

*Grzegorz Gorzelak**

POLAND'S REGIONAL POLICY AND DISPARITIES IN THE POLISH SPACE**

The paper discusses regional disparities in Poland in their many dimensions and aspects – economic, social and political. Individual phenomena basically have a similar spatial representation, which can be seen as a corroboration of the well-known thesis on the existence of a strong interdependency of many phenomena in the development process. The historical underpinnings of these disparities prove once again that they are the products of 'long duration' processes. Both characteristics of these differences, showing their complexity and historical factors suggest caution as to what can realistically be expected of regional policy because it can change the objective reality only gradually and only to a limited extent. The paper ends with some recommendations for regional policy.

Introduction

Traditionally, regional policy strives to reduce differences between regions by supporting development processes (or counteracting regression processes) in the least developed regions. Such an approach has been heavily criticised on the grounds of its ineffectiveness and its social, and not developmental, orientation (cf. e.g. Boldrin, Canova 2000; Sapir et al. 2003; also Rodriguez-Pose, Fratesi 2004). It is pointed out that in the competitive global economy, whose development is driven by innovation, a different approach to regional policy is needed, one in which the issue of regional disparities is no longer central. It is also indicated that the dilemma between equality and efficiency is still valid (contrary to what some might say), it is possible to opt for an acceleration of the country's development at the expense of acceptance for the existing disparities between regions, or even for an increase in such disparities. Such a standpoint was adopted in the 'Concept of the Country's Spatial Development Policy' approved by the Polish Sejm in 2000 (see *Monitor Polski* No. 26 of 16 August 2001, item 432).

This view is fully supported in this paper. The study sets out to prove that regional disparities in Poland – as elsewhere in the world – stem from 'long duration' processes, and that attempts to change them are difficult, time-

* Grzegorz Gorzelak is professor at Warsaw University, Centre for European Regional and Local Studies.

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consuming and frequently doomed to be ineffective. This thesis is discussed in the first chapter, while the second chapter outlines the dynamics of Polish regions in the growth phase after 1992. The third chapter presents a synthetic explanation of the determinants underlying regional disparities in Poland, while the last chapter offers recommendations and suggestions for Polish regional policy.

1. Disparities between polish regions

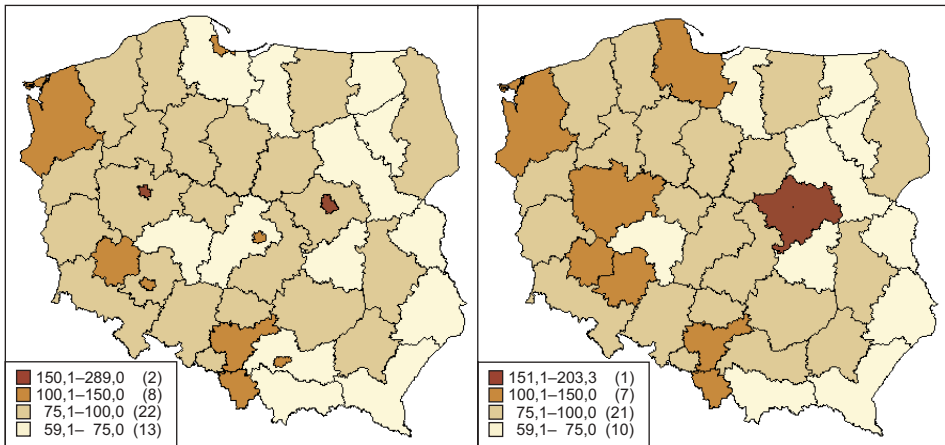
1.1. Level and structure of development

Poland is a country with wide **regional disparities** (cf. Figure 1). The ratio of disparities in the GDP per capita, which is a summary measure for assessing the level of economic development, is higher than 1 to 5 among 44 territorial units created for statistical purposes (NTS3) – in the case of the relation between Warsaw and the Chełm and Zamość subregion. After the inclusion of six cities which represent the NTS 3 level into the subregions which surround them, the scale of these disparities falls to approximately 3.6 to 1 – the relation between Warsaw and the Warsaw subregion to the Chełm and Zamość subregion. Considerable disparities can also be observed within individual regions, especially those with large cities. For instance, in 2001 in the Mazowieckie voivodship (province – the uppermost tier in the country's administrative division), the span between Warsaw and the Radom region was 3.9 to 1, while in the Małopolskie voivodship the ratio of the extreme GDP values per capita was 2.5 to 1, and in Wielkopolskie – 2.6 to 1.¹ It should be observed at this point that in 2001 the extent of these disparities decreased, which should be explained by the lower GDP increase in large cities than in their surroundings – a phenomenon that apparently should not be attributed to a change in the methodology of GDP calculation in territorial systems, introduced in 2001.

In Poland, inter-regional disparities are not greater than in other European countries.² Table 1 shows the scale of disparities between the richest and the poorest EU regions. Recently, these disparities have increased in some countries, and decreased in other, despite the considerable expenditures incurred by the European Union with the aim of reducing differences between regions. Although it is commonly agreed that convergence can be observed between individual countries of the European Union, it is difficult to state beyond any doubt whether, at the regional level of the EU, we can observe convergence or divergence (cf. CEC 2004; see also Rodriguez-Pose, Fratesi 2004).

¹ It should be borne in mind that real disparities in the GDP values between a large city and the surrounding area are smaller due to the fact that many people commute to work and that, in many cases, only business activity is only formally registered in the city.

² It should be pointed out that, naturally, the scale of differences depends on the number of units included in the comparison: the more the units, the smaller their size, and the greater the disparities.



With NTS 3 cities separated

With cities included in the surrounding NTS 3

Figure 1. GDP per capita in Polish NTS3 in 2003, Poland = 100

Source: *Produkt krajowy brutto według województw w 2002, 2003*, Katowice: GUS, table 12.

Table 1. Inter-regional disparities in GDP per capita in selected countries

Country	Number of regions	Highest – smallest values ratio	
		1998	2001
Poland	16	2.0 : 1	2.2 : 1
	44	5.2 : 1	5.1 : 1
France (continental)	22	2.0 : 1	2.1 : 1
Germany	42	3.4 : 1	2.8 : 1
Italy	20	2.3 : 1	2.3 : 1
Spain	17	2.2 : 1	2.1 : 1
United Kingdom	37	3.3 : 1	4.1 : 1
Czech Republic	8	2.4 : 1	2.8 : 1
Hungary	7	2.2 : 1	2.4 : 1
Romania	8	1.9 : 1	3.0 : 1
Slovakia	4	2.5 : 1	3.0 : 1

Source: CEC (2001), Table 50; CEC (2004), Table: Regional indices.

Obviously, differences between regions depend on differences in the **regional socio-economic structures**. To illustrate this thesis, we can use a simple calculation based on labour productivity in particular sectors of the economy, measured by the volume of value added per person employed in a given sector. This is shown in Table 2.

Individual sectors show marked differences in the gross value added figures per person employed, with the highest values in non-market services, and the lowest – in traditional sectors: agriculture, fishery and forestry. The productivity ratio between agriculture, hunting, fishery and forestry and non-market services is 1 to 10, and between the former sector and industry – 1 to 8.

Eastern and central voivodships as well as non-metropolitan areas have significantly higher shares of employment in the first sector than western voivodships and large cities – cf. Figure 2.

Table 2. Value added per person employed in PLN, current prices, 2001

Sectors	Poland	Voivodship with the highest value		Voivodship with the lowest value		Ratio between extreme values
		voivodship	value	voivodship	value	
Total	44 081	Mazowieckie	57 132	Podkarpackie	28 405	2.0:1
Agriculture, forestry, hunting, fishery	6 258	Zachodnio-Pomorskie	14 382	Podkarpackie	1 868	7.7:1
Industry	50 985	Mazowieckie	64 058	Warmińsko-Mazurskie	42 863	1.5:1
Market services	65 069	Mazowieckie	79 117	Warmińsko-Mazurskie	56 434	1.4:1
Non-market services	51 342	Mazowieckie	60 068	Lubelskie	44 734	1.3:1

Source: *Produkt krajowy brutto według województw w 2001 roku* (2003), Katowice: GUS, Table 3.

In 2000, the share of employment in agriculture, forestry and fishery in total employment was the following (in selected voivodships): Śląskie – 12.2 per cent, Zachodniopomorskie – 15.5 per cent; Pomorskie – 15.5 per cent; Mazowieckie – 24.8 per cent; Lubelskie – 52 per cent; Świętokrzyskie – 49.0 per cent; Podkarpackie – 47.3 per cent; Podlaskie – 46.5 per cent. In addition to that, Table 2 shows that labour productivity in agriculture is in eastern regions several times lower than in western voivodships.

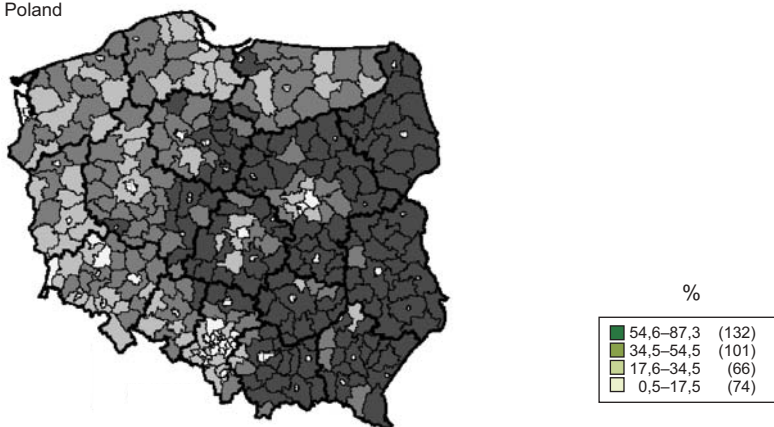
The existing differences in GDP per capita figures can be explained by an overlap of these two factors – gross value added per person employed in individual sectors and the share of these sectors in the total employment structure in individual voivodships, coupled with lower labour productivity in non-agricultural sectors in eastern regions than in western regions, and in non-metropolitan areas than in large cities.³ Zienkowski (2003) reached a similar conclusion, when he indicated that labour productivity exerted a major influence on the GDP level, while labour productivity largely – though not exclusively – depends on social and occupational structures. In the group of regions with no large cities, a negative correlation can be observed between the share of agriculture in total employment and the GDP per capita level.

While discussing the structural aspects, it should be noted that the process of transforming the Polish economy from agricultural into industrial has not been completed yet, which is manifested, among others, by a low level of urbanisation (cf. Jałowicki 2003). A considerable share of the population who earn their living from agriculture, reaching nearly 50 per cent in some regions, proves that Polish economy faces the challenge of absorbing a huge

³ The shares of persons employed in agriculture are overstated because many of them do not work on a full time basis. This however does not disprove the thesis on the fundamental significance of structural differences for regional disparities in the GDP level, but rather sustains it.

