

# Making Development More Sustainable? The EU Cohesion Policy and Socio-Economic Growth of Rural Regions in Poland

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## Abstract

Currently one of the most widely discussed issues is the economic disparities. In order to alleviate developmental differences, a public aid is often allocated to the peripheral or less developed rural regions. The latter type of areas has long been of particular interest to the European Union (EU) and its cohesion policy. The aim of the paper was to analyse the changes in the level of socio-economic development of Polish regions in the context of cohesion policy introduction. It follows from the research that EU cohesion policy instruments contributed to the socio-economic development of regions in Poland. In the analysed time span a significant support from the EU funds was allocated to the rural regions. However, this financial aid only partly affected the reduction of socio-economic disparities in the country. The research was based on data from public statistics aggregated at the subregional level (NUTS-3) and the literature of the subject. For the purposes of this study, the method of statistical analysis was used.

*Keywords:* rural regions, socio-economic development, EU, Cohesion Policy

## 1. Introduction

One of the matters most frequently addressed in public debate is the issue of regional disparities. The causes and consequences of differences in wealth and quality of life between areas are discussed broadly. For the authorities administering a given territory, the declared strategic goal is usually to create conditions for sustainable socio-economic development in the spatial aspect, which is supposed to translate into preservation of its internal stability. Hence, there is usually a redistribution of income between territorial units, and various mechanisms and instruments for supporting poor areas are used, e.g. through public investment. Assistance is usually provided to the regions that are referred to as peripheral, less developed and rural regions. The last of these types of areas has long been of particular interest to the European Union (EU). Rural areas are the subject of another policy, the Common Agricultural Policy (CAP). In addition, rural areas are one of the recipients of EU Cohesion Policy<sup>1</sup>. Its implementation has so far been assessed in various ways, although many conducted studies have documented the positive impact of the Cohesion Policy on the socio-economic development of Member States and regions (European Commission, 2014). This is why covering Poland with the Cohesion Policy gave rise to high expectations

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<sup>1</sup> The Cohesion Policy and CAP are the bulk of the EU budget. In total over four-fifths of the funds available to the EU were earmarked for their financing in 2007-2013.

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(Ministry of Regional Development, 2010). They mainly involved increasing the financial assistance aimed at creating and modernising technical and social infrastructure, broadening communication accessibility, promoting economic activity, and improving the qualifications and skills of the inhabitants of rural areas. Supporting these areas was supposed to help bridge the barriers to development and reduce the distance to developed countries and regions, mainly from Western Europe.

The aim of the paper was to analyse changes in the level of socio-economic development and its differentiation in particular types of regions in Poland in the context of implementation of EU Cohesion Policy. The presented research covered the period from 2007 to 2014 (and therefore the larger part of the multi-annual EU financial perspective planned for 2007-2013). The considerations are based primarily on public sector statistics aggregated at the subregion level (NUTS-3) and the results of studies published in the literature of the subject. The premise for addressing the issue of impact of the Cohesion Policy on the socio-economic development of rural regions was that the analyses in this area from the perspective of NUTS-3 territorial units have been conducted rarely so far. In the case of Poland, the assessment of the relationship between EU transfers and the territorial development was most often made in macroregional terms (16 voivodeships – NUTS-2) (Misiąg et al., 2013). A tendency towards socio-economic convergence has been found in them (Wpływ polityki..., 2016). However, a high level of data aggregation made it impossible to examine growth processes by the breakdown into cities and rural areas (urban-rural continuum). The present study is an attempt to fill this gap. For the purposes of the study, the method of statistical analysis of primary data was used.

The paper consists of five parts. The first part describes the statistical material underlying the presented analyses and the research methods used. The definitions of the major concepts used are also presented there. The next part presents the prerequisites for supporting socio-economic development in rural regions from the point of view of economic and geographical studies. One of the instruments for supporting the rural regions is the EU Cohesion Policy. Subsections 4 and 5 (third part) describe the system and overall effects of implementing the Cohesion Policy in Poland and their relation to changes in the level of socio-economic development and its differentiation in various types of regions. The discussion section presents the limitations of the obtained research results and relates them to the debate conducted in Poland on the ways and the quality of expenditure of funds from the EU budget. The study ends with conclusions.

