

Urban development under EU cohesion policy – an example of major cities in Poland

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Abstract: *One of the objectives of Poland's accession to the European Union was to accelerate modernisation and development processes both nationally and locally. Cohesion policy measures provide a way to support these modernisation processes, and cities, especially large ones, play a particular role in this regard. The study aims to assess the role of EU cohesion policy funds in urban development in Poland (with the example of major cities – cities with poviats status). The expenditure on the implementation of projects financed with EU funds accounts for more than half of the investment expenditure of cities with poviats status. Placing it in the context of the full spectrum of public intervention, as well as investments by businesses and other actors on the territories of cities, those cities are the largest beneficiaries of EU cohesion funds in Poland. In the light of the results of quantitative research it can be said that the implementation of cohesion policy is important for large cities and has had an impact on the improvement of their economic situation. By analysing the thematic structure of the projects that have been carried out and co-financed with EU funds we can see that they have contributed to smart, sustainable and inclusive growth, but the scale of this impact should be the subject of further research.*

Keywords: *urban development, cohesion policy, smart growth, sustainable growth, inclusive growth.*

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Introduction

Economic development, social cohesion and responsive governance are recognised in the academic and political debate as essential for survival in today's world – and cities are seen as crucial to achieving these goals (Buck et al. 2005). A growing body of research suggests that cities are complex, inter-related environments that foster the generation of new ideas. Cities are home to most jobs, companies and institutions of higher education, are home to change based on innovation, spirit of enterprise and economic growth. Cities are the driving forces of national economic development.

One of the objectives of Poland's accession to the European Union was to accelerate modernisation and development processes nationally, regionally and locally. Cohesion policy measures provide a way to support these modernisation processes, and cities, especially those that should function as "development locomotives", play a particular role in this regard.

The study aims to assess the importance of EU cohesion policy funds for urban development in Poland. The article uses cities with poviats status, which are a special kind of local community in Poland, as an example. These are the major cities in Poland that normally have the status of both *gmina* (commune) and poviats (Polish: *powiat*)¹. The emer-

gence of this particular solution was influenced by three main premises. The first one is undoubtedly settlement structure, which somehow imposed a departure from the classical form of districts made up of rural and rural-urban *gminas* located around a larger city. The second premise was the transfer of a range of public responsibilities to towns and cities in 1993. Thirdly, the creation of cities with poviats status was to be a form of compensation for cities that lost the status of voivodship capital after the reform of administrative divisions that entered into force in 1999. As of January 1st 2016, there were 66 cities with poviats status in total (Central Statistical Office 2016: 9). Cities with poviats status are exceptionally well suited to analyse the use of EU funds because, due to their specific nature, they not only have an extended range of responsibilities, but are also, as a rule, larger cities.

In particular, the study will aim to answer the following questions:

- How has the spatial focus of EU cohesion policy towards urban areas changed and what possibilities are there for cities to develop under the cohesion policy framework?
- What is the importance of cohesion policy funds for the development of Polish cities?
- What is the potential role of European cities in delivering smart, sustainable and economic growth?

The research involves the analysis of primary sources, such as policy documents and legislation, and in the empirical section, is based on data from the reports on the implementation of the budgets of local government units (by

¹ Since 1999 the administrative division of Poland has been based on three levels of subdivision: voivodships (provinces), poviats (counties) and *gminas* (communes or municipalities).

the Ministry of Finance) and data generated from the KSI SIMIK 07-13 National Information System.

The paper is structured as follows. The next section will concentrate on the role of cities in delivering the Europe 2020 priorities. Then it focuses on EU cohesion policy and the place of cities within its framework. The empirical section will present the example of cities with poviatus status in Poland, which is then followed by concluding remarks on the impact of EU cohesion policy on urban development and Polish cities.

