the nearest several years, the demand effect will be strengthened by the supply effect. This will contribute to the increase of the force of influence of the cohesion policy on the pace of the economic growth. In 2013 the pace of growth of GDP due to the use of the EU assets is expected to be by 0.8–1.1 % higher than in the situation of a lack of those assets.

Infrastructural investment and the direct support for enterprises contribute to the revival of the investment activity in Poland. It is estimated that in the years 2013–2014, the gross outlays on the fixed assets can be bigger even by about 23%. The cohesion policy can also contribute to the structural changes in the economy. What is expected is first of all the growth of participation of sector II (industry and construction) in the creation of gross value added in relation to sector I (agriculture) and sector III (services). At the end of the current programming period, one may expect a growth of the employment ratio by about 1.4–1.6% and a reduction of the unemployment rate by 2.1–2.5%, as a result of spending of the EU funds (see: *Wpływ polityki...* 2010).

Until June 2009, over 400 000 people were employed only as a result of the realization of projects co-financed from the European Social Fund (*Efekty polityki...* 2009, p. 16).

The analyses of the Ministry of Regional Development also show a positive influence of the previously realized projects on the innovation of Polish economy, on the competition of enterprises, in particular micro-, small and medium enterprises, on education, including the equalizing of chances and on the development of the transport infrastructure. It also should be mentioned that there are positive trends in the structure of employment, an abrupt increase of the size of public investments, decentralization and financial and organizational strengthening of the units of the territorial self-governments. The EU projects realized in Poland also generate benefits for the foreign entities, mainly from the EU member states.

According to OECD (2008) the crucial challenge for Polish regions is a development of human capital, innovation and transport infrastructure. Despite the enormous delays in those areas, one may indicate the first posi-

tive effects of the undertakings realized so far in Poland with the participation of the structural funds. In the years 2004–2008 there were over 20 000 innovative projects realized in Poland, worth about 20 billion PLN. By the year 2009, the aid embraced over 13 000 micro-enterprises. In 80% of those there was a denoted growth of employment, and in 60% of them – there was a growth of incomes. The majority of enterprises using the EU support have improved the economic ratios, e.g. the value of sales, profitability. Almost 40% of projects in the area of human resources and the labour market were connected with the improvement of qualifications. By June 2009, there were built and renovated about 5000 km of roads and over 600 km of railway (*Efekty polityki spójności 2009*, p. 7–13).

The experience of the pre-accession period and the programming 2004–2006 allowed for working out of a fairly efficient system of using the instruments of the cohesion policy. Its main imperfections concern the procedures, which are complicated and long-lasting. They, therefore, contribute to the growth of the costs of service of the entire system. The problem of the cohesion policy is also the advantage of control over effectiveness. The barriers are connected with regulations, which do not result from the rules of the cohesion policy, but from other areas, e.g. environment protection, public procurement, public aid. It leads to a situations, in which the accuracy of the applied procedures is more important than the factual contents/range of the project.

Summarizing, the bigger than EU average pace of economic growth in recent years in Poland, has contributed to the making up for a part of a development distance towards other member states. The EU cohesion policy had a certain participation in this process. However, which should be emphasized, the inflow of the structural funds and other instruments was not able to curb the deepening of disparities between the regions in Poland.

CONCLUSIONS

On the basis of the conducted analysis, one can formulate the following conclusions:

- It is very difficult to evaluate the role of the cohesion policy in removing of regional economic disparities. One has to, in fact, separate its influence from other factors, affecting the social-economic situation of the regions. Opinions arise that the community's cohesion policy – it is, first of all, a cost. Other authors are of an opinion that it is not the economic issues, but the political dimension that speaks for the realization of the cohesion policy. It is perceived as an indication of solidarity and an element of the

construction of the common Europe. It is therefore difficult to reach an unequivocal evaluation.

- What is unjustified is the statement that the EU funds have a decisive influence on the level of social-economic cohesion in the area of the EU. They are able to reduce the disparities resulting from the allocation of resources, from natural conditions and from the integration.
- The funds cannot replace the economic policy of a state. They can, however, be its important complementation.
- The previous experience of Poland in the range of the use of the EU funds, do not allow for an explicit evaluation of their influence on the social-economic situation. On the one hand, we can indicate many good projects connected, among others, with the modernization of enterprises, education, science and reduction of unemployment. It is confirmed by numerous researches, expertise and publications. On the other hand, the system has faults, which limit its effects and support the arguments of the opponents of the regional aid programmes.
- From the perspective of the interests of Poland, it is absolutely essential to make the cohesion policy a part of the financial package for the years 2014–2020, at the same time enabling in a broader range, co-financing of pro-development projects, in a place of the compensatory operations. An assignation of substantial financial resources for the improvement of the competitiveness of the regions is advantageous for Poland, since the weakness of Polish economic space is not the diversification of incomes, but low competitiveness.
- We should therefore be gradually departing from the redistribution and compensation approach in favor of a territorially directed support of the development potential and competitive advantages of all the areas of the European Union.

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