## 2. Material and Method

This section analyses the key terms used in the paper and describes the data and research methods used for the purposes of the study. A **rural region** is an important concept for further consideration. This term is usually understood as space outside the administrative boundaries of cities or areas consisting of a small urban centre with predominantly rural areas around it<sup>2</sup>. The economic functions in this latter system vary, with a distinct presence of the agricultural sector within its territory. Operationalisation of a rural region that is included in this approach is used in Eurostat for urban-rural

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<sup>2</sup> The terms *rural region* and *rural area* are used interchangeably in the paper.

typology (Eurostat, 2013). According to this methodology, all EU regions at NUTS-3 level are divided into three types: urban, intermediate and rural<sup>3</sup>. 31 out of all 72 regions in Poland were classified as rural in 2017 (15 as urban, 26 intermediate)<sup>4</sup>.

From the point of view of the subject touched upon herein, **sustainable development** is an important concept as well. The paper considered its social and economic aspects. It was about development that is consistent with the commonly accepted values in the two following areas: economic and social one. With regard to this former one, the sustainability is about delivering the right amount of product, added value or income at the macro- or microeconomic level. With regard to the social area, sustainable development is essentially about maintaining and developing the given areas so as to preserve their viability (Zegar, 2005).

Another terms used in the paper include **socio-economic development and socio-economic inequalities**. These phenomena can be treated ambiguously, and there are various ways of understanding them. The measures of these phenomena adopted in the paper are an increase in GDP and GDP *per capita* in the period in question and the scale of differences applying to these values for the regions respectively. This approach can be considered narrow. Therefore, socio-economic development and socio-economic inequalities are considered in a broader sense with reference to the standard of living of the population in a region. Their adopted operational indicators were: the level of access to healthcare (indicator: the number of nurses and midwives per 10,000 inhabitants) and early education services (percentage of children aged 3-6 years in pre-school education), state of road infrastructure (the length of commune roads with improved hard surface) and the scale of economic and social activity of the population (the number of people conducting business activity per 100 people in working age and the number of foundations, associations per 1,000 people).

The data to illustrate the changes in socio-economic development of regions in Poland and its differentiation were taken from the Central Statistical Office (GUS). On the other hand, the information about the use of funds from the EU budget through the Structural Funds (European Regional Development Fund – ERDF, European Social Fund – ESF and Cohesion Fund – CF) were obtained from the SIMIK IT system (SIMIK National IT System) designed to collect and aggregate basic data on operational programmes co-financed by EU funds and management and monitoring of their implementation in Poland.<sup>5</sup>

Socio-economic development of the regions is presented as a resultant of a combination of a number of various and interrelated endogenous factors, as well as exogenous determinants resulting from the macro-environment (Spiezia and Weiler, 2007). A

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<sup>3</sup> These units are defined as *subregions* in Polish public statistics (NUTS-3).

<sup>4</sup> On the other hand, they accounted for about a quarter of the total population in the EU-27 (Eurostat 2013).

<sup>5</sup> Data on Cohesion Policy measures for NUTS-3 regions should be treated as approximate data. The SIMIK system did not include information on how the funds were allocated between territorial units. This is why it uses a translation algorithm that is based on the locations of project implementations registered in applications and grant agreements and assumes a uniform distribution of project amounts into individual administrative units. Therefore, the presented results are approximate and are subject to certain errors (Wplyw czlonkostwa..., 2014).

hypothesis was assumed in the paper that, apart from the above-mentioned determinants, the development or lack thereof was connected with the intensity of implementation of the Cohesion Policy.

### 3. Support of Socio-Economic Development of Rural Regions: Premises and Limitations

The attempt to find out why the level of socio-economic development from region to region is diverse is an important and frequently discussed topic in economic literature (Grosse, 2002). A common point of various ways to explain these differences is to diagnose the situation and to identify factors that could help to contribute to an increase in the production of goods and services. Depending on the theory, these determinants include: changes in expenditure and methods of organisation and distribution of labour and capital, quantity, quality and specifics of using economically valuable resources available locally or the level of innovation in a given area (Terluin, 2003). As a consequence of these assumptions, there were essentially three ways of improving their situation and reducing the distance to other areas indicated for rural areas: exogenous, endogenous and mixed (*neo-endogenous*) development. The first of these methods advocated the promotion of processes of economic progress taking place in the so-called growth poles, which were motivated by the inevitable spread of development trends to the outermost regions. Nevertheless, it is generally believed that approaches based on exogenous growth models have resulted in a deepening of intra- and inter-regional inequalities, at least in the short term.