European cities and smart, sustainable and inclusive growth

According to the European Commission: “The European Union will pursue its objectives of growth and jobs more successfully if all regions are able to play their part. Cities are particularly important in this context” (Commission of the European Communities 2006: 4). The present strategy for a long-term programme of socio-economic development in the European Union is “Europe 2020”. In a communication “Europe 2020 – A strategy for smart, sustainable and inclusive growth” (European Commission 2010) published on 3rd March 2010, the European Commission emphasised the need for common action by member states to overcome the crisis and allow the implementation of reforms to tackle the challenges of globalisation, aging, or an increasing need for the rational use of resources. In order to achieve these objectives the Commission proposed three main, mutually reinforcing priorities:

- smart growth, which is growth based on knowledge and innovation,
- sustainable growth, the transition towards a resource efficient and competitive green economy,
- inclusive growth, which is supporting an economy characterised by high levels of employment and providing economic, social and territorial cohesion.

The strategy reflects a multi-dimensional and multi-thematic approach to growth and development, broader than the largely sectoral Lisbon strategy.

Cities can play an important role in delivering the Europe 2020 priorities and targets. European cities have for a long time been trying to reconcile the need for local innovation, which creates jobs and economic growth, with sustainable development, that is felt in the quality of life of its inhabitants and a permanent fight against social exclusion. The OECD has also defined the key challenges of urban areas as smart growth, sustainability and resilience, inclusive growth and urban sprawl (OECD 2013). The various dimensions of urban life – environmental, economic and social – are interwoven and success in urban development can only be achieved through an integrated approach. The response to these challenges is critical for achieving the smart, sustainable, inclusive society envisaged in the Europe 2020 Strategy.

In literature the idea of smart growth refers to two different concepts. The first is rooted in the study of the transformation of spatial structure and economic cities, and states that the basic idea of smart growth is that growth should occur within or immediately around existing urban areas (Daniels 2001). This concept arose in the 1970s in the United States and since then has been strongly developing together

with another concept – smart cities. In the second concept, smart growth means enhancing the role of knowledge and innovation as a driving force for economic development, and such an idea is being developed by the European Union. The concept of smart specialisation (developed together with the concept of smart growth) is particularly pertinent to EU regions and regional policy. Yet, translating the original non-spatial concept to the regional context in a way that is practical and workable for regional and urban policy requires a consideration of parallel ideas that had also been emerging in economic geography (McCann & Ortega-Argilés 2013). Nevertheless, cities and urban regions are at the very centre of the processes of knowledge, innovation and entrepreneurship and therefore, can play an important role in delivering smart growth. Innovation and entrepreneurship and their geography prioritise the firm and industrial clusters, and present the city as a “container” for them. One of the latest pieces of research by R. Florida, P. Adler and Ch. Mellander (2017), by linking J. Jacobs’ (1969) insights into cities to those of J. A. Schumpeter (1934) on innovation, argues that innovation and entrepreneurship do not simply take in place in cities, but in fact require them.

In the context of sustainable development, there are specific problems of urban environmental degradation on one side, and the contribution that cities can make to the broader goals of attaining global sustainability – on the other (Haughton & Hunter 2004). Cities have long experienced environmental problems (to mention a few: air and water pollution, poor sanitation). As a result, urban energy and environmental policies have become a focal point of policy interest (Nijkamp & Perrels 1994). P. Nijkamp and A. Perrels (1994) stress that the city is a place where an intensified urban energy policy may bring about a wide variety of favourable environmental impacts, and this may lead to an improvement of environmental quality in European cities.

Economic growth is sustainable when it is accompanied by measures designed to reduce poverty and social exclusion. Inclusive growth is a response to the need to implement more “equitable” development, which is trying, as far as possible, to use the economic potential of growth to meet the aspirations and expectations of the whole of society. Inclusive growth is associated with the concept of social inclusion, which is understood and measured by the degree to which equality (in terms of consumption, income, jobs and housing) is achieved (Anand, Mishra & Peiris 2013). Thus, in order for growth to be sustainable and effective in reducing poverty, it must have an integrative and inclusive nature (Berg & Ostry 2011). Cities are epicentres of opportunity, but also inequality. Therefore, they are places where it is particularly important to ensure an inclusive education system, inclusive labour market, inclusive infrastructure and public services, and an inclusive housing market and urban environment. Fostering more inclusive growth in cities requires a coordinated mix of policies (e.g. social, educational, environmental). The spatial scale to which policies are applied – neighbourhoods, metropolitan areas, regions – is also of utmost importance (OECD 2016).

