



## ***Implementing Structural Funds in Poland: Institutional Change and Participation of the Civil Society***

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*Contributing to the literature on regional development and on institutional changes in Central and Eastern European countries in the wake of their adhesion to the European Union, this paper focuses on the impact of the implementation of the European Structural funds (SF) on the Polish administrative system. It attempts to assess the system of distribution of the SF in Poland stressing its features inherited from the communist regime, its effectiveness and the potential evolution of the institutional arrangements. The paper examines to what extent the collective learning by practice which takes place within Polish administrations may facilitate their emancipation from the burden of the communist past.*

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## **Introduction**

The European regional policy, which aims at economic cohesion of member states' regions, constitutes the second largest share of the EU budget (after the CAP), making it one of the EU's most important policies. This paper will focus on the implementation of the structural funds (SF) in Poland, which benefits from the largest allocation of structural funds amongst the new member states (13,8 billion euros out of 22 billions allocated for the ten countries accessing in 2004 for the 2004-2007 periods, more than 60 billion euros for the 2007-2013 period) given the country's population of about 38 million inhabitants and the fact that all of its regions have qualified as Objective 1 regions. In fact, in 2005 Poland's GDP per capita corresponded to only 48.4% of the EU25 average<sup>1</sup>. Therefore, the Structural Funds create unprecedented opportunities for Poland as it provides funding to boost economic activity and so narrow the gap with Western Europe, and as a stimulus for building a regional development policy which was largely absent during the 1990's (Ferry, 2004). Nevertheless, SF implementation also constitutes a potentially powerful driver for institutional change in Central and Eastern European member states.

Authors exploring this aspect of the SF's impact have highlighted the ongoing redefinition of relations between regions and central government (Ferry & McMaster, 2005; Aïssaoui, 2005) as well as the beneficial role of the SF in terms of constructing administrative capacities (Bafail & Hibou, 2003; Bafail & Lhomel, 2003; Bafail, 2004; Lepesant, 2005). The latter is a crucial issue given that effective administration is a necessary prerequisite for absorbing EU development aid. In fact, according to the so called n+2 principle the sums allocated as part of the SF which have not been consumed within two years must be given back to Brussels. Adjusting the administrative framework and practices is needed to ensure an efficient and rapid distribution of the SF and, consequently, to minimise the risk of losing the funds allocated to Poland given the country's enormous demand for funding of regional development projects.

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<sup>1</sup>Source: Eurostat

Echoing the concept of path dependency (North, 1990, Pierson, 2000), Bafail and Lhomel (2003) and Lepesant (2005) stress the difficulties faced by institutions implementing the SF stemming from their limited effectiveness and postures inherited from the communist past. That said, they also argue that the imposition of norms governing the implementation of the SF, like long-term programming or partnership with non-state actors, is expected to trigger a “silent revolution”, a massive collective learning process within Central and Eastern European administrations. The efforts of adjustment and preparation for administering the SF were driven, on the one hand, by an adaptation pressure from the European Commission formulated in its regular reports on progress made by candidate countries in adjusting the domestic institutional and legal framework to the EU framework<sup>2</sup>, and on the other hand, by the imperative to absorb the unprecedented amounts of development aid. With the notable exceptions of Czernielewska, Paraskevopoulos and Szlachta (2004) and Ferry and McMaster (2005) who analyse the institutional changes related with SF implementation at the regional level, most of the studies on the impact of the SF on Polish institutional systems adopt a country-wide focus. In addition, all of the existing studies cover the period prior to Poland’s accession to the EU or shortly after it.

This paper aims to add to the outlined literature by scrutinising the impact of the SF on the evolution and practices of Polish administration at the regional level, and functioning of the system of distribution of the SF two years after accession. Based on the example of Lower Silesia region (*Dolnoslaskie*) in South-Western Poland<sup>3</sup>, it attempts to examine to what extent the centralised, formalised and rigid *modus operandi* inherited from the previous regime contributed to inefficiency in the management of the SF. To what extent could

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<sup>2</sup>All reports from 1998 are available at European Commission’s website (Access Feb. 2007): [http://ec.europa.eu/enlargement/archives/key\\_documents/reports\\_1998\\_en.htm](http://ec.europa.eu/enlargement/archives/key_documents/reports_1998_en.htm)

