

Monika Płaziak, Piotr Trzepacz

Spatial distribution of EU structural funds in Poland in 2004-2006 - factors, directions, and limitations

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MONIKA PŁAZIAK, PIOTR TRZEPACZ

JAGIELLONIAN UNIVERSITY, CRACOW

SPATIAL DISTRIBUTION OF EU STRUCTURAL FUNDS IN POLAND IN 2004–2006 – FACTORS, DIRECTIONS, AND LIMITATIONS

ABSTRACT: In 2004, Poland joined the European Union. This access means the possibility of taking advantage of European Union Structural Funds. Apart from this the structural funds play another important role. The popularity of the idea of European integration in countries like Poland depends largely on the effectiveness of this financial support, which theoretically should lead to economic and social development on different levels (local, regional, national, and even continental). The main problem of relying on EU funds is their unequal availability, which is limited, for example, because of the granting principles.

KEY WORDS: EU Structural Funds, infrastructure, localization factor.

INTRODUCTION

Statistics of EU Structural Funds projects allowed carrying out an analysis of their spatial distribution in Poland on different levels of spatial units. On the level of regions (in Poland – the voivodeships), such researches can show the correlation between the deficit of infrastructure and the importance of EU Structural Funds as a tool which can resolve this problem. This level of analysis should especially be concentrated on the so-called “Eastern Wall” (“Ściana Wschodnia” in Polish) of Poland. EU funds distribution can develop such regions and make them more competitive.

Factors of spatial distribution should emerge from the localization of particular projects in selected voivodeships. The main research aim of this analysis is to describe the impact of a gmina (the lowest level of the administrative division in Poland) localization towards main metropolitan areas (generally

a voivodeship's capital city). The author finds the lion's share of projects linked with EU Structural Funds is realized in the direct neighbourhood of the larger urban areas of Poland. Positive verification of this assumption will (unfortunately) prove a popular opinion that a process of peripherisation of considerable zones of Poland is deepening. EU funds directed to these areas are limited, and the main reason for this situation is that they have no financial possibility to participate in the costs of implementation of such projects. Poland, as a young member of the European Union, has to learn what the possibilities are and how to use them correctly, not only from a local, regional, or national point of view, but from a continental one as well.

EU STRUCTURAL FUNDS IN POLAND IN THE 2004–2006 PERIOD

According to the data of the Ministry of Regional Development (Ministerstwo Rozwoju Regionalnego) in Poland in the 2004–2006 period, our country received the sum of 204,610,110,117 PLN (approx. 5 billion EUR) from EU Structural Funds. In this initial membership period, over 20 billion PLN was directed for structural funds beneficiaries in Poland. Groups of recipients were very differentiated both functionally and spatially. An important part of the funds was used by initiatives undertaken by particular units of Polish administrative divisions, by their different levels – from voivodeships (the regional level), poviats (the second level of local government administration in Poland), gminas (or groups of such units), higher education institutions (i.e. universities), enterprises, and others. Also, the Catholic Church in Poland received financial support for projects connected especially with improving security of sacral objects or for conservation works (mainly churches from the list of heritage buildings).

European Union structural funds for the first period of Poland's membership were divided into 5 sectoral programmes and the Integrated Regional Operating Programme. Sectoral funds are connected with those areas of social and economic development where deficits observed should be minimized, especially in the context of reducing disparities between particular areas.

The main part of European Union structural funds is connected with infrastructure development. This development has both quantitative and qualitative aspects. The struggle against the infrastructure's deficit and an improvement of this sphere seems to be the most important aim of this part of the financial support from the European Union to many Polish regions. The relations between infrastructure and development (Węclawowicz, Bański, Degórski, Komornicki, Korcelli, Śleszyński 2006) shows that the meaning of financial support in this area seems to be the most important. It is also important to note that not only transportation infrastructure received this financial support, but

social infrastructure also received support for projects like healthcare objects revitalization, school standards improvement, etc. The Sectoral Operational Programme “Transport” and the Integrated Regional Operational Programme contained 61% of all structural funds, almost 4 billion PLN for the former and over 8 billion PLN for the latter (Fig. 1).