PEOPLE EMPLOYED IN AGRICULTURE, HUNTING, FISHERY AS % OF THE TOTAL EMPLOYED IN 2000

As of Dec 31 Poland



PEOPLE EMPLOYED IN INDUSTRY AND CONSTRUCTION AS % OF THE TOTAL EMPLOYED IN 2000

As of Dec 31 Poland



PEOPLE EMPLOYED IN MARKET AND NON-MARKET SERVICES AS % OF THE TOTAL EMPLOYED IN 2000

As of Dec 31 Poland



Figure 2. Shares of employment in different sectors of national economy in total employment, 2000

Source: *Powiaty w Polsce* (2001), GUS.

labour surplus – people who will be made redundant in agriculture following its inevitable restructuring. At the same time, the legacy of real socialism, with forced industrialisation as the key economic prescription, is that the shares of employment in industry are even higher, and that in services much lower than in highly developed economies. It can be anticipated, therefore, that further economic, social and vocational transformation will proceed through direct transition from agriculture to the service sector (omitting the commonly accepted stages of development, described by Bell and Rostov), a phenomenon whose spatial manifestation will be urbanisation of rural areas, also as a result of intensifying suburbanisation and disurbanisation processes.

Fiscal policy is the reason why the disparities in the GDP per capita are greater than in the incomes of the population (cf. Table 3):

Table 3. GDP and per capita incomes in PLN, current prices, 2001

Category	Poland	Voivodship with highest values		Voivodship with lowest values		Relation between extreme values
		voivodship	value	voivodship	value	
GDP	19 430	Mazowieckie	30 283	Lubelskie	13 614	2.2:1
Gross primary incomes	14 495	Mazowieckie	21 321	Lubelskie	10 639	2.0:1
Gross disposable incomes	14 069	Mazowieckie	18 194	Podkarpackie	10 942	1.7:1

Source: *Produkt krajowy brutto według województw w 2001 roku* (2003), Katowice: GUS, Tables 1, 6.

The impact of such instruments as the Agricultural Social Insurance Fund (KRUS) is easily visible. As a result of their operation, there are lesser differences in the regional values showing disposable incomes than in the values illustrating primary incomes, GDP per capita and labour productivity. Transition to the category of net incomes would flatten the regional distribution even further because fiscal burdens of the agricultural population are significantly lower than those of the non-agricultural population.

On the subregional scale, the disparities in the levels of GDP are alleviated to some extent by commuting to work. For instance, about 25 000 people commute from Radom to work in Warsaw, which leads to a substantial short term transfer of incomes from the metropolis to the region, in this way ‘draining’ it of its resources, because the most talented and most active individuals will sooner or later move from the region to Warsaw (Lisowski, 2000).

As we can see, inter-regional differences in Poland are mainly of a structural nature. Poland is no exception in this respect, because this is the predominant background for differences in the development level. The second major reason for contrasts in the regional affluence – the decline of industrial regions – is not a phenomenon that, as yet, occurs on a mass scale, although it can be observed in several industrial centres such as Silesia or Wałbrzych, Radom and Bydgoszcz regions.

A more comprehensive picture of the discrepancies in the Polish economy can be obtained if we look at the scale of the municipalities (or *gminas*, the lowest tier of the administrative system). Figure 3 shows the poorest and the richest Polish municipalities, where poverty and pauperism are measured by the per capita level of the local budgets' own revenues and share in state taxes paid to those budgets. This is a good analytical category because it captures both the assets accumulated by a given local system and the intensity of economic processes which occur in its territory. This category also reflects the structural dimension because municipalities with a large share of agriculture in the economic structure are ranked lower on this scale. This is due to the fact that farmers' incomes are exempt from tax. It is definitely striking that nearly all the poorest municipalities are situated in regions which were under Russian and Prussian rule during the partition period (between 1773 and 1918). We should point to the curve running along the former boundary dividing the two areas, with many poor municipalities which for 80 years have failed to overcome their negative legacy of peripheral location in the former Russian empire, despite two wars and three systemic transformations which took place in Poland during that period.

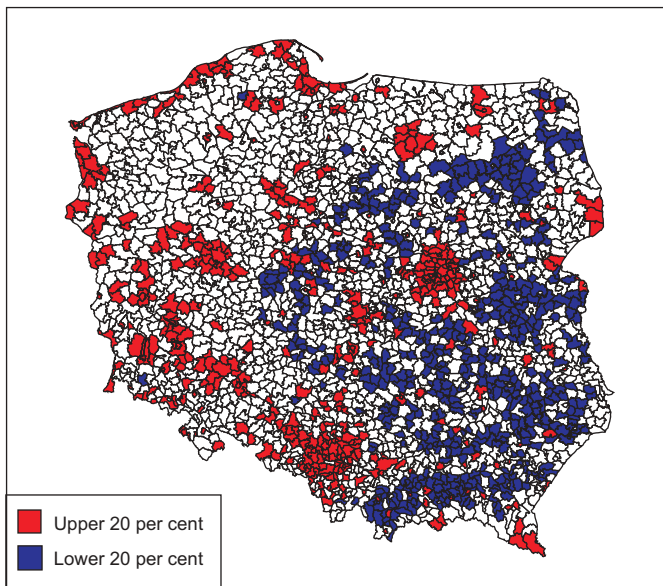


Figure 3. Lower and upper quintiles of municipalities' positioning on the scale of own revenues and shares in state taxes per capita, 2002

Source: Bank Danych Lokalnych GUS.

The influx of foreign capital is a good indicator of the dept of post-socialist transformation. Its distribution is shown in Figure 4.

A considerable convergence can be observed between the distribution of the municipalities' affluence and the concentration of foreign capital, which is

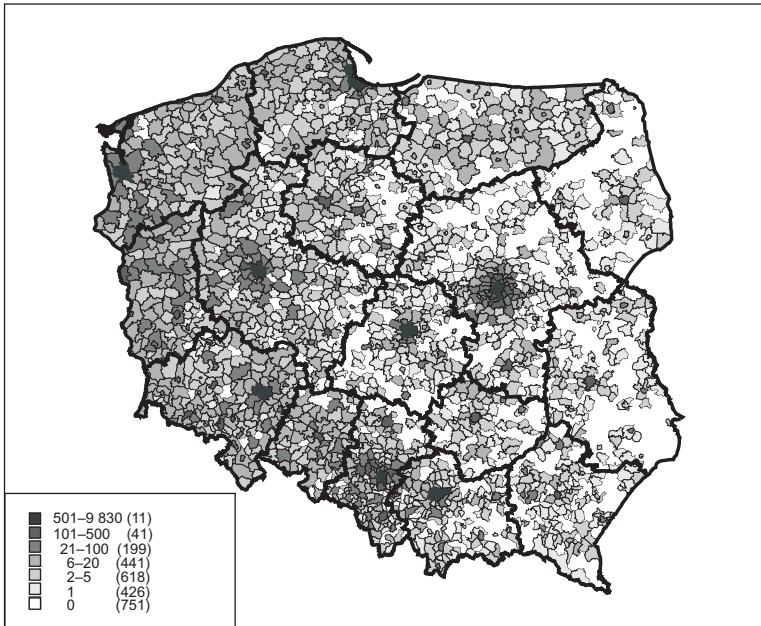


Figure 4. Number of entities with foreign shareholdings in municipalities, 2001

Source: Bank Danych Lokalnych GUS.

usually located in wealthier municipalities, which have a smaller share of agriculture in the economic structure. Strikingly enough, foreign capital steers clear of the belt of the municipalities situated near the former dividing line between the areas under Prussian and Russian rule, referred to above.

The discussion so far reveals a clear picture of the reasons for the regional disparities in the economic processes in Poland. These mainly include historical factors, notably the partition of Poland between the three neighbouring powers. Below we will try to prove that the legacy of the partitions also largely determines demographic and social processes.

The economic potential obviously determines the relations of the specific parts of the country with other countries. Two maps below illustrate the volumes of imports and exports by counties (poviats – middle tier in the administration system). It has to be remembered that the picture is somewhat distorted due to the use of the enterprise, and not the location method, according to which transactions in foreign trade are ascribed to the place in which a given enterprise is located.

Figures 5 and 6 below show the regional structure of Polish exports and imports. The dominance of large cities and a significantly lower density of commodity and service flows with abroad in the east than in the west of the country is readily noticeable.

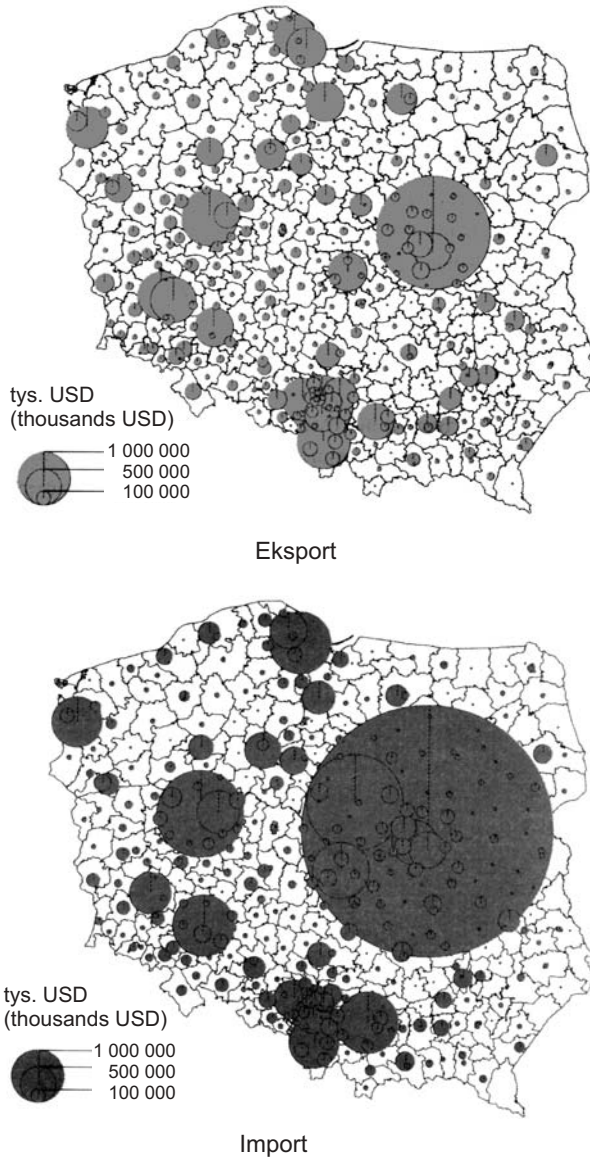


Figure 5. Volume of exports and imports in 2000 by poviats

Source: Komornicki, 2003, pp. 6263.