The importance of urban questions has been recognised under successive political documents of the European Union. The EU strategy papers quite often note that the proper

functioning of cities and metropolises is the key to achieving spatial cohesion, enhancing competitiveness, as well as promoting sustainable development, and creating the proper structure of the European Union's settlement system (ESDP 1999; European Union 2010). Moreover, in recent years, various member states as well as the European Commission started to acknowledge the importance of focusing on urban areas as a central element of national and regional development policy. The key importance of cities for the development of the whole country has also been recognised in Polish strategic development documents, and in order to implement an integrated urban policy effectively, the government adopted a document entitled "National urban policy 2023"² (in Polish: *Krajowa Polityka Miejska 2023*). Funds from the EU cohesion policy are an important source of funding for this strategy. These policy measures have not only served to reduce the differences in socio-economic development of member states and their regions, but also to achieve the objectives of Europe 2020. The place of cities in cohesion policy is particularly noteworthy.

The place of cities in cohesion policy

Cohesion policy pays particular attention to the specific needs of certain zones, such as urban areas. This is the result of changes in the prevailing paradigm (model) of regional development that is not only dominant in the academic literature but also at the policy making level. There has been growing academic interest in local economic development following on from the work of A. Marshall on localised industrial districts (Marshall 1961; Becattini 1990), and F. Perroux on localised industrial growth and the development of growth poles (Perroux 1950). In addition, there has been a rediscovery of the importance of the economies of agglomeration and urbanisation in emerging patterns of urban and regional economic growth. There seems to be a considerable shift towards the paradigm of a growth and innovation based regional policy which is partly achieved via the formation of strong metropolitan regions (Lang & Török 2017). A range of economic development concepts have emerged over the past few decades: new economic geography, endogenous growth theory, new institutionalism and new regionalism. The concept of a place-based regional policy model has become particularly evident in policy discourse in recent years and was incorporated into the EU cohesion policy model (Barca 2009; Ferry 2013).

Scholars increasingly argue that urban and regional policies need to be more sensitive to local context and local specificity, "place based" as opposed to "place neutral" (Parkinson & Meegan 2013). This implies a policy implementation process capable of mobilising the potentials of all territories. It emphasizes the identification and mobilisation of endogenous potential, that is, the ability of all territories to grow, drawing on their own resources. Under this approach, regional policy (which is part of cohesion policy³) must respond

to the specific needs of the territories and build on their endogenous development potential.

Strengthening the urban dimension of cohesion policy was also a way of implementing the new territorial dimension of the policy (in addition to economic and social cohesion, territorial cohesion has also been introduced in the Lisbon Treaty). However, some scholars argue that the promotion of territorial cohesion within a neoliberal regional policy framework presents a contradiction between the place-based approach and the normative nature of neoliberal principles, since a common set of neoliberal principles neither finds the same application nor produces the same effects within the path dependent political-institutional contexts of regions. It unfolds unevenly across space and produces "new forms of geo-institutional differentiation" (Brenner, Peck & Theodore 2010). One critical politico-economic approach notes that while the regional and urban policies of the European Union support the reinforcement of the economic base of major urban regions and the exploiting of endogenous resources, they fail to consider the highly uneven socio-spatial structure of the European space (Hadjimichalis 2011; Hadjimichalis & Hudson 2014).