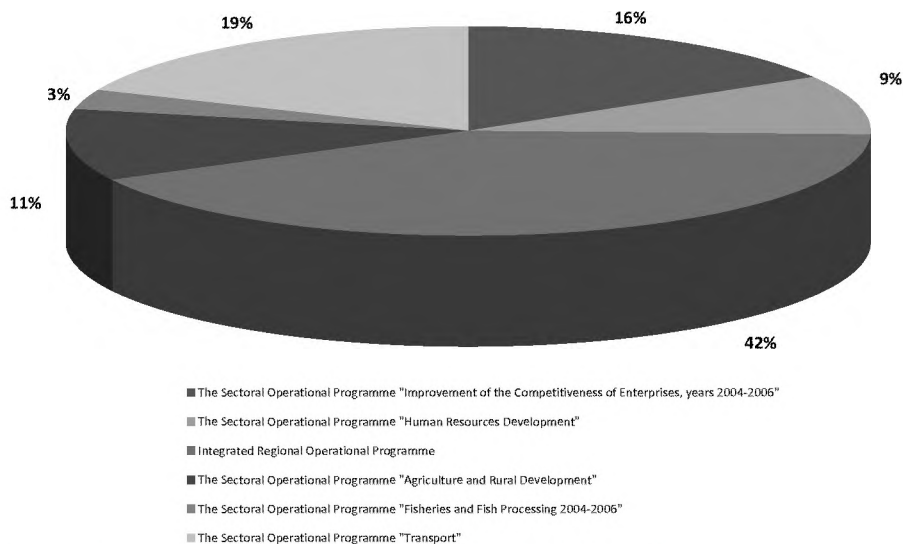


Fig. 1. Structure of EU Structural Funds in Poland in 2004–2006

Source: author’s research based on Polish Ministry of Regional Development data (www.mrr.gov.pl)

This programme tries to meet a very wide group of needs (Fig. 2), from local to regional level, from infrastructure and human resources development to technical assistance.

The concentration on infrastructure development as a key to success is often undermined. The example of Eastern Germany shows that infrastructure development doesn’t have to activate any area enough to stop depopulation.

Some sectoral programmes were mostly directed to a rather narrow group of recipients, like the Sectoral Operational Programme “Fisheries and Fish Processing 2004–2006”. This programme, connected with fishery, structurally had the lowest importance, with only a 3% share in total amount of EU funds. The role of this programme was correlated with that of the whole sector in the region or in the country. Fishery has a defined geographical scope and is linked with the importance of fishery for particular regional economies.