1.2. Demographic structures

The impact of the partitions can easily be seen in the demographic structures (Figures 6a, 6b, 6c).

In the areas under former Russian rule, the population is older than in the remaining parts of the country. This is due to two main factors: a relatively

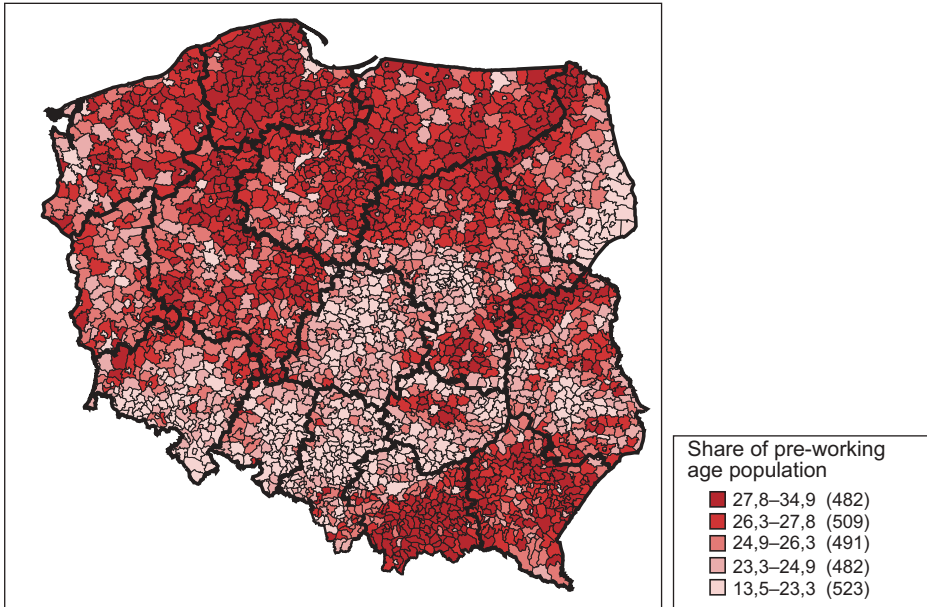


Figure 6a. Age structure of the population by municipality, 2001

Source: Bank Danych Lokalnych GUS.

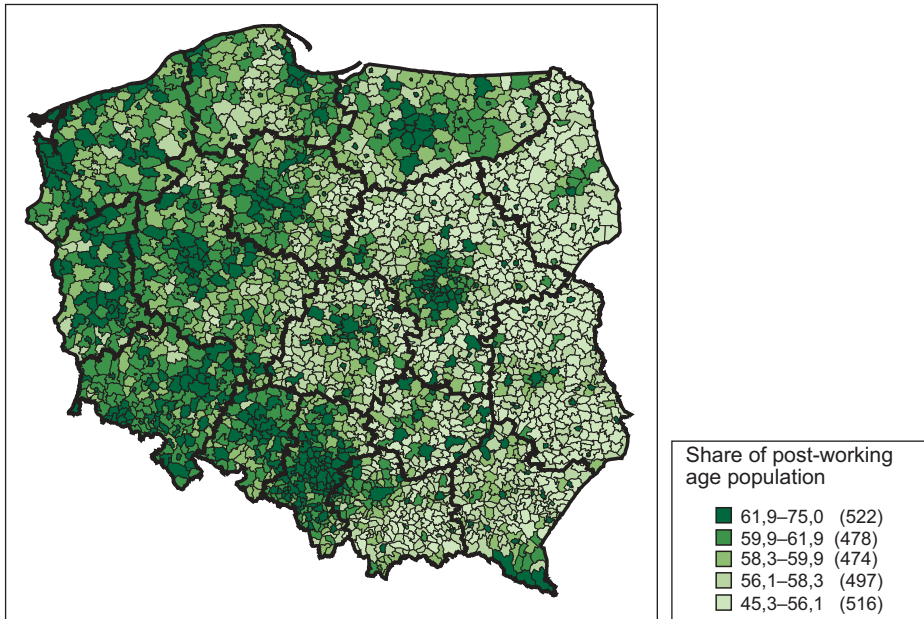
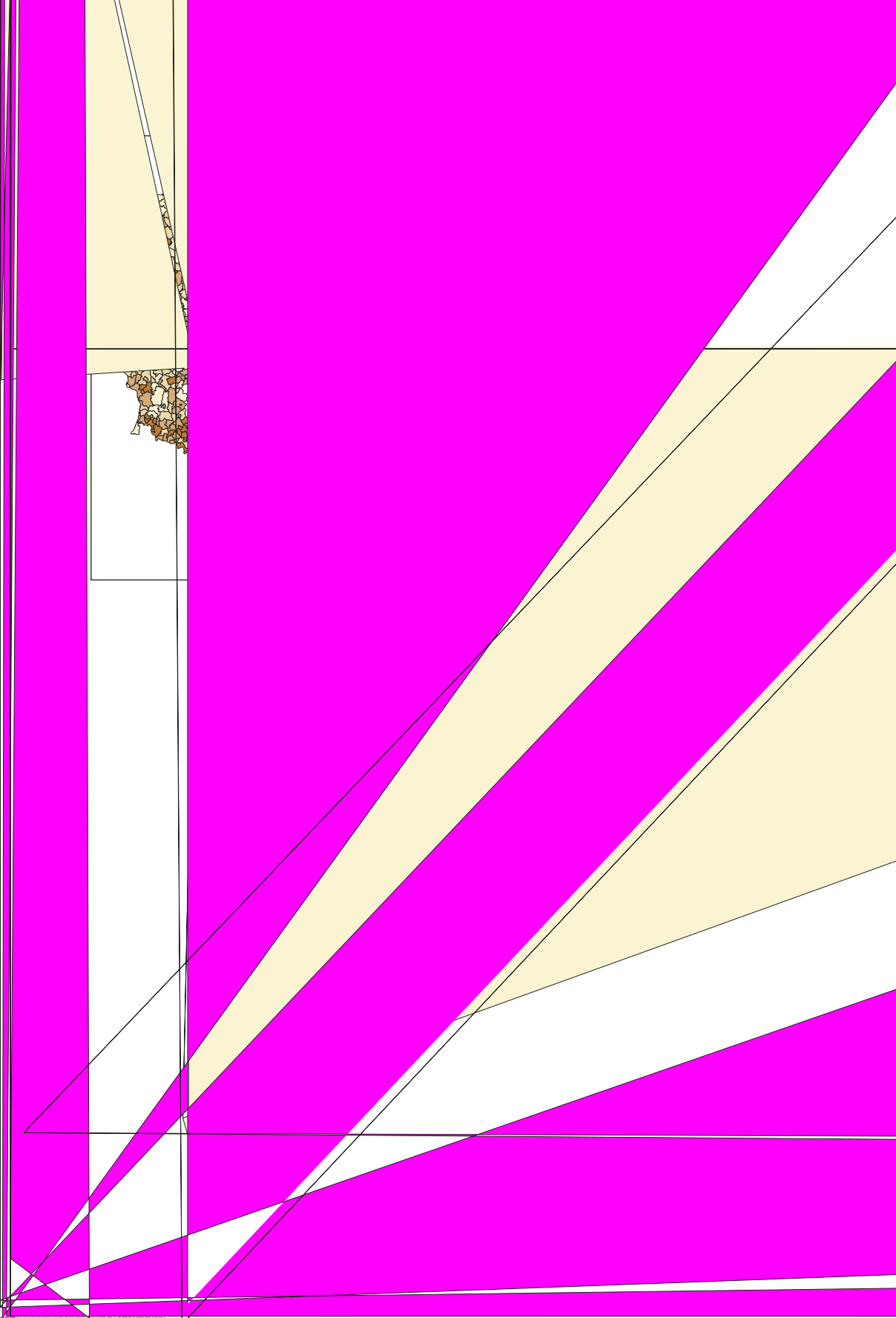


Figure 6b. Age structure of the population by municipality, 2001

Source: Bank Danych Lokalnych GUS.



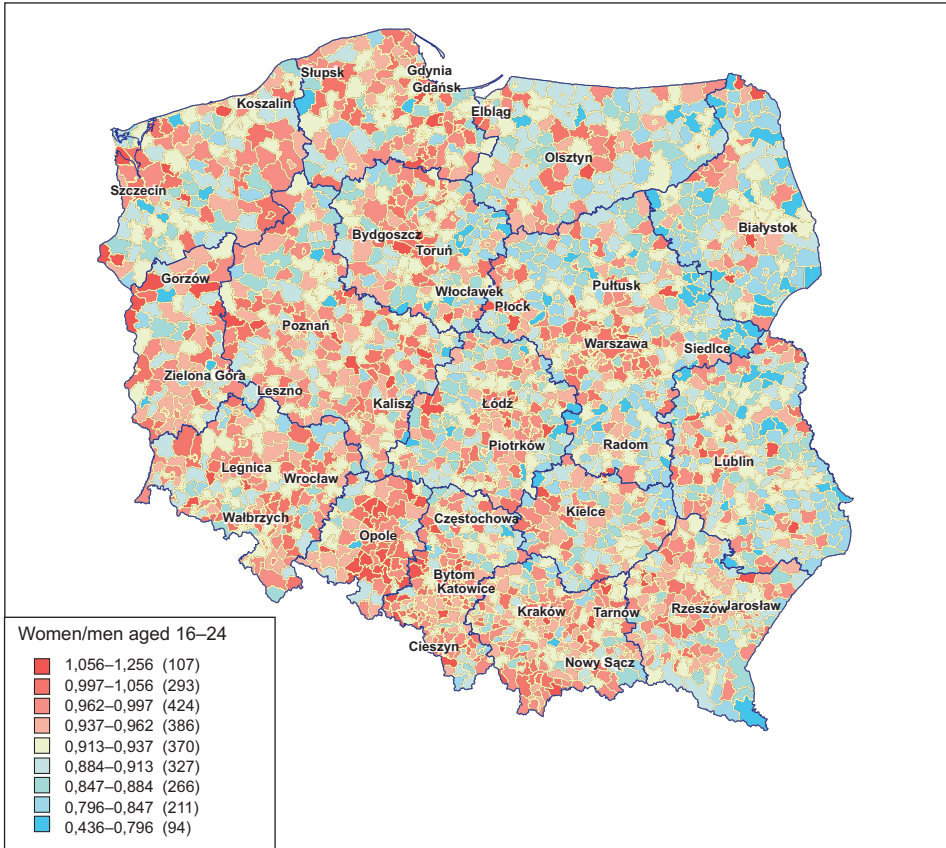


Figure 7. Relation between the number of women aged 16–24 to the number of men aged 16–24

Source: National Census 2002 (cartogram by Szewczyk).

