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## European Union Funds in Poland: Sociological, Institutional and Economic Evaluations

*Abstract:* The paper relates the results of the latest one of a series of municipal surveys concerning European funds' influence on local development to economic and public opinion evaluations of the effects of EU policies in Poland. The research conducted in 2019–2020 and gathering the views of local governments is confronted with general economic and sociological evaluations in the field of the impact of EU funds in Poland. The study captured the perceived effects of two programming periods (2007–2020) as well as barriers and obstacles in their implementation at the local level. An ambiguity in perceiving supply-side effects still needs further studies, while the aspect of improving the quality of life is visible.

*Keywords:* Cohesion Policy impact, local development, European funds, municipal surveys, local government

### Introduction

Poland has enjoyed the benefits of EU policies since the very beginning of its EU membership, i.e. since mid-2004 (although the funds supporting preparation for accession were in operation as early as the beginning of the 1990s). The inflow of funds has constantly been increasing, reaching peak levels in 2014–2020. EU funds are, of course, not the only—and perhaps not the main—benefit of Poland's membership in the EU, but the projects co-financed by EU policies are the most visible result of this membership.

The effects of these policies—especially the Cohesion Policy (CP) and the Common Agricultural Policy (CAP)—have been the subject of manifold evaluations. However, rarely were these evaluations extended to include an examination of public opinion and the views of local government representatives. This article aims to confront all three approaches to evaluating the effects of EU policies in Poland: economic, sociological and institutional, with special attention paid to the last approach, since the wide survey of local governments provides an extensive database for examining regional differentiation of opinions and evaluations, which is not possible on the basis of sociological surveys (the sample is too small) or economic analyses.<sup>1</sup> This survey supplements earlier studies of this type

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<sup>1</sup> Such analyses are indeed conducted (with the use of econometric modelling), but are based on administrative regional units (voivodships) and do not allow for a more in-depth look on both macroregional differentiations and the local scale.

(Gorzelał 2019a), and creates the opportunity for assessing evolution in the opinions of local governments on the effects of EU policies.

## General Evaluations on the Impacts of EU Policies

### *Policies and economic growth*

Research into the impact of EU policies on the development of member states, their regions and local units has a long tradition, but an important breakthrough in this field came with the report by Canova and Boldrin (2001), along with the so-called Sapir Report (2004). Many studies (e.g. Rodríguez-Pose, Fratesi 2004; Bachtler, Gorzelał 2007; Mohl 2016; McCann 2015; Molle 2015; Gorzelał 2019b) point out that research into the impact of Cohesion Policy (CP) on regional development does not provide conclusive results. From some analyses (Becker et al. 2012) it appears that, when the inflow of funds to a region exceeds a certain level (in this case 1.3% of regional GDP), the impact may even be negative. Other studies (although questioned over their methodology) draw similar conclusions for the whole country, emphasising the significance of institutional factors and pointing out that European funds flowing into countries with malfunctioning institutions can even lead to a slowdown in development (Ederveen et al. 2006).

Analyses relating to new member states (EU12) suggest that EU funds have a positive impact on growth rates. Using the HERMIN model, Bradley and Untiedt (2012) estimated that, thanks to the inflow of Cohesion Policy funds (thus not including the Common Agricultural Policy, CAP), the GDP in 2004–2016 increased by 4.5%; slightly less optimistic estimate was achieved with the QUEST model (from 2.2% for Latvia to 0.8% for Czechia, and 1.8% for Poland). Estimates made by the Polish Ministry of Economic Development (Imapp 2017, fig. 1 in MEC 2018) for post-socialist member states (without the Baltic Republics) show that the impact of Cohesion Funds (again excluding CAP funds) increased the GDP of these countries from 0.6% in 2007 to as much as 6% in 2014 and 5.9% in 2019—with the average for the whole period 2007–2020 estimated at 5.8%. This appears to be an overestimate, considering that the inflow of EU funds did not exceed 3–4% GDP in gross terms, and no more than 2.5–3% in net terms. This surplus (the difference between growth acceleration and the share of incoming funds in GDP) should testify either to high demand multipliers, or to the strong supply effect which these funds have induced in new member state economies.

Differentiating this is important (cf. Gorzelał 2017) though rarely attempted, or—if at all, without reference to ‘hard’ statistical estimates. Thus, in the report by the Ministry of Development Funds and Regional Policy (2020: 10) we read that in so-called supply channels there was a rise in work efficiency, and therefore an increase in the production capacity of the whole economy. This theory has not been proved, although it was rightly shown that the supply effect can occur over a longer period than the waning demand effect. Moreover, the estimates presented in this study on the impact of CP on GDP growth rates showed that in 2015–2017 the impact of the policy on the GDP growth rate in Poland was negative (!). Although the influx of CP funds during this period diminished, as the 2007–

2013 perspective was ending, and the next perspective 2014–2020 just beginning, still the volume of incoming CP funds (even excluding CAP) was greater than Poland's contribution to the EU budget. How then can we interpret the negative impact of CP funds on GDP growth during this period? The only possible explanation is the theory of a negative supply effect, greater than the positive effect of demand. It may be that the high share of investment in infrastructure (at the time major infrastructural projects were being completed which probably involved a large share of CP funds in 2015–2017) 'diverted' funds from other projects in the economy, which would have had a more direct impact on economic growth.

The impact of the Common Agricultural Policy on Polish agriculture—the sector still employing some 15% of labour force—should be an important element in overall evaluation of the effects of EU policies. It was assessed that accession to the EU did not have a major impact on the overall structure of agricultural production (Wigier 2014). However, it was found that environmental quality was positively affected, not only due to CAP's green component, but also, to a lesser extent, as a result of the adaptation of small farms in Poland to CAP environmental schemes (Czyżewski et al. 2020). Furthermore, "unfocused support in Polish agriculture will improve neither the market position nor the development opportunities of smaller operators. Quite the contrary—it can make them dependent upon CAP instruments and can serve only a social function" (Kiryłuk-Dryjska, Baer-Nawrocka 2021). Moreover, the weaker the agriculture in a region, the fewer positive impacts CAP has on agricultural production and efficiency.

