SOCIO-ECONOMIC DEVELOPMENT AND THE PATTERN OF GROWTH AND STAGNATION AREAS
(FINAL CONCLUSIONS OF THE RESEARCH PROJECT)

Prof. UAM dr hab. Paweł Churski

ADAM MICKIEWICZ UNIVERSITY – POZNAŃ (POLAND)
INSTITUTE OF SOCIO-ECONOMIC GEOGRAPHY AND SPATIAL MANAGEMENT
Department of Regional Analysis
the aim and the span
The aim of this lecture is to present final conclusions of the project in the frame of identified regularities in the areas of diversification of developmental processes in Poland together with recommendations for the aims of regional policy according to the polarisation-diffusion model.

The analysis concerns local level – NUTS 4.

The time of the analysis - years 2000-2010.

The research project we are talking about is: *Socio-economic development and the formation of areas of economic growth and economic stagnation* and was financed by the National Science Centre in Poland (N N306 791940). This project (which I lead) is being undertaken by the Research Group, Regional Analysis Department, Institute of Socio-Economic Geography and Spatial Management AMU in Poznań.
Identification of the place of the polarisation-diffusion model in the assumptions of cohesion policy.

Presentation of the main regularities in the range of diversified developmental processes in Poland – the final conclusions of the research project NCN NN 306791940 *Socio-economic development and the formation of areas of economic growth and stagnation* ones.

Recommendation for the aims of regional policy according to the polarisation-diffusion model.
identification of the place of the polarisation-diffusion model in the assumptions of the EU cohesion policy
# Polarisation-Diffusion Model vs. Cohesion Policy

<table>
<thead>
<tr>
<th>Features</th>
<th>Compensation Paradigm</th>
<th>Polarisation-Diffusion Model-Based Paradigm</th>
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</thead>
<tbody>
<tr>
<td>strategy</td>
<td>sectoral approach</td>
<td>integrated development undertakings</td>
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<tr>
<td>objectives</td>
<td>COMPETETIVENESS vs COMPENSATION</td>
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<tr>
<td>tools</td>
<td>vague definition of factors affecting competetiveness, much emphasised need for compensation</td>
<td>main focus on competetiveness, compensation on chosen aspects and/or territories</td>
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<td></td>
<td>subsidies and public aid</td>
<td>business support infrastructure, social and human capital, networking etc.</td>
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<td>territorial</td>
<td>administrative regions</td>
<td>functional regions</td>
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<td>dimension</td>
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<tr>
<td>actors</td>
<td>government, self-governments</td>
<td>empowerment of multi-level government</td>
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</table>
| theories in economic geography | - economic base theory  
- convergence hypothesis  
- new economic geography | - new economic geography  
- sectoral, regional polarisation models                                    |
| development approach | bottom-up                                                                            | top-down                                                                        |
presentation of identified regularities in the range of diversifications of developmental processes in Poland – final conclusions
Socio-economic development and the formation of areas of economic growth and stagnation
Research project financed by National Science Center
N N306 79 19 40

Head of project:
✓ prof. UAM dr hab. Paweł Churski

Executives:
✓ dr Michał Dolata
✓ dr Joanna Dominiak
✓ dr Jan Hauke
✓ dr Barbara Konecka-Szydłowska
✓ dr Robert Perdał
✓ mgr Anna Borowczak

Colaboration:
✓ prof. dr Dovile Krupickaite
   Geografijos ir kraštovarčkos katedra
   Vilniaus Universitetas
✓ prof. dr Pavol Korec
   Katedra humánnej geografie a demogeografie
   Univerzita Koménskeho v Bratislavie

WEB SITE: http://www.owsg.pl
DIVERSIFICATIONS OF DEVELOPMENTAL PROCESSES IN POLAND – final conclusions

SOCIO-ECONOMIC DEVELOPMENT

GENERAL APPROACH

Population and settlements

Labor market and structure of economy

Technical infrastructure and spatial accessibility

Financial situation and affluence level

PARTIAL APPROACH

Innovative economy and business environment

Population and settlement

Labor market and structure of economy

Technical infrastructure and spatial accessibility

Financial situation and affluence level

Innovative economy and business environment
**H1:** The characteristic feature of socio-economic development is a **huge level of spatial diversification** which results in creation of areas of economic growth and economic stagnation.

