

## LOCALITIES AND REGIONS

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### Regional and Historic Dimensions of Local Government Performance in Poland

*Abstract:* Reintroduction of local government in 1990 was one of the main pillars of the post-socialist transformation in Poland. Municipalities assumed several tasks previously performed by the central administration and its territorial agencies.

This paper presents the results of mass surveys conducted among Polish municipalities and compares the findings with similar surveys conducted almost 20 years earlier. The results prove that the learning process among representatives of local governments in Poland is regionally differentiated, and that the differences can be attributed to the historical trajectories of particular macro-regions of Poland.

*Keywords:* local government, historical regions, cohesion policy

#### Introduction

The aim of this paper is twofold. First, it refers to Braudelian long-term processes manifested in the practice of local governments in Poland. We compare the changes that have occurred over the past twenty years (1995–2015) in the diversity of territorial self-government activities in large historical regions of Poland. Second, we present the opinions of local-government representatives on major issues related to local development, including the effects of cohesion policy.

After the collapse of the system of “real socialism” in Poland in 1989, local government was restored in two stages. In 1990 around 2,500 municipalities, which had been established in 1973, were granted full self-government rule; the elections for local councils held on May 27, 1990 were the first fully democratic elections since pre-war times (see Swianiewicz 1990). The second stage of reforms involved the restoration of counties (315, plus 65 towns with county status) and 16 larger regions (voivodeships). On all these tiers directly elected councils have the right to make local laws within the framework of the unitary state (as Poland has always been). The fact that there is no hierarchical subordination among the three tiers proves that a fully-fledged system of self-government has been established. The mayors of the municipalities and cities are elected directly by public vote, while the heads of the county and regional governments are elected by their respective councils.

The general (“consolidated”) governmental administration is represented on the regional level by nominees of the prime minister (called “voivodes,” or “governors”), who have their own administrative apparatus. On the county level there is no consolidated gov-

ernmental authority, but there are five branches of the state administration subordinated vertically to the government: the police, the fire service, sanitary inspectors, veterinary inspectors, and building inspectors (their formal relations with the county authorities vary). The state administration controls only the legality of local or regional self-government activities.

The municipalities are responsible for basic services (primary schools, daily health care, local public transport, roads, etc.) and have the right to establish local property taxes within the limits set by state regulations. Spatial planning is one of the main powers of local government (though in many cases it is poorly exerted). The counties perform other services, such as running local hospitals and secondary schools, performing labor market services, consumer rights counseling, and so forth, while the voivodeship authorities are mostly responsible for creating the economic conditions for business. All tiers prepare development strategies (the voivodeships also prepare regional innovation strategies), though in the case of the counties the rationale of such strategies is questionable, since the counties have very limited means of influencing economic processes. Local government has turned out to be one of the most important elements of the post-communist transformation in Poland, due to its positive role in local economic and democratic development.

Numerous studies have shown that local governments have been able to mobilize local potential that previously lay dormant under the communist system. Starting almost from scratch, Poland managed to create a strong and effective system of local government (see, for example, Swianiewicz 2001). According to a recent comparative study (EEC 2015), Polish local government enjoys one of the largest degrees of autonomy among European countries, on a par with the Nordic countries, Switzerland, and Germany, that is, countries with a long tradition of self-rule and stable institutional systems (Ladner et al. 2016).

Local governments have become an effective means of inculcating the principles of democracy and the market economy into wide swathes of the Polish population; they have also been an effective school of modern public administration. It may be stated that local government and private enterprise have constituted the two pillars of Poland's successful post-communist transformation. A more detailed description of the Polish local and regional government systems can be found in: (Kulesza, Sześciło 2012; Banaszak 2013).