As regards the age of the population, the western and northern territories on the one hand and Galicia (former Austrian rule) on the other are the youngest. The current age composition of the western and northern territories is a result of them being populated with relatively young people after World War II, who had been resettled from the East (typical age composition in the case of migrants). A large share of the young in the overall population in south-eastern Poland stems from the fact that in these areas traditional rural procreation patterns continue, with many children in a family. This has not been significantly neutralised by the migratory outflow – smaller than elsewhere, owing to a close distance from industrial cities, some of which with industrial traditions dating back to the inter-war period and the Central Industrial District (COP).

In large cities and the Upper Silesia, where migration streams headed and where urban patterns of demographic activity evolved, the number of children

per family is lower than in rural areas. As a result, the inflow of young people who themselves have children is responsible for the largest share of the working age population in those areas.

The map showing the level of education of the agricultural population is extremely instructive. Although the statistics comes from 1988, it should not be expected that the picture of regional disparities would today be radically different (cf. Figure 8). As we can see, the lowest level of education can be found among the agricultural population in eastern and central Poland, and in the Regained Territories, where the migrants from the east have settled. The areas around large cities are characterised by a higher education level of the farming population.

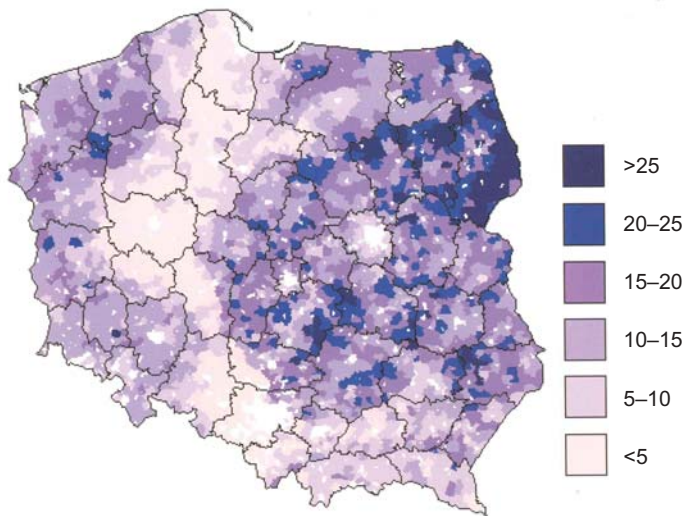


Figure 8. Percentage of farm owners with elementary or lower education, National Census 1988

Regional differences in the level of unemployment are shown in Figure 9. It can be easily observed that the highest level of unemployment is noted in areas with a large share of former state farms (the so-called PGRs) and in the regions undergoing a painful process of industrial restructuring. Research on regional and local labour markets and on the effectiveness of measures aimed to combat unemployment⁴ indicates that actual unemployment is 'shifted' when compared with official statistics: on the one hand, a considerable part (at least one fifth) of the unemployed work illegally, stay abroad where they work, or are only formally unemployed (such as people who have become active in the labour market or registered as unemployed only to acquire entitlement to free medical care). On the other hand, in rural areas, particularly

⁴ KBN grant, 'Labour market measures at the local level', EUROREG, 2002–2004.

south-eastern Poland, there is hidden unemployment, estimated at as many as 1.5 million people (this figure refers to the overall number of the population who do not work on a full time basis in agriculture, and therefore does not offer a fair estimate of people who do not have any work). With these circumstances taken into account, the real unemployment rates would be lower, and their regional distribution would be different (higher level in central and eastern Poland, and lower in north-western Poland).

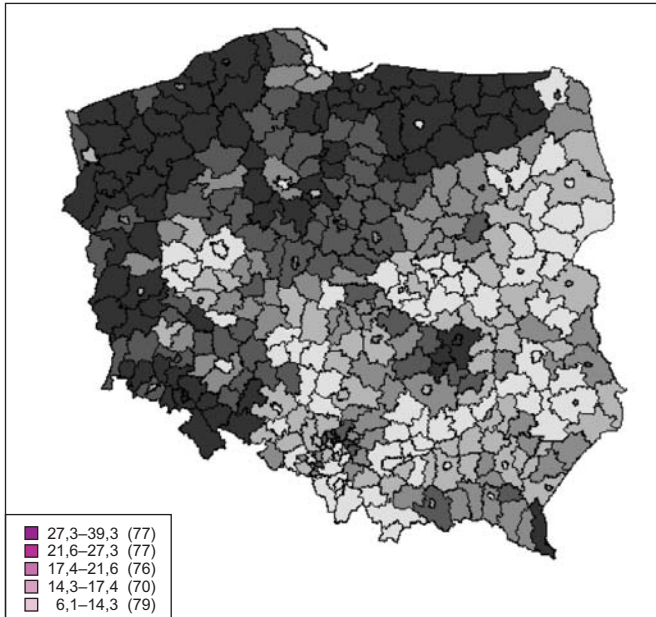


Figure 9. Unemployment rates in poviats, December 2003

1.3. Social attitudes and behaviours

Varied social and occupational structures and dissimilarities in migration history produce regional differences in social attitudes and behaviours, which are notably manifested in electoral behaviours. The two other figures show political preferences at the beginning and the end of the transformation process, which testify to an underlying differentiating pattern at the regional level, similar to the one which was revealed in the issues discussed above.

Mazowiecki received the widest support in large cities, in the areas under former Prussian rule, Wielkopolska (Great Poland) and Upper Silesia, and the smallest – in the Congress Poland and Galicia. Inhabitants of the areas which were most kindly treated by history, and where, in subsequent years, the transformation processes progressed more smoothly, and whose local governments operated more efficiently and achieved better results, at the very outset of the transformation – that is when the acutely felt social costs prevailed over the rather limited benefits – expressed more support for post-socialist restructuring and transformation.

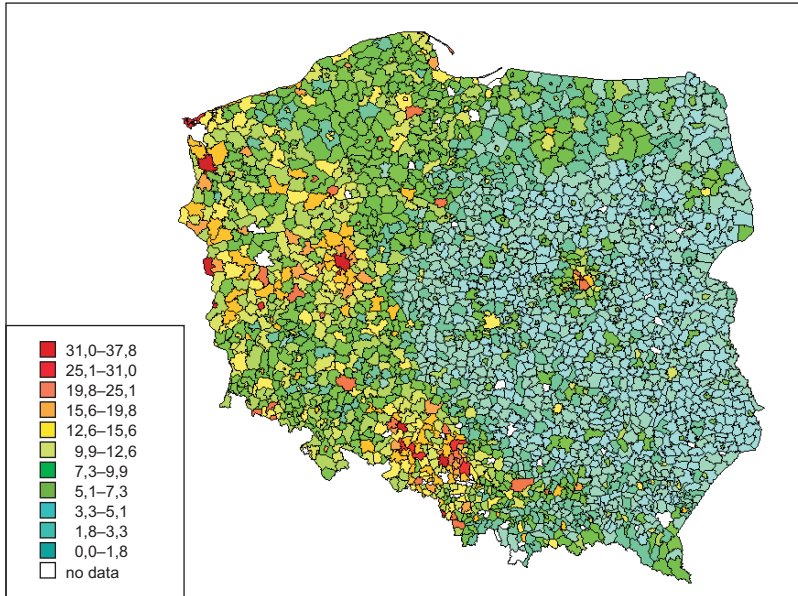


Figure 10. Percentage of votes cast in favour of Tadeusz Mazowiecki in the first round of the 1990 presidential election

Source: State Election Committee (PKW) statistics. See also: Zarycki 1997.

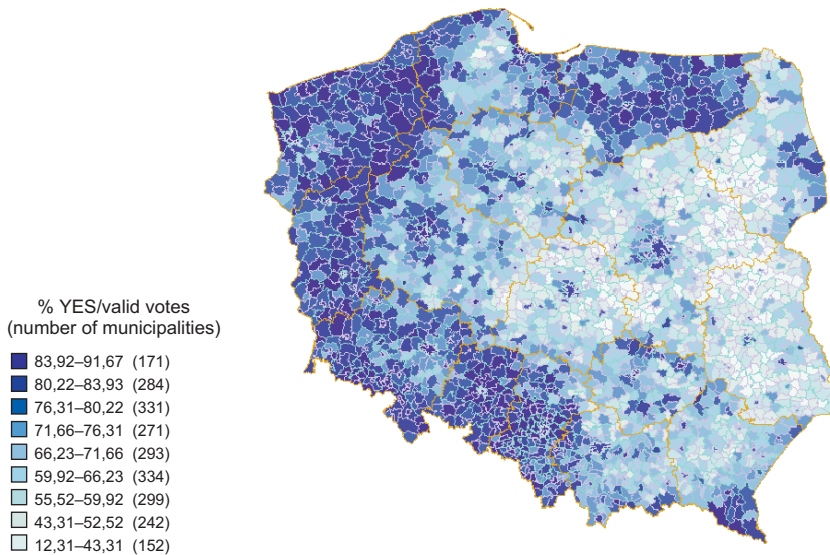


Figure 11. 'Yes' in the referendum on Poland's EU accession, June 2003

Source: Based on cartogram by Szewczyk

A similar – and even more distinctive – spatial distribution could be observed during the EU accession referendum, held in June 2003. The boundary of the Regained Territories represents a strikingly distinct line, dividing the poviats