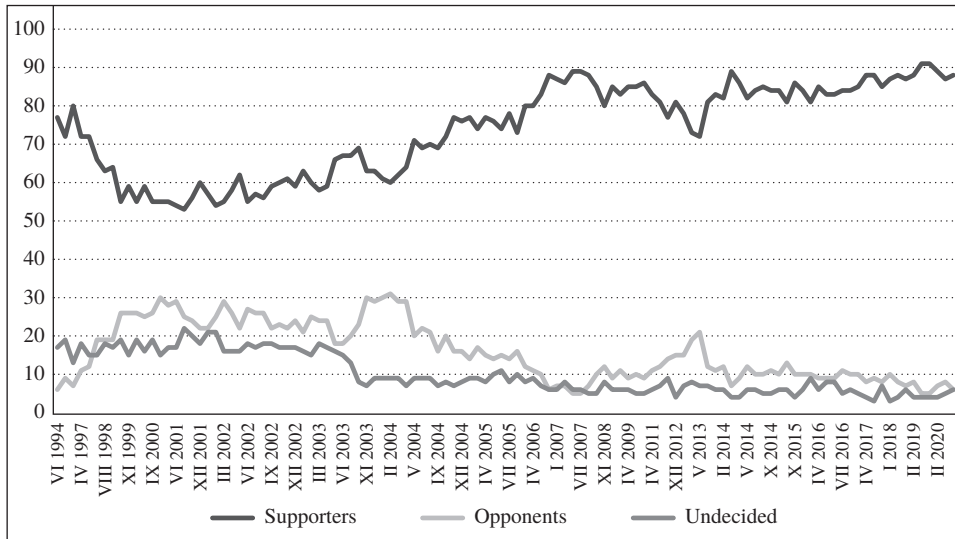
Accession to the EU has therefore brought evident benefits in both material and institutional structures. However, the strict economic effects that would rely on a durable increase in the overall economic efficiency of the Polish economy (i.e., the "supply effect") are still to be proved for both agricultural and non-agricultural sectors. Nevertheless, the civilizational effects are evident, i.e., improvement in living conditions and the quality of the environment, and this relates to the vast majority (if not all) localities, towns, and villages. Moreover, economic growth has no doubt accelerated, although this could mostly result from injecting additional resources into the national economy (the so-called demand effect).

#### *Public opinion surveys on EU membership and the role of EU funds*

Public opinion surveys regularly conducted by several sociological agencies reveal constantly growing support for Poland's membership in the EU since 2004 (see Fig. 1).

In 2016, a more specific survey was conducted by CBOS on the perception of Cohesion Policy (2016) based on a nationwide sample. It revealed that Polish EU membership was approved by as many as 84% of respondents (those with a left-wing political orientation were more positive than right-wing supporters). Almost three-quarters of them were of the opinion that participating in the common economic market was more important than obtaining funds directly from the EU budget (and this opinion strengthened over time). In general, it was stated by 70% that Poland made good use of EU funds, which was not based on personal experience, since only 17% of respondents had directly benefited from EU-financed projects. Approval of the ways Poland used the EU funding became more positive over time (with favourable opinions growing by 8 percentage points since 2012).

Figure 1  
Public opinion on Poland's membership in the EU



Data source: CBOS, [https://www.cbos.pl/PL/trendy/trendy.php?trend\\_parametr=stosunek\\_do\\_integracji\\_UE](https://www.cbos.pl/PL/trendy/trendy.php?trend_parametr=stosunek_do_integracji_UE)

As many as 84% of respondents shared the opinion that EU funds accelerated the growth of the Polish economy. However, only a minority (38%) stated that control over spending EU funds was sufficient. The respondents saw the impact of EU funds primarily in the field of investments in transport infrastructure, environmental protection and aid for farmers (however, farmers themselves showed slightly less positive opinions on this last aspect). Support for innovativeness and development of human capital were noticed more rarely. Half of respondents believed that urban-rural differences had diminished because of EU funding, and some 40% indicated that this was also the case regarding interregional differentiation.

The limited sample of surveys conducted by CBOS (ca 1000 respondents allowing for national representativeness) does not allow assessment of regional differentiation. However, the territorial political profiles of voters may shed some light on the regional differentiation of support for EU membership and opinions on the effects of EU funds: positive opinions are likely to be higher in large cities than in small towns, with a further gradient from north-west (high values) to south east (lower values). Respondents living in rural areas were generally more positive than those living in small towns in evaluating the changes after Poland's accession to the EU.

### The Opinions of Local Governments

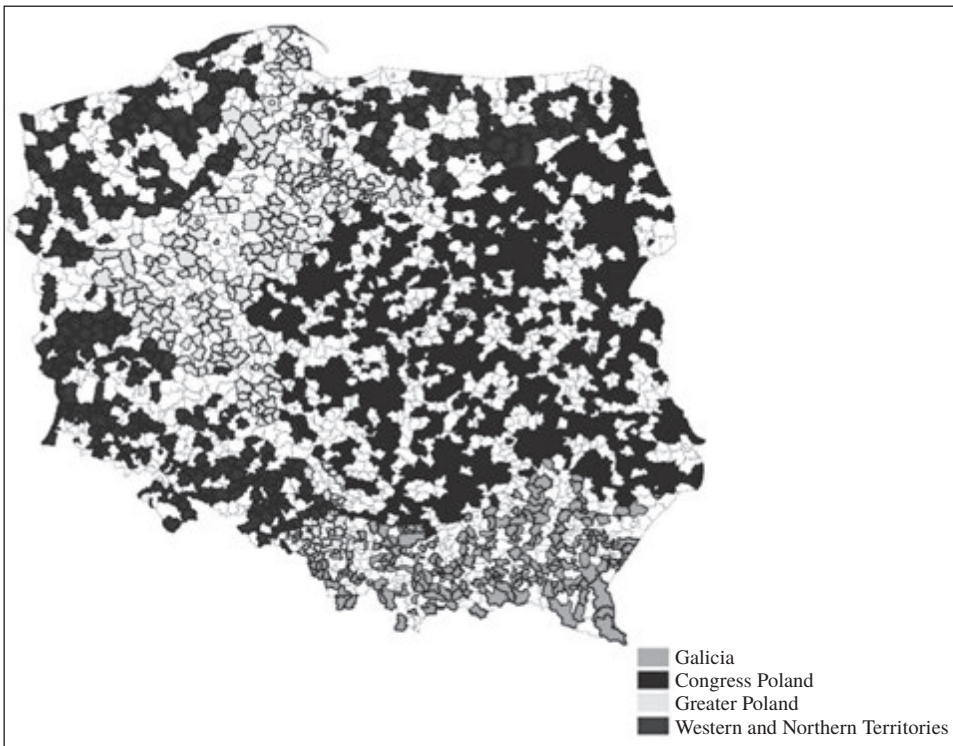
General economic and sociological evaluations of the effects of EU policies may now be confronted with the opinions of the representatives of local governments—the bodies

which select and implement projects according to local needs, and are the best observers of the effects of own activities as well as the results of projects financed from other sources (national and regional).