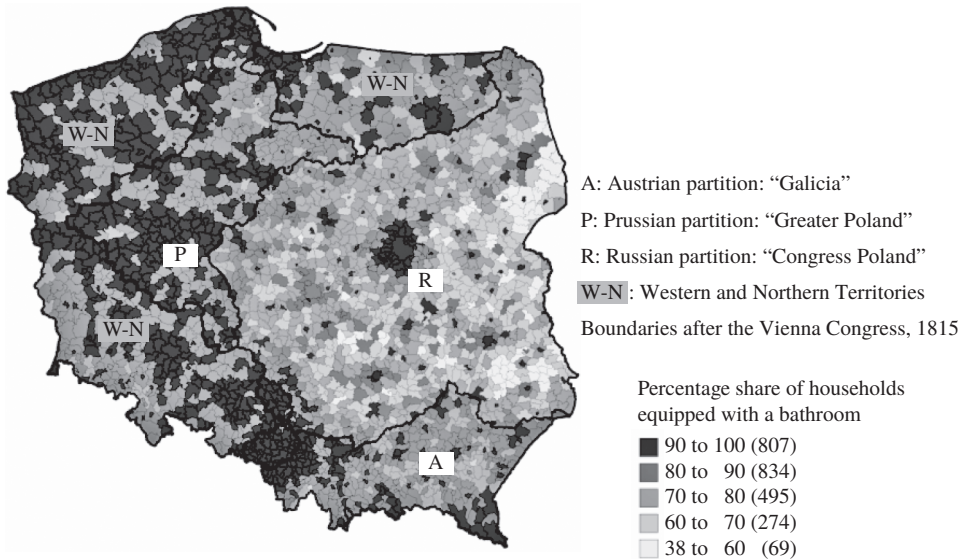
### **The Historical Context**

Space, in its broadly understood material, cultural, and institutional dimensions, is slow to change. Fernand Braudel's *longue durée* (Braudel 1993) is an inherent feature of territorial and institutional systems. Putnam's analysis of the stability of regional differences in Italy (Putnam 1993) is the fundamental work confirming the historical dimension of institutional and organizational structures. The post-communist transformation has created unique circumstances for a kind of "laboratory of change," since almost all the superficial characteristics of the economic, political, and institutional systems have been modified. However, these modifications occurred within a framework of cultural and territorial structures that are products of socio-economic processes taking place over a span of several centuries. Thus new regulations have been imposed on very different socio-economic conditions in particular historical regions of the country (see Gorzelak, Jałowicki 2002).

These differentiations date back to late medieval times, when the Vistula River filtered technological and institutional modernizations coming to Poland from the West, along with the first wave of urban development between the 13<sup>th</sup> and 15<sup>th</sup> centuries. This wave brought *locatio civitas*, under Magdeburg law and its variants, to Poland and determined the spatial pattern and institutional setting of several cities created at that time. In addition, the adoption of a specific agrarian regime in the west gave a certain shape to villages and increased agricultural productivity there; the same did not happen in the eastern parts of the country (Braudel 1982). In the 19<sup>th</sup> century, Poland ceased to exist on the map of Europe as a result of the partition of its territory by Russia, Prussia, and Austria. The Partitions lasted from 1795 to 1918, with changes in the boundaries between the countries after the Congress of Vienna in 1815. The already extant divisions in the Polish territories due to uneven industrialization and infrastructure development (see fig. 1<sup>1</sup>) were deepened by the administrations of these three states. Whatever can be said about the hardships suffered by Poles under Prussian rule, it must be admitted that those territories were part of a European state which was undergoing rapid modernization and which somewhat preserved the rule of law, despite many instances of abuse.

Fig. 1

**Percentage Share of Households Equipped With a Bathroom, 2015**



Consequently, despite their peripheral location within the 19<sup>th</sup>-century German state, the regions of Greater Poland, and parts of Silesia and Pomerania,<sup>2</sup> enjoyed rapid modernization, and the Polish population functioned under conditions of respect for law, work,

<sup>1</sup> The 19<sup>th</sup>-century borders of the three partitions were established in 1815 during the Congress of Vienna, which ended the Napoleonic era in Europe.

<sup>2</sup> The term "Greater Poland" will be used to denote these three historical regions that formed the Prussian part of partitioned Poland—part of Upper Silesia is therefore also included in this territory.

saving, and the increase of personal wealth, that is, values facilitating capitalist growth. Paradoxically, in Greater Poland it was perhaps the political, cultural, and economic pressure exerted by the Prussian state that contributed to an even stronger consolidation of Polish society and the Polish economy in that region, which was able to protect itself against the pressures of the German economy despite the latter's strong support from the occupier. These values also resulted in more orderly spatial planning, which is now visible in the compact spatial patterns of the region's villages and towns, whereas settlements in other parts of the country are spread along the roads and scattered among the fields.

The situation of the Polish territories annexed by Russia was substantially different. These territories were under the strong influence of an Asian civilization (see Pipes 1999) and were administered accordingly. The bureaucracy was poorly remunerated and inefficient, with very corrupt tsarist officials in the various ranks. Even though—at least in some cases—the corruption sometimes “softened” the Russian occupation, it had a clearly demoralizing effect on society. The Polish territories situated on the western outskirts of the Russian Empire (lying west of the Vistula River) were in some respects a bridge between Russia and Europe, and they took clear advantage of this “location rent,” enjoying relatively good conditions for economic development (such as the rapid development of Łódź in the second half of the 19<sup>th</sup> century, with a concentration of textile industries), although transportation links between the Russian and Prussian partitions were scarce.

The southeastern partition under Austrian rule was a poor, agricultural, overpopulated territory, which shed a lot of its population to the USA and Germany after the end of the 19<sup>th</sup> century. At the same time it enjoyed the greatest political and administrative autonomy.

The different developmental conditions in the three territories, which in 1918 were merged to form an independent Polish state, left deep traces in levels of economic development, infrastructure (roads, railways), and urbanization; in the legal system; in education; in the attitudes of the population; and in the cultural landscape. After World War II, by force of the Treaty of Yalta, Poland's borders were shifted westwards at the expense of its eastern territories, which were taken by the USSR. The newly acquired territories were much better equipped with technical infrastructure and a dense network of relatively modern towns and brick-built villages, though the damages and destruction endured during the final phase of the war and immediately afterwards were considerable. These territories were settled by the population repatriated from the eastern lands lost to the USSR, as well as by migrants from rural parts of central and eastern Poland.

Generally speaking, the historical differentiation of the present Polish territories can be presented according to the three parts shaped by the partition boundaries: Russian, Prussian, and Austrian, plus the Western and Northern Territories, which were incorporated into Poland after 1945 (see map 1). This figure, besides presenting the historical boundaries, also shows the civilizational differences between the historical regions—demonstrated here by the share of households with sanitary amenities.