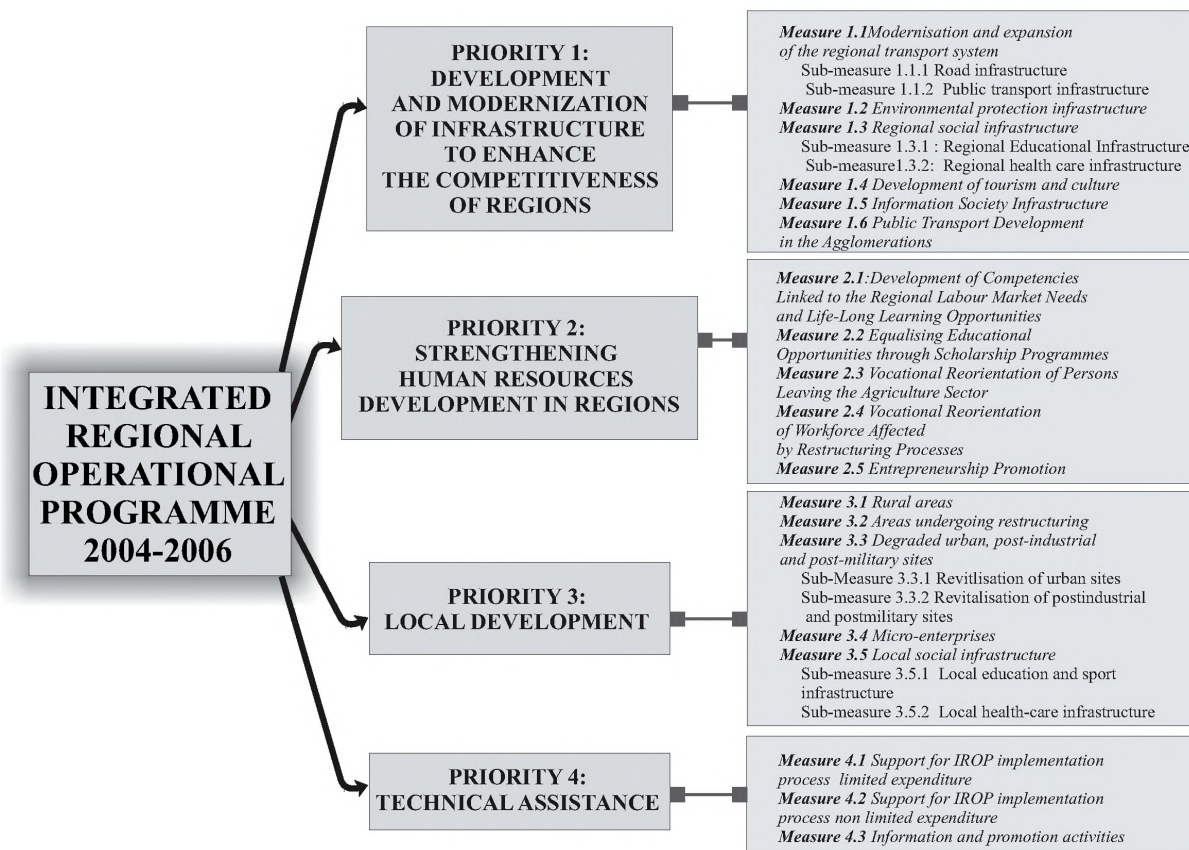


Fig. 2. Integrated Regional Operational Programme 2004–2006 – Priorities and Measures

Source: author's research based on Polish Ministry of Regional Development data (www.mrr.gov.pl)

Sectoral programmes gain results mainly due to the structure of the national economy. Poland, as a country of considerable economic and social importance in the agricultural sector, has to deal with the consequences of political and social transition in this sector. The Sectoral Operational Programme “Agriculture and Rural Development” is viewed as financial support for this. The main aim of this programme is to strengthen the sector in order to make it competitive on the European market. Of course, this kind of support is only a partial solution, not limiting other kinds of support (i.e. the problem of holding size). 11% of the share in EU Structural Funds are devoted to this sector and shows how important the sector is. Therefore, it has a considerable share of EU financial support.

The idea of “competitiveness strengthening” is a common aim of EU financial help. Also the improvement of this aspect of the functioning of Polish enterprises is an important aim, concentrating 16% of all structural funds. The most important group of resources is concentrated in the Sectoral Operational Programme “Improvement of the Competitiveness of Enterprises”.

SPATIAL DISTRIBUTION OF EU STRUCTURAL FUNDS IN POLAND

In a generalized view, the greatest part of European Union funds was directed to the most populated voivodeships (Mazowieckie, Śląskie, Wielkopolskie), but in some cases a direct relation between the share of structural funds and the share of population was disordered (Fig. 3). There are two types of exceptions. The first and most visible is that of the Zachodniopomorskie voivodeship whose share in the total of the national population is small (4% giving it only the 11th place), but its share in EU financial support is among the greatest. In general, the northern voivodeships of Poland form a group of regions where the idea of EU Structural Funds use is more developed (Fig. 4) than in other areas.

The value of projects belonging to different sectoral programmes also has spatial disparities. In the case of the agriculture and fishery programme, these values depended on the economical and social importance of these sectors (Fig. 5). The agricultural areas of Poland are especially interested in financial support from the Sectoral Operational Programme “Agriculture and Rural Development”. The greatest numbers of projects and their values are concentrated in north-eastern Poland and in the central voivodeships. The voivodeships of Wielkopolskie and Kujawsko-pomorskie, with relative good level of agriculture showed strong interests in the use of the EU Structural Funds.

The Sectoral Operational Programme “Fisheries and Fishing Processing” projects are realized in all voivodeships (because of inland fishery), but this programme was most important for coastal voivodeships dealing with the problems of maritime fishery as an important branch of their economy. The