<sup>3</sup> Lower Silesia has recently enjoyed rapid economic growth mainly linked with its favourable geographical position as well as with a recent, and highly mediated, wave of foreign investment. That said its performance in terms of absorption of the SF is one of the poorest among Poland’s regions, which was the main reason behind the choice of this region as a case study. The research conducted in Lower Silesia in Spring 2006 was mainly based on a series of twenty semi-structured interviews with key informants within the institutions involved in the process of distribution of the SF in the region (Marshall Office - regional self-government, Voivod Office - central government representative in region, regional development agency, regional labour office, members of the Regional Steering Committee – the regional partnership body), with SF beneficiaries (communes, NGOs, business associations) as well as with SF experts and consultants.[0]

collective learning by practice, which takes place within Polish administrations, help emancipate it from the burden of the past?

**Fig.1. Administrative map of Poland: Lower Silesia (*Dolnośląskie*)<sup>4</sup>**



The first part of the paper provides a background for the study by briefly reviewing the existing literature on the institutional adjustment prior to Poland's accession, and which highlights the ambiguous influence of the European Commission on the administrative reforms of 1999 as well as the reaffirmation of the state's supremacy over newly created regions. The second part presents the study's findings concerning the effectiveness of the system established to administer the SF and focuses on collective learning in practice amongst the regional actors involved in the system.

<sup>4</sup> Source: [www.poland.gov.pl](http://www.poland.gov.pl)

## **I. Institutional adjustment prior to Poland's accession to the EU: impossible decentralisation?**

In order to gain membership of the EU, the Central European states have been obliged to adopt the so called *acquis communautaire* which, with respect to the regional policy (Chapter 21), required administrative reform establishing decentralised regional territorial units capable of administering the SF (Bafoil & Hibou 2003). The EU's recommendations concerning these adjustments have been formulated in the Commission's regular reports on progress for the candidate states. Nevertheless, the Commission's preferences have been expressed in a sufficiently vague manner to leave a certain room for manoeuvre for governments. Consequently, the European 'soft expectation' (Brusis, 2002) has been reinterpreted within national systems according to specific institutional heritages, political contexts and cultures. Institutional choices taken by the Polish government as part of the 1998 administrative reform, as well as later on in the wake of preparations for the SF management, confirm that adaptation pressure from Brussels has had a rather limited impact and, paradoxically, the old model of centralised territorial administration has been perpetuated, if not reinforced.

### ***Administrative reform: between European adaptation pressure and legacy of the past***

In the Polish case during the 1990's administrative reform has been a bone of contention between the mainstream centre-right parties, viewing decentralisation as a continuation of democratic reforms, and the left-wing parties which benefited from well-established partisan structures within the pre-existing territorial units. European pressure for decentralisation of the territorial governance system has opened a 'window of opportunity' for the centre-right government in power since 1997 keen to bring decentralisation back to the political agenda.

After harsh debates and political struggles (for more details see Regulaska, 1999 and Illner, 1998, 2002) the new territorial system came into effect in

1999<sup>5</sup> reducing the number of regions from 49 to 16, endowed with elected councils which designate chief executive officers (the Marshalls). The new regional entities acquired wide competences including the responsibility for delivering regional development policy. The central government however, has secured measures allowing it to maintain a significant degree of control over the regions. Firstly, it designates its representatives in regions, the Voivods, who are supposed to safeguard states interests and control the legality of decisions taken by the elected regional authorities. Secondly, the decentralisation of competences has not been followed with a decentralisation of finance. The regional authorities remain financially dependent on the central government which considerably limits their discretion in delivering the regional policy (Grosse, 2004; Lepesant, 2005) and thus contradicts their statutory functions. It can therefore be argued that this reluctance to concede to the regions a real autonomy confirms the thesis of path dependency stressing the influence of past institutional arrangements on the process of political change (North, 1990; Pierson, 2000). The safeguarding of central government's trusteeship over the regions was, to some extent, also favoured by the vagueness of Commission's recommendations concerning administrative reform (Brusis, 2002). Therefore, the outcome of the reform is paradoxical: an apparent empowerment of regions hides a *de facto* re-centralisation of power with the government controlling the purse strings (Aïssaoui, 2005 ; Grosse, 2004; Lepesant, 2005).