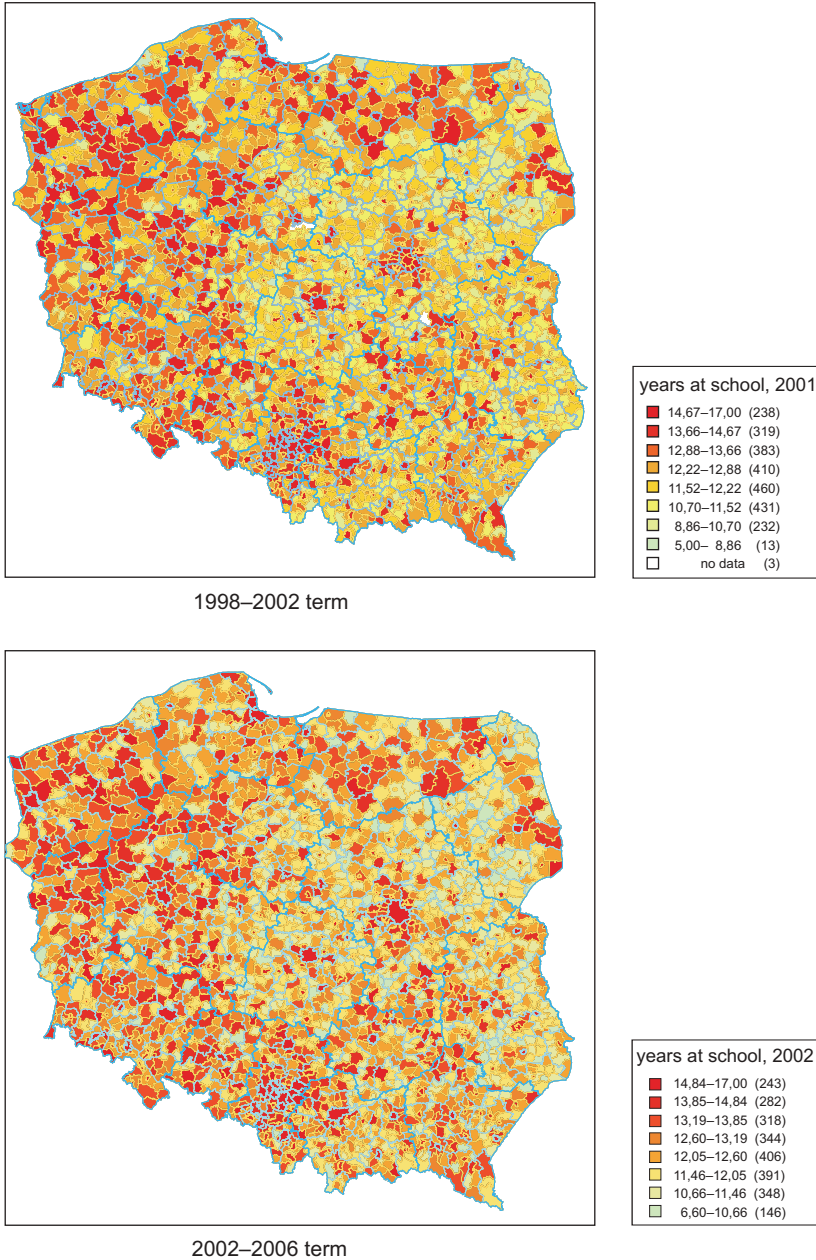


Figure 12. Level of councillors' education (years at school)

Source: Based on cartograms by Szewczyk.

The earlier research (Gorzelał, Jałowicki 1997) indicated that similar regional differences could be observed in the ability of local governments to efficiently manage local matters. The highest activity which used innovative (considering the initial period of the transformation process) management tools was observed among the local governments in the Regained Territories, and the lowest and most traditional – in the former Galicia and Congress Poland. Similarly, the Euroregions in western municipalities were highly ranked (over 40 per cent of responses that membership of the Euroregion was good and very good for the municipality). On the other hand, representatives of local governments in eastern municipalities would often be ignorant of the fact that their municipality was a member of the Euroregion, with practically no responses stating that this institution was useful (Jałowicki 1999).

These differences between regions can be explained – apart from the phenomena described above and a larger Phare funding received by the western than eastern regions (cf. Gorzelał, Taylor, Kasprzyk, 2004) – also by the education level of local councillors (cf. Figure 12).

Even though over a span of several years the educational level of councillors' (i.e. members of municipal councils) has relatively improved, it remains higher in the western and northern part of the country than in central Poland. This is not relative to the higher level of education of the region's inhabitants, but is probably due to different electoral behaviours of the inhabitants of the western and northern regions, for whom the candidates' education is apparently a more critical determinant than for the voters in the central and eastern regions. A certain convergence with the distribution of votes cast in favour of Tadeusz Mazowiecki in the presidential election can be observed, as well as in the accession referendum, which can be seen as a confirmation of stronger pro-modernisation attitudes in western and northern Poland than in the eastern and central parts of the country.

2. Trajectories of Polish regions in the transformation period

Nearly throughout the entire period of the post-socialist transformation (since 1992), the regional disparities in the level of GDP per capita have been on the increase (cf. Table 4).

Table 4. Variation coefficient of GDP per capita in selected years

Group of regions	Number of units	Year	V value
Former voivodships	49	1992	23.4
		1998	27.8
NTS 3	44	1998	42.4
		2000	46.8
		2001	45.3
NTS including 6 large cities	38	1998	28.3
		2000	31.2
		2001	30.8

Source: author's own calculations.

A certain lessening of regional disparities could be observed in 2001, which could be connected with a slower growth rate of the Polish economy. However, the currently available time series showing GDP at the NTS3 level are too short (four years only) to determine beyond doubt the rate of changes relating to these statistical units.

The development trajectories for individual regions of Poland in the years 1992–1998 (for which the statistics for the former [49] voivodships are available) are shown in Table 5.

Table 5. Differences in GDP dynamics in selected former voivodships, 1992–1998

Former voivodships	1992 ^a	1995 ^b	1998 ^b	1998, 1992=100
	Poland = 100			(Poland=139)
Warsaw	158	169	216	190
Gdańsk	105	108	108	143
Kraków	117	113	121	144
Poznań	132	112	154	162
Szczecin	127	118	127	139
Wrocław	105	119	133	176
Gorzów Wielkopolski	86	90	87	140
Zielona Góra	105	95	99	131
Opole	100	100	102	142
Legnica	126	122	133	147
Piotrków Trybunalski	120	95	99	115
Płock	149	134	131	122
Katowice	116	128	113	136
Łódź	105	106	119	157
Wałbrzych	80	78	84	146
Biała Podlaska	79	67	64	112
Chełm	87	64	66	105
Ostrołęka	70	72	77	152
Radom	78	75	83	148
Słupsk	77	73	85	153
Suwałki	65	64	75	160
Zamość	73	65	67	128

^a GDP in factor cost prices.

^b Gross value added.

Source: *Produkt krajowy brutto i dochody ludności według województw w 1992. Część I: Metodologia i wyniki badań*, 1994, Warszawa: GUS, Table, 20. *Produkt krajowy brutto według województw w latach 1995–1998*, 2000, Katowice: GUS, Table 9.

The highest rates of growth could be observed in the regions with huge agglomerations, including the Warsaw region which had the fastest growth rate (more than twice as high as the national average, which was 139 per cent in the years 1992–1998). It is followed by the former Wrocław (176 per cent) and Poznań voivodships (162 per cent of the 1992 level). The former voivodship

of Łódź also noted relatively high dynamics (a 56 per cent increase), which could be explained by its size, close to that of a capital city (Łódź is the second largest city in Poland in terms of population), a relatively small area of this former voivodship, and by the fact that the collapse of its main economy sector, the textile industry, had basically been completed before 1992. Even though the Silesian agglomeration has the largest concentration of urban population in Poland, it has not produced high dynamics of GDP growth. The former Katowice voivodship noted a slightly lower GDP increase than the national average. A similar situation could be observed in the Szczecin voivodship, a region combining the features of a region with a large city and one with an advantageous location near the western border, which should produce a fast rate of growth. Instead, its performance – as compared to other ‘urban’ voivodships – has systematically deteriorated. This is convergent with the lower than expected growth dynamics in the western voivodships, commonly regarded as regions which are the ‘winners’ in the systemic transformation process, which has facilitated a change in their relative location. Despite the considerable German consumer demand (estimated at about PLN 5 billion in the mid-1990s) and a relatively large number of – albeit small in size – foreign investments, mainly from Germany, these regions showed growth dynamics similar to the national average. Maybe those regions are too heavily burdened with the consequences of the collapse of state farms; it might also be that the external profits in the western voivodships were not to a sufficient degree allocated to increasing the economic potential, but were spent on consumption and non-production investments instead (such as houses or apartments). It seems that the reasons why the opportunities which Poland’s western regions enjoyed as a result of the political transformation of 1989–1990 deserve a closer look.

The remaining regions, including the ones with economies based on raw materials (Płock, Tarnobrzeg, Legnica, Piotrków Trybunalski, Wałbrzych) have noted a more or less marked weakening of their position nationally, similarly to the regions with declining industries (Katowice, Łódź). The eastern, traditionally underdeveloped regions, are in the most difficult situation; after 1992, their development dynamics was low, and in the recent years – definitely negative.

The GDP dynamics in all the former voivodships in the years 1992–1998 is illustrated in Figure 13. It corroborates the data shown in Table 5, and also points to a particularly painful restructuring in the case of the former Bydgoszcz voivodship, which – as one of the four former voivodships – in 1992–1998 noted a GDP growth under 20 per cent.

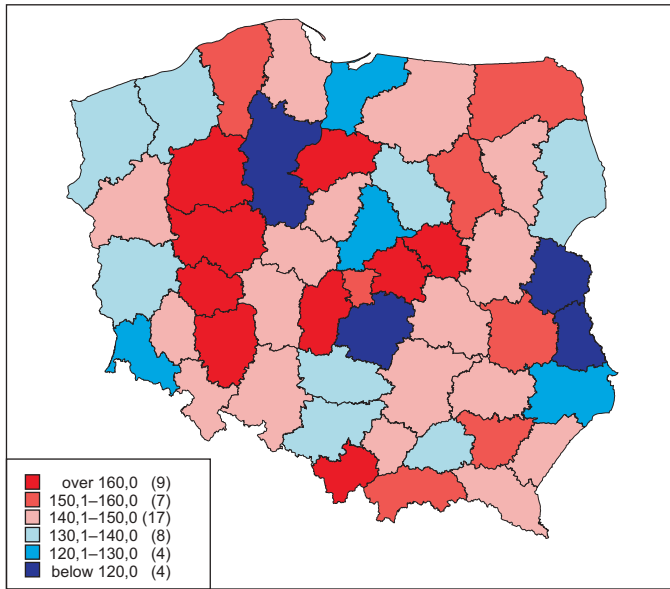
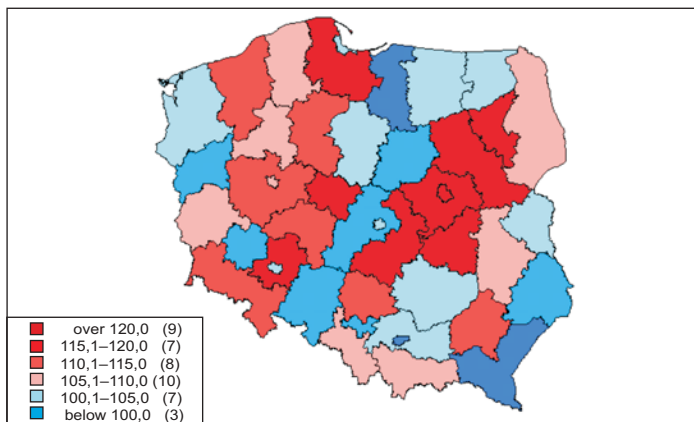


Figure 13. GDP growth rates in former voivodships, 1992–1998 (1992 = 100), fixed prices (Poland = 139)
Source: see Table 5.