Moreover, as other studies reveal (Gorzelał, Smętkowski 2010), the socio-economic processes taking place after 1990 have also been more favorable in the more developed parts of Poland (the western parts and metropolitan areas). Voting patterns have been stable in Poland's regions throughout the 25 years since 1990, with more pro-European and socio-economically progressive votes cast in the western and metropolitan areas than in

the eastern and central ones. Thus a synergy of historically shaped regional differences in the level of development, the pace and depth of transformation, and social attitudes toward European integration and reforms, can be observed. Is the synergy supplemented by the abilities of local governance? The next sections respond to this question.

## **Local Government Performance—Hypotheses, Survey Results**

### *The Hypotheses*

As already indicated, the influences of historical processes can still be clearly seen on the map of Poland—not only in material manifestations but also in culture in the broad sense and institutional settings. It is therefore hypothesized that the performance of local governments will also be influenced by the past trajectories of the country’s macro-regions. However, it might be assumed that the fundamental and dynamic changes that have taken place in Poland since 1990 will have alleviated differences shaped by the past. These hypotheses will be tested in the next parts of the article.

### *The Surveys*

The tradition of surveying local governments is long and deep. Specialized tools have emerged for this type of research.<sup>3</sup> In many countries such surveys have become an official means of collecting information on various aspects of local government functioning (finance, local services, employment, investment, citizens’ satisfaction, etc.). Surveys have also been widely used for scientific research (see, for example, Montesinos and Brusca 2009; Gal-Arieli et al. 2017; Ferreira da Cruz and Cunha Marquez 2011) and have been conducted on a broad international scale (Razin and Hazan 2014). Methodological questions related to their conduct are discussed in Enticott 2003.

The empirical material used in this study is unique in that it is related to two moments of time, separated by almost 20 years but involving the same methodology and the same set of municipalities. This has made it possible to test hypotheses about cultural stability (in the broad sense of “culture,” see, for example, Harrison, Huntington 2000) and change in a socio-economic and political system undergoing deep and rapid reforms.

In the periods between 1995 and 1997 and between 2013 and 2015, questionnaires were sent out to the representatives of local governments in municipalities of up to 50,000 inhabitants. The representatives were asked their opinions on various matters relating to local development and the functioning of local governments in Poland. The response rate was very high: from over 1,000 to over 700 questionnaires in the years 1995, 1996, and 1997 were returned; over 1,300 completed questionnaires were returned in 2013 and over 1,100 in 2015 (corresponding respectively to 40 to over 50 percent of the overall number of municipalities numbering up to 50,000 inhabitants).

The results of the recent surveys will be discussed in more detail below, and the last section will compare the results obtained in the two periods.

<sup>3</sup> See for example <https://www.snapsurveys.com/local-government-surveys/>.

### *Performance*

The key notion of this study is the “performance” of local governments. As discussed by Walker and Andrews (2013: 104) “performance” is usually related to the three “E”s: the economy, efficiency, and effectiveness of public services. In a broader interpretation of “performance,” other dimensions of local government activities and features are added: responsiveness, lack of corruption, accountability, the safeguarding of civil and human rights, and participation in the democratic process. In addition, organizational management is indicated as a measure of the performance of local governments—either in comparison to private firms (Piening 2013), or in regard to the human side of managing organizations (O’Toole and Meier 2009).

In this paper a wider and less formalized approach to “performance” is adopted. First, local governments in Poland have wider responsibilities than just the provision of public services. They are supposed to act as economic agents, intervening on the labor market and entering into relations with firms. They conduct the internal and external promotion of their assets, trying to attract investment from the outside. An active taxation policy is supposed to assist local businesses and increase their competitiveness. Local governments also use EU funds to improve the business environment and living standards through enhancing the technical and social infrastructure and alleviating the negative impact of socio-economic activities on the natural environment.

The measure of “performance” used in the study consisted of the numbers of activities the local governments undertook in these fields, according to their own responses in the questionnaires.

### *Activities Reported in the Surveys*

In the years 2013–2015, when the two consecutive surveys reported in this section were conducted, in all historical regions over four fifths of municipalities took action to increase the number of local jobs. Almost three quarters of municipalities declared that they were cooperating with employment agencies, with the exception of Greater Poland, where the percentage amounted to two thirds only. Nearly half the municipalities made efforts to attract new investors. The most active in this respect were the municipalities of Greater Poland and those in the former Western and Northern Territories, while the least active were those of the former Congress Poland, where only two fifths of municipalities took action. Over one third of municipalities provided utilities to areas under new investment, most often in Greater Poland (two-fifths), and only slightly less often in the Western and Northern Territories. The worst performing in this respect were the municipalities of Congress Poland. Help for start-ups was given by only one in four municipalities, with such aid occurring somewhat more often in the Western and Northern Territories and in Galicia. Tax relief for businesses was also available in one in four municipalities, most frequently in the Western and Northern Territories and in Greater Poland (one third of municipalities), while in Galicia and Congress Poland this kind of relief was only available in one in five municipalities. Thus municipalities in Greater Poland and the Western and Northern Territories conducted a more dynamic pro-development policy, while the municipalities of

Congress Poland, which showed the lowest levels of business activity, were the least active.