### ***Regional planning without regions***

This re-centralisation tendency has been reinforced with the institutional solutions chosen for the management of the SF for the period 2004-2006 which has restrained the role of the regions and reasserted the government's hegemony. As a result of the Commission's insistence, the regions have been sidelined from the programming of SF implementation under the pretext of their reputed insufficient capacities. This solution was also satisfying for the Polish government willing to remain the dominant actor in this process (Aïssaoui, 2005).

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<sup>5</sup> Law from 5<sup>th</sup> of June 1998 (Dz.U. Nr 91, poz. 576)

Consequently, instead of preparing specific regional operational programmes for each region, as was initially expected, the government has drafted one integrated programme for all regions (Integrated Regional Operating Programme - IROP) regardless of regional specificities. Although according to the legislation the regions are responsible for drafting and delivering regional development policy, their role in the management of the funds has been limited to selection of projects which has generated confusion and frustration amongst regional authorities (Bafoil, Lhomel, 2003). The young regions have also been deprived of an opportunity to develop a capacity for long-term strategic planning. Therefore, the Commission's decision has thwarted the emergence of polycentric governance in Poland and perpetuated the features of the pre-existing model of administration (Aïssaoui, 2005). In addition, the competences in management of IROP have been divided between the Voivod and the Marshall which results in a fragile institutional equilibrium. In fact, some of their competences concerning the selection of funded projects are overlapping. This implies not only longer procedures but also a risk of rivalry and conflict between the two actors which could hinder the distribution of the SF. Can such a system ensure effective allocation of the SF? How do the Polish regional institutions manage their new tasks in practice?

## **II. Management of the structural funds in Lower Silesia**

In the following section we shall discuss the main difficulties and obstacles hindering the effectiveness of the system of distribution of the European funds in Lower Silesia. These are related with overregulation, bureaucratic pedantry, legal flaws and political culture characterised by clientelism and reluctance to cooperate. We shall, however, attempt to demonstrate that these difficulties might be gradually overcome thanks to the process of collective 'learning by doing' taking place both within institutions distributing the funds and among their beneficiaries. We shall also argue that this learning process triggered by SF implementation enhances regions' administrative capacities, which in turn is likely to strengthen their position in relation to the central government.

### ***Overregulation, bureaucratic barriers and control procedures***

One can hardly imagine a more complicated system of distribution of the SF than the one that has been put in place in Poland. It is composed of approximately 100 institutions in charge of implementation, intermediation and management of the SF. Obviously, coordinating such an institutional gathering is problematic. In addition, their competences often overlap, such as in the case of evaluation of projects applying for funding as part of IROP which is organised in 4 stages taking place in 3 different institutions. The complexity of this institutional architecture often leads to confusion among potential beneficiaries.

Another considerable obstacle to absorption of the SF in Poland is the pedantry of officials involved in the treatment of projects to be funded and the multiplication of procedures echoing the communist-era bureaucracy. The beneficiaries complain that in governmental institutions, like the Regional Labour Office, documentation is verified “until the first error is found”<sup>6</sup> and sent back for correction regardless of its content. Often reasons for rejecting a project are as trivial as lack of initials on one page of an attached document or use of inadequate colour of ink. Furthermore, application for funding implies submitting an exorbitant number of attachments. For instance an NGO applying for funding for a training programme must submit about 10 attachments and if the project is conceived in a partnership, all partners must submit the same amount of attachments. Therefore, preparing documentation for an application is a real challenge, especially for smaller NGOs. Unsurprisingly treatment of these applications within institutions distributing the SF, which often lack staff, is extremely time-consuming. This problem is aggravated by the fact that due to low wages and a lack of incentives for effectiveness offered to overburdened employees the institutions implementing the SF suffer from an increased turnover of staff.

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<sup>6</sup> Interviews with beneficiaries of the SF (regional NGOs and Municipal Office of Wroclaw City) and with consultants specialised in support for NGOs applying for EU funding (Regional Centre for Supporting Non-governmental Initiatives).