On the other hand, in line with the concept of the endogenous development, measures aimed at increasing production should be based on mechanisms of self-management of the potential of resources accumulated in a given rural area. They include, among other things, in particular non-mobile goods such as: social, cultural, environmental and human capital resources. Socio-economic progress in this case was to depend on the appropriate combination and distribution of interrelations between them in the local context (Bryden, 1998). However, the deeper integration and globalisation processes have made regions more and more sensitive to the situation in the environment, flows of goods, people and capital (Woods et al., 2015). In addition, multi-level governance is becoming more and more popular in decision-making systems. Therefore, it is increasingly apparent that projects conducted in the regions and based solely on their own potential have limited chances of success (Tödting, 2011). That is why what is becoming more and more popular are development management methods that are based on the concepts of *neo-endogenous* development, that seek to improve the situation of the rural areas by linking local potential, actors operating within them with political and economic support from the environment and appropriate adaptation to external conditions. It is important to find a balance between internal and external factors. However, it should be borne in mind that the three approaches to rural development described above are to a certain degree ideal types. In practice, mechanisms combining these concepts are used. Nevertheless, there seems to be a conviction today of the merits and effectiveness of the *neo-endogenous* development model. The *neo-endogenous* development model is clearly present in EU Cohesion Policy, whose strategic objective is to *aim at reducing disparities*

*between the levels of development of the various regions and the backwardness of the least favoured regions* (Treaty on the Functioning..., 2016). There are efforts made to make the Cohesion Policy, along with its related CAP, to have an increasingly *neo-endogenous* dimension. The basic principle is to combine a two-level and democratic governance combining effectively targeted horizontal programmes with local and supra-local development strategies based on hidden resources, which are the key to unlocking the potential of rural areas (Copus et al., 2011, McCann, 2015)<sup>6</sup>.

#### 4. The Implementation of EU Cohesion Policy in Poland

The system for implementation of the EU Cohesion Policy in Poland in 2007-2013 is described in the National Cohesion Strategy (National Strategic Reference Framework – NSRF). The strategic objective of public intervention financed by this policy was *to create conditions for the improvement of competitiveness of the economy based on knowledge and entrepreneurship, ensuring the increase of employment and the higher level of social, economic cohesion*. The funds allocated for the implementation of the Cohesion Policy in 2007-2013 (actually in accordance with the n+2 rule were spent by the end of 2015) amounted to EUR 85.6 billion, of which EUR 67.3 billion came from the EU budget, 11.9 billion from national public funds and 6.4 billion from private stakeholders.<sup>7</sup> The national cohesion policy implementation system, in addition to fiscal, institutional and legal measures, was managed primarily by the Ministry of Infrastructure and Development through nationwide operational programmes. Relatively the largest budget (42% of the allocation of funds from the EU) was earmarked for the Infrastructure and Environment Programme. Its goal was to improve Poland's investment attractiveness through the construction and development of technical infrastructure (mainly for transport, i.e. major projects for road, rail, air and public transport in cities), as well as the protection and improvement of the environment.<sup>8</sup> The Human Capital Program, with 15% of the allocation, was to contribute to the better use of human potential by increasing employment, supporting education and training as well as healthcare, social inclusion and public administration.<sup>9</sup> In terms of size of the budget, the Innovative Economy programme was an important component of the Cohesion Policy in Poland (13% of the EU allocation). It was supposed to support national innovation and

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<sup>6</sup> Independently, it is pointed out that EU policy targeting rural regions should continue to evolve towards greater co-ordination between the instruments of the Cohesion Policy and agricultural policy (Bryden et al., 2011).

<sup>7</sup> About 1% of the allocation from the EU Cohesion Policy budget to Poland is allocated for the Technical Assistance and European Territorial Co-operation programmes (data on the financial distribution of the EU support were taken from the website: <https://www.funduszeuropejskie.2007-2013.gov.pl>, access: 01.06.2017).

