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**REGIONAL POLICY FOR RURAL REGIONS
IN EASTERN POLAND 2007-2013**

*POLITYKA REGIONALNA DLA OBSZARÓW WIEJSKICH
W POLSCE WSCHODNIEJ W LATACH 2007-2013*

Key words: Eastern Poland, regional policy, rural areas

Słowa kluczowe: Polska Wschodnia, polityka regionalna, obszary wiejskie

Abstract. The article analyses the regional and cohesion policy background for establishing the major instruments of EU regional policy for Eastern Poland, namely the Operational Programme Development of Eastern Poland for 2007-2013 and five Regional Operational Programmes for Warmińsko-Mazurskie, Podlaskie, Lubelskie, Świętokrzyskie and Podkarpackie Voivodships. The discussion focuses on their role not only in evening interregional disparities, but also in supporting rural regions lagging behind in economic development. This gives basis to concluding on the model of regional policy applied in Eastern Poland in 2007-2013 and its adequacy to existing social and economic conditions.

Introduction

EU enlargements, which have taken place six times¹ since Treaty of Paris (signed 1951) and two Treaties of Rome (signed 1957), revealed a considerable differentiation of regional development among and within Member States. Especially the last-but-one enlargement in 2004² increased the development gap between wealthy regions and those lagging behind in social and economic development [A new partnership... 2004, Growing Regions... 2007]³. Apart from international differences there are also significant disparities between regions within countries. Reducing these disparities is a major challenge for the regional and cohesion policies of EU. What is more, some regions experience considerable internal development disparities between rural and urban areas [Rakowska 2009], which make a serious challenge for governments both on national and regional levels.

Eastern Poland is a most distinguishing example of a lagging macro region both in the scale of the country and the entire EU. This macro-region comprises of five voivodships (NUTS 2 regions) which are called Warmińsko-Mazurskie, Podlaskie, Lubelskie, Świętokrzyskie and Podkarpackie. They are situated in the north-eastern and eastern parts of Poland. Borders of three of them make at the same time eastern external borders of the EU. According to GDP⁴ per capita value, all these five voivodships were classified as the poorest regions [www.eurostat.ec.europa.eu] of EU-25, constituting the most economically peripheral EU area at that time. Their growth potential is unused. They come across most complicated development bottlenecks such as combination of human capital outflow, aging and low level of education of remaining population, unemployment, domination of agriculture in the regional economy, very few scarcely dispersed cities of considerable economic potential, insufficient transportation and social infrastructure, lack of external investors and weakness of local SMEs, to mention only the most unfavourable factors [Operational Programme... 2008].

¹ Great Britain, Denmark and Ireland in 1973 (9 Member States in total), Greece 1981 (10 MS), Spain and Portugal in 1986 (12 MS), Austria, Sweden and Finland in 1995 (EU-15), Poland, Czech Republic, Slovakia, Hungary, Lithuania, Latvia, Estonia, Slovenia, Cyprus and Malta in 2004 (EU-25), Rumania and Bulgaria in 2007 (EU-27).

² The largest accession in the history, when ten new member states including Poland joined EU.

³ In accordance with Treaty Article 159, every three years the Commission evaluates the status of cohesion policy and the contribution of other Community policies.

⁴ The role of GDP as an indicator of development has been recently discussed in Communication from the Commission to the Council and the European Parliament [GDP and beyond... 2005].

Significant outward migration from rural areas is still the prevailing trend in large parts of the EU⁵, including Eastern Poland. The lack of job prospects outside agriculture and lower living standards drive people, especially the young and qualified, to seek opportunities elsewhere. This has cumulative effects on the areas concerned, leaving them with an ageing population and shrinking basic services [A new partnership... 2004, Growing Regions... 2007, Investing in Europe's... 2010].

Intensified integration process in EU favourable to strong and rich regions may however increase and strengthen threats to such less developed regions and over a longer time perspective will maintain or even deepen disproportions in regional development. Such effect is most undesirable not only from the viewpoint of Poland's economy but also from the perspective of the European Union cohesion.

Experience of the previous financial perspective of 2000-2006 (2004-2006 for Poland) showed that regions and beneficiaries from Eastern Poland were less competitive in getting funds under sectoral operational programmes than others [Operational Programme... 2008]. Thus they did not benefit from those instruments of support offered by regional policy as much as those more competitive ones, which resulted in widening regional disparities.