Despite the fact that Polish municipalities actively tried to shape their socio-economic situation (Trutkowski 2010), local government representatives poorly rated their own performance in intervening in the local labor markets (Table 1).

Table 1  
Opinions on the Role of Local Government [% response]

	Poland	W and N Ter.	Prussian Part.	Russian Part.	Austrian Part.
Local government does not have much influence on the labour market situation in the municipality	83.5	79.3	87.1	84.2	84.4
It is mainly the local government that shapes the labour market situation in the municipality	16.5	20.7	12.9	15.8	15.6

Only between one eighth (in the former Prussian partition) and one fifth (in the Western and Northern Territories) of municipalities were of the opinion that local governments shape the conditions of the local labor market—even in the latter two regions over 80 percent of municipalities observed a lack of direct influence.

Almost all municipal authorities generally claimed that they cooperated with local enterprises. In over three quarters of cases, the cooperation took a somewhat demand-based form, consisting of seeking subsidies from local firms for local government projects, thus indicating a rather passive (or even “parasitic”) treatment of the local economy by municipal authorities. More active forms of support for businesses were much less common—only one in ten municipalities supported business-related institutions, which are widely acknowledged to be underdeveloped. Support of this kind was highest in Greater Poland, at 15 percent, while in Congress Poland the figure was halved. Nearly half of municipalities consulted firms regarding their strategic documents (the least in Congress Poland, at only a little over one third), while a third of municipalities offered tax relief to firms (over 40 percent in Greater Poland, only a quarter in Congress Poland). Municipalities of the Western and Northern Territories and Galicia came between these two extremes, the former being somewhat more active than the latter.

Similarly to their cooperation with firms, almost all municipalities promoted themselves, most frequently through leaflets (in around 80% of cases), press advertisements (three quarters), and via the Internet (two thirds of cases). More “refined” forms of promotion were used less often: one in three municipalities set up a stand at national trade fairs (yet only one in eight at international fairs), and one in three municipalities advertised on the radio and television, with one in four setting up a profile on social media.

In all forms of promotion, the greatest activity was shown by municipalities of the Western and Northern Territories, while the least in Congress Poland. It is characteristic that these variations became more pronounced, the more modern (and less common) the given form of promotion: the percentage difference amounted to a few points in the case of press advertisements and leaflets but doubled in the case of setting up profiles on social

media (municipalities in Greater Poland were the most active here) and tripled as regards promotion at international trade fairs. In the latter instance, Galicia and Greater Poland trailed the Western and Northern Territories, while Congress Poland lagged far behind.

The effects of promotional actions were assessed to be moderate: only a small percentage of municipalities found them to be fully successful.

One of the important success factors in local development is collaboration between municipalities, allowing them to undertake projects that go beyond the capabilities of a single municipality and to benefit from the synergy resulting from joint efforts. Over two thirds of municipalities claimed to have undertaken this kind of collaboration, institutionalized in the form of inter-municipal associations: the most in the Western and Northern Territories and in Greater Poland, the least in Galicia. Such collaboration most often occurred in dealing with waste management, and the leaders here were Greater Poland and the Western and Northern Territories, where this kind of supra-municipal activity was conducted by over half the municipalities. In Galicia the percentage was 5 times smaller! Meanwhile, when it came to water and sewage management, it was Galicia that led the way. Collaboration in tourism was most common in the majority of tourist-oriented municipalities of the Western and Northern Territories (mostly located on the Baltic coast) as well as in tourist-attractive Galicia. Construction of utility infrastructures (gas and telecommunications) was not a matter for collaboration (apart from water and sewage pipes), which may mean the most urgent needs had already been satisfied in this sphere.

In giving reasons for not entering into collaboration with other municipalities, almost 20 percent of local governments in the Western and Northern Territories mentioned the lack of anticipated effects, while only 5 percent of municipalities in Galicia gave this reason. Meanwhile, as many as one third of municipalities in Galicia indicated a lack of funds as the reason for not collaborating, over four times more often than in the municipalities of Greater Poland.

Cross-border programs financed by the EU—an activity already begun in the 1990s and developed after accession to the EU—were most popular in Galicia and in the Western and Northern Territories. Such programs were three times less common in the municipalities of Congress Poland, even though many are located on the border of Belarus and Ukraine, where these programs are also present (however, most of the municipalities of this historic region are located “inland”). The most common form of international collaboration for Polish municipalities is forming partnerships or “twin cities”—one third of municipalities have entered agreements of this kind: half the municipalities in the Western and Northern Territories, but only one fifth in Congress Poland (on the subject of European networks of twin cities see, *inter alia*, Płoszaj 2013). Somewhat fewer municipalities have made other agreements with foreign partners, with the proportional spread across the regions remaining similar to that in regard to twin cities. As in the case of inter-municipal collaboration, the effects of international collaboration were assessed to be moderately positive, with the best ratings being given by the Western and Northern Territories, and the least positive by Congress Poland.