The series of surveys of Polish local governments conducted by EUROREG are in keeping with a now fairly well-established mode of analysis (Gorzalak 2019a), stretching back a quarter century. The last CAWI survey of local governments was conducted at the end of 2019–beginning of 2020. The return rate was high (as was the case in previous surveys), reaching over 50 per cent. Fig. 2 presents the municipalities which returned the questionnaire. The four parts of Poland denote the historical regions (more on this in Gorzalak 2019a).<sup>2</sup>

Figure 2

The municipalities that responded to the survey and historical regions (N = 1353)



<sup>2</sup> Hereafter, we use the names of historical regions according to the former partitions ('Congress Poland' for the former Russian part, 'Galicia' for former Austrian part and 'Greater Poland' for former Prussian part), as well as 'Western and Northern Territories'—the regions which Poland (re)gained after World War Two. Notably, to the region of Greater Poland some Silesian municipalities were added which were neither within the Prussian Pomerania and Warmia.

*The general role of EU funds for local development*

Table 1

**The impact on the development of municipalities of the implementation of the programming period 2007–13 (%)\***

Operational Programmes	Population			
	below 50,000		over 50,000	
	significant and very sig.	low and very low	significant and very sig.	low and very low
Entire programming period	49.3	11.5	72.1	4.4
N	1285		68	
Regional Operational Programme	62.0	10.6	87.3	4.8
Rural Development Programme	69.4	3.5	1.6	9.5
Direct Payments	48.1	8.0	0.0	9.5
Development of Eastern Poland				
all municipalities	5.3	15.4	15.9	9.5
5 voivodships**	14.8	29.3	71.4	21.4
Infrastructure and Environment	22.0	21.0	57.1	11.1
Innovative Economy	7.8	25.3	15.9	28.6
Human Capital	24.1	22.1	49.2	14.3
Fisheries and Sea	7.0	16.4	0.0	7.9
European Territorial Cooperation	7.7	17.4	15.9	25.4
N	999		63	
N 5 voivodships/participating in survey**	304/393		14/14	

\*Questions which address individual programmes were answered by municipalities that had selected 'very significant,' 'significant' or 'medium' for the 'Entire programming period' evaluation only.

\*\*Lubelskie, Podkarpackie, Podlaskie, Świętokrzyskie, Warmińsko-Mazurskie.

Tables 1 and 2 present local authorities views on the benefits which municipalities noted using EU funds during two programming periods—2007–2013 and 2014–2020 (the latter encompassing the years up to and including 2019).

Summing up the opinions listed in the tables above, the benefits from the EU programmes for local development were unequivocally rated as positive, in the case of both programming periods (2007–2013 and 2014–2020). Between half and three-quarters of respondents viewed these benefits as significant or very significant, and in the municipalities with populations of more than 50,000 inhabitants these gains were evaluated as greater than in the smaller administrative units—with the difference sometimes amounting to more than twenty percentage points.

Similarly, substantial differences between larger and smaller municipalities occurred in the positive assessment of benefits from the Operational Programme (OP) "Infrastructure and Environment" (above thirty percentage points) and the Regional Operational Programmes (ROPs) (above twenty percentage points). Moreover, in larger towns, the positive ratings were higher than in the smaller ones in the case of programmes linked to more innovative spheres: the OP "Innovative Economy" and OP "Human Capital" for the programming period 2007–2013, as well as OP "Smart Growth," and OP "Knowledge Education Development" (ten to twenty percentage points) in the subsequent programming period (2014–2020).

Table 2

**The impact on the development of municipalities of the implementation of the programming period 2014–20 (%)\***

Operational Programmes	Population			
	below 50,000		over 50,000	
	significant and very sig.	low and very low	significant and very sig.	low and very low
Entire programming period	51.8	10.4	79.4	2.9
N	1285		68	
Regional Operational Programme	68.8	5.5	92.3	0.0
Rural Development Programme	59.1	8.8	4.6	10.8
Direct Payments	45.5	7.5	0.0	7.7
Eastern Poland				
all municipalities	3.6	13.5	7.7	7.7
5 voivodships**	10.2	26.0	35.7	28.6
Infrastructure and Environment	21.2	18.5	58.5	10.8
Smart Growth	3.8	21.5	10.8	29.2
Digital Poland	11.4	25.7	12.3	40.0
Knowledge Education Development	10.3	24.6	33.9	23.1
European Territorial Cooperation	6.8	18.1	18.5	21.5
Fisheries and Sea	5.1	15.8	0.0	6.2
N	1027		65	
N 5 voivodships/participating in survey**	315/393		14/14	

\*Questions which address individual programmes were answered by municipalities that had selected 'very significant,' 'significant' or 'medium' for the 'Entire programming period' evaluation only.

\*\*Lubelskie, Podkarpackie, Podlaskie, Świętokrzyskie, Warmińsko-Mazurskie.

Nonetheless, it should be noted that, in general, the local governments did not positively evaluate the programmes designed to improve qualitative aspects of the economy (knowledge, science, education, digitalisation). The programmes targeted at such issues were assessed as beneficial for local development by only up to one-third of respondents (only the OP "Human Capital" achieved higher scores in larger cities for the programming period 2007–2013).

These results are in line with the general evaluations of the impact of EU funds on economic development. The qualitative aspects of economic progress which could create durable supply-side effects are also much less visible on the local level, and can be observed in larger territorial units which are equipped with more sophisticated economic institutions and demonstrate greater absorption capacity.

As the survey revealed, positive assessment of the impact of European Funds was reported more frequently (five to ten percentage points) in the second programming period (2014–2020) than in the earlier period (2007–2013). This is, perhaps, the result of a learning process regarding the resources and their improved programming. However, the trend in the assessment of the Common Agricultural Policy was reversed—the earlier programming period was rated higher than the latter. In both cases, the Polish Rural Development Programme (RDP) was evaluated more favourably than direct payments to farmers, which might point to the invalid effectiveness of this type of external aid. The

economic evaluations confirm these opinions: the view that the direct CAP payments are, in fact, counterproductive to economic efficiency in agricultural production is widely shared, since these payments do not stimulate positive changes in the agrarian structure and do not encourage farmers with small-holdings to sell their plots.