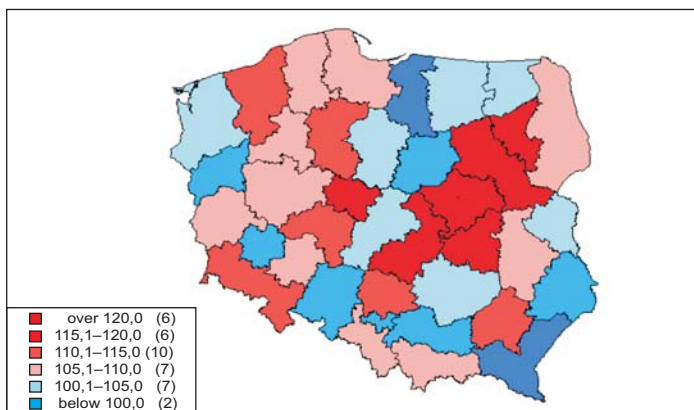
Figure 14 illustrates the dynamics of GDP growth (in fixed prices) in subregions (NTS 3) in the years 1998–2001, shown in two spatial patterns: in 44 NTSs with distinguished 6 large cities, and in 38 units, formed through the inclusion of the ‘urban’ NTS into the surrounding subregions.

In the years 1999–2001, four subregions noted a GDP decrease in absolute terms, including two south-eastern ones by over 4 per cent, with the national GDP growth in that period by 9.3 per cent. This means that a relative decline (by 13 percentage points as compared to the national average) was observed in those subregions. The high rate of growth in central Poland (Warsaw, Ostrołęka-Siedlce, Radom and Skierniewice-Piotrków Trybunalski subregions) is particularly interesting. Another area where a relatively high growth rate was recorded included northern, central and western regions. The growth rates in individual subregions were rather unstable.

Despite the annual fluctuations, in 1999–2001 the dynamics of regional development was strongly convergent with the picture observed in previous years. As before, large cities and areas surrounding them recorded a high growth rate, while the eastern and non-metropolitan regions as a rule developed at a slower pace. The reversal of unfavourable trends could be observed in some regions in a difficult economic situation, such as Radom (industrial decline), Ostrołęka or Łomża. It has to be said however that a truly accurate picture of trends in Poland’s regional development will only be possible when statistics are available for longer time series.



44 NTS 3



NTS 3 including cities

Figure 14. GDP dynamics in NTS 3 in 1998–2003, fixed prices, 1998 = 100 (Poland = 109.3)
 Source: *Produkt krajowy brutto według województw, 1999–2004*, Katowice: GUS.

The spatial distribution of unemployment is characterised by a considerable degree of stability (cf. Figures 15, 16).

The four types include those poviats in which the unemployment rate in 1998 and its increase in the years 1988–2002 differed from the national average by more than one standard variation (*in plus* or *in minus*). The specific names of the types denote the following (cf. Gorzelak 2003b):

- defeat: relatively low initial unemployment, relatively high unemployment increase;
- catastrophe: relatively high initial unemployment, relatively high unemployment increase;
- stabilisation: relatively high initial unemployment, relatively low unemployment increase;
- success: relatively low initial unemployment, relatively low unemployment increase.

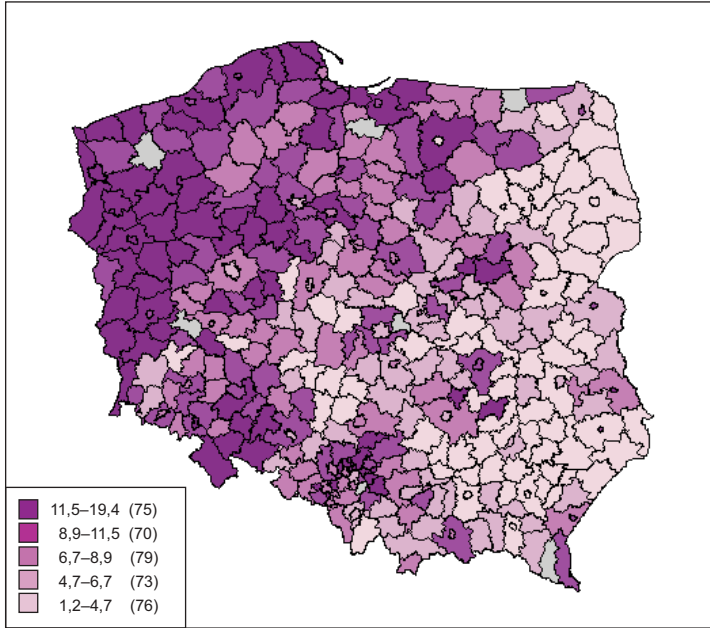


Figure 15. Unemployment rate increase in 1998–2003, in percentage points

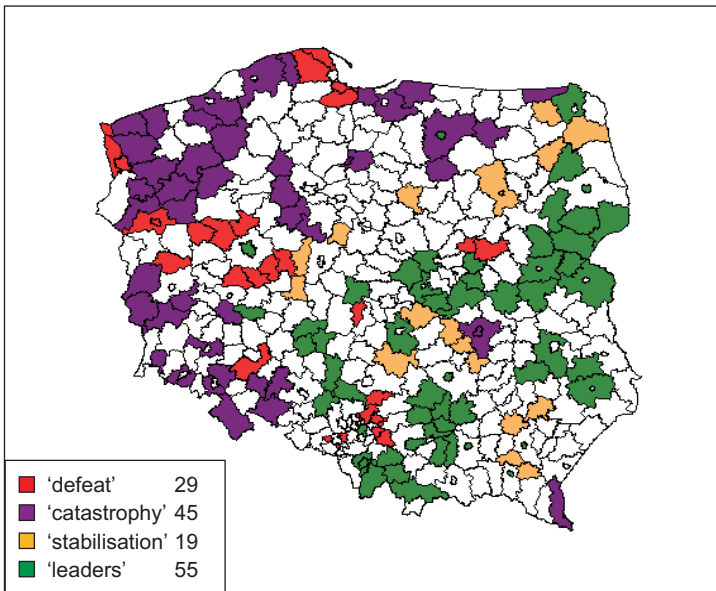


Figure 16. Types of poviats distinguished on the basis of unemployment level in 1998 and its changes in 1998–2002

As we can see, the worst situation in the labour market can be observed in many post-PGR regions and in the Radom region (even though, as pointed out above, this region in 1998–2001 had a higher GDP increase than the country's average). Another characteristic which can be observed is a fast deterioration of the situation in some parts of Upper Silesia and in the ring around Poznań, with relatively less unfavourable changes in the ring around Warsaw.

3. Dimensions of Polish space

Generally speaking, when we combine the initial development level of Polish regions at the outset of the transformation and take into account its progress in individual regions, we will see that there are two dimensions which contemporarily are the strongest factors which differentiate Polish space and affect regional development processes; and that they are progressing in such a way that is producing even wider inter-regional disparities:

1. **Large cities – the rest of the country.** This is a new expression of the traditional division into urban and rural areas (cf. Jałowicki 1999). Currently, however, the status of the city and the dominance of the non-agricultural sectors of the economy alone are no longer indicators of the development potential because only huge cities (mainly Warsaw, as well as Poznań, Kraków, Wrocław, Tricity), with diverse economy structures, connected with Europe via relatively well developed transport and telecommunication infrastructure, furnished with various institutions, including R&D centres, with a relatively well-educated population, are able to establish contacts with the competitive global economy. The diffusion of development from a large city around its vicinity does not exceed a 30-kilometre radius (in the case of Warsaw, and probably even less in the case of other large cities), whereas the area in a 50 to 100-kilometre radius is characterised by the 'draining' of resources from the metropolitan region to its metropolitan centre (cf. e.g. Smełkowski, 2001).
2. **East-west.** This dimension is a 'long duration' one, strongly determined by historical factors. Since the Middle Ages, the western part of what is now Poland has demonstrated a higher level of development than the eastern part (for instance the Romanesque style did not reach beyond the Vistula river). This division was further reinforced by the partitions, the boundaries of which are visible in the country's social and economic space until today. After 1990, eastern Poland, with a potential the bulk of which belonged to the pre-industrial era, suffered lower costs of structural changes (in the years 1990–1992), and after 1992 it also demonstrated a considerably lower ability to meet the challenges of an open, competitive, knowledge-based economy. The current regression of some of Poland's eastern regions is largely due to this structural backwardness and inability of these regions and non-metropolitan central regions to satisfy the requirements of contemporary, open economy.

The domination of the above two dimensions differentiating the Polish space can be explained by the interrelationships which shape the contemporary development pattern. The division into large cities and non-metropolitan areas is a result of a change in the development paradigm. Under the former, resource-intensive model characterised by a dominant role of industry, in Poland – just as in many (though not all) other countries, a syndrome of urbanisation-industrialisation-good living standards could be observed (cf. Gorzelak, Wyżnikiewicz 1981). It was a period when the share of those employed in industry accounted for over 40 per cent of all employed people (with similar shares of employment in agriculture as today). Therefore, it was the level of industrialisation and the rate of industrial production increase that determined both the level and pace of development.

In a new model of knowledge-intensive economy, which – though not as yet prevalent in the Polish economy – more and more strongly determines the pace and structure of economic processes due to contacts between the Polish and global economies, industry is losing its major position to services (cf. Table 6). Post-socialist transformation is largely a process of disindustrialisation, coupled by a fast development of the service sector, particularly market services, and among them – the so-called fourth sector. It is quite obvious therefore that the fastest development rate can be achieved by those territorial systems which are able to maximise the development of those fast-growing sectors of the economy. These are large cities in which industry was either liquidated or underwent considerable restructuring, and which transformed themselves into modern combinations of creative and productive, as well as industrial and service activity (Reich 1995, 2000, was one of the authors who pointed to growing difficulties in differentiating production and services).

Table 6. Changes in the shares of employment in industry and construction to all employed people in selected cities

Cities	Share of persons employed in industry and construction to all employed people		Difference in percentage points 2000–1992
	1992 ^a	2000	
Warszawa	32	25	–7
Gdańsk	39	33	–6
Katowice	44	35	–9
Kraków	42	33	–9
Łódź	44	35	–9
Poznań	36	31	–5
Wrocław	39	30	–9
Polandoutside agriculture total	45	35	–10
	34	26	–8

^a Outside agriculture

Source: *Rocznik Statystyczny 1993. Miasta w liczbach 1992–2002*, Warszawa: GUS.