Bureaucratic pedantry of the employees of the Voivod Office in charge of financial control and transfers combined with shortages of staff cause significant delays in the payment of parts of granted subventions to beneficiaries. Thus beneficiaries who often resort to loans to secure match funding for projects are obliged to take another loan to complete the project on time, and in some cases run the risk of going bankrupt. Awareness of such a risk is obviously discouraging for potential beneficiaries of the SF. The degree of complexity of formal procedures pushes some applicants to solicit specialised consultancies which have flourished thanks to the growing demand for such services. Apart from the fact that it is costly, massive recourse to consultants can generate corruption. In fact, many of them are simultaneously engaged in the process of selection of projects.

Another factor contributing to the ineffectiveness of the system is mutual distrust between civil servants and citizens. A generalised belief that “everyone would like to steal European money”<sup>7</sup> results in particular insistency on control procedures which go much further than Commission’s recommendations in this respect. This is, for instance, the case with respect to the procedures implemented by the Voivod Office in controlling the projects. But excessive “control of everyone by everyone”<sup>8</sup> also hinders cooperation between institutions involved in the distribution of the SF. The government has put in place meticulous control procedures of regional authorities’ action. Employees of the Lower-Silesian Marshall’s Office complain that they are subjected to “3 controls in 2 months, all concerning the same issue, which results in a paralysis”<sup>9</sup>. That reflects the fact that they do not trust them, nor consider them as credible and competent partners. Yet, according to Putnam (1993) and his followers such as Amin and Thrift (1994), it is precisely mutual trust between the actors of regional development which favours effectiveness of their action.

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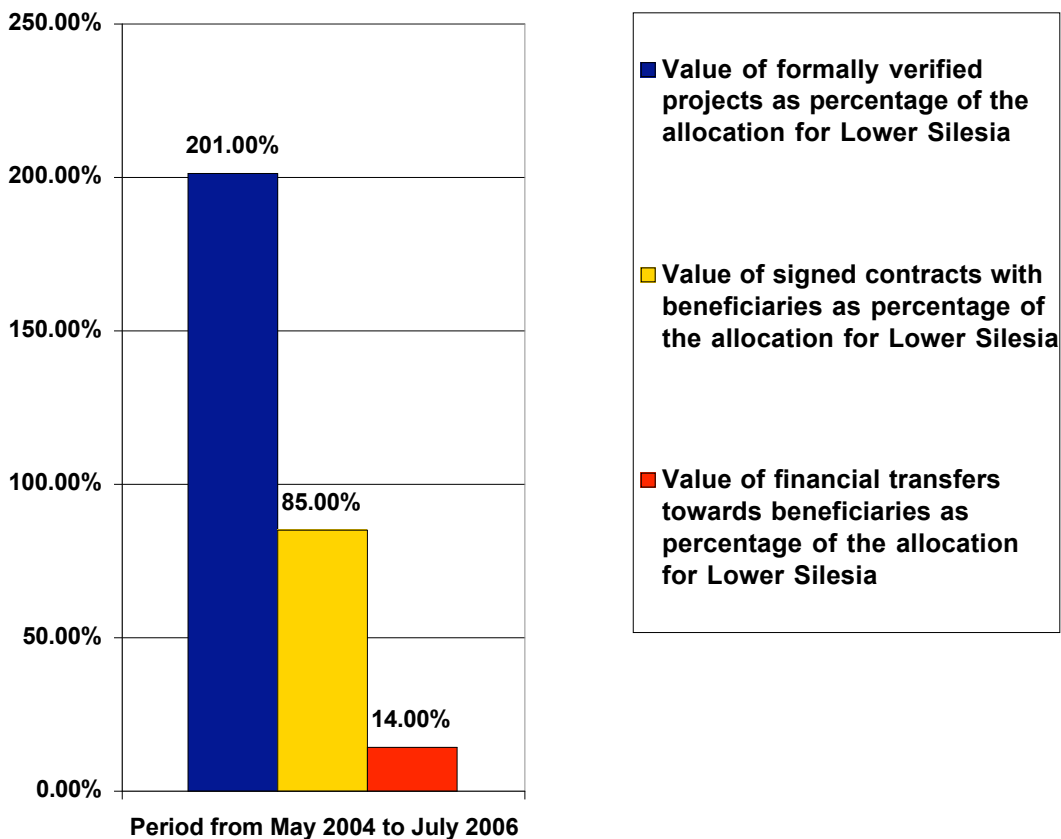
<sup>7</sup> Interview with an employee of the Voivod Office.