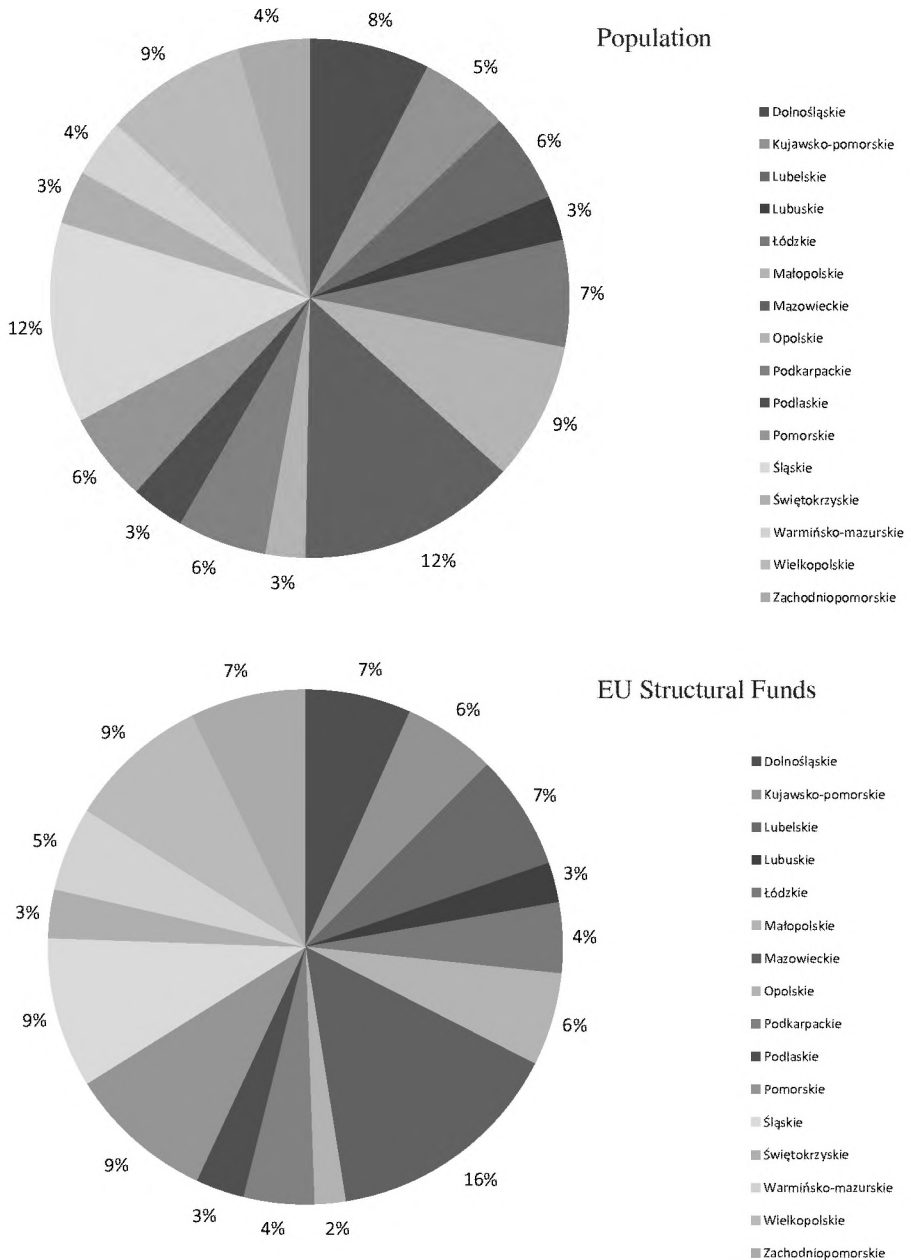


Fig. 3. Geographic structure of EU Structural Funds share and population number in 2004–2006

Source: author's research based on Polish Ministry of Regional Development data (www.mrr.gov.pl)