<sup>8</sup> It is estimated that the programme mainly contributed to the improvement of infrastructure and environment in metropolitan areas, voivodeship cities and in the western part of the country (Obarymska-Dzierzgwa et al., 2017).

<sup>9</sup> The research found relatively positive changes as a result of the intervention under this programme in the field of education and training. On the other hand, the assistance granted in the labour market area was relatively the best in terms of accuracy, relevance and effectiveness (Laboratorium Badań Społecznych, 2015).

entrepreneurship, mainly through assistance to companies and scientific institutions. The impact of interventions under the programme on innovation varied.<sup>10</sup> Compared to the first years of EU membership, between 2007 and 2014, Poland's cohesion policy became more decentralised. A special programme was implemented then for the five poorest eastern voivodeships (Warmińsko-Mazurskie, Podlaskie, Lubelskie, Podkarpackie and Świętokrzyskie) and 4% of total EU funds from the entire allocation were earmarked for them. Across the entire system, sixteen regional operational programmes turned out to be of major importance, and 24% of the funds were allocated to finance them.<sup>11</sup> The described interventions within the framework of the EU Cohesion Policy in 2007-2014 were an important factor of economic growth in Poland. It is estimated that less than one fifth of GDP growth of Poland was related to projects co-financed by these funds<sup>12</sup>. In addition, the conducted analyses provided evidence of a decreasing scale of differences between voivodeships (Wpływ polityki..., 2016). The positive nationwide impact of the Cohesion Policy on the socio-economic development, i.e. the improvement of the standard of living and population activity in various areas, has also been documented in the country (Wpływ członkostwa..., 2014). The following subsection presents the changes in the level of socio-economic development and its differentiation in the Polish regions distinguished for their location in the urban-rural continuum in the context of the implementation of the Cohesion Policy.

## 5. The EU Cohesion Policy and Socio-Economic Development of Rural Regions in Poland

The intensity of expenditure of funds under the Cohesion Policy through nationwide and voivodeship programmes in Poland **was spatially differentiated** (the coefficient of variation of the EU support value *per capita* amounted to 42%). The lowest intensity of support per capita was recorded in rural areas. It amounted to an average of PLN 5,174, which is 27% less than in urban areas (PLN 7,129) and 15% less than in intermediate ones. The most Cohesion Policy funds were allocated mainly in metropolises and in their vicinity (urban regions), i.e. in the Tri-City, Wrocław and Warsaw. A significant concentration of EU support in these regions resulted from costly

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<sup>10</sup> High fragmentation of interventions and financial resources has often been a barrier to innovative projects, which generally require a high investment. Nevertheless, half of the product innovations supported by the programme could be considered an innovation on an international scale (WYD PSDB Sp. z o.o., 2015).

<sup>11</sup> Multi-directional interventions under the EU Cohesion Policy in 2007-2014, based on operational programmes, were accompanied by considerable funds earmarked for the implementation of the CAP in Poland, targeting rural areas and the agri-food sector. In total, they amounted to approximately EUR 29.9 billion (Nurzyńska 2015). In addition, support under the Operational Programme Sustainable Development of the Fisheries Sector and Coastal Fishing Areas 2007-2014 was provided to the fishermen and fish farms, fish processing and trading companies, fish farming and fishery operators, as well as areas dependent on the fisheries sector.

<sup>12</sup> Due to the inflow of external transfers, numerous investments have triggered multiplier effects and have resulted in income growth and consumer demand, which contributed to the maintenance of good economic situation in the country. The development incentive provided to the domestic economy by the financing under the EU Structural Funds has made it possible to mitigate the negative effects of the global financial crisis in Poland (Wpływ polityki..., 2016).

infrastructure investment, such as expansion and modernisation of the transport system (ring roads, airports, public transport). Infrastructure projects accounted for 40-60% of the entire expenditure under the EU Structural Funds (Wplyw czlonkostwa..., 2014). The exception here was the Rzeszów region (rural region), where the highest level of cohesion support *per capita* was observed, which was due to the fact that these areas were covered by an additional operational programme (Development of Eastern Poland)<sup>13</sup> and the implementation of two large transport investments: A4 motorway construction and Kraków-Rzeszów railway line modernisation (Wplyw czlonkostwa..., 2014). Other areas of intervention under the Cohesion Policy in Poland included significant projects associated with the labour market, social integration, education and training, entrepreneurship, research and development and environmental protection. Due to the adjustment to the subjects of the contests and the developed institutional and economic base, expenditure in these areas was concentrated in urban regions and further in the intermediate regions. Relatively the smallest average funds *per capita* under the Cohesion Policy were spent in rural areas in various parts of Poland, which was generally associated with relatively lower intensity of infrastructure projects (Świecki, Nowotarski region).