<sup>8</sup> Interview with an employee of the Marshall Office.

<sup>9</sup> *Ibid.*

The delays and obstacles in the process of distribution of the SF in Poland are mostly of a bureaucratic nature. In fact, statistics on absorption of the funds show a great disproportion between a high number of submitted projects and funds actually transferred to beneficiaries. In Lower Silesia, for the period from May 2004 to July 2006, the value of projects having passed formal verification as a percentage of the sum allocated to the region as part of IROP equalled 201%, which is testament to the great mobilisation of beneficiaries. The value of contracts signed for co-funding equalled 85% while the value of financial transfers towards beneficiaries accounted for just 14% of available funding!<sup>10</sup>

**Fig.2. The state of implementation of the IROP in Lower Silesia, July 2006<sup>11</sup>**



<sup>10</sup> For monthly reports on implementation of the SF see Ministry's of Regional Development website (Access Feb. 2007) : <http://www.mrr.gov.pl/zobacz/wdrazanie.htm>

<sup>11</sup> Source : Own compilation based on data from Ministry of Regional Development, 2006, Sprawozdanie z realizacji narodowego planu rozwoju/Podstaw wsparcia wspolnoty 2004-2006. Przebieg realizacji za II kwartal 2006 r. Wraz z aktualizacja oparta o informacje miesieczne z programow wg stanu na 31 lipca 2006 r., p.29[0]

### **Legal framework issues**

European funds implementation has not been followed by adequate adjustments in the legal framework concerning public-private partnerships (PPP) and invitations to tender. These lacunas are also a cause of ineffectiveness within the system. The PPP plays an important role here, as it allows local authorities to resolve the problem of match funding. Unfortunately the law regulating PPP did not come into effect until October 2005, which is surprising given that the SF was launched in May 2004. Moreover, it remained a *de facto* dead letter until July 2006 (!) due to delays in the drafting of application directives. Meanwhile, regional authorities were obliged to postpone a number of projects which were often supposed to respond to urgent needs in terms of infrastructure. Concerning the invitation to tender legislation, a particular problem relates to the value above which it is necessary to have recourse to this procedure. It is fixed at 6,000 euros and perceived, both by beneficiaries and institutions involved in the distribution of the SF, as too low. In fact, the lengthy procedure is obliged even for small scale projects like those realised by NGOs. In addition, the process is frequently blocked as a result of a rule according to which one can object its outcome in a trial which might take several months, during which the realisation of a project is frozen in want of a subcontractor.

### **Political culture hindering cooperation**

Changes to organisational schemes and the mindsets of bureaucratic and political *élites* are a *sine qua non* condition for constructing effective regional policy and overcoming administrative culture inherited from the communist era (Grosse 2004: 59, 279). This problem seems more acute at local authority level marked by clientelism and a tendency to privilege local political interests. A dominant feature of the political culture of Polish local leaders is a reluctance to cooperate and a lack of strategic long-term vision of development able to transcend the borders of a commune. Consequently, numerous projects funded by the SF calling for cooperation between neighbouring communes are carried out without any consultation between

them<sup>12</sup>. It is therefore frequent that part of a road renovated thanks to the SF finishes exactly at the border line between the communes it crosses. A change in the mindsets that would allow eliminating such problems and so utilising the SF more efficiently and strategically is likely to be lengthy and laborious. However, it is a necessary condition to ensure the effective delivery of regional policy (Grosse, 2004: 279).

The European funds, given that they cover such a large variety of actions, from professional trainings, through refurbishment of historical monuments and setting up of technological clusters, to construction of roads, should gradually encourage local officials to conceive local development initiatives in an integrated and strategic manner. They will hence contribute to enhancing the capacities of local authorities provided they cooperate between each other (Lepesant, 2005).