Regarding regional differences in the evaluation of benefits derived from European programmes, it can be said that while not significant, they are fairly systematic. Generally, assessments of the entire programming periods expressed by municipalities located in the former Austrian partition (Galicia) and Prussian partition (Greater Poland) are several percentage points more positive than in the case of the two remaining regions (Congress Poland—the former Russian Partition and Western and Northern Territories). Evaluations of Regional Operational Programmes, which earned the highest evaluation among all European aid programmes, are similarly distributed. Specialised programmes are evaluated significantly worse (municipalities in Western and Northern Territories being slightly less pessimistic than in the remaining regions), with one exception—the OP “Infrastructure and Environment”, which received about a quarter of positive or very positive responses (this is, however, equal to the number of adverse opinions). Notably, the OP “Human Capital” in the programming period 2007–2013 was rated higher than more targeted programmes related to education and skills in the subsequent programming period, which confirms the generally poor evaluation of these activities.

Local governments in the former Congress Poland assess benefits derived from the Common Agricultural Policy better than local governments in other regions (including both direct payments—difference between ten and twenty percentage points—and RDPs—difference below ten percentage points), which is the consequence of a greater economic dependency on agriculture in this region than elsewhere in the country.

Regarding the appraisal of the OP “Development of Eastern Poland 2007–2013,” the local governments from five voivodships to which the programme was directed (Podlaskie, Podkarpackie, Lubelskie, Świętokrzyskie and Warmińsko-Mazurskie) surprisingly indicated its low significance for local development (with the exception of few municipalities located in the historic region of Greater Poland, authorised to benefit from the OP). Only in the case of cities with a population larger than 50,000 was the programme assessed as having high significance. However, in the second programming period 2014–2020, positive opinions were even further reduced. This would suggest a certain fading in its attractiveness. However, the programme has been extended to 2021–2027 and its territorial scope was even widened to embrace the non-metropolitan parts of the Mazovian voivodship.

### *The specific effects of the EU funds*

The survey also allows for a more accurate identification of the perceived effects of the EU funds for local development in the period between 2007 and 2019 (Table 3).

In general, it is surprising that despite the generally positive opinion about the overall role of EU financial aid, specific benefits which municipalities have observed amidst given areas of socio-economic activity are (with certain exceptions) considerably less positively assessed.



Table 3

**The impact of projects financed with the EU resources and implemented between 2007 and 2019  
(irrespective of the responsible implementation body) (%)**

Questionnaire items	Population			
	below 50,000		over 50,000	
	significant and very sig.	low and very low	significant and very sig.	low and very low
Better healthcare	6.9	42.3	20.6	27.9
Better public transportation	14.6	41.3	73.5	5.9
Higher income among citizens	11.4	26.5	10.3	25.0
Better quality of the natural environment	32.6	21.6	42.7	13.2
Faster economic growth	18.4	23.0	32.4	11.8
New workplaces	13.5	35.6	33.8	13.2
Increased agricultural productivity	13.6	26.5	1.5	22.1
Increased competitiveness of local businesses	10.9	27.9	22.1	20.6
New investors	11.1	43.6	32.4	25.0
Decrease of unemployment	16.0	31.2	33.8	19.1
Improved educational and cultural infrastructure	53.2	12.9	70.6	2.9
Increased bureaucracy	25.3	24.7	17.7	38.2
Improvement of administrative qualifications	24.7	19.9	32.4	13.2
N	1285		68	

Only advancements in the educational and cultural infrastructure raised more favourable than unfavourable evaluations. Positive ratings in other areas were on the same level with negative ratings, or the differences in their distribution were meagre, whereby the assessments were usually moderate, on a scale between less than ten per cent to slightly above twenty per cent.

According to the results of the survey, improvements in public transportation received the highest share of positive evaluations in cities with more than 50,000 residents. Hence, it is an essential direction in the utilization of European resources. Likewise, local governments in larger cities positively assessed the improvements in educational and cultural infrastructures. Meanwhile, in less populated municipalities, the opinions in this respect were less positive.

Simultaneously, areas such as protection of the natural environment, supporting economic growth, or creating jobs, received cautiously positive evaluations. Evaluations obtained from authorities in cities of above 50,000 residents were more favourable than in smaller units in all these categories.

By contrast, low evaluations were given to potential outcomes associated with economic processes. There is no evidence that the EU programmes have led to an increase in the investment attractiveness of localities or the competitiveness of local entrepreneurs, nor to a decrease in unemployment.

Strikingly, nearly the same number of local governments (about a quarter) considered the increase in bureaucracy related to the implementation of EU-co-financed projects as relevant and as irrelevant. It is remarkable that, in spite of the generally high ratings for the Common Agricultural Policy, its impact on the increase in agricultural production was

hardly observed at all, which points to the predominantly social, rather than economic role of this policy.

In the light of the survey results, some change can be observed between present local authority opinions about the influence of European funds and their opinions expressed a few years ago. The impact of EU programmes on the economic sphere is considered moderate, the previously enthusiastic evaluations of this impact on the quality of natural environment and living conditions have become more reserved. Perhaps other means applied for the improvement of household incomes overshadowed the benefits stemming from EU policies.

It should be noted that there were no major regional differences in assessments of the overall outcomes of EU programmes: local governments in Galicia, and Greater Poland gave slightly more positive evaluations of the benefits deriving from the use of European resources than local governments in the remaining two historical regions.

### *Direct benefits for the local economy*

The survey aimed at assessing how EU programmes brought tangible effects for local economic development by enabling projects to be implemented by local firms rather than external entities. Without doubt, winning contracts for the realization of EU funded projects strengthens local economic potential and therefore brings sustained supply effects (see [Table 4](#)).

Table 4

**The origin of contractors for projects implemented by local governments or their affiliated bodies and financed with EU resources between 2007 and 2019 (%)**

Questionnaire items	Population			
	below 50,000		over 50,000	
	local or regional	more distant	local or regional	more distant
Infrastructural projects	78.1	9.4	50.0	19.1
Soft projects	64.5	12.2	51.5	14.7
N	1285		68	

The result is reasonably optimistic—the majority of projects commissioned by municipalities, including both tangible investments and soft projects (training, counselling), were carried out by companies located either in the given municipality (about two thirds in three historic regions, and nearly half in Congress Poland) or nearby. This share was smaller in larger towns and cities, where the projects realized (infrastructure in particular) were usually larger, in many cases requiring the involvement of national and/or international companies. Regional differences were minor.

In nearly 40% of small municipalities, and over half of towns and cities above 50,000 population, the authorities admitted that the participation of local companies in project implementation had had a significant or very significant impact on the local economy. The percentage was marginally higher in Galicia and the Greater Poland than in the Congress Poland and Western and Northern Territories.