The orientation of a local development strategy is an outcome of the values and principles of the local leaders. Faced with a choice between two distinct sets of objectives for the development of municipalities—improving the living standards of the inhabitants ver-



sus accelerating economic growth—local governments in 2015 responded somewhat more strongly in favor of economic goals, and this orientation was most pronounced in municipalities of the Western and Northern Territories (Table 2).

Table 2

**Priorities Chosen by Municipal Authorities in the Face of Limited Funds, average scale 1–5**

	Poland	W and N Ter.	German Partition	Russian Partition	Austrian Partition	
Improving living standards for inhabitants 1)	3.28	3.50	3.26	3.21	3.12	Accelerating economic growth 5)

Municipalities in all regions chose three identical objectives as their top three priorities, although in a differing order. Public investment was chosen by all municipalities (around four fifths of responses). In the Western and Northern Territories and in Congress Poland, the second choice was education, while respondents in Greater Poland and Galicia put attracting investors as their second choice. In fourth and fifth place came the aesthetics of public space (the least often in Galicia, and the most often in Congress Poland). Meanwhile, home construction was noticeably more often chosen in the Western Territories (almost 40%) while in Galicia and Congress Poland less than half as often, which is probably the result of a severe depreciation of the housing stock in these areas, often dating from the pre-war era. Healthcare was chosen much less often, at around 10–14%, as was support for existing enterprise. Social support was chosen by around one in ten municipalities, mostly in Congress Poland and Galicia, and the least often in the Western territories. Public security came further down the list, which may indicate that most municipalities are satisfied with the level of security in their area. Only Galicia stands out in this respect, where one in five municipalities would allocate funds to security (in the Western and Northern Territories this objective was chosen by less than one in ten). These results indicate that municipalities favor development goals: municipal infrastructure and education.

***Local Government Performance 2013–2015: A Summary***

Table 3 below presents an overview of local government performance within the four historic macro-regions.

In 2013–2015, three historical regions gained similar indices in the synthesis. Greater Poland came in first place (i.e., the highest) 14 times, but the Western and Northern Territories were not far behind at 12 times. Galicia was best in 7 instances, while Congress Poland only once. The average ranking (the lower, the better) gave a slightly different picture: the Western and Northern Territories had the lowest average, Greater Poland and Galicia a little higher, while Congress Poland significantly higher.

These indices illustrating the varying performance of local governments are of course very approximate, and yet the differences in the results obtained can be taken as a fairly clear gauge.

Table 3

**Ranking of Historical Regions According to Local Government Performance Indices\***

Indices	W And N Ter.	Prussian Part.	Russian Part.	Austrian Part.
<b>Number of first places</b>	<b>12</b>	<b>14</b>	<b>1</b>	<b>7</b>
<b>Average rank</b>	<b>1.76</b>	<b>1.93</b>	<b>3.59</b>	<b>2.17</b>
Largest employer: municipal council	2	1	4	3
Growth in number of jobs 2002–2008	3	1	4	2
Growth in number of jobs 2008–2012	2	1	4	2
Tax relief for enterprise	1	2	3	3
Attracting new investors	2	1	4	3
Equipping investment sites with utility infrastructure	2	1	4	3
Cooperation with county Employment Agency	2	4	3	1
Support for start-up firms	1	4	3	2
Creating/supporting business-related institutions	2	1	4	3
Consulting businesses regarding municipal documents	2	2	4	1
Co-ordinating municipal investments with investment plans of businesses	2	1	4	3
Refraining from encouraging businesses to sponsor cultural and sporting events	2	1	3	1
Folders and leaflets	2	3	4	1
Advertising in the press	1	2	3	3
Radio and TV advertising	2	1	4	3
Municipality profile in social media	1	3	4	2
Internet advertising	1	3	4	2
Promotional stalls at national trade fairs	1	3	4	2
Promotional stalls at foreign trade fairs	1	2	4	3
Municipalities with membership of inter-municipal unions	1	1	3	4
Municipalities collaborating abroad	1	3	4	2
Stable government	4	1	1	3
Self-organizing community	2	1	4	2
Evaluation of the economic situation in the municipality	3	1	4	2
Improved situation 2002–2008	3	2	4	1
Improved situation 2008–2012	1	1	4	1
Optimism 2012/2011	2	3	3	1
Optimism 2013/2012	1	3	4	2
Role of local government	1	4	2	2

\* Ranking 1: best position, Ranking 4: worst. Where differences were small, regions were given the same rank.