The conducted research showed that the intensity of support under the Cohesion Policy **was statistically significant and positively related to the socio-economic development of the regions in Poland (Table 1).**

**Table 1.** Financial support from Cohesion Policy *per capita* \* (in PLN) and change in selected indicators of socio-economic development in Polish regions, 2007-2014

variables X and Y	mean	standard deviation	r(X,Y)	r2	t	p
financial support from cohesion policy <i>per capita</i>	5913.40	2508.54				
GDP <i>per capita</i> * (change in %)	36.47	9.26	0.236	0.056	2.030	0.046
financial support from cohesion policy <i>per capita</i>	5913.40	2508.54				
nurses and midwives per 10 thous. persons (change)	7.17	9.06	0.412	0.170	3.78	0.000
financial support from cohesion policy <i>per capita</i>	5913.40	2508.54				
self-employed persons per 100 persons in working age (change)	0.74	0.92	0.393	0.154	3.572	0.000
financial support from cohesion policy <i>per capita</i>	5913.40	2508.54				
percentage of children (aged 3-6) covered by pre-primary education (in %) (change in %)	22.77	5.64	-0.175	0.030	-1.488	0.141
financial support from cohesion policy <i>per capita</i>	5913.40	2508.54				
improved hard surface commune roads (in km) (change. in km)	411.58	290.61	-0.125	0.016	-1.057	0.294
financial support from cohesion policy <i>per capita</i>	5913.40	2508.54				
NGO per 1 thous. persons (change)	0.87	0.31	0.470	0.220	4.449	0.000

Note: Green colour mark a statistically significant correlation at the level 0.05.

\*Cumulated financial support *per capita* in 2007-2015 in PLN distributed within domestic and regional operational programmes.

\*\*Change in GDP *per capita* in real terms 2014/2007.

Source: own calculations based on CSO and SIMIK data.

During the period in question, there was a positive correlation between the amount of financial assistance from the EU Structural Funds *per capita* and the favourable economic

<sup>13</sup> In addition, in the distribution of EU financial support within regional operational programmes an algorithm favourable for eastern voivodeships was used.

developments in the regions, i.e. an increase in GDP *per capita*<sup>14</sup> (correlation coefficient amounted to 0.236) and an increase in the number of people conducting a business activities per 100 working-age people (correlation amounting to 0.393). It should be assumed that EU funds not only stimulated growth in production, services and exports in many sectors of the economy of the regions<sup>15</sup>, but also encouraged individual entrepreneurship. A number of national and regional operational programmes were devoted to support for individual business activities. However, favourable economic developments partly associated with the implementation of the Cohesion Policy have not contributed to any reduction of interregional differences. In all the years in question, the distance of rural regions in terms of real GDP *per capita* to urban regions was significant and relatively stable, i.e. less than half that in urban areas (Table 2).<sup>16</sup>

On the other hand, in comparison with intermediate regions, the disparities of rural regions were smaller and less than one seventh. In 2007-2014, there was also a slight increase in the frequency of individual business activity between regions (Table 3). The distance in favour of urban regions in comparison with rural areas increased from 3.5 to 4.3 people conducting a business activity. However, the condition of road infrastructure has improved considerably in rural areas. In terms of the length of improved hard-surface roads, rural regions were significantly ahead of urban and intermediate regions (the difference between rural and urban areas in 2007 amounted to 356 km, and in 2014 it was 756 km).

**Table 2.** Gap in GDP per capita\* by regions\*\* in Poland (in %)

Regions	2007	2008	2009	2010	2011	2012	2013	2014
intermediate	55.4	56.6	55.9	54.4	54.7	55.0	55.2	55.8
rural	46.8	47.4	46.7	45.7	46.5	46.2	46.4	46.5

\*GDP in fixed prices. Fixed prices = average-annual prices in previous year.

\*\*Urban regions = 100.