In the recent years, the relations between the large cities and the surrounding areas have also been changing. As a result, the so-called diffusion effects are limited in scope, while the ‘draining’ effects are clearly visible (cf. Lisowski 2000)

Industrial districts undergoing deep restructuring processes are in a considerably worse situation. Because of these processes such subregions as Śląsk (Silesia), Legnica, Wałbrzych are increasing the gap between the national average, and even faster between the large cities. The examples of Łódź and Tricity indicate that the 'large city' factor can partly offset the losses in the GDP level caused by the collapse of the industries which, until the transformation, were the leading sectors in the local economies.

Referring to the concept of distance (cf. Cappellin 2002; also Gorzelak 2003a), we can say that that large Polish cities, which can be divided into three groups in terms of the employment structure: Warsaw, Poznań, Wrocław–Kraków, Gdańsk–Łódź, Katowice – are most closely 'located' vis à vis European economic and innovation centres both with regard to the geographical and the institutional distance. It should be borne in mind that the geographical distance is measured by time and accessibility, which means that those areas which have international airports and high-speed railways (even though there are no high-speed trains in Poland but the connections between several cities are better than the rest of the railway network) are 'closer' than poorly accessible areas which have no transport links with Europe. The more favourable socio-economic structure in large cities than in non-metropolitan areas makes them less distant in institutional terms from major European and global metropolises, which set the trends and the pace of development for the world's economy.

The situation of Poland's eastern regions, which are characterised by a considerable institutional and geographical distance from the European urban centres, is particularly difficult. This distance should be regarded as the reason for their growing marginalisation in the socio-economic space of the country, not only in relative terms, but also in the form of an objective economic regression.

It can be anticipated that the **regional disparities in development opportunities will be increasing**. One reason for this is that differences in the innovation potential of the Polish regions will be growing. The gap between 'central' and 'peripheral' science is not decreasing, and regional differences in the enterprises' potential for innovation are also significant. In both cases, the 'large city' factor plays a critical role. Regional differences in the academic potential and enterprises' propensity for innovation is strongly convergent with the regional differences in the GDP per capita level, which have increased over the past decade. It is not possible to offer a quantifiable argumentation to prove a cause-and-effect relationship between the dynamics of regional development and the regions' academic and research potential and their ability to create and absorb innovations. Table 5 shows that a particularly rapid GDP increase in cities (notably Warsaw) is a result of the transformation of their economic structures from industrial to service-oriented, including services related to knowledge-intensive economy.

Stronger Polish regions, with a considerable academic and research potential concentrated in large cities, and with relatively modern economic structures,

are able to participate in the process of creation (though only to some limited extent) and absorption of innovation, while poorer regions remain outside the mainstream of innovation-intensive economy and their indigenous potential is not sufficiently developed to allow their economies to increase the level of innovation and technological advancement through endogenous processes. Any improvement can only be made with external support, which can take either of the two forms: inward investment (mainly foreign) and transfers from the domestic and foreign (European Union) public sector. However, taking into account the low location attractiveness of Poland's peripheral regions, especially the eastern ones, it can hardly be hoped that they will attract inward capital, notably capital offering modern technologies (as, recently, in PSA's decision to abandon the proposed location in Radomsko). It should not be expected either that financial transfers addressed to the internal and external peripheral regions will be sufficient to upgrade their technological level or increase their innovation potential.

Looking at other relatively less developed countries which joined the European structures, it can be anticipated that Poland's accession to the European Union will lead, at least initially, to an increase in regional disparities. The reasons for this will be twofold:

- better competitive advantage of the more developed areas which will be able to embrace the opportunities offered by the single European market for their business entities, whereas the economies of the weaker regions may suffer as a result of such competition;
- better capacity of the western regions and metropolitan areas to make an effective use of EU funding.

Although obviously these forecasts should not be treated as firm statements, the 'polarising' variant of the effects of EU accession seems more probable than the 'equalising' one.

Finally, it should be noted that the existing inter-regional disparities may increase in two kinds of circumstances:

- more developed regions are developing faster than the less developed ones, although the latter have a positive growth rate;
- more developed regions have a positive growth rate, unlike the undeveloped regions, which have a negative rate of growth.

The former situation is rather common and is both socially and economically acceptable. It can be found in many regions of the world, including Western Europe, where the disparities between the most and the least developed regions are growing. The latter situation is much more unfavourable and is usually regarded as a pathology in the development process. Unfortunately, recently in Poland we have witnessed such unfavourable proportions in the development of individual regions, which poses a real challenge for Polish regional policy, which, starting from 2004, will form a part of a broader framework of European Union's structural policy.

4. Recommendations for regional policy⁵

Regional policy is a part of development policy. For this reason its goals, instruments and measures must be consistent with the development mechanisms prevailing in a given period.

Contemporarily, the state – and, more broadly, public authorities – have lesser and lesser possibilities to influence economic processes. As a result of the government's withdrawal from direct ownership of economic structures, a decreasing share of state investments in the total capital formation, the diminishing role of the state in social security systems, the state, the city and the region have only an indirect impact on the decisions of business entities. States, regions and cities are becoming enterprising units, instead of subsidising entities. In contemporary economy, we can observe a prevalence of endogenous factors in regional and local environment over exogenous ones. The latter cannot replace the former, but can reinforce them. If a region does not have any internal potential or if its potential is feeble, even a significant intervention from outside will not create it or accelerate the region's development in a way that would help it to reduce the distance dividing it from more developed regions.

Since the economic system (mainly huge international corporations) has largely become independent from the decisions of public authorities, the latter can influence the spatial distribution of development processes to a lesser degree than before. Informed, yet usually ineffective, regional policy of individual states and international organisations can generate changes in the regional development structure only to a limited degree. Definitely stronger factors producing such changes include new relationships between the characteristics of a given area and the location criteria prevalent at a given development stage (cf. Gorzelak 2003a). Experiences across the world indicate that even an allocation of substantial sums does not ensure development where development 'does not want' to appear.

Mechanisms which contemporarily shape the development of the global economy, of which Poland is a part, do not allow for any opposition to polarisation, which in many cases takes the form of permanent segmentation. Likewise, Polish regional policy will not be able to overcome the polarisation of the country's space, just as the regional policy of the European Union and national governments will not overcome differences in the space of its member states. This is simply an implication of the logic of contemporary development, of metropolisation of the processes of creating and disseminating innovation, and of the fact that capital and technologies come to Poland from the West and are located in places which are easiest to access, that is, in agglomerations with well-developed transport networks and in western areas, lying in proximity to the border with Germany.

⁵ Cf. Gorzelak 2004.

Apart from some large agglomerations, few areas attractive for tourism and partly the western border belt, the Polish regions are threatened with peripherisation within the integrating European space, a danger which is particularly imminent in eastern Poland. Excessive expectations that EU assistance will help to eliminate this risk entails other dangers, such as popularisation of an attitude of dependence from external assistance and incapacitation of the region's own efforts (the well-known strategy of rent-seeking), which is even more pertinent in view of the fact that the ability to make an effective use of EU assistance is also strongly differentiated regionally. Various activities should presently be started at the national and regional levels to reduce the threat of marginalisation. Such efforts should be based on new development mechanisms, particularly new location criteria and the significance of network relations between individual regions in the form of inter-and intra-regional links between business entities located in them.

National regional policy (the so-called inter-regional policy) is in the hands of the government. Such policy should only deal with issues of national significance and should not explore topics that remain within the regional (voivodship) spheres of interest. Problems of a given region (regions) can become the issues of national regional policy only when it is identified as one having a national significance.

The primary goal of the national regional policy (that is the policy pursued by the government), which is a part of development policy, should be to support the country's development processes, even if it entailed an (inevitable) widening of regional discrepancies. This goal is of particular importance in the initial period following Poland's accession to the EU because there should be no delay in initiating efforts aimed to reduce the civilisational distance (mainly in infrastructure, education, innovation, technology and ecology) between Poland and better developed Member States.⁶ This overriding goal should be accompanied by promotion of the competitiveness⁷ of those Polish regions which could appear on the map of potential locations, as compared to regions in the countries neighbouring with Poland. It is easily visible even today that in this respect our performance is inferior to that of the Czech Republic, Hungary or Slovakia, and these processes may be further exacerbated in the near future.

The most important directions of regional policy addressed to Polish regions (both by the Polish Government and by the European Commission) during the first stage of EU membership should be the following:

1. A rapid **development of transport infrastructure** connecting Polish regions with the economic centres of Europe. The backwardness of Poland's infra-

⁶ This conclusion gained official recognition because it was included *explicite* in the Concept of the Country's Spatial Development Policy endorsed by Government and the Parliament of the Republic of Poland.

⁷ Competitiveness of regions means that enterprises located there are competitive nationally and internationally and that the region is capable of winning in the international competition for capital, notably capital which seeks to be invested in high-innovation sectors.

structure is a well-known fact. It is easily forgotten, however, that the trans-European East-West connection, which is currently of critical importance to Poland, is jeopardised by the quickly growing networks of Slovak and Czech motorways, having connections with Austria and Germany, and by an increasing Baltic transport. In some cases, the sections of transit roads running through Poland are of a much more inferior quality than the Ukrainian or Belarusian sections. It has to be remembered that the peripherisation of eastern Poland has its roots in the poor quality of transport routes crossing Poland (for instance, it is the number of bridges across the Vistula that determines the development opportunities of Polish eastern regions!). The breakdown of the motorway construction programme is a bad signal as regards making up for many years of neglect in this sphere. There is no guarantee that following an influx of EU funding into Poland the pace of developing a modern infrastructure (including railways) will be significantly accelerated. An in-depth analysis of institutional and organisational reasons hampering infrastructural acceleration should be made, because only such an analysis can help to remove the barriers impeding a faster development of Poland's transport infrastructure.

2. Upgrading the **human** (education and training) and **social capital** (ability to cooperate, mutual trust, civic society), especially in backwarded regions. This definitely requires an inspiration from the government and other central agencies because one of the manifestations of backwardness in the awareness and ability to rationally organise collective efforts is ignorance of the lack of such skills and failure to grasp the essence of development processes (cf. Harrison, Huntington 2003).

One of the outcomes of such a process should be the initiation of cooperation between local governments from eastern Poland aimed to prepare a joint strategy for the region in view of the threat of its peripherisation in the enlarged European Union. This is certainly a challenging task since the determination to cooperate is relatively weak in this part of the country, as research shows – weaker than in the western part (cf. e.g. Gorzelak, Jałowiecki 1998).

3. Strengthening the links between Polish metropolitan centres and their counterparts in the **global network of metropolises** on the one hand, and with their direct hinterland on the other.