From the early 1990s onwards, the European Commission has launched several urban initiatives that were considered to be part of cohesion policy. Special treatment of cities within the framework of EU cohesion policy was defined within the URBAN Community Initiative financed by the European Regional Development Fund. This was launched in 1994 as a response to the challenges facing Europe's towns and cities: high unemployment, the risk of social exclusion, and a neglected environment. URBAN was influenced by the urban regeneration policies that had been developed previously by different member states of the European Union. The Initiative lasted until 2006, but its actions continue until today. One of the examples is URBACT – the European exchange and learning programme promoting sustainable urban development. It enables cities to work together to develop solutions to major urban challenges, reaffirming the key role they play in facing increasingly complex societal challenges. It helps them to develop pragmatic solutions that are new and sustainable, and that integrate economic, social and environmental dimensions. It enables cities to share good practice and lessons learned with all the professionals involved in urban policy throughout Europe.

In the 2007–2013 period, urban issues were mainstreamed in the Operational Programmes (through which EU structural funds are applied in member states) and were supported by a substantial budget. Moreover, a new instrument for cities was launched – the Joint European Support for Sustainable Investment in City Areas (JESSICA). It is an initiative of the European Commission developed in cooperation with the European Investment Bank (EIB) and the Council of Europe Development Bank (CEB). It supports sustainable urban development and regeneration through financial engineering mechanisms. Many of the lessons learned from JESSICA are visible in the new cohesion policy regulations. In general the programming period 2007–2013 has been an important learning process for member states (especially those joining the EU after 2004) and the need for integrated urban development has been understood.

² Document adopted by Council of the Ministers on 20th October 2015.

³ EU regional policy, after almost a quarter of a century of existence, has largely lost its regional character, today becoming more and more a horizontal policy.

The 2014–2020 cohesion policy instruments enhance the role of urban areas through acknowledging the importance of towns and cities in specific investment priorities. The European Commission proposes five levels for targeting urban issues (Hamza et al. 2014: 12):

- European level, with the introduction of an Urban Development Network and innovative urban actions;
- member state level – strategic level, enhancing the involvement of cities and urban areas in the Partnership Agreement, the introduction of Integrated Sustainable Urban Development and better involvement of the European Social Fund;
- member state level – the level of the European Regional Development Fund [ERDF] programme with urban-related investment priorities, ring-fencing 5% of funding;
- member state level – implementation level, with the involvement of Integrated Territorial Investments as instruments for bottom-up urban actions and the involvement of Community – led local development in urban areas;
- local level – project level, where cities have the opportunity to cooperate across borders.

During the 2007–2013 programming period, the main input provided by cities and urban areas was at project level, while cohesion policy is enhancing the role of urban areas during the 2014–2020 programming period.

However, R. Atkinson and K. Zimmermann (2016) argue that although the notion of Integrated Sustainable Urban Development is prominent in the current cohesion policy programmes and a predefined share of each member state's European Regional Development Fund funding must be invested in urban areas, the urban dimension has become somewhat blurred. They stress that it remains to be seen whether the new instruments that are thought to provide for better coordination of sectoral policy and more “focused urban spending” are implemented by member states.

The 2014–2020 period has put the urban dimension at the very heart of cohesion policy. At least 50% of the ERDF resources for this period will be invested in urban areas. This could increase even further later in the period. Around 10 billion euros from the ERDF will be directly allocated to integrated strategies for sustainable urban development. In each EU member state, a minimum of 5% of the ERDF is earmarked for integrated sustainable urban development and EUR 371 million is set aside for innovative actions in the field of sustainable urban development over a seven-year period⁴. Moreover, in addition to regional policy and rural development policy, urban policy was also introduced to the cohesion policy model, which is reflected in the change of name of the relevant Directorate General of the European Union to the Directorate-General for Regional and Urban Policy.