**H2:** Identification of the areas of economic growth and economic stagnation can be obtained in **partial approach** i.e. different aspects (population and settlement, labor market, structure of economy, technical infrastructure, spatial accessibility, financial situation, level of wealth, innovation of economy, and business environment) as well as in **general approach** of the process of development.
Diversification of the economic area of Poland on subregional level

- a relatively small number of districts which belong to the **area of growth** contains:
  (a) district towns
  (b) “raw material” towns
  (c) the districts with a huge operators;

- a relatively big number of the districts belonging to the **stagnation areas**, predominantly of the agricultural nature, which concentrate on the eastern part of Poland as well as on peripheral western regions. The placement of the stagnation areas is largely related to the relict borders (political borders from the period of 1815-1919) and which still clearly divide the socio-economic area of Poland;

- the pattern of **developmental diversity in the years of 2000-2010 shows little changeability**. The changes in global economy do not change their mutual developmental positions.
H3: Spatial distribution of growth areas and areas of economic stagnation changes over time.

Classes of areas:
- Class 1: steady growth areas (11 years in group of growth areas)
- Class 2: growth areas (7-10 years in group of growth areas)
- Class 3: transition areas trending towards growth (5 or 6 years among growth areas, then among transition areas)
- Class 4: permanent transition areas (11 years in group of transition areas)
- Class 5: transition areas (7-10 years in group of transition areas)
- Class 6: transition areas trending towards stagnation (5 or 6 years among transition areas, then among stagnation areas)
- Class 7: stagnation areas (7-10 years in group of stagnation areas)
- Class 8: permanent stagnation areas (11 years in group of stagnation areas)

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<th>Voivodeship</th>
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PROJECT RESULTS
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DIVERSIFICATIONS OF DEVELOPMENTAL PROCESSES IN POLAND – final conclusions
The results of the analysis of changeability of class structure of the areas of economic growth and stagnation on a district level allows us to claim that the undertaken public intervention, within the frame of the policy of development, influences shaping of diversification of the social-economic growth which nevertheless leads to polarization of economic space, and results in the increase of the areas of economic growth and economic stagnation while diminishing the quota of transitional areas.

What needs to be emphasized is that the macroeconomic downturn caused by the world crisis leads in a noticeable way to a reduction of the growth areas and an increase of the stagnation ones. This may indicate the lack of resistance to the crisis phenomena and faulty public intervention.
H4: The location and development of the areas of economic growth and the areas of stagnation are determined by important factors whose strength of influence varies.
Developmental factors

Summing up all the results of the analysis of the factors for the overall system encompassing all the NUTS 4 units investigated in the approach which includes original indexes, we need to state that, with taking into account four spatial arrangements that the analysis covers: all the units, areas of growth, transitional areas, stagnation areas, the prioritizing factors with regard to force of participation in explaining the overall diversification of the level of development on sub regional level in Poland look like this:

- FINANCIAL SITUATION AND AFFLUENCE LEVEL (SFiPZ)
- TECHNICAL INFRASTRUCTURE AND SPATIAL ACCESSIBILITY (ITiDP)
- POPULATION AND SETTLEMENT (LiO)
- LABOR MARKET AND STRUCTURE OF ECONOMY (RPiSP)
- INNOVATIVE ECONOMY AND BUSINESS ENVIRONMENT (IGiOB)
Developmental factors

Stagnation areas distinguish themselves by coexistence of 4 out of 5 of the examined factors, which with small fluctuations generally show a tendency of declining their value (with the exception of those of the population and settlement). The most important factor of their development and which is determined by the scale of existing in their borders deficits is their TECHNICAL INFRASTRUCTURE AND SPATIAL ACCESSIBILITY. This, on the one hand, shows the similar low level of development of these areas in each of the analyzed aspects, and on the other about the deepening tendency to divergent development in Poland on sub regional level, which results in marginalization of the stagnation areas (see Wojnicka and others, 2005; Wójcik, 2008).

The growth areas are characterized by a relatively lower influence of TECHNICAL INFRASTRUCTURE AND SPATIAL ACCESSIBILITY while being under greater influence of POPULATION AND SETTLEMENT. This regularity is justified by a smaller scale of infrastructural deficits present on the areas of growth and by the fact that the structure of these areas coincides in a relevant way with the areas of big and middle-size cities thus displaying a high level of correlation with the index of urbanization, population density, etc.
H5: Socio-economic development both regarded generally and partially is influenced by economic conditions.

H6: Changeability of economic conditions influences particular aspects and factors of socio-economic development which means that sensitivity of aspects and developmental factors with regard to economic varies.
Sensitivity and resistance to the global crisis phenomena

Poland, during the years 2000-2010 was developing on a growth path reaching its peak in 2008. In the years 2008-2009 there was a period of economic slowdown and in 2009 the recession came, which in research period of 2000-2010 did not reach its minimum yet.

The most crisis resistant are the regions from growth areas particularly Mazowieckie and Dolnosląskie voivodships. The most sensitive to the economic crisis are the stagnant regions of Świętokrzyskie and Lubelskie voivodship, so called Eastern Poland.