*Obstacles and barriers, suggestions for improvements*

In the course of their work, local governments have been faced with many obstacles. The most important of them—according to the views of the representatives—are listed in [Table 5](#). It is apparent that financial barriers are the most debilitating, despite municipalities' loan burden not being identified as the most critical financial impediment. Limited financial resources are ranked as the most relevant barrier. The municipalities of Greater Poland assess their situation as slightly more satisfactory in terms of their co-financing and loan capacities, while local governments in Galicia represent the opposite direction. Receiving new tasks from the national government which are not accompanied by appropriate funds is a particularly poignant aspect identified by local governments.

Table 5

**Obstacles to the effective functioning of local authorities in a municipality (%)**

Questionnaire items	Population			
	below 50,000		over 50,000	
	significant and very sig.	low and very low	significant and very sig.	low and very low
Limited financial resources	88.3	1.6	80.9	1.5
New tasks from the national government without sufficient financial support	87.2	1.3	91.2	0.0
Difficulty in obtaining funding from EU	50.4	7.6	32.4	22.1
Lack of sufficient co-financing capacity for EU projects	65.5	8.9	55.9	16.2
High indebtedness, lack of capacity for a loan	29.7	33.2	23.5	42.7
Faulty legal system/regulations	31.4	21.3	30.9	23.5
N	1285		68	

The majority of local governments have a clear idea regarding necessary changes in the implementation of projects co-financed by the EU ([Table 6](#)), and there are no significant regional differences in this respect. All governments call for an increase of available funds, especially the funds earmarked for local infrastructure. Funds for infrastructure development are universally regarded as the main goal. Repayable grants are less popular, both for municipal and business investments. Surprisingly, despite the sceptical assessment of the impact of Common Agricultural Policy funding on agricultural productivity, a sweeping majority of local governments (excluding those in large cities) call for an increase in resources for direct payments, with the highest score in Congress Poland. Larger cities in general and all municipalities from the ITI areas indicate the need to increase funding under the framework of Integrated Territorial Investments (ITI), to a higher degree in Greater Poland and Western and Northern Territories than elsewhere.

Training is the only type of investment for which local governments do not seem to demand more European funding (the highest percentage of respondents in favour of human capital development was noted in big cities and in Congress Poland). However, views in this regard are more positive than they were several years ago. Perhaps local governments

Table 6

**Suggested changes to the EU programmes which would enhance the support of local development (%)**

Questionnaire items	Population			
	below 50,000		over 50,000	
	+	–	+	–
Available financial resources	99.5	0.5	100.0	0.0
The criteria for funds allocation	12.6	87.4	11.8	88.2
Independency in the programming	86.4	13.6	88.2	11.8
Reporting/control	7.5	92.5	3.9	96.1
Unrepayable grants for entrepreneurs	89.3	10.7	92.2	7.8
Repayable grants for entrepreneurs	75.9	24.1	84.3	15.7
Repayable grants for municipal investments	75.1	24.9	56.9	43.1
Funds for local infrastructure	99.5	0.5	100.0	0.0
Funds for training/human capital development	54.7	45.3	62.8	37.3
Direct payments for farmers	83.5	16.5	52.9	47.1
The relevance and resources of LEADER Programme	80.0	20.1	56.9	43.1
Funds for Integrated Territorial Investments (ITIs)*	66.1	33.9	82.4	17.7
N (responses were given by municipalities which deemed the changes necessary only)	823		51	
* ITIs—responses from the ITI areas only	92.0	8.0	93.8	6.3
N ITI areas only	174		32	

have learned that it is worth deploying external knowledge and/or shaping it to be more in line with actual needs.

Simplified procedures, reduced supervision, and more freedom in spending are among common suggestions for EU co-financed programmes coming to local governments.

### *Transparency and procedures*

Studies show (Swianiewicz et al. 2008) that the regional authorities redistributing funds from the Regional Operational Programmes favour municipalities governed by representatives of a political affiliation close to their own. However, opinions gathered in the survey do not confirm this premise (Table 7). Only one-fifth of municipalities endorse this phenomenon, as well as the significance of a direct relationship with the voivodship authorities (in Greater Poland only one in ten municipalities acknowledge this). This might be the consequence of a low (and decreasing) partisanship among the elected (decision-making and governing) municipal authorities (Gendźwił and Żółtak 2020). Between two thirds and three-quarters of local governments point out that the needs of the region and a municipality are the leading criteria for the allocation of funds within the Regional Operational Programmes (with the biggest share observed in Greater Poland). Curiously, benefits to the largest enterprises are considered to be of comparatively little significance, only in Western and Northern Territories this opinion being expressed by more than 10% of respondents.

Local authorities are generally optimistic in assessing their capacity to maintain infrastructure built with the use of European resources. Nearly all municipalities gave affirmative responses, and there was no divergence according to the size of municipalities

Table 7

**Major prerequisites for voivodship authorities to allot European resources of a Regional Operational Programme in selected a municipality (%)**

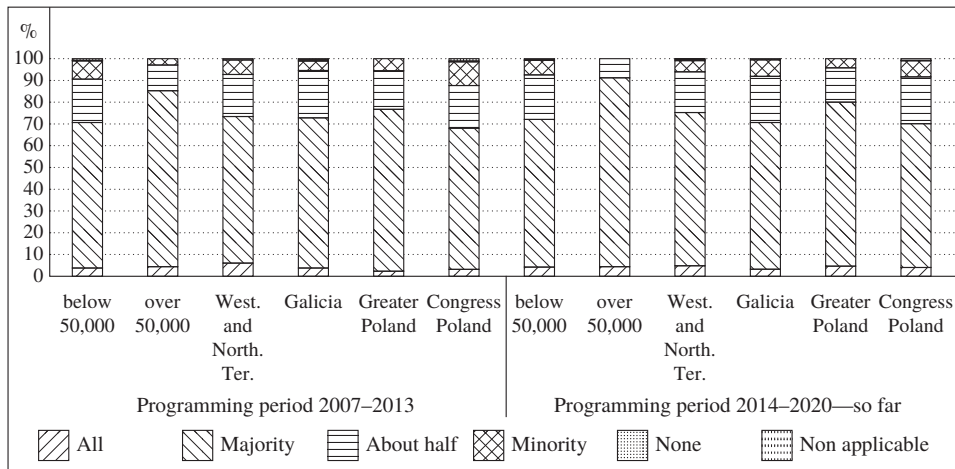
Questionnaire items	Population			
	below 50,000		over 50,000	
	yes	no	yes	no
Political profile of municipal authorities	21.5	43.6	19.1	48.5
Direct relationship with municipal authorities	19.1	46.5	13.2	48.5
The needs of the voivodship	69.2	10.4	79.4	7.4
The needs of the municipality	63.6	17.7	79.4	4.4
Gains of the largest enterprises	8.4	43.1	4.4	44.1
N	1285		68	

or their location in former historical regions. It becomes apparent that previous fears about over-investment and irrational decision-making are no longer justified.