The effectiveness of European Union cohesion policy has been the subject of controversy for years (Gorzelać 2017). There are many studies which were critical of the effects of cohesion policy on convergence, growth and employment, such as Boldrin and Canova (2001), Midelfart and Overman (2002),

Sapir et al. (2003), Ederveen et al. (2006) and Bachtler et al. (2016). Such criticism raises the need to rethink and reconsider the general case for, and the role of, development policy at the regional and urban levels (McCann 2015). Putting aside the issues of the contribution of cohesion policy to increasing the competitiveness of the whole Union and reducing the development gap between its regions, the place-based approach has proved to be successful in enhancing the efficiency of developmental efforts by inter alia unlocking the under-utilised potential contained at local, city and regional level (Zaucha & Świątek 2013). However, some research shows that although Poland is leading the way in terms of legal arrangements concerning a place-based approach, it is lagging behind in the behavioural domain (Zaucha & Komornicki 2017).

European cities attract investment and jobs. They have many tools at their disposal to increase their attractiveness. Municipalities and entities located and operating in urban areas have access to cohesion policy funds to promote smart, sustainable and inclusive growth. To make the most of that opportunity, policy concepts and programmes should be put in the context of uneven development within Europe.

The development of cities with poviát status in Poland under cohesion policy

Poland is a country with great regional differences. Due to historical processes and contemporary development conditions, Polish territory is characterised by three types of disproportion: a development gap between Eastern and Western Poland, one between large cities and the rest of the country, and intraregional disproportions. Poland is by far the largest beneficiary of cohesion policy funding among the member states and the vast majority of the country's regional development funding comes from EU sources. Since EU accession, the decentralisation of the cohesion policy fund management system in Poland has increased significantly. Throughout these changes, Polish regional policy has been faced with a continuing set of tensions. In particular, the allocation of competences for the design and delivery of regional policy has not been fully resolved. The problem is that there are competing pressures for centralisation and regionalisation (Ferry 2013).

According to the Act of 13 November 2003 *On the incomes of local self-government units (Ustawa o dochodach jednostek samorządu terytorialnego)*, the revenues of these units may be, inter alia, funds from the budget of the European Union. The *Act on the incomes of local self-government units* and the Act of 6 December 2006 *On the principles of development policy (Ustawa o zasadach prowadzenia polityki rozwoju)* enable local self-government entities to obtain funding for their own contribution (which is required for the implementation of projects financed with EU funds) from the state budget. Under the Act of 27 August 2009 *On public finances (Ustawa o finansach publicznych)*, the appropriations allocated to the implementation of operational programmes in part corresponding to the contribution of European funds, constitute a separate part of the budget under the name of “the budget of European funds”, from which payments are made. On the other hand, the part of the appropriations corresponding to the national contribution is transferred in the form of special-purpose subsidies.

⁴ European Commission data, http://ec.europa.eu/regional_policy/en/policy/themes/urban-development/ (22.04.2017)

Table 1. Revenue and expenditure of cities with poviats status for the implementation of programmes and projects financed with EU funds against the background of other local and regional government units in 2015.

	Spending (in PLN, thousands)	Spending structure (in %)
Total revenue	199 018 949	
of which:		
for the implementation of programmes and projects financed with EU funds	17 201 204	100,0
from this:		
gminas	4 853 183	28,2
poviats	1 065 626	6,2
cities with poviats status	5 208 855	30,3
voivodships	6 073 539	35,3
Total expenditure	196 415 300	
of which:		
for the implementation of programmes and projects financed with EU funds	18 975 702	100,0
from this:		
gminas	5 281 363	27,8
poviats	1 207 517	6,4
cities with poviats status	5 704 303	30,1
voivodships	6 782 519	35,7

Source: Rada Ministrów⁵ (2016: 12)

Analysing the reports on how local government budgets were actually spent in the years 2004–2015, we can see that the correlation between the expenditures from the budgets of poviats and cities with poviats status and the implementation of EU programmes and projects and the total expenditure from the budgets of these units is large and positive ($r = 0.8470$) and highly significant ($p = 0.0020$)⁶. Such a strong relationship reflects the growing importance of EU funds for the financing of local government tasks. Total revenues and expenditures of local government bodies and the financing and co-financing of programmes and

projects with EU funds in 2015 are presented in the following table (Table 1).