### ***A 'caricature' of partnership?***

The difficulties in terms of cooperation are not restricted to partnerships between SF beneficiaries, as exemplified by the awkward functioning of the Regional Steering Committee (RSC), a body put in place to fulfil the EU requirements in terms of partnership within the system of distribution of the SF. In fact, the partnership principle enshrined in SF regulations<sup>13</sup> requires close cooperation between government representatives, regional and local authorities and non-state actors in SF implementation. The RSC participates in the selection of projects to be funded as part of IROP and is composed of representatives from regional and local authorities, social partners, business associations, universities and NGOs.

Our findings<sup>14</sup> as well the official evaluation documents (Wolinska *et al*, 2005, pp.28-29) suggest that the actual functioning of this institution does not allow the non-state actors to have any significant impact on the outcome of the debates and the final choice of projects. The debate is dominated by local

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<sup>12</sup> Interviews with employees of the Lower Silesian Voivod Office.

<sup>13</sup> The partnership principle was introduced as part of the SF reform in 1988 and further strengthened in 1993 (Council of the EU, 1988, 1993).

<sup>14</sup> Interview with a representative of NGOs in the Regional Steering Committee in Lower Silesia.

authorities' representatives who consider the RSC as an arena for lobbying in favour of their own EU-funded projects or for political struggle. It is also rather futile given that its outcome is not binding on the Board of Voivodship<sup>15</sup> which takes the final decision. In addition, it is the Marshall who chooses members of RSC according to political allegiances and interests<sup>16</sup>. Therefore, in theory, the RSC satisfies the partnership principle allowing participation of various regional actors in projects selection, in practice, however, the institution has little influence on the process and therefore it appears to be more a 'caricature' of partnership. Nevertheless, despite these shortcomings, RSC can be considered as a step forward in terms of promoting transparency and social control of administrative decision-making. The representatives of NGOs participating in RSC foster relationships with regional and local officials and circulate the information on the outcomes of debates *via* the Lower Silesian Federation of NGOs. According to one of member of the Lower Silesian RSC representing NGOs, their presence in the Committee constrains the regional authorities who must refrain from overtly favouring certain projects: "they simply can not afford skulduggeries like they used to before"<sup>17</sup>. In fact, NGOs can resort to 'public blaming' by means of press, which proved to be an effective weapon against abusive practices concerning the distribution of the European funds. For example, in November 2004, when the Lower Silesian Board of Voivodship replaced 8 out of 26 members of the RSC (including the 2 NGOs representatives) with people closely connected to political parties forming the coalition in power in Lower Silesia, over 200 regional NGOs signed a protest letter published in the press. As a consequence, the dismissed NGOs representatives were appointed again<sup>18</sup>.

The government, however, instead of ameliorating the functioning of the RSCs, as it was suggested by the official (Wolinska *et al*, 2005) and independent evaluations (Dworakowska *et al*, 2006) and thus making the partnership more effective in building social consensus and relations

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<sup>15</sup> An executive body elected by the regional council.

<sup>16</sup> Interview with a representative of NGOs in the Regional Steering Committee in Lower Silesia, see also Wolinska *et al*, 2005, pp.30-31.

<sup>17</sup> Interview with an NGOs representative in the Regional Steering Committee.

<sup>18</sup> Interview with an NGOs representative in the Regional Steering Committee.,. See also "Pozarz\_dowi protestuj\_", Gazeta Wyborcza (Wroc\_aw) 269 (17.11.2004): 3.

between regional actors based on trust, prefers to suppress these institutions for the forthcoming programming period. This is evidence that partnership is considered by Polish officials as an unwanted complication and a waste of time<sup>19</sup>.

It appears that even though institutions can be duplicated, they are likely to operate in a different way and have different effects in different local contexts, which makes them 'bad-travellers' (Harrison, 2006; MacLeod, 2001). One can emulate institutions from one region to another and it is relatively easy to establish new institutions, such as the RSCs, and thus produce higher levels of inter-institutional interaction within targeted regions. Nevertheless, it may turn out to be more difficult to make these newly created institutions work in the same way in a social environment characterised with radically different shared values, conventions, habits and routines, than the one in the 'model' regions. Implementation of the partnership principle in the Polish context characterised by centralism, clientelism and the lack of a tradition of cooperation between the state and civil society is an example of such a misfit.