### **European Union Funds and Local Development**

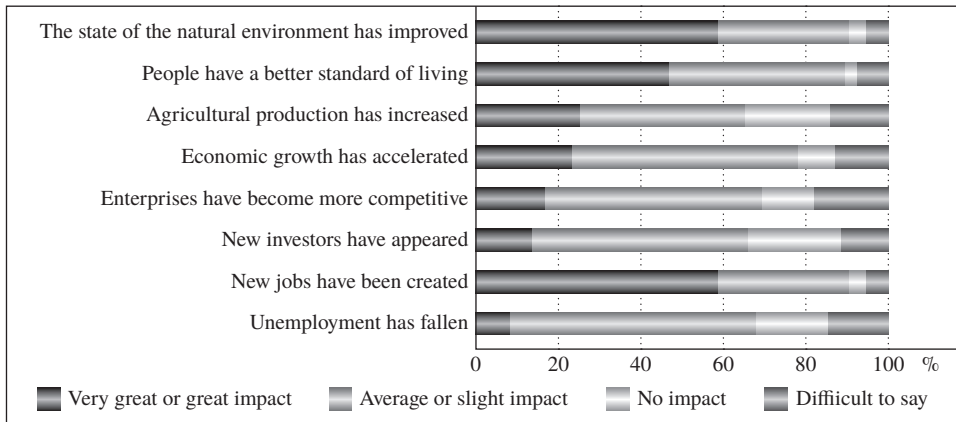
EU funds awarded to Poland (mainly within the framework of the Cohesion Policy and Common Agricultural Policy) have become an important source of funding for national, regional, and local development policies: approximately half of public investment has been covered by these funds. The view is taking hold (Gorzela 2017) that the role of these external funds up till now has had greater significance for the “demand effect,” which declines over time, than for the more durable “supply effect.” This means that the funds have led to a temporary, transitional stimulation of the economy rather than to lasting improvement in

economic efficiency, and thereby to long-term socio-economic development: to this time the “demand effect” has seemed to be stronger than the “supply effect.”

The opinions expressed by local governments in 2013–2015 fully support these hypotheses (Fig. 2). EU funds are seen to contribute much more to improving living standards (this opinion is strongest in the local governments of richer Greater Poland and weakest in the poorest, Congress Poland), and—to an even greater degree—the state of the natural environment, than to a long-lasting strengthening of various factors of local economic development. Over half the municipalities indicate that European funds have had moderate or little—or even no—impact whatsoever on the economic development of the municipality, the increased competitiveness of local enterprises, an improved situation on the labor market, an influx of new investors, and so forth. It is striking that the lowest ratings were given to the impact of funding on increasing agricultural production—indicating the mainly social, rather than pro-production, focus of the Common Agricultural Policy. It is worth noting that the highest ratings on the impact of the CAP on production appear in Congress Poland, while the lowest were in Galicia (a region where subsistence farming dominates), and these disparities have strong statistical significance.

Fig. 2

**Effects of Utilizing EU Funds in Municipalities**



It is striking that the development factors that municipalities rated as being the weakest features of their local economies—that is, skills, business-supporting institutions, and possibilities of cooperation—benefited least from the inflow of EU funds. On the contrary, development factors that were already rated as fairly good benefited most from these funds. This relation can be interpreted in two ways: either the high rating of development factors regarded as “extensive” or “quantitative” should be put down to the inflow of EU funds, or these funds are used for the purpose of further enhancing relatively strong but traditional factors of local development. Considering the common but mistaken views on the crucial role of infrastructure (see De la Fuente and Vives 1995; Rodríguez-Pose and Fratesi 2004; Bachtler and Gorzelak 2007), we should favor the second interpretation. However, regardless of which interpretation we choose, an important suggestion can be made that further

channeling of funds into traditional, quantitative factors of local development should be limited in favor of strengthening the qualitative ones.

Funds granted to municipalities come mainly from regional operational programs and are shared out at the regional level. Local governments indicated the main grounds considered by the regional authorities in allocating these funds. In principle, the picture that emerges from these responses is positive: regional needs come first, the needs of municipalities second (here there were no significant differences between regions). “Incestuous” factors (be it the influence of private acquaintance or political relations) were less frequently acknowledged (the dominant response was “difficult to say”); it was even less often admitted that the interests of major firms influence the allocation of EU funds. An earlier study by Swianiewicz et al. (2010) revealed to a greater degree the direct links between local and regional actors. It is possible that the situation has changed somewhat with greater experience of conducting projects co-funded by the EU, or perhaps at the local level the factors shaping decision-making processes at the regional level are less visible.

It is commonly believed that institutional barriers are—alongside the very low level of social trust—the most important factor inhibiting the country’s development (see, e.g., Geodecki et al. 2012; also Bober et al. 2013). The responses given by local governments largely supported the hypothesis, although financial resources were considered to be the greatest limitation to local development. Over three quarters of municipalities pointed to the barrier, and only one municipality in fifty failed to encounter it. The differences between regions were small. Limitations on obtaining EU funding were also mentioned, but this barrier was weaker. One in three municipalities indicated that inappropriate regulations were a strong barrier to development. The most critical in this regard are the municipalities of regions with the strongest self-governing traditions: Greater Poland and Galicia. One in three municipalities considered such regulations to be a moderate barrier. Just under half complained about the lack of engagement of the inhabitants (the least in Greater Poland). Meanwhile, agreement among the local elite is rated as having little or no significance, which is a fairly positive result, showing that procedures predominate over personal links and acquaintances.

### **Reforms Suggested by Local Governments**

The system of territorial self-government is undergoing constant alteration, though some might say the changes are too slow and that recently, after the new government came to power in 2015, they have been rather negative, leading to centralization. The respondents clearly indicated the most desirable directions in which local government should be transformed in order to bring about economic development and better meet the needs of inhabitants. It comes as no surprise—at least in the light of earlier postulates on the subject of EU funds—that the most common proposal is to increase local government budgets. 90 percent of municipalities made this suggestion, and with the same emphasis in all regions. Only slightly fewer municipalities—but again without significant regional differences—pointed to the need to facilitate the securing of EU funds. Interestingly, municipalities did not see local taxes as a source of increased income, since only one in three municipali-

ties has considered raising them; thus they are relying on funding from the state or the EU (Swianiewicz, Łukowska 2013). Regional differences in this instance reflect the size of the tax base: the greatest interest in finding new sources of income from local taxes can be found in Greater Poland, whose tax base is the strongest.