In 2015, the incomes of local government units relating to the implementation of programmes and projects financed with EU funds accounted for 8.6% of their total revenues (of which 30% went to cities with poviats status), while spending on programmes and projects financed with EU funds accounted for 9.7% (30% by cities with poviats status) of their total expenditures. EU funds serve primarily to support investment activities. The share of European funds in the investment expenditures of cities with poviats status is presented in Table 2.

Table 2. The share of European funds in the investment expenditure of cities with poviats status (mln PLN and %)

Year	Total expenditure (1)	In this for the implementation of programmes and projects financed with EU funds (2)	Investment expenditure (3)	The share of EU funds in investment expenditure (4=2:3)
2004	32136.7	no data	4495.9	–
2005	36491.2	no data	5537.6	–
2006	41237.5	2810.2	7853.5	35.8 %
2007	45877.1	3219.3	9865.7	32.6 %
2008	51172.4	2456.5	11135.2	22.1 %
2009	56201.1	3016.9	12081.4	25.0 %
2010	58954.1	4852.9	12698.1	38.2 %
2011	61510.5	6595.9	12365.0	53.3 %
2012	63730.8	7140.0	12103.3	59.0 %
2013	64952.6	6663.0	11455.4	58.2 %
2014	69661.4	7576.6	13625.8	55.6 %
2015	69824.2	5704.3	12211.7	46.7 %

Source: Ministerstwo Finansów⁷ (2004–2015)⁵ Council of Ministers.⁶ Pearson linear correlation, own calculations using the PQStat statistical package version 1.6.0.428.⁷ Ministry of Finance.

Table 3. Projects co-financed by cohesion policy funds in 2007–2015 in cities with poviát status

Spatial category	Number of projects (1)	Value of projects in mln PLN (2)	Value of EU co-financing in mln PLN (3)	The share of EU co-financing in total value of projects (4=3:2)
Total	150 582	502 861.4	289 522.1	57.6 %
Cities with poviát status	31 863	181 121.0	99 143.5	54.7 %

Source: own calculations based on data generated from the KSI SIMIK 07-13 National Information System (as at 31.03.2017).

At present, expenditure for the implementation of programmes and projects financed with EU funds accounts for more than half of the investment expenditure of cities with poviát status⁸. This means that these expenses represented a very large share of the investment efforts of major cities. Cohesion policy funds played a key role in the investment activities of municipalities, especially in the areas of environmental protection, transport and the development of social infrastructure, which in the period under review were mostly implemented with support from European Union funds. The same situation also occurred in the previous period, 2004–2008 (Smętkowski & Płoszaj 2011).

It is worth noting, however, that this situation may be dangerous in the long run. This is not only because sooner or later these funds will end and it will be necessary to find other sources, and therefore there will need to be a reform of the system of financing of local government, but also be-

cause the more local authorities spend EU funds, the more they have to pay the contribution for co-investment, which can lead to debt problems. This problem not only concerns the debt of local government authorities themselves, but also of municipal companies which carry out investment projects and to which local authorities transfer costs (the debts of municipal companies do not burden the debt of local authorities as they are not units forming part of public finances). On the other hand, it is important to mention the role of investments co-financed by EU funds in sustaining GDP growth during the global crisis.

Assessing the impact of cohesion policy on urban development is not possible without embedding it in the context of the full spectrum of public intervention, as well as investments by businesses and other actors on the territories of cities. The next table presents data on all projects co-financed by cohesion policy in 2007–2015 in cities with poviát status in Poland (Table 3).

A total number of 31 863 projects with a total value of more than 181 billion PLN, of which more than 99 billion PLN came from the European Union, have been carried out in the cities with poviát status. It is worth mentioning that the EU funds obtained by entities carrying out projects on the territories of those cities accounted for more than one-third of EU financial transfers throughout the country.