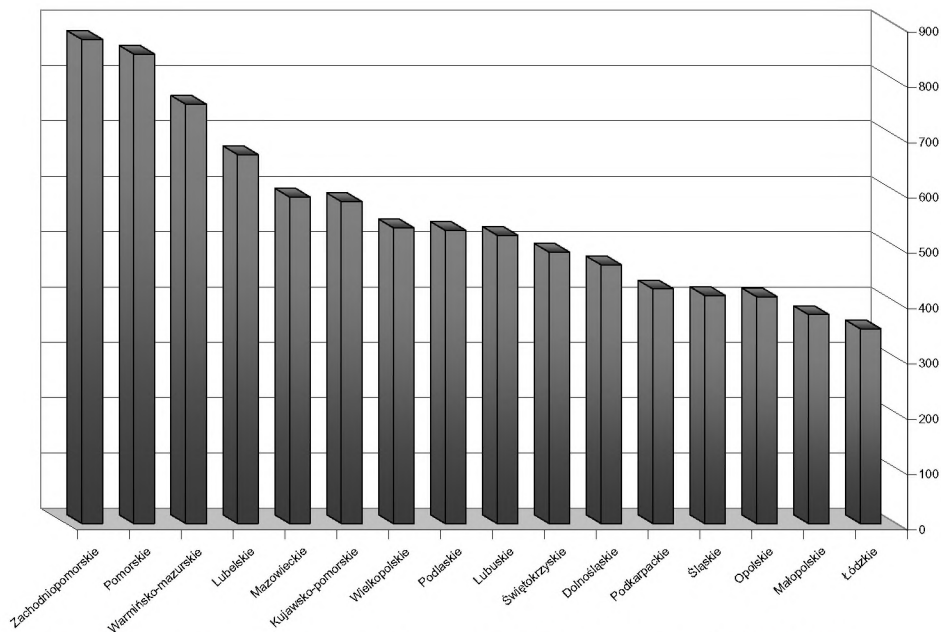


Fig. 4. Value of EU co-financed projects in Polish voivodeships in 2004–2006

Source: author's research based on Polish Ministry of Regional Development data (www.mrr.gov.pl)

voivodeships of Zachodniopomorskie and Pomorskie also took the greatest part of this financial support for their port infrastructure revitalization and development, modernization of fishery fleets and scrapping of old ships out of use.

The Integrated Regional Operational Programme presents interesting spatial distribution where the outer regions (voivodeships) of Poland (border and coastal) are characterized by a much greater amount of co-financed project values. The internal regions present a rather visibly lower importance from this point of view. External regions are dealing with a visible deficit of infrastructure in this way. Sewage and waterworks system density shows correlated spatial disparities. The southern part of Poland presents a different position at the transportation infrastructure development level. Still the historical factor (the partition period) makes the final decision on the spatial distribution of projects connected with this kind of infrastructure. This factor not only works for quantitative aspects, but also impacts the qualitative aspect. In southern Poland (especially in Upper Silesia), these projects were connected mostly with infrastructure improvement. Other voivodeships, because of another level of development, show more interest in qualitative growth, i.e. that of road systems. This is a partial explanation of the spatial distribution of the Sectoral Operational Programme "Transportation".

Sectoral Operational Program
"Improvement of the Competitiveness of Enterprises"



Sectoral Operational Program
"Human Resources Development"



Integrated Regional Operational Program



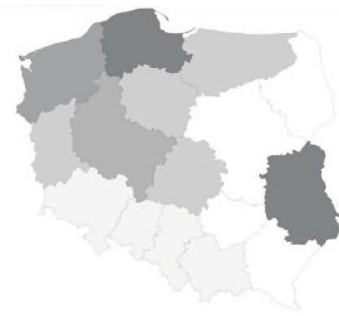
Sectoral Operational Program
"Agriculture and Rural Development"



The Sectoral Operational Program
"Fisheries and Fishing Processing"



The Sectoral Operational Program "Transport"



Value of projects in PLN / per capita

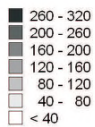


Fig. 5. Value of EU Structural Funds in Poland in 2004–2006

Source: author's research based on Polish Ministry of Regional Development data (www.mrr.gov.pl)

The reasons for such spatial distribution of infrastructural projects for external voivodeships can also result from their border function. A detailed analysis of project localization shows that border crossing infrastructure development is often realized with the help of the European Union.

FACTORS INFLUENCING SPATIAL DISTRIBUTION OF EU STRUCTURAL FUNDS IN POLAND

The local level of EU financial support distribution shows a more detailed perspective of the impact of particular factors. The author has selected 4 voivodeships for detailed project localization analyses. Factors of these selections were: regional settlement system features, existence of national borders, and in some cases (Zachodniopomorskie and Dolnośląskie voivodeships) functions showing spatial concentration (tourist function of the coastal zone in first case and the mountains in the second).

Cities and urban areas are much more active in the process of the EU fund raising than rural areas in Poland. EU structural policy secures particular support