### ***Collective learning in practice: a chance to enhance the system***

The Polish administration imposes bureaucratic barriers discouraging the most active beneficiaries while the local authorities, the main beneficiaries of the SF, lack a strategic vision of development and cooperative culture. Nevertheless, the imposition of principles governing EU regional policy implementation, like partnership and programming, pushes actors involved in distribution of the SF to adapt gradually to this new institutional environment. Such an exogenous change of environment can in fact trigger adjustment of actors' deeply embedded routines despite initial inertness (Crouch & Farrell, 2004). This learning process is improvised and lengthy, nevertheless it is perceptible at all levels of the system of distribution of the SF.

As we have noted before, incompatibility of modes of organisation of Polish administration with norms imposed by the Commission has caused serious

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<sup>19</sup> Interviews with T.G. Grosse and employees of the Lower Silesian Marshall Office.

difficulties in implementing the SF. The institutions involved in this process have been confronted with new tasks requiring skills and specific know-how which they had lacked. Therefore, they have been obliged to improvise, and learn from their own errors in practice, which now seems to bear fruit<sup>20</sup>. In fact, in a context of strong pressure for adjustment and absorption of unprecedented amounts of EU funding, the functioning of the system of distribution for the SF improves gradually and procedures hindering its effectiveness are rationalised, as most of the problems in implementing the SF seem to be linked with the initial rush and pressure to spend the European money<sup>21</sup>.

Thanks to the mobilisation of regional actors denouncing the absurdity of certain procedures, the system is becoming more flexible and beneficiary-oriented<sup>22</sup>. Cooperation between regional actors, especially between the Marshall's Office and beneficiaries, is improving as they interact. At the central level, there are also signs of improvement and awareness of the necessity to reform the system. The Ministry of Regional Development (MRD) created in October 2005 has carried out a special programme<sup>23</sup> supposed to eliminate the dysfunctions of the system. Furthermore, concerning the beneficiaries, an adjustment is also apparent in the gradual reduction in the quantity of projects which are likely to be rejected. Finally, the constraints imposed by the SF framework force actors to search for new organisational solutions, especially within NGOs and local authorities. These changes often consist of importing practices from their Western European peers, but also, in some cases, of organisational innovation. It should be highlighted however, that this learning process by actors involved in the system of distribution of the SF is based on trial-and-error process, thus it is time-consuming and erratic.

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<sup>20</sup> Various interviews with employees of the Voivod Office and Marshall Office.

<sup>21</sup> Interview with an employee of the Lower Silesian Marshall Office.

<sup>22</sup> Interviews with employees of Municipal Office of Wrocław City and NGOs.

<sup>23</sup> For more details see Ministry's of Regional Government website:  
[www.mrr.gov.pl/uproszczenia\\_naprawa\\_po\\_0406.htm](http://www.mrr.gov.pl/uproszczenia_naprawa_po_0406.htm)

It is also worth noting that the pressure for rationalisation of procedures is of a bottom-up nature, which might have important consequences in terms of relations between decentralised authorities and central government. The dysfunctions of the system are identified at regional level and it is the Marshall's Office that alerts central government to them and suggests new solutions. In fact, unlike the MRD's staff, the regional authorities' personnel have more hands-on experience and feedback from beneficiaries<sup>24</sup>. Regional authorities also tend to avoid the political turnover of staff which favours accumulation of competences<sup>25</sup>. Consequently, regions impose themselves as necessary partners of government which lacks practical experience and thus they reinforce their position within the state's apparatus. Thanks to collective learning in practice the regional authorities are now much better prepared to manage the SF than they were before accession in 2004. Therefore, unlike in the case of IROP, the government cannot easily justify manoeuvres aimed at the re-centralisation of power within the system of distribution of the SF for the 2007-2013 programming period during which the regional authorities will manage their Regional Operating Programmes (ROP). Can this regionalisation of management of the SF contribute to further autonomisation of regions in relation to the central government?

***Regionalisation of management of the SF: towards deeper decentralisation?***

After being sidelined from the programming and management of the operational programmes in the 2004-2006 period, the regions will finally take control over SF implementation within their territories. ROPs are expected to provide a better response to regions' specific needs and a more transparent and efficient institutional solution. Unlike the current sectoral approach, the adoption of a regional approach will favour coordination of actions undertaken in different sectors at regional level and thus provide a basis for a more integrated and efficient development policy. Implementation of ROPs will require the concentration of competences currently overlapping and divided between rival regional institutions within the Marshall's Office. This

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<sup>24</sup>Interviews with employees of the Lower Silesian Marshall Office.

