

## CONVERGENCE PROCESSES IN POLISH VOIVODSHIPS – SELECTED ASPECTS

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**Abstract:** The main goal of the article is to analyze the cohesion policy, and its impact on social, economic and spatial instruments, which act to eliminate the disproportions of Polish voivodships. The main thesis of the article is to convince the author of the significant influence of regional development policy on the convergence processes. These activities aimed at bridging the differences in the analysis of polish voivodships often cause weakening of internal development mechanisms, conditioned for example by the diversity of spatial human activity. Convergence processes and simultaneous development of voivodships are possible and necessary. In addition, their effectiveness is strictly dependent on comprehensive exogenous and endogenous development, both in local and regional terms.

**Keywords:** convergence, regional policy, voivodships.

## PROCESY KONWERCENCYJNE W POLSKICH WOJEWÓDZTWACH – WYBRANE APSEKTY

**Streszczenie:** Głównym celem artykułu jest analiza polityki spójności, oraz jej wpływu na instrumenty społeczne, ekonomiczne i przestrzenne działające na niwelowanie dysproporcji polskich województw. Tezą główną artykułu jest przekonanie autora o istotnym wpływie polityki rozwoju regionalnego na proces konwergencji. Działania mające na celu niwelację różnic w zakresie analizy polskich województw często powodują osłabienie wewnętrznych mechanizmów rozwojowych, warunkowanych między innymi zróżnicowaniem przestrzennej działalności człowieka. Procesy konwergencji przy jednoczesnym rozwoju województw są możliwe i konieczne, a ich efektywność jest ściśle zależna od kompleksowego rozwoju o charakterze egzo- i endogennym, w ujęciu zarówno lokalnym jak i regionalnym.

**Słowa kluczowe:** konwergencja, polityka regionalna, województwo.

## **Introduction**

The contemporary regional policy aims at supporting individual development sectors, raising their competitive profile and improving living conditions of the inhabitants. It is an integral part of the general state policy and it is a form of state intervention the goal of which is to ensure cohesion. Application of measures to counteract excessive regional differences is one of many priorities of the European Union included, among others, in the Treaty of Rome and the Treaty of Amsterdam. Cohesion in this sense covers three segments: social, economic and spatial. In documents of the Community they are characterised in a general and simplistic way. The social segment is described using indicators such as education, social and political activism and unemployment rate. The economic aspect is determined by the GDP level per capita and general state of the economy. Nature of the settlement system, transport availability and use of resources are considered to be the spatial aspect. In order to characterize Polish regions in the context of the convergence policy, an analysis of a wider range of factors determining the socio-economic development of regions is necessary. The main goal of the article is to analyze the cohesion policy, and its impact on social, economic and spatial instruments, which act to eliminate the disproportions of Polish voivodships. The main thesis of the article is to convince the author of the significant influence of regional development policy on the convergence processes.

## **Convergence – the factor of development. Selected aspects**

The regional policy, and in its scope the convergence policy, is implemented not only by the central government administration but first and foremost by voivodship self-governments. The effectiveness of its activities depends to a considerable degree on the complementarity and partnership between a given territorial setting and the regional policy of state or other bodies. The regional development policy consists in harmonizing actions and eliminating contradictions by way of dialogue and negotiation. The Polish example indicates at least a few entities involved in this activity (European Union, cities, poviats, gminas, businesses, organizations, civic groups). Competences of regional policies, convergence policies, cohesion and regional development policies overlap in terms of their functions, which lead to an obliteration of responsibility for actions, and in consequence reduces their effectiveness. The most frequent discussions about the effectiveness of convergence policy results from the lack of normative references to its object and relatively short tradition of its functioning in the Polish regional space.

Examination of convergence of Polish voivodships is based on a process and policy analysis in two areas: convergence in scale of a voivodship as a region and divergence in scale of territorial units located within a voivodship. Economic growth is accompanied by growing intraregional differences.

Territorial entities included in Polish voivodships do not undergo the conditional economic convergence process. Individual territorial entities belonging to the examined group influence the convergence parameter value to a various degree, so they have different convergence speeds in relation to the socio-economic development level characteristic of the sustainable growth path, common for the whole voivodship. There are certain variables which influence the process speed. It will grow if values these variables will be close in all countries within the examined group. Factors representing investments in human capital and knowledge accumulation are relevant for the speed of the conditional convergence process. Close population growth rates, similar levels of investments in real capital and the same spending on healthcare per capita would accelerate the convergence phenomenon. Accumulation of scientific and technical knowledge is the source of technological progress. Analyses, especially concerning convergence, show that reaching the level of affluence of wealthy entities in Poland would require spending considerable funds on such sectors as healthcare, education and R&D. To raise spending on the above-mentioned goals, which is necessary to accelerate economic convergence, is not easy in the case of voivodships that encounter considerable limitations connected to the budget deficit and public debt.