These positive attitudes are reflected by the activities of local governments in applying for EU funds—almost all municipalities (or subordinate institutions) applied for funding with considerable success (Figure 3). Most often, respondents declared receipt of funding for the majority of complex projects, with the best results reported in large cities in the 2014–2020 perspective. The differences between financing periods and regions are not large, with slightly better results achieved in the second period, as well as in Greater Poland and in the Western and Northern Territories.

Figure 3

**Part of the project applications, among all submitted by the municipality and its institutions, that received funding**



*Does magnitude of funds influence opinions?*

The responses obtained in the survey were further compared with financial data concerning the value of EU projects realized (irrespective of who implemented them) on the territories

of individual municipalities within two financial perspectives: 2007–2013 and 2014–2020 (Central Statistical Office Local Data Bank—eligible expenditures in completed projects). Analysis of correlation coefficients (Pearson’s coefficient as well as Spearman’s rank-order coefficient) showed a lack of a statistically significant relationship between funds expended on OP Digital Poland projects in municipalities and the opinion of local governments on the importance of the programme. Among the remaining cases, the greatest dependence was visible between the level of expended funds in Regional Operational Programmes (ROPs) and the importance attached by local governments to the effects of this programme (the results are given in [Tables 8 and 9](#)).

Table 8

**Correlation coefficients between the value of expenditures in finished projects in the programming period 2014–2020 and the assessment of OP impact by the respondents\***

<b>Actual expenditures in finished projects / Impact of the OP perceived by respondents</b>	<b>Pearson’s linear correlation coefficient</b>	<b>Spearman’s rank correlation coefficient</b>
ROP total	0.175	0.359
ROP per capita	0.197	0.275
OP Infrastructure and Environment total	0.143	0.204
OP Infrastructure and Environment per capita		0.188
OP Smart Growth total	0.138	0.102
OP Smart Growth per capita		0.083
OP Knowledge Education Development total	0.181	0.065
OP Knowledge Education Development per capita	0.064	

\*The table contains only statistically significant results at the level of 0.05.

Table 9

**Correlation coefficients between the value of expenditures in finished projects in the programming period 2007–2013 and the assessment of OP impact by the respondents\***

<b>Actual expenditures in finished projects / Impact of the OP perceived by respondents</b>	<b>Pearson’s linear correlation coefficient</b>	<b>Spearman’s rank correlation coefficient</b>
ROP total	0.180	0.401
ROP per capita	0.197	0.302
OP Infrastructure and Environment total	0.128	0.198
OP Infrastructure and Environment per capita	0.074	0.168
OP Innovative Economy total	0.112	0.103
OP Innovative Economy per capita		0.092
OP Human Capital total	0.198	0.213
OP Human Capital per capita	0.104	0.149

\*The table contains only statistically significant results at the level of 0.05.

In the case of ROPs, the most noticeable effect are the higher assessments in conjunction with average expenditure levels for this programme, as illustrated in [Figures 4 and 5](#).

Figure 4

**Mean value of expenditures in finished ROP 2007–2013 projects for every questionnaire response option regarding perceived ROP 2007–2013 impact on the development of municipalities**

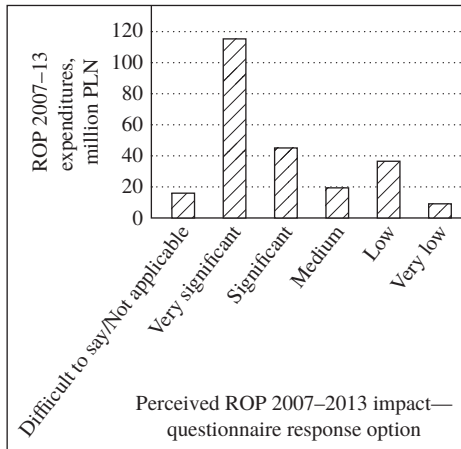
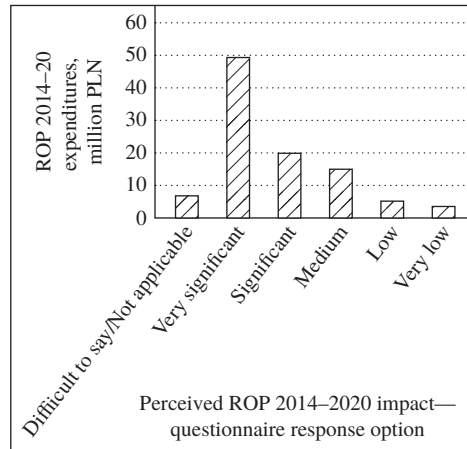


Figure 5

**Mean value of expenditures in finished ROP 2014–2020 projects for every questionnaire response option regarding perceived ROP 2014–2020 impact on the development of municipalities**



### Interdependencies and Relations

The descriptive analysis, presented above, revealed the opinions of local governments on several issues related to the use and impact of EU funds on local development.

In the search for interdependencies and relations, a principal component analysis was applied to the set of data composed of the survey responses, supplemented by some variables describing the socio-economic features of the municipalities that took part in the survey. A careful and sharp reduction of the set of variables was performed, to retain only those variables that, first of all, were not strongly mutually inter-correlated, and secondly appeared to be influential on the principal components further used for interpretation, i.e. those which had high eigenvalues (variance).

The results are presented in [Table 10](#).

Three sets of variables appeared to be the most important:

- reporting the usefulness and impact of EU programmes and funding (1<sup>st</sup> principal component): “economic effects”;
- indicating barriers in managing and performing local development (2<sup>nd</sup> principal component): “barriers”;
- geographical dimension / type of municipality (3<sup>rd</sup> principal component): “historical divisions”.

The factor scores for the municipalities that took part in the survey on the three first principal components are presented in [Figures 6–7](#), respectively.