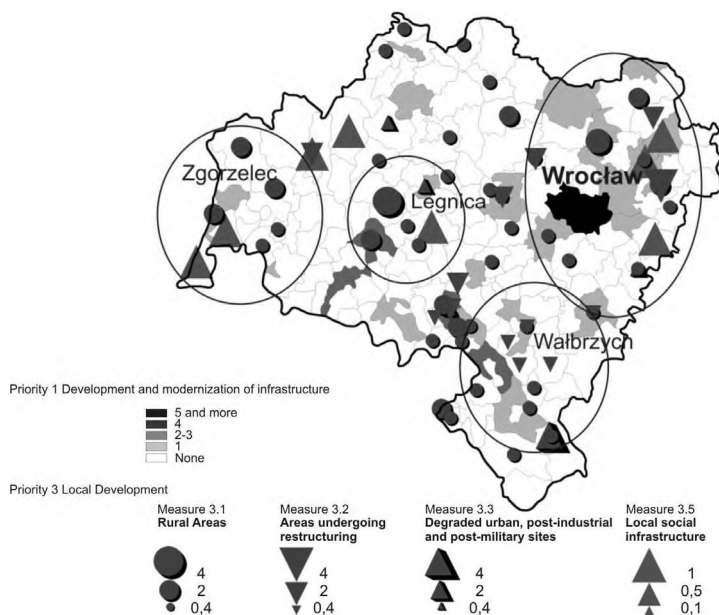


Fig. 6a. Projects co-financed by Integrated Regional Operational Programme in Dolnośląskie voivodeship in 2004–2006

Source: author's research based on Polish Ministry of Regional Development data (www.mrr.gov.pl)

for urban areas (Litwińska, 2006). Also the size and functions of a city matter. Cities with developing suburban zones concentrate on project localization (supported by the European Union). This situation is caused by a multifactor impact. In some cases, a neighbourhood with such an area was a factor of infrastructure

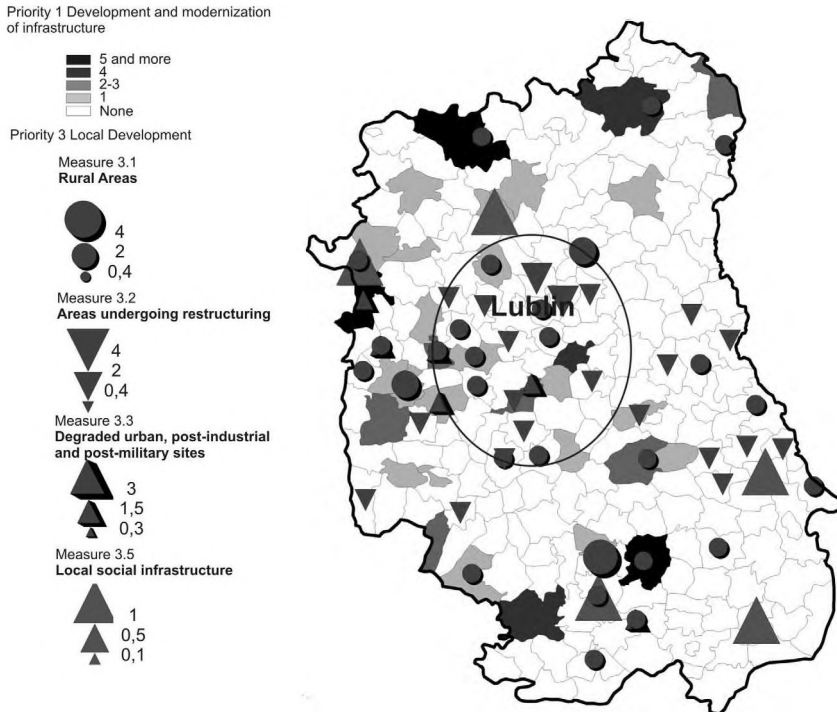


Fig. 6b. Projects co-financed by Integrated Regional Operational Programme in Lubelskie voivodeship in 2004–2006

Source: author's research based on Polish Ministry of Regional Development data (www.mrr.gov.pl)

development in the surrounding areas; economically and technically, it is easier to affix planned investments to existing nodes (cities). Other factors are connected with land prices in such areas – greater incomes bring resources for partial project financing. There are also social impacts on the level of project interest in suburban areas. The local population, connected economically, educationally or culturally with the centre of an agglomeration, expects at least the same level of infrastructure availability as in the nearby city. In all the analysed voivodeships, the surroundings of their capital cities pull in infrastructure development and strengthen their competitiveness projects. The suburban zones of Wrocław