A typical characteristic of Polish voivodships is the growth metropolisation phenomenon. The most important factors for development of economy are located in the largest cities. Scientific and research institutions or boards of large corporations are mostly located in Warsaw, Krakow, Wroclaw – and these are the factors connected to highest quality of human resources. The metropolisation process was expected to stimulate development potential of regions. However, the example of Lesser Poland voivodship shows the direction of changing relationships between a metropolis and regions, which are reduced and weakened, and replaced by intensified contacts between metropolises. In regions there is the phenomenon of spatial polarization between centres and peripheries. The polarization progresses despite efforts to compensate development disproportions. What is more, it deepens due to the fact that development processes focus in agglomerations. This reduces the role of those poviats that do not have large cities.

Regional policy in Poland is implemented on two levels: on one hand by the central government administration, on the other hand – by the voivodship self-government. Creating conditions for the development of regions and supporting them are some of the fundamental state obligations. The basis of development is what specific strengths a given area has to offer and how it can compete with others. Regional policy of the state should therefore support the use of regional values. The central government also acts in other, sectoral directions (e.g. environment, energy). Activities taken as part of these policies are also spatially

diversified and shape development processes of a region. So where do the competences of regional policy end and competences of convergence policy start?

The goal of this policy is to ensure long-term, stable socio-economic growth achieved not only by creating economic foundations of such growth but also by respecting its social conditionings. The EU Cohesion Policy seems to foster convergence of GDP per working person in a region. In short term one can observe a clear positive impact of cohesion policy on economic growth. It does not mean however that for Polish voivodships this pattern will repeat in the long term perspective. According to analysis of theoretical growth models, the influence of cohesion policy does not always have to mitigate regional differences in GDP per capita. The contradiction between factors that determine fast economic growth and implementation of cohesion policy goals is not absolute. Development through socio-economic convergence may remain in conflict with short-term business advantages. Economic equality interferes with competitiveness and effectiveness. This process should not be perceived as destructive to a region because growing inequalities are often a sign of economic growth. The best development territorial entities in Polish voivodships are also the most polarized ones.

Levelling off differences in development (increasing cohesion) and initiating development processes that imply economic growth are the two main goals of regional policy from the point of view of the Community, countries and regions. The first one is also the goal of convergence policy, even though these activities are not aimed at equality but rather at eliminating inequalities. It is worth emphasizing that there is a risk that convergence policy will attack regional identities. Therefore, it is very important to give it normative foundations. Also, the interaction between convergence policy and intraregional competition requires further clarification. Such concerns raise the question who should be helped – the wealthy in order to optimize usage of funds and possibilities that they already have, or the poor who are typically less effective. If we choose the first solution, a growth in differences is inevitable.

At the regional scale, the interdisciplinary character, cooperation and complementarity requirements gain special importance. At the public administration level, the convergence policy cannot be effective without spatial and economic planning, management and social and economic scientific thought. Contemporary regional research shows that the differentiation of regions, which is so difficult to overcome, their economic poverty or wealth, and an analysis of cultural development conditions, better than economic parameters explain the characteristics of these regions' communities. In studies on the effectiveness of convergence policy and the remaining pro-development policies notions such as social capital, cultural capital and moral capital become important.

The convergence policy implemented in Polish voivodships under the regional policy or under the cohesion policy is ineffective. The main goal of the above-mentioned policies is still to reduce structural disproportions in Poland's development as a sum of regions (voivodships) and in the development of the European Community as a sum of regions (Member States).

The role of effectiveness of the above-mentioned policies within voivodships is diminished. Structural funds are considered to be the main instrument of the convergence policy. Their role was biggest in the first programming period, now a major factor is the endogenous activity of the region concerned. Activities for top-down elimination of development differences are ineffective because they contribute to the weakening of internal development mechanisms. At the regional level, top-down coordination of growth may result in decrease in involvement of the voivodship self-government.

Total convergence of a voivodship is impossible due to the differentiation of human spatial activities. It does not mean however that a policy aimed at elimination of socio-economic disproportions becomes useless. Convergence is a process in constant transformation. Identification of growth indicators and monitoring convergence and divergence processes are the key questions for the effectiveness of regional development policies. The growth theory considered the following as the basic growth factors: real and human capital accumulation, work and technical progress. Contemporary references to the growth theory emphasize the role of institutions and legal principles. Cohesion Policy of the Community brings advantages to Polish regions. The impact of its instruments is visible on the labour market, in the social, transport or environmental infrastructure, as well as in R&D, transformation of rural areas and on the example of the potential of enterprises and entrepreneurship. However, external support will not replace endogenous growth factors, even though it is an important development impulse. It is necessary to plan complementary, comprehensive conditions to dynamise growth possibilities and at the same time coordinate development centres.