Research conducted in connection with the works to prepare a strategy for Mazowieckie, which is a voivodship with the greatest internal disparities, the construction of a network of comfortable, fast and reliable transport connections is one of the most effective ways to ensure its social, economic and territorial integration. For instance, if commuting by train from Radom to Warsaw would take not one hour forty minutes but only forty minutes (which would be a mediocre result by the present European standards and a revolution by Polish ones), probably most of the commuters to Warsaw from this declining city who could ultimately afford to buy an apartment in

Warsaw (who are the best remunerated, and therefore the best educated employees) would remain in Radom because of lower costs of living and sense of belonging to 'their' city'. If, however, the time of daily commuting is preventively (and absurdly) long, most of those who can afford it, try to settle in Warsaw for good, in this way depriving Radom of the best qualified personnel. Those who stay behind in Radom are lowly paid people who perform simplest jobs in Warsaw, ones that do not require any special qualifications.

A similar mechanism can be observed in other small and medium-sized Polish cities, which are 'drained' by the nearby metropolises of their most precious asset – most active, best educated people. Without a radical improvement in the transport infrastructure, this phenomenon cannot be eliminated or alleviated, and only this could provide the peripheral parts of the metropolitan regions with more opportunities for endogenous development.

Research indicates (e.g. Olechnicka 2002) that in the peripheral eastern regions there is no strong and attractive research and academic base which would be capable of providing support to innovative business entities operating in those regions. A fast development of this base is possible only when ties are established between weaker, peripheral academic and research centres and leading national and foreign research and academic establishments. Save for extremely rare situations, it is not possible for peripheral science to advance quickly only as a result of endogenous activities because of the tendency for the self-duplication of such a peripherality. Establishment of cooperation, initially stimulated from the outside, for example by a prudent policy of the Ministry of Science, could help to stimulate the development of the entire Polish economy and to strengthen the effect of diffusing development from the best-developed areas to their surrounding areas.

4. Creation of **nationwide and regional networks for technology and innovation transfer**. Currently, this is one of the weakest links in Poland's institutional networks, and a factor of great importance in knowledge-based economy. Such networks can be found in all highly developed countries, and can take various organisational forms: from purely public institutions through public and private partnerships to networks of entirely private institutions. Such networks exist on the national scale and also within particular regions. In this regard, Poland is practically an institutional vacuum, and the few examples of individual activities only serve as a proof of the need to undertake such an effort in a systematised way on both the national and the regional scale.

Work on regional innovation strategies (RSI) conducted in 15 voivodships (except Mazowieckie, which failed to prepare an application for co-financing by the Polish Committee for Scientific Research!) is not intended to produce a national network of innovation promotion and technology transfer centres. Unexpectedly, the process of the country's decentralisation has gone too

far because individual voivodship governments were left to themselves, and the nationwide programme of RSI development does not envisage the creation of such a network (and no such plans are included in the current NDP for 2004 – 2006). It is a matter of great importance that such a network, including regional and local centres of this kind, both existing and planned, be initiated by the government as part of this segment of regional policy which aims to promote the innovativeness of the Polish economy.

5. Supporting restructuring processes in the **post-industrial regions**, including the revitalisation of cities and recultivation of degraded environment in central areas of the cities and regions with declining industries.

Upper Silesia is undoubtedly the biggest regional problem of the united Europe. Although the declining sectors underwent massive lay-offs (about two thirds of initial employment figures in the mining sector alone), both mining, iron and steel industries are sectors which permanently need subsidising and cannot hope to achieve any economic profitability. New business operations, largely financed from abroad, cannot compensate for the losses caused by the closure of unprofitable industrial plants. It is not clear either whether such operations will be continued after the expiry of tax reliefs offered by the Katowice Special Economic Zone (SSE), which were regarded as a significant location incentive.

The problem of Upper Silesia however does not only involve the restructuring of unprofitable sectors and branches of industry (which is being constantly postponed). It is a problem that concerns the entire region. Unfortunately, the restructuring of human resources and of the regional space is on the sidelines of the administration's interest, and thereby attracts no financing. Particularly the latter aspect of regional restructuring is unacknowledged in Poland (cf. e.g. Gorzelak, Szczepański 2002).

Very conservative estimates indicate that at least 20 000 hectares of post-industrial wastes call for a thorough recultivation. If we assume that the cost of such an exercise is about 20 thousand euros per hectare, the total cost in this case would be 400 million euros, that is, nearly two billion PLN (and we must remember that this estimate is too cautious). As compared with this figure, the planned outlays on the reconversion of all post-industrial areas in Poland included in the 2004 – 2006 NDP, totalling 205 million euros (including EU contribution of only 138.8 million) are fearfully small. However, abstention from any action in this respect will prevent any development of the central area of the Upper Silesia Industrial District (GOP), which will inevitably transform into a social, economic and technological hollow. The well-known processes of inner city decline will continue in Silesia on the regional scale.

The above leads to the conclusion that the reconversion of post-industrial areas attempted as part of a **comprehensive restructuring of Silesia** – and not limited to industrial restructuring through decline – should become one of the key tasks facing Polish regional policy and should be allocated

significant EU funding, in addition to sharing the considerable expertise Europe has in these matters.

6. Developing **inter-regional networks for the transfer of skills and expertise**, mainly relating to the application of EU funds. The knowledge about the European Union, its programmes and procedures varies from region to region. In the western belt, nearly every municipality is familiar with EU programmes and has used EU funding, while the experiences of municipalities in eastern Poland are rather limited. The local governments in western Poland have an obligation to pass on their experiences in intermunicipal and international cooperation and in running EU programmes to the eastern regions of the country, where such skills are in demand. As mentioned above while discussing cooperation networks in the sphere of scientific research, such cooperation should be initiated and stimulated by the central structures, including the government, and it should be supported with the funds from the European Union.
7. The functioning of **special economic zones (SSE)** should be subject to an objective evaluation (which should be probably followed by a review). There are many indications to believe that such zones are an unprofitable instrument for supporting regional development (and not always used in the right regions). SSEs – if they are to be established – should have the form of specialised technological parks which help to increase the innovativeness of the Polish economy and the transfer of new technologies from the research sector to enterprises. Instead, we are now witnessing a proliferation of SSEs sneaking through the back door, which is frequently explained by political reasons (Ożarów – a subzone near Warsaw?!). It has to be remembered that the creation of a zone in one place leads to problems in another. It is certainly more productive to reduce taxes throughout the country than to punch holes in its economic space by creating more subzones.
8. Supporting the process of **decentralisation**, including the **decentralisation of finances**, which could be seen as a completion of the reform of the territorial organisation of the state. Polish voivodships which are autonomous subjects of regional development policy, have to rely on unstable and insufficient transfers from the central budget. For this reason, the regional contract, which is a critical instrument in contemporary Polish regional policy, should involve many tasks that should exclusively rest with the voivodship (regional) authorities. The contract is an agreement between the region (or regions) and the government for the co-financing of projects which are important both for the region (regions) involved and for the country at large. Decentralisation of the public finance system should constitute the ‘third stage’ of the Polish self-government reform, which is undoubtedly the most far-reaching and mature exercise in the state territorial organisation among all the post-socialist countries.
9. Supporting regional development processes in the regions of **Lithuania, Belarus and Ukraine**, as well as the **Kaliningrad District**, which could

become one of the key development opportunities for eastern Poland. A stable and speedy development of regions and countries bordering Poland in the east is one of the preconditions for minimising the disadvantages resulting from the fact that Poland's eastern border is at the same time the external border of the European Union. At the same time, it is the greatest development opportunity for Poland's eastern regions. Their peripherisation within the European space can only be diminished or stopped when they become regions of an integrated Europe located closest to the growing markets in the east, and which at the same time offer favourable conditions for initiating investments addressed to those markets.

All the centres of power in Poland – the Parliament, the Government and the President, as well as local governments – should participate in the implementation of these new directions for Polish regional policy. Poland should obtain a consent from the European Commission to adopt a new approach in its regional policy, beyond its traditional role, with a focus on backwarded, underdeveloped and peripheral regions and on regions with a declining traditional economic base. Supporting network systems and inter-regional cooperation would be a move beyond the narrow, 'assistance-oriented' attitude to regional policy, and its most important component should now be providing support to the most promising and most competitive (and therefore most innovative) networks of relations between strong and poor regions, their institutions and enterprises, supra-national networks including regions and business entities from abroad, notably including those which are located in countries which are Poland's eastern neighbours. Poland should also support their efforts to convince the European Commission to offer financing for infrastructural projects beyond the EU borders, as was the case with the Phare programme.

Polish regions should also be able to find their place in the new development model. The most important and general premise around which all development programmes should be created is the ability to foresee future opportunities and to prepare for them in an 'anticipatory' way. Winners in the competition between regions are those who can prepare earlier than others for emerging development opportunities. For instance, if the eastern market (in the republics which came into existence following the collapse of the former Soviet Union) comes to life, not only the regions of eastern Poland, but also Slovakia and the Baltic Republic will compete for potential investments. The result of this race will depend on decisions made today, not only at the central, but also at the regional level.

By way of conclusions

In the coming years, Polish regions will receive substantial support in the form of EU structural funding. Owing to transfers from Brussels, outlays on factors fostering development, such as infrastructure, education,

training, institution building, enterprise promotion will be significantly higher than ever before.

Nonetheless, we should bear in mind the historical determinants of the development of Poland and its regions, discussed in this paper. The physical, social and 'imaginary' reality is a product of 'long duration' processes which are rather fixed in character, and are very difficult to change through external influences. This means that one can have only modest expectations concerning the effects of various 'policies', including regional policy. Even with huge funds available, which can change the spatial development, it is difficult to change mental structures, attitudes and behaviours of the population, as is proved by the sad story of the former German Democratic Republic.

Regional policy must confront the inevitable dilemma it is caught in: it must opt either for 'effectiveness' or for 'equality'. The traditional doctrine of equalising regional differences, which still runs strong in the European Union, is being more and more seriously challenged. However, the greater the differences between regions, it becomes more and more difficult to opt exclusively for effectiveness because a lasting regression of certain regions, not only in relative but also in absolute terms, as we can see in eastern Poland, forces the authorities to embark upon activities which are not always rational in terms of narrowly understood economic effectiveness, but which are intended to improve the situation in those regions. Still, it has to be borne in mind that such efforts will most probably fail to accelerate economic growth, and their effects will mainly be in the social sphere.

The most serious challenge that the Polish regions and Polish space will have to face is the economic, social and functional integration with the European regions and European space. How this process progresses will largely determine the position of Poland in Europe and in the world at large, and the speed with which we will try to overcome the centuries-old peripherisation of our country.

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