Source: own calculations based on CSO data.

Financial assistance from EU funds was also associated with selected aspects of social development, such as improving social capital or the level of healthcare in the regions. A positive correlation between the intensity of spending of funds under the Cohesion Policy and an increase in the number of non-governmental organisations (a correlation amounting to 0.470) and an increase in the number of nurses and midwives (a correlation amounting to 0.412) has been observed (Table 1). An increase in the number of medical staff and non-governmental organisations is probably in part associated with the projects started under operational programmes financed by EU funds.

<sup>14</sup> Real GDP *per capita* in 2007-2014 increased by 20% in intermediate regions (from PLN 26,800 to 32,200), by 19% in urban areas (from PLN 48,500 to 57,600) and by 18% in rural areas (from PLN 22,700 to 26,800).

<sup>15</sup>The conducted research showed that regardless of the varied level of use of Cohesion Policy resources, there was continuous economic growth in 2007-2014 in all the distinguished types of regions of the country. The highest cumulated GDP growth was observed for the intermediate regions (20.8%) and slightly lower and close to each other for rural (17.3%) and urban (16.8%) regions.

<sup>16</sup> GDP *per capita* in rural areas in 2014 amounted to PLN 26,800, but in the intermediate regions it was about PLN 5,400 higher, and in urban areas higher by PLN 30,800.



**Table 3.** Selected indicators of socio-economic development in Polish regions, 2007-2014

regions	nurses and midwives per 10 thous. persons		percentage of children(aged 3-6) covered by pre-primary education (in %)		NGO* per1 thous. persons		self-employed persons per 100 persons in working age		improved hard surface commune roads (in km)	
	2007	2014	2007	2014	2007	2014	2007	2014	2007	2014
urban	75.0	89.0	72.1	88.6	2.49	3.56	12.8	14.0	795.0	965.6
intermediate	52.0	58.0	58.0	80.8	2.22	3.12	11.7	12.5	1123.0	1484.6
rural	51.0	56.0	51.5	77.3	2.23	2.97	9.3	9.7	1151.0	1721.5

Note: colours mark a change (2014-2007) in the distance between urban and rural regions according to selected indicator: red – an increase and green – a decrease.

\*societies, foundations, other non-governmental non-profit organisation.

Source: own calculations based on CSO data.

However, as in the case of economic indicators, the available data document an increase in the intensity of interregional differences in terms of analysed signs of social development. Interregional differences in access to healthcare have deepened. Although the number of nurses and midwives per 10,000 people increased irrespectively of the type of the region, this process was taking place more dynamically in urban areas (Table 3). Moreover, in 2007-2014 an increase in the number of NGOs were higher in urban and intermediate regions than in rural ones in 2007-2014 (1.07 and 0.90, respectively, compared to 0.74 per 1,000 people), which in consequence translated into the maintenance of spatial variations in terms of the level of social capital measured by this indicator. Significant reductions in interregional differences were observed in the access to pre-school education. The attendance of children in pre-school education has increased relatively mostly in rural areas (Table 3). As a result, kindergartens in rural areas in 2014 were attended by 77% of the population aged 3-6, i.e. 11% less than in urban areas.

## 6. Discussion

When discussing the limitations of the approach taken in the paper and interpreting the results obtained, attention should be paid to the imperfection of the indicators used for socio-economic development. Regardless of the otherwise fair criticism of its GDP-based measurement, among other things as too limitative in nature, it was decided in the study to choose such an approach because of the limited availability of data and the clarity of the argument (Block, 1990, Fitoussi et al., 2009). Nevertheless, the analyses of the relationship between the Cohesion Policy and the socio-economic development were complemented by other indicators addressing economic activity and technical infrastructure, as well as the social aspect determined by the level and living conditions of the inhabitants of individual regions relating to the access to education and healthcare as well as social activity.

Research on territorial disproportions and ways of overcoming them entail the risk of adopting premises and goals of hidden assumptions and arguments present in the analyses in this field. In the context of rural policy, a point of view focusing on inequalities is often based on debatable assumptions (e.g. the significant economic role of rural agriculture in developed countries) and serves to guide the top-down direction of development and uniform distribution of funds, which brings limited effects. As

opposed to the paradigm of inequalities, a concept of differentiation is indicated in the regional policy, which is relatively less judgement-laden, based on bottom-up and democratic governance mechanisms, while being oriented towards supporting the unique characteristics and potentials of the regions in question (Saraceno, 2013).