Taking the above into consideration, in 2005 Luxembourg presidency proposed and the Council of Europe approved to establish a new regional policy instrument for Poland – the Operational Programme Development of Eastern Poland for 2007-2013 (OPDEP), financed under the European Regional Development Fund and co-financed from national funds. OPDEP is also considered an instrument of renewed Lisbon strategy.

To strengthen the impact of actions taken under the OPDEP and support development processes in regions of Eastern Poland, the Government of the Republic of Poland established 16 operational programmes – one for each voivodship (including five regions of Eastern Poland) and assigned certain funds for each, thus balancing the less competitive position of Eastern Poland's regions in absorbing and effectively using EU and national funds.

Additionally to their poor economic and social conditions when compared to the entire country and to other EU regions, regions of Eastern Poland are also differentiated internally, especially when it comes to the breakdown into urban and rural areas⁶. It has often been stressed that evening up the levels of socio-economic development between regions should be transformed into support for both competitiveness as well as cohesion. OECD [2009a,b] work suggests that there is no one-size-fits-all answer to regional growth policy. Regions grow, stagnate and degrade in very varied ways. Hence the questions:

- 1) What role do the above mentioned instruments play in evening intra-regional disparities between rural and urban areas in Eastern Poland?
- 2) Will the effects of internal cohesion building be sufficient to build up competitiveness of Eastern Poland?
- 3) What is the regional policy model⁷ realized in the process of implementation of the above mentioned instruments: is it a regional policy aimed at supporting cities perceived as engines of development of the whole region – regional policy model based on the increase of competitiveness of development centres and diffusion of advantages? Or is it a regional policy based on the model of equalisation aimed at supporting lagging areas, including rural areas, in their efforts to decrease development disparities?
- 4) And finally, is it a policy adequate to problems which are to be solved?

Aims

Although it is the second pillar of Common Agricultural Policy that plays the crucial role in supporting rural development, EU's regional policy may theoretically influence such areas as well. Thus the main aim of the article was to analyse the regional and cohesion policy background for establishing the discussed programmes, to analyse their main aims and to define whether regional

⁵ Notably in the South of Italy, the North of Finland, Sweden and Scotland, Eastern Germany and in the eastern parts of Poland.

⁶ Rural areas of the whole country, thus including also Eastern Poland are strongly supported by actions taken under the second pillar of Common Agricultural Policy, however their construction does not support Eastern Poland in a particular way when compared to other regions.

⁷ The current dilemma of regional policy in Poland is whether to realise the model of equalization *or* the model based on competitiveness and cohesion [Rakowska 2011].

policy has any special instruments addressed directly to the rural areas lagging behind in economic development and, if so, what instruments they are. Another aim was to answer the questions put forward at the end of the Introduction: what model of regional policy is it? Is it adequate to reduce intraregional disparities between rural and urban areas?

Methods

The research and discussion presented in the article are based both on the analysis of EU and Polish documents and findings of statistical analysis explaining reasons for establishing new instruments of regional policy aimed exclusively at reduction of regional disparities between five voivodships of Eastern Poland, the most backward and economically peripheral regions of EU-25, and the rest of EU as well as importance of their effective implementation for cohesion of the EU.

As there are six instruments under consideration, namely the Operational Programme Development of Eastern Poland for 2007-2013 (OPDEP) and five Regional Operational Programmes for Warminsko-Mazurskie [Board of Warminsko-Mazurskie 2007], Podlaskie [Board of Podlaskie 2007], Lubelskie [Board of Lubelskie 2007], Świętokrzyskie [Board of Świętokrzyskie 2008] and Podkarpackie [Board of Podkarpackie 2007], the author also analyses relation between their objectives and their implementation.

Results

Analysis of priorities and aims of the Operational Programme Development of Eastern Poland. On October 2, 2007 the European Commission approved the Operational Programme Development of Eastern Poland for 2007-2013. It falls within the framework laid out for the Convergence Objective and has a total budget of around 2.7 billion EUR. Community investment for five Polish regions through the European Regional Development Fund (ERDF) amounts to some 2.3 billion EUR, which represents approx. 3.4% of the total EU investment earmarked for Poland under the Cohesion Policy for 2007-2013.

The internal structure of OPDEP's aims and financial allocations for their realisation was elaborated on the basis of 29 in-depth analyses⁸ of different aspects of development barriers, development potential and development opportunities identified both for the five voivodships individually and for the Eastern Poland as a whole. In the effect OPDEP was created as a semi-national, semi-regional programme to be implemented at the national level but also addressing the needs of individual regions involved. The concept of the Programme has been based on so-called „flagship projects” which are beneficial to all five regions and aimed at stimulation of economic growth, overcoming stagnation and thus accelerating economic and social development.