⁸ The decline in value in 2015 is mainly due to the specific character of cohesion policy expenditure. The general rule is that first the country (and the individual beneficiaries of the projects) bear the expenses alone, and then they receive their refund. The year 2015 was the last year when spending from the 2007–2013 financial perspective ended (according to the n + 2 rule the money granted for a given year could have been spent for another two years), while funds from the new financial perspective had only just been launched.

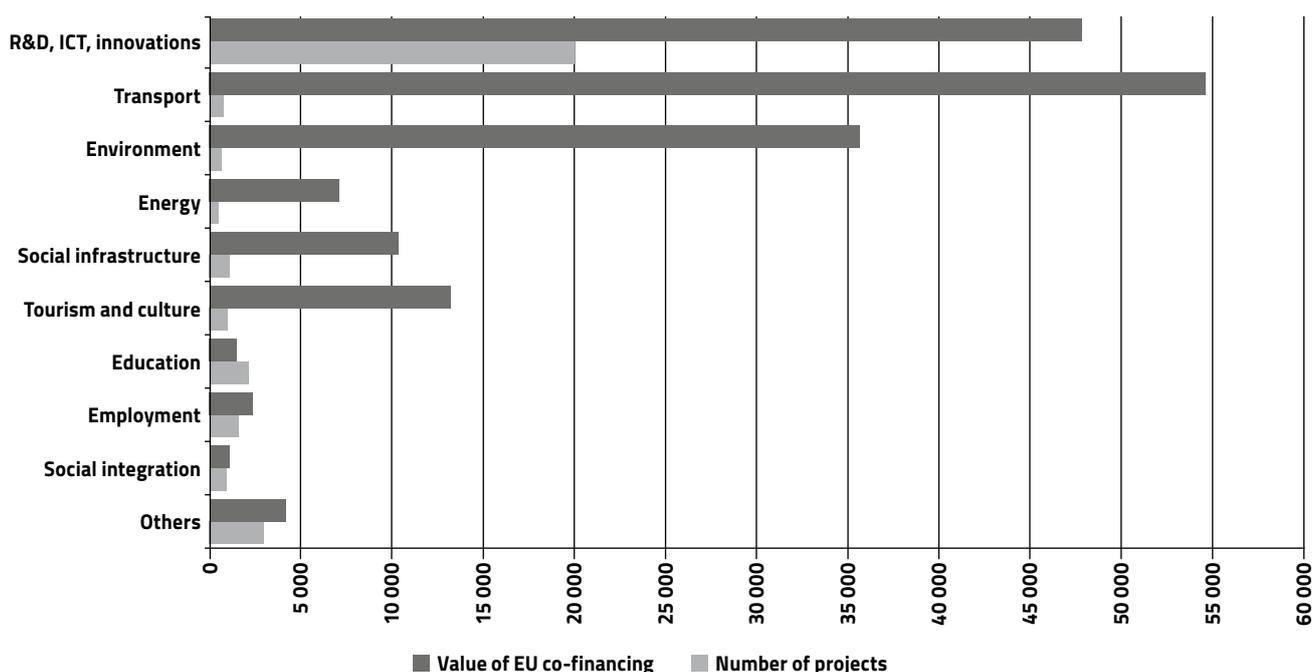


Figure 1. The thematic structure of projects in cities with poviát status in 2007–2015 – the number of projects and value of EU co-financing (in mln PLN).

Source: own calculations based on data generated from the KSI SIMIK 07-13 National Information System (as at 31.03.2017).

Given that there are also projects of national and regional importance among the other two thirds (which cannot be attributed to a specific territory), and many of which also have an impact on cities with *poviat* status, one can say that these cities are the largest beneficiaries of EU cohesion funds in Poland.

To assess the effects of cohesion policy on the cities it is necessary to take into account the thematic structure of the projects that were carried out (Figure 1). It is not surprising that a significant part of the funding received has been involved in transport and environmental projects. This is primarily a result of the high cost of these projects and the fact that, as Poland is a country with a very many demands in this area, it was decided to make the largest possible allocation of EU funds to meet those needs. Programming in the new member states in 2007–2013 still leaned heavily towards traditional infrastructure projects rather than human resource or business development projects, as might be expected for relatively less-developed countries with extensive basic infrastructure needs (Baun & Marek 2008: 259). Investments in Poland are still used mainly for long overdue modernisation of infrastructure and for meeting basic economic needs, rather than for building a knowledge-based economy (Instytut Badań Strukturalnych 2011). But this situation is changing now (Murzyn 2013) and this is particularly visible in large cities.