As can be seen, the municipalities with the least positive opinions on the impact of EU programmes and funding (with the highest values of the factor scores) are more frequently located in the former Congress Poland, which confirms the differences observed in the de-

Table 10  
Principal component analysis

Variables*	Factor loadings		
	PC I	PC II	PC III
<b>Questionnaire items:</b>			
Type of municipality	<b>-0.5209</b>	0.1589	<b>0.6097</b>
<i>The impact of projects financed with the EU resources and implemented between 2007 and 2019:</i>			
Public transport has improved	<b>-0.5037</b>	-0.0177	0.0546
The incomes of the inhabitants increased	<b>-0.5518</b>	-0.1873	-0.4236
Economic growth has accelerated	<b>-0.6920</b>	-0.1916	-0.3221
New jobs were created	<b>-0.7552</b>	-0.1754	-0.3109
Local entrepreneurs have become more competitive	<b>-0.6568</b>	-0.1659	-0.3851
New investors have emerged	<b>-0.7202</b>	-0.0728	-0.2486
Unemployment has decreased	<b>-0.6815</b>	-0.1815	-0.3651
<i>Obstacles to the effective functioning of local authorities in a municipality:</i>			
Disagreement within local elite	-0.0770	<b>0.6478</b>	-0.2306
Insufficient activity of inhabitants	0.0102	<b>0.5742</b>	-0.1530
Difficult cooperation with voivodship authorities	-0.0854	<b>0.6981</b>	-0.1919
Difficult cooperation with county authorities	-0.0854	<b>0.7065</b>	-0.1770
Reluctance of neighbouring communes to cooperate	-0.1394	<b>0.6447</b>	-0.2308
Lack of properly qualified personnel	0.0198	<b>0.5256</b>	-0.1210
No clear majority in the council	-0.0781	<b>0.6087</b>	-0.1222
<i>Local Data Bank (Statistics Poland) and National Electoral Commission data:</i>			
Municipal own incomes 2008 per inhabitant	-0.4811	0.1736	<b>0.5020</b>
Per cent A. Duda I round presidential election 2020	0.4518	-0.1674	<b>-0.5814</b>
Density of population 2008	-0.4987	0.1439	<b>0.5796</b>
Per cent dwellings with bathrooms 2008	-0.4970	0.1331	<b>0.5769</b>
<b>Eigenvalue</b>	<b>4.37</b>	<b>3.09</b>	<b>2.60</b>
<b>% total variance</b>	<b>19.1</b>	<b>13.5</b>	<b>11.3</b>

\* Few variables that loaded on further components were not displayed in this table. These related to:

- firms implementing EU-financed projects (questionnaire item);
- pro-development attitudes of local authorities (questionnaire item);
- magnitude of EU funds (programming period 2014–20) spent in municipalities as of 31.12.2018 (Local Data Bank, Statistics Poland).

scriptive analysis presented in the previous section. The congruence of signs for the variable “type of municipality” (rural—rural-urban—urban), as well as the variable “density of population” with other variables strongly loading on this component confirms previous observations according to which local governments in urban municipalities (especially the larger ones) value EU assistance more highly than authorities in smaller localities.

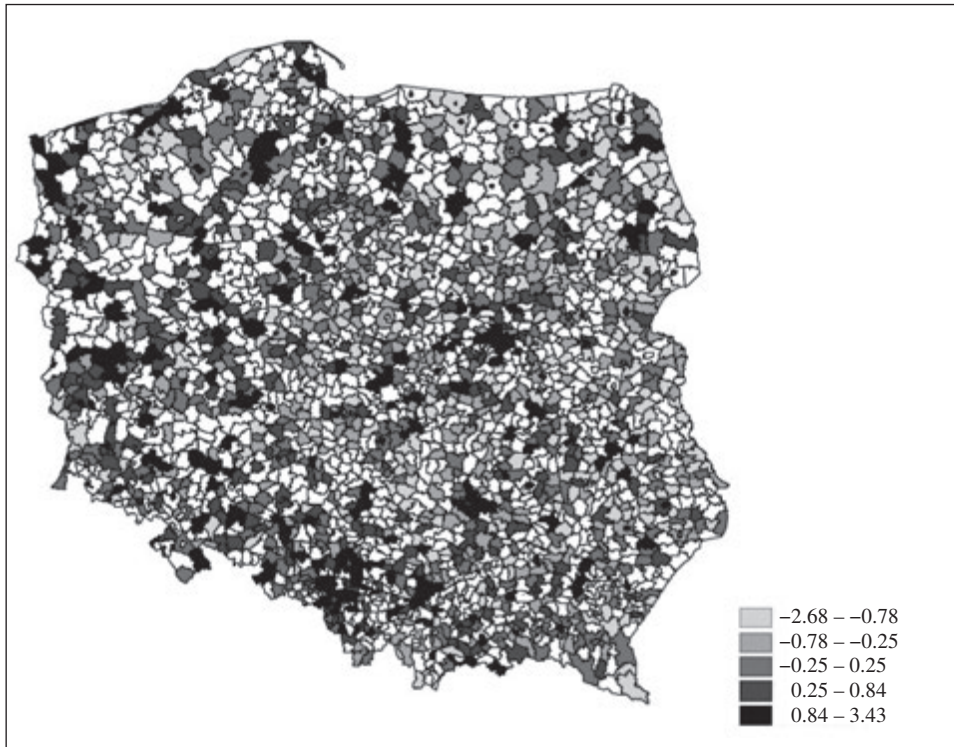
The factor loadings also indicate that the evaluations of EU assistance are coherent in their several aspects and, in general, there are no major inconsistencies in this respect.

As Table 10 reveals, the same can be said about the barriers in local development that local governments notice in their activities. It is interesting that the financial barriers, as well as the incoherent and inappropriate regulations (stable over time, since these aspects were strongly present in previous surveys), do not appear here—they were so commonly indicated by the respondents that they do not discriminate the set of municipalities. On the other hand, institutional barriers do compose a cluster of variables. In spatial terms, these



Figure 6

Factor scores for 1<sup>st</sup> principal component (multiplied by [-1]): “economic effects”