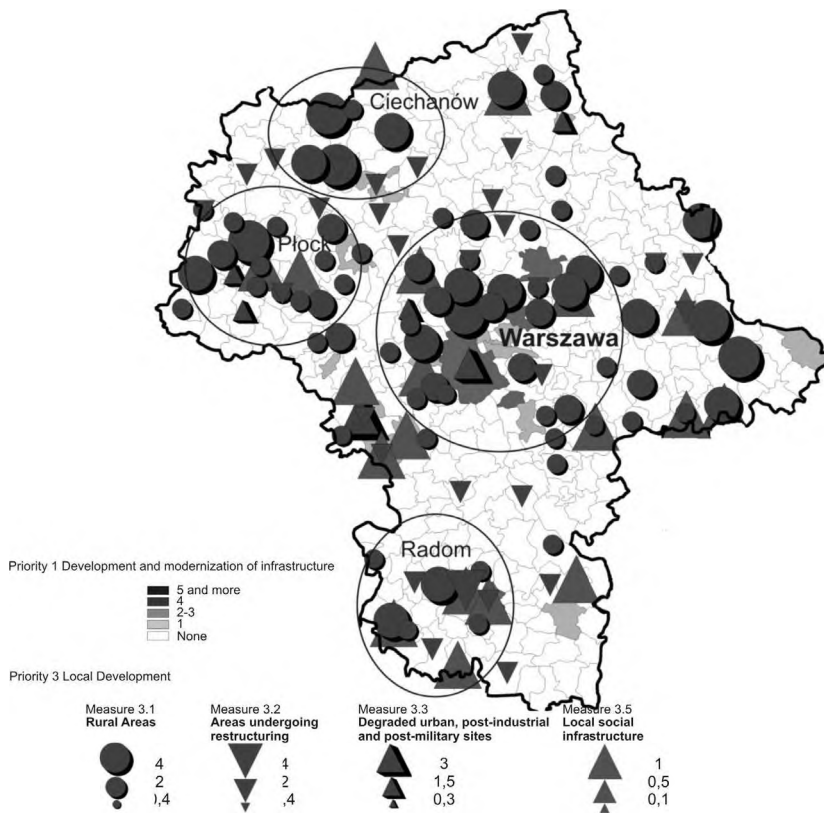


Fig. 6c. Projects co-financed by Integrated Regional Operational Programme in Mazowieckie voivodeship in 2004–2006

Source: author's research based on Polish Ministry of Regional Development data (www.mrr.gov.pl)

(Fig. 6a), Lublin (Fig. 6b) Warsaw (Fig. 6c), and Szczecin (Fig. 6d), as well as those of smaller but equally important urban centres, are creating “collars” of areas financed with the help of European Union project concentration.

In the case of border voivodeships, border crossing localization influences interest, especially in infrastructure development. A greater part of the realized projects between 2004 and 2006 were connected with the improvement of border crossings, both with internal European Union borders (between Poland and other members of the EU) and with external borders with the countries of Eastern Europe. In both cases, improvement is a strategic aim. Internal borders need solutions which could minimize the time of clearance as well as some investment in the quality of infrastructure (i.e. approach road systems). In the case of external

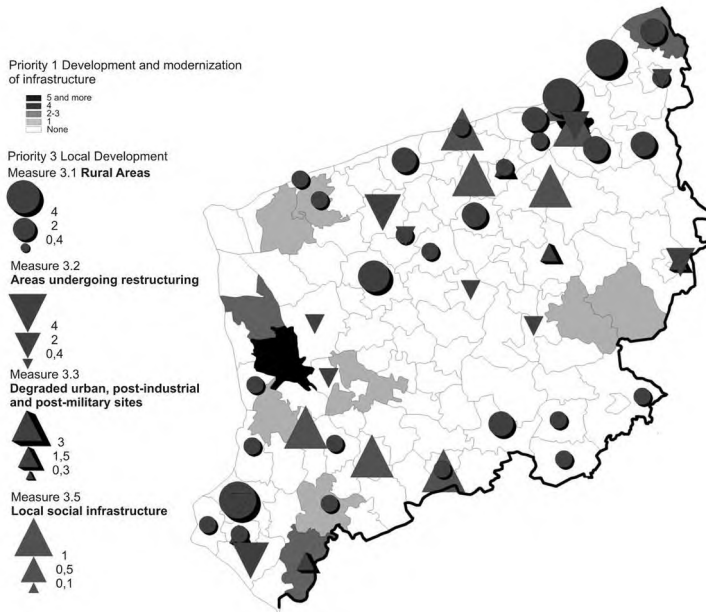


Fig. 6d. Projects co-financed by Integrated Regional Operational Programme in Zachodniopomorskie voivodeship in 2004–2006

Source: author's research based on Polish Ministry of Regional Development data (www.mrr.gov.pl)

borders of the European Union (as with the eastern Polish border), solutions improving their functioning are also needed.