In relation to EU Lisbon Strategy, the OPDEP is mostly growth and jobs oriented and it will spend more than 43% of its total budget on achieving such objectives as annual GDP increase by 1.38% and creating up to 13610 new jobs every year. The Programme is also to strengthen the economic potential of the regions and generate long-term productivity gains in the five regions covered. OPDEP consists of 6 priority axes, aimed at:

Axis 1 „Modern Economy” (approx. 34.7% of total funding)

- creating the long-term basis for innovative change in the economy of Eastern Poland, existing tertiary institutions are supported in the area of engineering and technical studies so as to provide a better knowledge base for innovation,
- improving cooperation between business and science/ research sectors by supporting research facilities, business and technological parks, and cluster management,
- designing a portfolio of financial instruments such as seed capital with help from the European Investment Fund in order to meet the specific development needs of small and medium-sized enterprises (SMEs),
- creating cooperation networks between regions, including a common promotional campaign targeting investors.

Axis 2 “Information Society Infrastructure” (approx. 11.3% of total funding):

- eliminating the „digital exclusion” within the regions by offering the possibility of broadband Internet access to all citizens and firm; in view of the peripheral location of these regions, a specialised training component will be provided to ensure that the opportunities offered by the Internet are used to their maximum.

⁸ All analyses and experts' reports are available in Polish at [www.polskawschodnia.gov.pl/y-RaportyPodsumowania/Strony/default.aspx#zakladka=2&strona].

Axis 3 “Regional Growth Centres” (approx. 19.9% of total funding):

- providing better public transport, including better connections from adjacent rural areas, in an effort to increase their attractiveness for citizens and investors and to increase their economic spill-over effects,
- supporting investments in conferences/exhibition centres as a way to encourage local entrepreneurs and open up market opportunities for them.

Axis 4 “Transport Infrastructure” (approx. 29.0% of total funding):

- opening up the regions to national and European transport systems by investing in national and regional roads, it concentrates on seven identified corridors which link the regions to the main network.

Axis 5 “Sustainable Tourism based on Natural Assets” (approx. 2.1% of total funding):

- offering unique attractions to tourists and enabling the region to build on its environmental potential and develop active tourism, one of the key economic drivers behind new jobs and growth,
- developing promotional campaign and marketing plan to promote the region as an ideal place for living, working and leisure.

Axis 6 “Technical Assistance” (approx. 3.0% of total funding):

- supporting project implementation, management and information systems.

Analysis of actions taken under OPDEP within specified priority axes shows that there are no special measures supporting particularly rural areas of Eastern Poland and balancing their disadvantageous position in applying for EU funds, while the aims of the programme often indicate a direct or indirect support for urban areas, with only strengthening transportation and communication links between rural and urban areas of this macro region.

No axis has been exclusively addressed to prospect beneficiaries in rural areas. Thus they have to compete for funds with applicants from urban areas, who are more competitive due to their greater ability to find their own financial resources necessary to co-finance projects according to the principles of regional policy.

Synthesis and analysis of priorities and aims of five operational regional programmes. Regional Operational Programme for Warminsko-Mazurskie Voivodship [2007] is divided into 8 following priority axes: Axis 1 “Entrepreneurship”, Axis 2 “Tourism”, Axis 3 “Social Infrastructure”, Axis 4 “Development, Restructurisation and Revitalization of Cities”, Axis 5 “Regional and Local Transportation Infrastructure”, Axis 6 “Natural Environment”, Axis 7 “Infrastructure of the Information Society” and Axis 8 “Technical Assistance”.

Regional Operational Programme for Świętokrzyskie Voivodship [2008] is divided into 7 priority axes: Axis 1 “Development of Entrepreneurship”, Axis 2 “Support for Innovativeness, Building Information Society and Increasing Investment Potential of the Region”, Axis 3 “Improving the Quality of Communication System in the Region”, Axis 4 “Development of Infrastructure of Natural Environment Protection and Energy”, Axis 5 “Better Quality of Social Infrastructure and Investments in Cultural Inheritance, Tourism and Sports”, Axis 6 “Strengthening Cities and Revitalisation of Towns”, Axis 7 “Technical Assistance”.

Regional Operational Programme for Podlaskie Voivodship [2007] is divided into 7 priority axes: Axis 1 “Increase in Innovativeness and Support for Entrepreneurship in the Region”, Axis 2 “Development of transportation infrastructure”, Axis 3 “Development of tourism and culture”, Axis 4 “Information Society”, Axis 5 “Development of Infrastructure of Natural Environment Protection”, Axis 6 “Development of Social Infrastructure”, Axis 7 “Technical Assistance”.