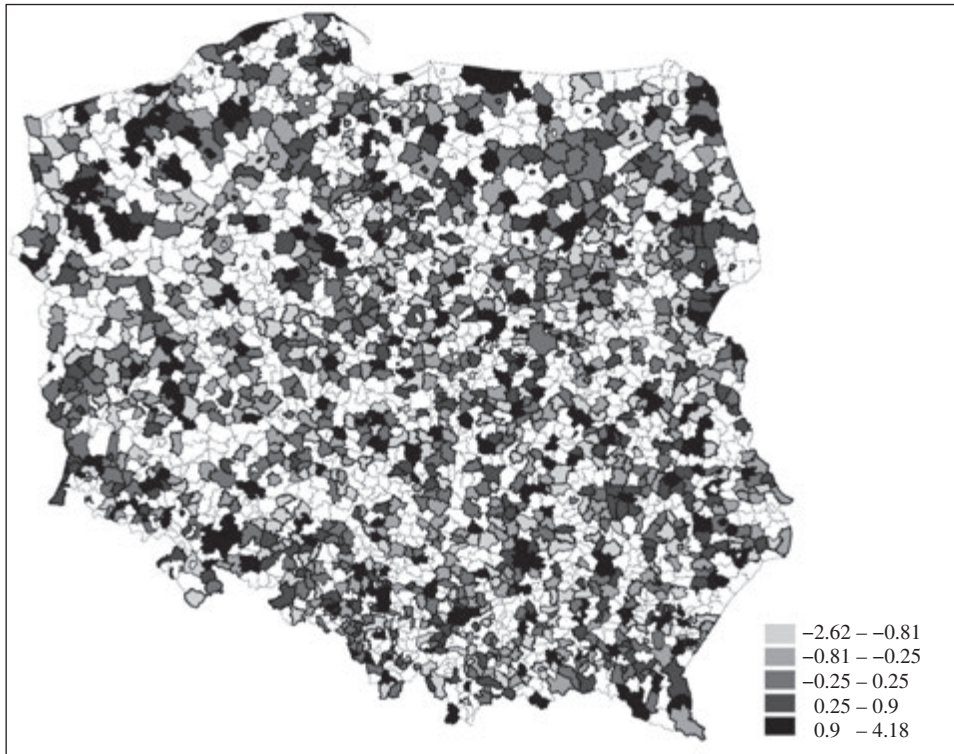
barriers are less frequently felt in the eastern and southern part of the country than in its western part (Fig. 7).

The third principal component produces a clear spatial pattern that follows the historical regions. It is related neither to EU programmes nor other aspects of local government functioning, though it confirms general interdependencies of stronger support for the newly re-elected (2020) president Andrzej Duda in smaller, peripheral municipalities where households are more poorly equipped with amenities and municipal incomes per inhabitant are lower.

### Summary and Conclusions

Based on the analyses conducted so far, it can be concluded that both opinions on the usefulness and impacts of EU funds, together with general opinions regarding various aspects of local government functioning, are stable in time and space. They also conform—generally speaking—both with macro-economic analyses and with the findings from nationwide studies of public opinion regarding the impact of EU funds on socio-economic processes in Poland. These opinions reveal a learning process, as experience gained in using these funds crystalizes. It should be observed, however, that in comparison with previous

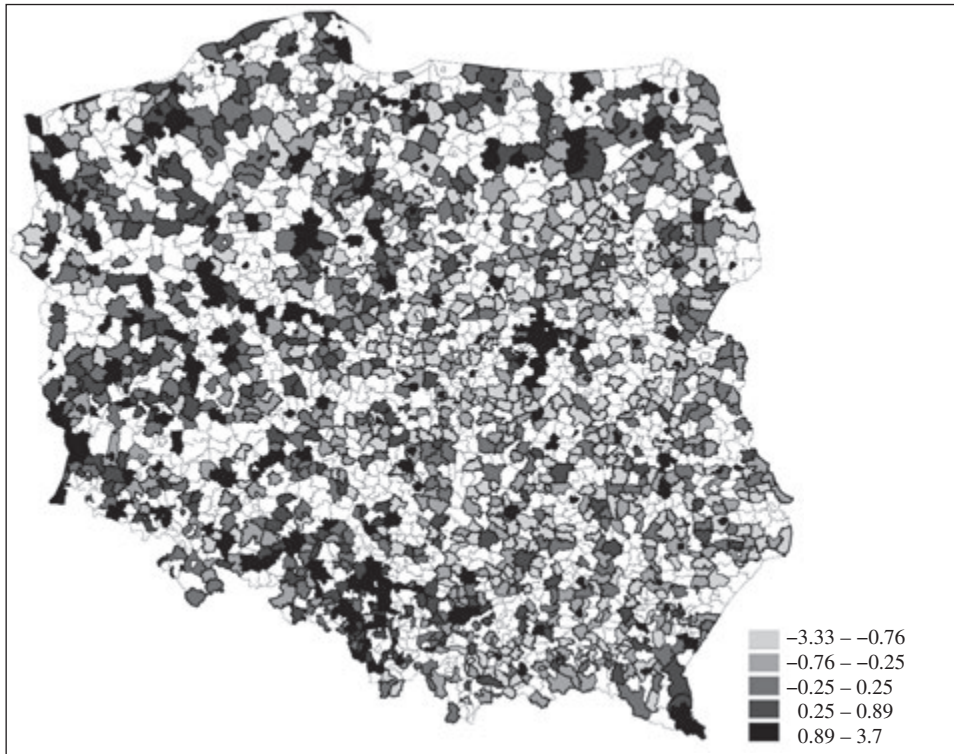
Figure 7

Factor scores for 2<sup>nd</sup> principal component: “barriers”

research conducted in 2013–2015, there has been a rise in overall positive assessments regarding the significance of EU-funded programmes for local development, which may indicate progress, both in terms of programming and implementing programmes on the national, regional and local level. As mentioned earlier, the most positive local government opinions were given to the Regional Operational Programmes and the Rural Development Programme. Far less positive were the evaluations of local impact of programmes managed at the national level. In this respect, local governments in larger cities valued these programmes more than the local governments of smaller towns. On the other hand, it is striking that the Development of Eastern Poland programme did not receive a more positive rating, even among the local governments directly concerned.

From the data gathered it appears that the general attitudes to EU programmes lack internal coherence: on one hand, local governments rate their relevance to local economic development as not particularly significant, if not insignificant—yet on the other hand they demand higher levels of funding, as well as greater freedom in spending funds and less supervision. This last observation was endorsed not only on a general level, but also in reference to specific programmes and activities: e.g. direct payments under CAP are regarded as completely ineffective in increasing agricultural production, but in the common opinion of local governments the level of these payments should be increased.

Figure 8  
 Factor scores for 3<sup>rd</sup> principal component: “historical divisions”



Therefore, it seems that the supply effects of EU programmes, i.e., long-term support for economic development, are still to be anticipated, and the effects of these programmes are apparent mainly in the ‘civilizational’ aspects of socio-economic life at the local level. Naturally, this is very important in countries, regions and towns that still lack adequate facilities in the technical, economic, social and cultural infrastructures which these programmes fund and support.

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