Tourism also has an impact on the concentration of EU co-financed projects. This is the case of the Zachodniopomorskie voivodeship. The entire coastal zone is covered by these projects. But in this case, the role of tourism is due mostly to the higher incomes of particular administrative units. Gminas of the coastal zone belong to the richest in Poland (i.e. Międzyzdroje or Rewal). From this point of view, their tourist function should be recognized rather as an indirect factor raising the activity of the local government, enterprises or institutions in the field of European financial support use.

LIMITATIONS OF EU STRUCTURAL FUNDS USE

The role of European funds distribution is based on the idea that an interested administrative spatial unit, institution or enterprise is able to invest in a partially

presented project, limiting the number of theoretical recipients. There is also a specified limit of the sum which an administrative body is allowed for project realization. The share of self-resources depends on the level of economic development of a given area (on the regional level). The poorer regions with smallest GDP values receive the greatest support from EU Structural Funds (Fig. 7). The divergence between regions of the greatest and smallest shares of EU Structural Funds in project costs amounts to 20–30 – from over 70% to less than 50%. Poor voivodeships like Podkarpackie, Świętokrzyskie and especially Lubelskie (the poorest region of the European Union in 2006), belong to the first group. In their case, external resources are the main source for infrastructure development. On the opposite side there are the regions of Pomorskie, Dolnośląskie and a few others where self-resources have to be much greater.

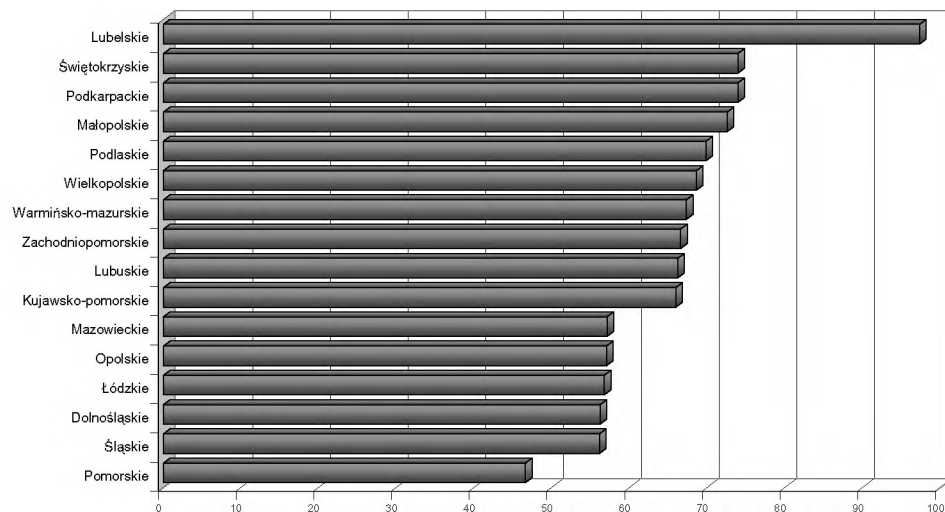


Fig. 7. Share of EU financial support in 2004–2006

Source: author's research based on Polish Ministry of Regional Development data (www.mrr.gov.pl)

Besides the economic factor, which creates spatial disparities of fund distribution, there are other factors which generally reduce the level of EU financial support. People, institutions, and administration in new EU member countries are not well prepared for constructing projects correctly. Theoretically, after the first period of experiences, the level of the use of EU Structural Funds should be higher in the next period between 2007 and 2013.

CONCLUSIONS

An unequal distribution of European Union Structural Funds can be observed on different levels of a spatial analysis. Regional and interregional disparities are visible. The problem of funds distribution relies on the divergence between areas of localization needs and the value of areas where projects are realised – peripheral areas are left behind the main zones of EU financial support use. This situation deepens the disparities. In fact, European Union Structural Funds do not reduce the differences at the development level. The main reasons of these divergences are the economic conditions of particular administrative units. Only well organized state or regional support can improve this system to make it more equally available and actually improve the situation of infrastructural equipment.

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CORRESPONDENCE TO:

Monika Płaziak
Jagiellonian University
Institute of Geography and Spatial Management
Gronostajowa 7, 30-387 Kraków, Poland
[e-mail: mplaziak@glor.geo.uj.edu.pl]

Piotr Trzepacz
Jagiellonian University
Institute of Geography and Spatial Management
Department of Geography of Population, Settlement and Farming
Gronostajowa 7, 30-387 Kraków, Poland
[e-mail: trzepacz@glor.geo.uj.edu.pl]