A further proposal commonly put forward was to reduce and simplify reporting procedures, a demand being made by 90 percent of municipalities, with comparable force across all regions. A similar percentage supported calls for a radical change in the Teacher's Charter, which offers several privileges to teachers; these calls were most frequent in the municipalities of Galicia, a region whose tradition of education was already well-established in the 19<sup>th</sup> century.

The remaining suggestions for change did not gain such wide acceptance. Three quarters of municipalities were against abolishing the direct election of mayors. Notably, as many as half expressed no opinion regarding the changes in local government electoral law according to which a majority vote is in force in municipalities with less than 20,000 inhabitants and in municipalities that are not county-level towns. There are no great differences between regions on the subject.

Before the start of the new financial perspective for 2014–2020, local governments had clearly specified views on desired changes in how funds are allocated and potential uses for them. A common proposal was to increase the funds, particularly for local infrastructure, with virtually no differences between regions in this respect. At the same time, local governments called for greater ease in applying for funds and fewer controls and reporting procedures. Similarly, they requested larger grants for enterprise as well as increased direct benefits to farmers. In the latter instance there were quite pronounced differences between regions: this request was made by 70 percent of municipalities in Congress Poland, while least often (just over half the municipalities) in the Western and Northern Territories. It is generally felt (and quite rightly!) that spending on training should not be increased, which testifies to the negative rating of this kind of EU-funded undertaking.

The opinions expressed by local governments regarding the impacts of EU policies and the desired changes to allow EU funds to better stimulate local development show that these policies are mainly seen as a means of financing local infrastructure and projects improving living conditions and the environment, but that they do not have any greater pro-development significance. Moreover, local governments would prefer these funds to be easy to obtain and the utilization of them to be subject to minimal scrutiny. This shows a traditional understanding of local development factors and a “demanding” attitude in regard to transfers from the EU and national government.

### **Learning Local Systems: Quick and Slow Learners**

The notion of “learning regions” was introduced by Florida (1995) and has flourished in thousands of papers and books. It later entered the mainstream of studies on innovation and the regional conditions necessary to support the innovativeness of firms, for which regional innovation strategies were considered the main organizational framework (Lanadabasco et al. 2003). Thus the two streams of economic geography and innovation studies were con-

nected. The local scale has not appeared in these considerations, since with few exceptions it is too small to create an “innovative milieu” as a result of a learning process. It has also been indicated that the learning process has strong cultural underpinnings (Hassink 2004; Hudson 1999). The latter thesis is a standpoint for the present paper’s analysis, which relates the learning process of local governments in particular historical regions of Poland to their economic, social, cultural, and institutional profiles.

The surveys conducted in 2013 and 2015 to a great extent followed a similar study performed by the same team in 1995–1997. This allows us to compare the performance of Polish local governments at the beginning of their activities and almost 20 years later, when considerable experience had been gathered.

The topics of the studies of economic conditions and local government performance in 1995–1997 and 2013–2015 are not identical, as the questionnaires used in the recent surveys also contained new material, such as assessments of the job market and use of EU funds, as well as the use of modern means of promotion. However, several questions that were asked in the earlier 1995–1997 survey were repeated in the later ones. Thus, a comparison of results from the surveys is of interest since it allows an assessment to be made of the learning process of local government over the course of almost two decades.

Compared to 1995–1997, the percentage of municipalities identifying themselves as “agricultural” fell a little (although in the Western and Northern Territories the percentage actually rose slightly). The greatest drop, around 15 percentage points, took place in Galicia, where the largest number of municipalities formerly classified as purely agricultural moved into the “no dominant sector” category (a few moved into other categories). This was due to further fragmentation of farms and the development of other activities, mostly services, in the rural areas.

Over the space of two decades, local governments have radically intensified their promotional activities. In 1995–1997, only a little over two thirds of municipalities promoted themselves in various ways, while in 2013–2015 almost all municipalities were active in this field. The greatest progress was made in Congress Poland, which in 1995–1997 used promotion the least often, while in 2013–2015 it almost equaled the other regions (although it least often made use of a modern medium such as the Internet). Similarly, in the period, the percentage of municipalities taking part in trade fairs rose in this region from under 10 percent to nearly 40 percent. On average, the share of municipalities using various forms of promotion increased by around 30 percentage points. Naturally, the greatest changes involved the Internet, which in 1995–1997 was not used as a promotional tool, while at present it is used by nearly three quarters of municipalities.

The municipalities increased their levels of foreign collaboration during the course of almost 20 years. Local government collaboration with foreign municipalities (mostly German ones) was most common in 1995–1997 in Greater Poland and the Western and Northern Territories, and in 2013–2015 in the Western and Northern Territories, and in Galicia (showing a two-fold increase, from one third to nearly three quarters). Congress Poland continued to lag far behind, although the number of municipalities in this region collaborating abroad rose two fold (to just under 40%).