This issue is also worth considering because of the long-term effectiveness and appropriateness of using EU Cohesion Policy instruments in Poland. Regardless of the positive impact of EU funds on the national economy (e.g. GDP growth, improvement of the quality of administration), it is pointed out that the previous ways of using these funds were not optimal (Kapil et al., 2013). They were often guided by the goal to maximise the use of state aid and to improve the quality of life (investment primarily in basic infrastructure) at the expense of support oriented towards modernisation and increased competitiveness with a view to generating a supply effect (Kozak, 2014). Continuing this approach may be detrimental for at least two reasons. Firstly, support in the next financial perspectives may be much smaller (Brexit, the new challenges faced by the EU), therefore the spending of the assistance received should be earmarked for long-term development. Secondly, a growing proportion of Cohesion Policy funds is allocated to research, innovation, business sector co-operation with academic institutions, i.e. complex projects. It is estimated that many of the previous projects in these areas, financed by EU assistance, have not met their intended objectives<sup>17</sup>.

In this context, another issue is that passive adoption of strategic goals and financial resources by countries and regions, in particular the poor, peripheral ones, from other decision centres is perceived as a threat to development because of the risk of falling into imitation traps. According to this approach, strategies for catching up with externally defined targets and measures are ineffective and are actually implemented in their favour, as opposed to an approach to the creation of independent development policies and their adaptation to the context and one's own needs and capabilities<sup>18</sup> (Zarycki, 2006). Irrespective of these statements, the basic and tangible benefits obtained by rural regions as a result of their participation in the EU Cohesion Policy should be indicated. In their case, the policy measures stimulate the regional economy and, to a large extent, represent investment in technical infrastructure and human capital, which makes it possible to bridge the multi-year lagging behind the most developed areas (e.g. in terms of accessibility and level of qualification of the population). It can be assumed that without the EU support, a large part of many projects could not be launched because of an insufficient amount of domestic public funds. The obtained results show that the projects co-financed by the funds, by supporting socio-economic growth, at the same time contributed in part to reducing the increase in interregional disparities.

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<sup>17</sup> Among other things the failure to adjust individual initiatives to local and regional specificities and the needs of beneficiaries, as well as the imitation of solutions proven elsewhere was pointed out as a cause of this state of affairs (Karpińska, 2016).

<sup>18</sup> According to part of the researchers, it would be relatively more beneficial for some of the Polish regions to take a position at the junction of political and economic centres rather than to gain the status of an external periphery within the EU (Zarycki, 2011).

## 7. Conclusions

Sustainable socio-economic development of regions is an important public policy objective that is oriented towards maintaining the country's long-term internal stability and making efficient use of its resources. Spatial disparities, however, are strongly connected with the market mechanism and are heavily dependent on the historically shaped growth potential and have a high *path dependency*. Methods have been developed for a long time in the theory and economic practice to improve the situation in poor regions, which include mostly rural areas. They include, for example, models and projects based on concepts of exogenous, endogenous and *neo-endogenous* development. From the point of view of rural areas, each of these development patterns has its pros and cons and entails also various risks. On the one hand, bottom-up progress is unlikely to succeed in a situation of financial, human or social capital deficit. On the other hand, the focus on the use of external support gives rise to the threat of dependent development or its inhibition if no further support is provided. These dilemmas may be shared by regions or countries involved in the implementation of the EU Cohesion Policy. Although the declared goal of this policy is territorial socio-economic convergence, its shape evolves constantly under the influence of evaluations of purposefulness, effectiveness and efficiency of the provided assistance. In the case of most of Poland's rural regions, one of the least-developed in the EU, the support under the Cohesion Policy **involved positive effects in the economic and social sphere**. The implementation of projects mainly co-financed by the EU funds has served to improve the technical and social infrastructure, the qualifications and skills of the population and to strengthen the potential of enterprises. The research results presented in this paper document **significant socio-economic progress** in rural regions in Poland that took place during a short period in the above-mentioned areas. However, the available information does not make it possible to ascertain a reduction in interregional disparities as a result of the intervention of Cohesion Policy instruments.

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