An interesting element in this is the large proportion (both in the number of implemented projects and the value of EU co-financing) of R&D (research and development), ICT (information and communications technology), innovation, and entrepreneurship projects. On the one hand, this is the result of a change in cohesion policy and the departure from simple redistribution activities to promote the competitiveness of regions, leading to research and innovation activities being prioritised. The structural funding allocation in support of RTDI (research, technological development and innovation) activities and business innovation has increased substantially with the shift to Lisbon oriented structural funding and related earmarking in the 2007–13 programming period. But on the other hand, a large number of such projects show the potential of large cities to support the development of an innovative knowledge-based economy, and therefore – smart growth. Cities generally have a more advantageous position than other areas in terms of the existing location of advanced business services and high-tech industries.

The urban dimension of the implementation of cohesion policy in Poland in 2007–2013 was mainly manifested in three areas: exploiting the potential of major urban centres as a driving force for regional development, enhancing the relations between cities and surrounding areas, and promoting internal cohesion in urban areas. The impact of these activities, however, requires further research. A very interesting problem, not presented in the above analysis, is the impact of cohesion policy on creating conditions for the diffusion of development processes through the city-region system. Such studies were conducted by M. Smętkowski (2011). The outcome of this dimension of the analysis indicates a lack of any significant impact of cohesion policy on

agglomeration processes at the spatial scales analysed. However, the studies managed to identify the thematic categories of public intervention that have the largest relative impact on spread effects from developing large cities to their regional surroundings. The impact of cohesion policy on the spread of development processes in the neighbourhood of large cities was primarily concerned with the development of transport infrastructure.

Conclusions

In the light of the results of quantitative research it can be said that the implementation of cohesion policy has had an impact on improving the economic situation in large cities. However, this resulted primarily from an outbreak of classical demand effect due to the fact that public investment has created demand for various products and services that have often been sourced in a city⁹. The support of EU funds in Poland concentrates in development nodes, including the largest cities. It should be borne in mind however, that the concentration of funds in nodes of development assures a higher return on investment than in the case of their implementation in economically weaker areas, which with the adequate direction of intervention (place-based policy) may improve its efficiency. Bearing in mind that the external assistance can only have a pro-growth significance if endogenous conditions allow it to be used for accelerating the structural change needed (Gorzela 2004; Harrison & Huntington 2000), it is important to create those endogenous conditions.

Moreover, the infrastructure base and quality of life in major Polish cities are improving. European Union cohesion policy funds are undoubtedly contributing to this thanks to investments in transport, environment, education and employment. The cohesion policy was designed to be the main instrument for delivering smart, sustainable and inclusive growth in Europe. By analysing the thematic structure of the projects implemented we can see that they are related to support for research and innovation activities (which are in the core of smart growth), environment and energy (connected with sustainable growth) and education, employment and social integration (necessary for inclusive growth). In that way, cities have contributed to smart, sustainable and inclusive growth, but the size of this impact should be the subject of further research.

Urban development is a complex and long term process (Buck et al. 2005). Cities should integrate this development in a long term perspective in order to maximize the many factors of success. Urban areas need specific solutions that will enable them to serve as centres of growth creation and spread and, on the other hand, to address demographic challenges, economic stagnation and other significant difficulties. Then, cities will not be treated merely as beneficiaries of cohesion policy, but active partners who will have more responsibility for designing solutions as well as for the results of individual actions.

⁹ Such an effect was visible even in the years 2004–2006, although the scale of public intervention was much smaller. See: (Ocena wpływu polityki spójności ... 2010).

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