Both in the mid-1990s and recently, municipalities were asked about the greatest barriers to local development. The responses give a clear indication that the same limitations to local government activities continue to be felt over the two decades. Shortage of financial resources was indicated as the greatest barrier both in the 1990s and at present. While it is difficult to interpret this assessment, we can assume that at the start of self-government these limitations were totally natural, considering the enormity of need and the difficult economic situation of the first phase of economic and political transformation. In 2013–2015, however, when municipalities were significantly wealthier and EU funds were targeted at eliminating the financial barrier, the limitations may have been due to the fact that central government has progressively transferred more tasks to local governments while not providing adequate funding. It is striking that the relationship of responses from particular historic regions did not change over the time span.

A further troublesome barrier was, and still is, the existence of imperfect regulations and a defective legal system. While in the 1990s this assessment might also have been natural (both legislators and local governments were learning how to function in a new system), the continued high indication of the barrier shows the huge imperfections of the Polish legal and regulatory system (see Bober et al. 2013). In this case, the differences between regions are much greater than in the 1990s: the municipalities of Greater Poland and Galicia are now much more critical than the municipalities of the remaining two regions. In the 1990s these differences were significantly smaller.

The lack of engagement from inhabitants remains an important limitation on the activities of local governments. Apart from Greater Poland this barrier is indicated more often now than in the mid-1990s (in Greater Poland it is mentioned much less frequently).

Table 4 provides a synthesis of the changes that took place between the two periods.

Table 4

**Indices of Local Government Performance in Historical Macro-regions, 1995–1997 and 2013–2015**

Indices	W And N Ter.	Prussian Part.	Russian Part.	Austrian Part.
Number of first places 1995–1997	17	4	0	4
Number of first places 2013–2015	12	14	1	7
Average ranking 1995–1997	1.56	2.03	3.61	2.14
Average ranking 2013–2015	1.76	1.93	3.59	2.17

In all regions local governments have intensified and improved their activities in promoting local economic development. However, it is striking that the proportions of regional performance indices have changed little in comparison to the mid-1990s. The difference between the Western and Northern Territories and Greater Poland has lessened. Galicia has moved toward the pair of leaders, while the difference between Congress Poland and the rest of the country has remained at the same level. All learned, but some—the least active—learned at a slower rate. This testifies to the very stable regional diversity in the development potential of the macro-regional system of Polish local government, in accordance with Braudel's theory of the *longue durée*.

## Conclusions

The survey results show that disparities in regional performance have underpinnings in the historical layout, and the “seams of the Partitions” are still in evidence. Local governments in the Western and Northern Territories have lost their primacy in terms of using modern methods of local governance and the municipalities of the former Prussian partition (Greater Poland and portions of Silesia and Pomerania) have caught up, while retaining their traditional strong position in self-government. Secondly, local governments of the former Austrian partition, Galicia, have clearly narrowed the distance to the leaders. As before, municipalities of the former Russian partition have shown the least inclination to use proven instruments of local development. This last case is the result not only of “soft” factors but also of the structural difference of the historical region, in which there are relatively fewer cities and where a relatively greater role is played by agriculture, with all the consequences for the local economy and finances (local incomes are related to personal and corporate incomes, as well as to non-agricultural property, and the taxes derived from agriculture are much lower; state subsidies equalize the initial differentiation of incomes).

Therefore, we cannot at once assume that the distance between the leaders and the “laggards” has decreased. True, a significant part of Poland has become more uniform, and the differences between them have diminished. Yet the relative tardiness of Congress Poland’s municipalities continues to be a lasting and stable phenomenon: in the last 25 years, thanks to intensive learning processes, municipalities in the majority of the country have made concerted efforts toward local development. It would seem, however, that this process is taking place more slowly and less effectively in Congress Poland, which is relatively underdeveloped and lacking in investment, and where, as a result of the tax system bringing almost negligible tax incomes from agriculture, municipalities have lower revenues than those with a lower proportion of farmers in their social-occupational structure and have to rely on subsidies from the national budget to a higher degree.

Regional disparities in collective performance at the local level further contribute to the syndrome of differences on the historical macro-regional scale, described in section 1. Local systems located in the least developed regions of the country are also relatively the worst managed, benefited least from the post-communist transformation, and—as the results of elections demonstrate—are also inhabited by communities with the weakest pro-modernization and pro-European attitudes. At the same time, the process of learning the effective management of local matters is slowest there.

The studies also point out several important adverse phenomena whose elimination (or at least limitation) depends on the steps taken by the central government. Two forms of action appear the most important: the pro-developmental use of EU funds and reducing the effects of institutional barriers resulting from the defective legal and regulatory system. The first requires broad educational action and demonstrates that hopes of accelerating local development almost solely via improvements to infrastructure while neglecting to improve “qualitative” or “soft” factors of local development (qualifications, business-related institutions, modern forms of promotion, etc.) are unrealistic.

It is also necessary to intensify evaluation activities and acknowledge their vital importance for the effective use of EU funds. Additionally, legislation needs to be simplified,



which, as we all know, is much harder than complicating it further, as has generally occurred in the last 25 years, and not solely in Poland.

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