

Regional development in Poland

Poland has 16 regions that correspond to the EU NUTS II level. In terms of territory the largest are Mazowieckie, Wielkopolskie and Zachodniopomorskie. First in terms of population are Mazowieckie (the capital region, 5.1 million inhabitants) and Slaskie (Poland's biggest concentration of old industries, 4.9 million inhabitants). The smallest in terms of population is the western region, Lubuskie (1 mln. inhabitants). Decentralization reform in 1999 gave regional self-governments full responsibility for economic development of the regions.



Figure 1. Administrative map of Poland

Table 1. GDP per capita by region in 2000 as percentage of the average.

REGION	GDP per capita, %
POLAND	100
DOLNOŚLĄSKIE	103.4
KUJAWSKO-POMORSKIE	89.7
LUBELSKIE	68.5
LUBUSKIE	89.7
ŁÓDZKIE	88.7
MAŁOPOLSKIE	89.3
MAZOWIECKIE	151.6
OPOLSKIE	85.5
PODKARPACKIE	71.1
PODLASKIE	74.3
POMORSKIE	100.6
ŚLĄSKIE	110.1
ŚWIĘTOKRZYSKIE	78.2
WARMIŃSKO-MAZURSKIE	74.5
WIELKOPOLSKIE	106.6
ZACHODNIOPOMORSKIE	98.7

Source: Modified from Statistical Yearbook (1)

Along with economic transformation and growth during the 1990s, regional and social disparities in Poland became increasingly evident (Table 1). As can be seen from the table, in economic-statistical terms regional differentiation in Poland is relatively weak: the ratio of GDP per inhabitant of the poorest (Lubielskie) and the richest (Mazowieckie) region is approximately 1:2.2, which is much less than in countries such as Italy or Spain. The poorest regions in Poland are situated in the eastern part of the country: Lubielskie, Podkarpackie, Podlaskie, Warmino-Mazurskie and Swietokrzyskie. Gorzelak (1994, 1999b) identified certain groups of relatively advantaged or disadvantaged regions in Poland:

(a) *leaders*: regions that display positive continuity: big urban centers, regions with tourist

potential;

(b) *winner*s: regions that were able to achieve positive discontinuity and left the position of laggards to move into fast growth: the western regions that took advantage of the new markets in Germany and Austria;

(c) *losers*: regions of negative discontinuity which were not able to sustain their traditional leading position: the concentrations of old, obsolete industries;

(d) *laggers*: regions of negative continuity, which could not overcome their backwardness and peripheral location, mostly located in the eastern parts of the country.

The ability of individual regions to adapt to fundamental changes in economic environment rests on a range of issues including their socio-economic structure, level of initial development and proximity to capital and innovation as well as the way in which they are affected by national policy decisions (Gorzelał, 1994, 1999b).

Leaders

In Poland, as in each of the six candidate countries with more than one NUTS II region, the capital region (Mazowieckie) is the wealthiest in the country. This is a general pattern for Central and Eastern Europe when significant concentration of economic activity occurs in the political centre of the country. Śląskie and Wielkopolskie are the only regions, apart from Mazowieckie, which are clearly above their respective national average.

Winners

After 1989, western regions such as Wielkopolskie, Zachodnio-Pomorskie, Dolnośląskie and Lubuskie started to benefit from their position within a new European political and economic geography. Proximity to the EU, relatively developed infrastructure and low labour costs combined

with labor force skills all contributed to stimulate markets and encourage investment in western border regions (Gorzelaak, 1999a, 2000). Historically, these regions were always relatively more developed and during the transformation they displayed better adaptability to the open competitive economy. Their wealthier and more modern economic structure, better qualifications of the labor force, and better equipment with high-quality institutional and material infrastructure made them more attractive to domestic and foreign investors. As a result, structural changes have been deeper in these regions and the dynamics of transformation greater.

Losers

Old-industrial regions in Central and Eastern Europe are probably the regions that have been most adversely affected by the process of economic transition. In Poland there is one region that is most often referred to as an old industrial 'loser' - Slaskie. During the socialist period, this region specialized in coal and steel production and was thus the focus of planned development and, to a large extent, the driver of economic activity (Gorzelaak, 2000). During the transformation period, the region was severely affected by the reorientation of trade from formerly secure markets and by the reduction of subsidies. The decline in socialist-style heavy industry in particular has played a significant part in widening regional disparities in Poland (Gorzelaak, 2000).

Apart from restructuring problems, the region faces severe degeneration of the environment in terms of air, water and soil pollution often associated with the scale and poor technology of former industrial production. Major environmental problems still persist, which will add to the cost of further restructuring and may well act as a disincentive to progress and investment (Gorzelaak, 2000). Economic reform has not led to quality investment and the development of new products and production methods. Since 1992 this region has been supported by subsidies, which would not be easy to do within the EU. Restructuring of Slaskie has been very expensive and politically difficult; the region has not yet shown any significant ability for independent sustainable

development (Tarkowski, 2003). The region is often defined as a stumbling block in the accession process; scholars in the European Commission as well as in Poland point out that restructuring Slaskie is one of the primary concerns of the Polish government on the way towards accession to the European Union.

Laggers

The most economically disadvantaged regions in Poland are located at the eastern periphery of the country (Podlaskie, Lubelskie, Podkarpackie). The comparatively unfavourable geographical location of those regions (proximity to economically less developed Belarus, Ukraine and Russia) limits the opportunities for fruitful trans-border co-operation and joint economic initiatives (Sadowska-Snarska, 2002). The second factor affecting the economic position of the peripheral areas is the predominance of agriculture in the regional economy. Overall, as the European Commission points out, agriculture in Poland is still in need of urgent structural reform to meet the current and future competitive environment (European Commission, 2001).