The core issue for convergence of Polish voivodships is technical progress and effective promotion. Contemporary theories have set aside the neoclassical belief in the exogenous nature of progress as a determinant of growth. It is an instrument available to all bodies and territorial entities in a voivodship, it significantly depends on spending for R&D, and in consequence on human capital. The logistic background and the boost of development should be an effective promotion strategy of a voivodship as a whole and each individual territorial entity in it. Complementarity and consistency of all branding activities will not undermine intraregional competition, but rather make it more effective.

Strategic planning is a mode of controlling changes of the present-day situation and creating best conditions for building a future situation. Strategic planning forms one of the key stages of strategic management. Poland's entry in the EU structures has increased the significance of strategic programming on the national level in the context of consistency and compatibility with the programming on the EU level. Based on the EU coordination procedure, strategic documents related to the programming on the EU level have been prepared in Poland, *inter alia*: "National Development Plan 2004-2006", "National Strategic Reference Framework 2007-2015", "National Development Strategy 2007-2015".

The first document that focused attention on the efficiency of development of regions located in the EU was the Lisbon Strategy (Biuro Ekspertyz i Analiz, 2004). However, implementation of objectives set in the strategy was not satisfactory. For the new decade, i.e. 2010-2020, a new, mid-term strategy for the EU countries was adopted: “Europe 2020. Strategy for Smart, Sustainable and Inclusive Growth” (KE, 2010). The strategy encompasses the following priorities:

1. smart development: development based on knowledge and innovation,
2. sustainable development: development assuming efficient and rational use of natural resources, competitiveness of economy and care for the natural environment,
3. development of human capital via “social inclusion”, employment policy, economic, social and territorial cohesion.

Implementation of the “Europe 2020” strategy is closely related to the cohesion policy for years 2014-2020. Current activities are aimed at two objectives. Objective 1: investments for growth and employment. Funding of activities aimed at implementation of the objective derives from:

- European Regional Development Fund,
- European Social Fund,
- Cohesion Fund.

Objective 2: European territorial cooperation. The source of funding for the objective is European Regional Development Fund.

According to the researchers of European issues, in the context of programming and structural aid, it may be stated that in the EU policy of supporting development *the redistribution and egalitarian component has shrunk, whereas the competitive and innovative one has been reinforced* (Miszczuk 2012, p. 280), which exerts a significant impact on the structure of domestic and regional development support systems.

The basic aim of the development strategy is to boost the level of development and to foster structural adjustments in the area to which the strategy refers. Development strategy performs at least five functions. The first one is the activating function. Participatory dimension of the strategy calls for prospective reflection and allows for active participation both at the stage of constructing and implementing the strategic assumptions. Another one is the concentration function of activities on important issues (purposefulness principle). The concentration function is conducive to efficient allocation of limited resources of a territorial unit. Thanks to the orientation function, all planned strategic activities are directed towards implementation of the vision and specific objectives. The most important function of the strategy and every plan is the function of reducing decision-making uncertainty, which consists in the process of evaluation and selection of projects. Even if the strategy fails to prevent, yet it definitely limits the susceptibility to internal and external pressure, forming a precisely oriented axis of development. The cohesion function of a development strategy is a factor integrating entities involved in development. Compatibility of activities is a condition

precedent for efficiency with respect to accomplishment of objectives that were set. The constantly changing social, economic and political reality calls for the necessity of changes in the area of strategic planning. The flexibility function is the capacity of recognising future variables and efficient reactions to the materialising, more or less desired, scenarios of events.

Beneficiaries of a development strategy include communities and local governments, companies, investors and non-governmental organisations. With respect to the efficiency of performance of strategic activities, the following principles acquire special significance: subsidiarity, concentration, programming, partnership and cooperation. Implementation of the development strategy is related to the use of such instruments as: public-private partnership and cooperation among local governments. The currently implemented paradigm of thinking about management of a territorial unit is the model of a system referring to corporate experiences. Cities, communes, poviats, provinces and regions should not be afraid of the future, but use the creative potential and draw up scenarios and visions. *The trajectories of forecasts run from the present times to the possible and anticipated future. The trajectories of strategic thinking have a reverse direction: they run from the desired future to the complex present times, in order to better understand the present times and influence it more efficiently thanks to the vision of the future* (Miszczyk 2012).