<sup>25</sup>Interview with an employee of the Lower Silesian Marshall Office.



will eliminate a number of procedural bottlenecks and probably speed-up the treatment of projects. The system will also become more flexible as the Marshall's Office will be able to take rapid decisions concerning corrections in procedures without waiting for the government's approval, as is the case with IROP.

Nonetheless, the persistent determination of the government to keep control over actions of regional authorities suggests that there is a risk of perpetuating the centralisation tendency. The state increasingly tries to interfere in the drafting of procedures for ROPs' management. This causes frustration amongst regional authorities who will be accountable for delivery of ROPs. As one of their officials put it, "the degree of control and interference of the central government in region's action remains almost unchanged"<sup>26</sup>. In addition, one should note that the conservative parliamentary coalition formed in May 2006 is also hostile to regions' autonomy in managing the SF and it has introduced into the draft law regulating the distribution of the SF in the 2007-2013 period a right of veto for the Voivods in case they disagree with regional authorities' decision. This decision has resulted in protests by regional officials who consider it an attempt to limit the role of the regions in the implementation of the SF and evidence of the ruling party's distrust towards regional authorities.

Therefore, even though the partial regionalisation of the management of the SF underway will provide an opportunity to enhance regions' institutional capacities, it remains unclear to what extent it will allow the regions to reassert their position in relation to the central government. In fact, we still do not know what institutional solutions will finally be adopted, as the law defining them remains in preparation. What is certain is that, if regionalisation of SF management does favour further decentralisation and thus breaks the pattern of path dependency to some extent, it will be the beginning of a long and painstaking process.

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<sup>26</sup> *Ibid.*

## **Conclusions**

In conclusion, the implementation of the SF in Poland has generated on the one hand, hope concerning its beneficial influence on economic development as well as considerable mobilisation of beneficiaries and on the other hand, fears amongst experts concerning the numerous flaws in the system and the insufficient preparation of administrations. In fact, the rate of SF absorption started to grow more rapidly only from summer 2006<sup>27</sup>. Nevertheless, as a result of learning efforts and the rationalisation of procedures these preliminary fears turned out to be exaggerated. In fact, in Lower Silesia the value of funds effectively transferred towards the beneficiaries has increased from 14% of the total allocation for the region in July 2006 to 30.4% in December 2006<sup>28</sup>.

The Europeanisation process driven by the implementation of the SF in Poland has different outcomes at different levels of government. The introduction of the EU's regional policy in Poland has thus generated ambiguous dynamics. Firstly, at central government level, both the vagueness of the European Commission's recommendations concerning administrative reform and its reluctance to consign the task of formulation of regional operational programmes to young regions have opened a window of opportunity for the state. The latter could thus impose solutions suiting its interests and favouring the (re)centralisation of power, in line with the Polish institutional legacy. This embeddedness of the centralised mode of operation in Poland, inherited from the communist past, confirms the pertinence of path dependency as a concept helpful in explaining the laborious patterns of institutional change in transition countries.

Secondly, at regional level, imposition of the SF framework has forced the regional authorities to learn and adjust their practices. Consequently, their capacity in terms of management of regional development policy has

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<sup>27</sup> See Ministry's of Regional Development website (Access Feb. 2007) : <http://www.mrr.gov.pl/zobacz/wdrazanie.htm>

<sup>28</sup> Ministry of Regional Development, Stan wdrazania ZPORR (31.12.2006), p.1.

improved, which allows them to reinforce, to some extent, their position within the state. This could contribute to a reassessment of the regions as important actors of regional policy and eventually, in the longer term, emancipation from the state's trusteeship inherited from the communist regime. These dynamics are therefore contrary to the one observed at the central level, yet further research is needed to fully assess their outcome.

As a final remark, it should be highlighted that the system of distribution for the SF, as well as the practices of actors that are involved in its implementation, are constantly evolving, which suggests that our conclusions might require amending in the near future. The institutional and organisational transformations evoked in this paper therefore need to be placed in a longer temporal perspective which calls for their further investigation.

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