Regional Operational Programme for Podkarpackie Voivodship [2007] is divided into 8 priority axes: Axis 1 “Competitive and Innovative Economy”, Axis 2 “Technical Infrastructure”, Axis 3 “Information Society”, Axis 4 “Natural Environment Protection and Prevention from Threats”, Axis 5 “Public Infrastructure”, Axis 6 “Tourism and Culture”, Axis 7 “Intra-regional Cohesion”, Axis 8 “Technical Assistance”.

Regional Operational Programme of Lubelskie Voivodship [2007] is divided into 9 priority axes: Axis 1 “Entrepreneurship and Innovations”, Axis 2 “Economic Infrastructure”, Axis 3 “Attractiveness of Urban Areas and Investment Lots”, Axis 4 “Information Society”, Axis 5 “Transportation”, Axis 6 “Natural Environment Protection and Environment-friendly Energy”, Axis 7 “Culture, Tourism and Interregional Cooperation”, Axis 8 “Social Infrastructure”, Axis 9 “Technical Assistance”.

Although the above list presents priorities of five OPs very briefly, the in-depth analysis of programme documents proved that – just like in case of OPDEP – under the five discussed operational programmes there are no axes directly addressing rural areas and problems cumulated there,

while as much as three axes (Axis 4 “Development, Restructurisation and Revitalization of Cities” under OP for Warmińsko-Mazurskie Voivodship, Axis 3 “Attractiveness of Urban Areas and Investment Lots” under OP for Lubelskie Voivodship, Axis 6 “Strengthening Cities and Revitalisation of Towns” under OP for Świętokrzyskie Voivodship) are meant for urban areas exclusively.

In the six discussed regional policy instruments established for Eastern Poland, there are no special measures undertaken for rural areas exclusively. Potential beneficiaries from rural and urban areas are mostly treated by the programmes rules equally, except action listed above and addressed to cities and towns only. In practice such equality means unequal treatment [Rakowska and Wojewódzka-Wiewiórska 2010] as, according to experience of the previous programming period 2004-2006, potential rural beneficiaries are in a far more disadvantageous position when applying for EU and national funds due to e.g. their lack of finance required by the rule of co-financing [Rakowska 2010].

Conclusions

In case of Eastern Poland regional policy tends to support cities and urban areas more than rural areas, which indicates that it is a regional policy model aimed at the increase of competitiveness of development centres and diffusion of advantages. However, scarce urban centres of considerable potential, situated far away from each other are not factors strong enough to influence surrounding rural areas in a way sufficient to even intra-regional disparities, and at the same time to strengthen regions' competitiveness so that the interregional disparities could also be reduced.

So, although the regional policy instruments are much better adjusted to the needs of Eastern Poland in present programming period 2007-2013, their construction based on development of urban-metropolitan centres may not be very effective, as this is a macro region with predominant rural areas, of which a considerable share are those of peripheral character. Discussed programmes tend to channel funding mostly towards the relatively better developed areas of Eastern Poland. In the effect intraregional disparities may increase.

Regional policy instruments for Eastern Poland should, in author's opinion, address problems and needs of both rural and urban areas within the macro region, in order to achieve internal and external cohesion. The present structure of regional policy instruments for Eastern Poland, although much better tailored than those in previous programming period, are still not fully adequate to the needs of the macro region and objectives of cohesion of Poland and EU.

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Streszczenie

Artykuł przedstawia główne instrumenty unijnej polityki regionalnej dla Polski Wschodniej, tj. Program Operacyjny Polska Wschodnia, PO Warmia i Mazury, PO Województwa Świętokrzyskiego, PO Województwa Lubelskiego, PO Województwa Podlaskiego i PO Województwa Podkarpackiego na lata 2007-2013, na tle głównych założeń i priorytetów unijnej polityki regionalnej i polityki spójności. Opracowanie koncentruje się na roli wymienionych instrumentów nie tylko w wyrównywaniu międzyregionalnych różnic, ale także na ich roli pomocowej dla obszarów wiejskich, a tym samym dla wyrównywania wewnątrzregionalnych różnic rozwojowych. Stanowi to jednocześnie podstawę dla wniosków dotyczących modelu polityki regionalnej realizowanego w Polsce Wschodniej w latach 2007-2013 i jego dostosowania to istniejących uwarunkowań społeczno-ekonomicznych.

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