Strategic planning of local and regional development requires application of diverse approaches to resources and problems related to them. At least four approaches have significant impact on the efficiency of local and regional planning (Klasik, Kuźnik 1998):

1. system approach: a territorial unit and its' environment (including competitive), are treated as one system,
2. analytical approach: consists in diagnosing the strategic position of a territorial unit based on the application of reference systems and comparative analyses,
3. creative approach: pays attention to the identification and recognition of strategic fields and constructing the vision of the future,
4. political approach: focuses attention on the distribution of power of decision-making entities, negotiation procedures and strategic choice based on consensus.

Apart from development strategy, the so-called competitive strategy is also mentioned in the literature on the subject. The aim of this type of strategy is also development, yet the manner in which it is accomplished relies on competition. All strategic activities are aimed at groups of recipients selected on the market and are intended to satisfy their needs in the most efficient manner in relation to the regions competing for them (Klasik, 2001). Development planned via competitive strategy takes place on account of higher turnover, increased investments, income and employment in an area covered by the strategy. These are sectoral strategies, directed both outside and inside of a territorial unit. When building advantage over other units, out-of-market and non-business enterprises constitute development instruments.

All efforts are subjected to boosting the competitive position and originality of a territorial unit which constitutes its' foundation (Klasik, 2001).

Competitiveness of a given commune means the capacity to face up to other communes, competing on the regional, national or international market. Competitiveness is determined by the collection of strong and weak sides, potential opportunities and threats. Domination of weakness and threats over advantages and chances for development determines the fact that a region is characterised by low competitiveness.

It may be stated that competitive strategy contains an answer to three basic questions (Klasik, 2001):

1. What are the factors forming the basis of competitiveness?
2. In which areas does a territorial unit compete with other regions?
3. What is the stake in fighting for clients among competing regions?

Not all communes are able to make use of competitive strategies. Notably weak areas, which are distanced from regions that function as the engines of development are not able to face up to their competitors. Thus, development strategies are constructed most often on the level of territorial government units, and the reinforcement of competition of an area only forms a development objective included in them.

In the process of accepting a challenge such as strategic planning by a territorial government, it is possible to notice certain solutions which have already been adopted, at least partially.

1. Public policies give in to competitiveness rigours, which is a natural consequence of market logic that stipulates that social and economic partners should be admitted to activities in the area of programming public activities.
2. Public actors take the position of coordinators, initiators of ideas and changes. When inviting other entities to cooperate, public actors become co-investors; they are no longer the only performers of programmes of public activities proper for a given settlement unit.
3. Rules of undertaken activities in the area of relations are subject to changes. An order and an instruction are replaced by negotiations and persuasion.
4. The principle of competing for public resources (not only financial) is introduced and enables economic and social entities to access them (Gąsior-Niemiec, 2008).

Solutions of this type are conducive to the implementation of the Lisbon Strategy priorities, as they increase the innovative potential of territorial units. However, the growth of potential and efficiency of strategic development primarily require constant monitoring and improvement of strategic potential of the local authorities. Both the design and implementation require organisational skills and professional knowledge. The process of creation and efficient use of knowledge is an element greatly significant for the conduct of a development policy. It should form a natural consequence of conclusions based on opinions

of experts and stakeholders. Consensus should be the foundation of cooperation of all parties involved in design and implementation activities.

A simulation of development trends, which in the context of 2020 are especially important from the point of view of designing public interventions in the next financial perspective but also in the National Regional Development Strategy, indicate: human capital quality, innovation and competition of a region and strength of tourism as factors that play a particularly important role in the economies of Polish voivodships. They are the endogenous advantages of a voivodship around which the future development can be built. Prerequisites of sustainable growth in this sense should be introduced in a complementary and systematic way, and until 2030 they should stimulate socio-economic changes towards more convergence.

## Summary

The problems of convergence and economic and social growth are the main aim of EU regional policy. Therefore, research on convergence and inequalities at regional and national levels in Poland should include an EU dimension, i.e. all remaining regions of EU Member States and their entities would at the same time be object of research and a frame of reference for Polish territorial structures. The new analysis should take into account the homogeneity of organizations and be carried out in various spatial settings. Polish voivodships are predisposed for growth but their effective operation is conditional on properly managed policies, which will make them into regions linked by growth based on modern technologies and respecting traditions. Convergence processes and simultaneous development of voivodships are possible and necessary. In addition, their effectiveness is strictly dependent on comprehensive exogenous and endogenous development, both in local and regional terms. The convergence policy does not exclude competitiveness policy in voivodships. Both are the basis for development. The use of these policies complementarily will be the basis for the effective development of regions.

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