In the scope of the aspects researched the most sensitive to the economic slowdown caused by a global crisis are:

- FINANCIAL SITUATION AND AFFLUENCE LEVEL
- LABOR MARKET AND STRUCTURE OF ECONOMY
- INNOVATIVE ECONOMY AND BUSINESS ENVIRONMENT

The most resistant to a crisis are:

- POPULATION AND SETTLEMENT
- TECHNICAL INFRASTRUCTURE AND SPATIAL ACCESSIBILITY
H7: Existing relations between the areas of growth and areas of stagnation may constitute a base for social-economic development as assumed in the polarization-diffusion model.
In case of growth areas one can observe:

- **positive impact of agglomerations** on suburban areas—mainly in western and northern Poland;
- positive impact of the areas of growth on their surroundings during the period of economic recovery in the investment area and capital movements;
- **little or lack of positive impact with regard to industrial areas and their facilities**;
- relatively weak impact of the agglomerations situated in eastern Poland on the surrounding;
- decrease of impact during the period of economic downturn in the area of investment and capital movement.

In case of stagnation areas one can observe:

- **too big differences in the levels of social-economic development between** the growth areas and stagnation ones which inhibit the diffusion of development processes: the areas of low social-economic development do not exceed the threshold of “critical mass” which would allow for the reception of developmental impulses;
- **the decrease of the level of development proportional to the distance** from regional situation is found in peripheral areas along the voivodship borders.
H8: The areas of growth and the areas of stagnation are the subjects of specific region intervention policy of the Member States of the European Union.
Diversification of development vs absorption of resources

The analysis of the volume and the structure of absorption of the EU cohesion policy founds leads us to the following:

• the diversification of the volume of absorption the EU measures (founds) which is present in the periods of 2004-2006 and 2007 and 2013 is determined mainly by the volume of the Structural Founds and Cohesion Founds offered Poland in those two budgetary perspectives;
• the volume and the structure of the EU founds absorption in Poland in NUTS 4 is determined by the level of activity of the beneficiaries. In this structure two groups are dominant: territorial self government which raises founds for minimizing infrastructural deficits and the entrepreneurs who apply for the founds to improve their economic activities especially in the context of strengthening their capital investment;
• the spatial distribution of the collected founds confirms the lack of effectiveness in the implementation of the compensatory model of regional policy in Poland. The diversification of activity and the existing access rules allowed to acquire more resources by stronger economic areas which led to deepening of the degree of divergence of Poland on the local level.
recommendations for orientation of the regional policy in accordance with polarization-diffusion model
RECOMMENDATIONS FOR REGIONAL POLICY

- The observed process of the metropolisation of Polish socio-economic areas requires further support for strengthening functional relations and for enhancing the impact of the growth areas on the external dimension of urban policy.

- The lack of influence of the “industrial” and “raw material” growth areas requires mobilization of additional activities which create functional connections with their proximal and distant environment.

- Limited scope and the coverage of developmental phenomena in Poland requires strengthening of the stagnation areas to achieve in those areas a minimal level of development (the level of “critical mass” - the hypothesis of J.G Williamson’s) which will allow for the use of developmental effects of the growth areas.

- Deepening process of developmental divergence in the regional and intraregional frame of Poland which takes place in the conditions of a wide access to the European founds requires the change of the projects evaluation criteria especially in cases of peripheral areas of economic stagnation and the wider use of the integrated place based policy.
RECOMMENDATIONS FOR REGIONAL POLICY

- TECHNICAL INFRASTRUCTURE development should be carried out taking into account the costs arising from the pensions of its use, which should limit the risk of overinvestment in infrastructure.

- Support INNOVATIVE ECONOMY AND BUSINESS ENVIRONMENT should focus on the networking of existing entities and not creating new ones.

- Instruments of cohesion policy should increasingly influence the reduction in the level of identified sensitivity particularly in the aspects of: FINANCIAL SITUATION AND AFFLUENCE LEVEL and LABOUR MARKET AND STRUCTURE OF THE ECONOMY to the impact of globalization crises resulting in the marginalization of areas of economic stagnation.

- The deepening of the process of development of divergence in the regional and intraregional-Poland held in conditions of wide access to EU funds requires changing the criteria for the evaluation of projects especially in peripheral areas of economic stagnation and a greater use of integrated territorial approach (place base policy).
THANK YOU FOR YOUR ATTENTION

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AND SPATIAL MANAGEMENT
Department of Regional Analysis

PROJECT RESULTS
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prof. UAM dr hab. Paweł Churski
chur@amu.edu.pl
CALL FOR RESEARCH
Factors contributing to diffusion of developmental processes affecting the degree of cohesion in less developed regions

Source: World Bank Reports

prof. UAM dr hab. Paweł Churski
chur@amu.edu.pl

ADAM MICKIEWICZ UNIVERSITY – POZNAŃ (POLAND)
INSTITUTE OF SOCIO-ECONOMIC GEOGRAPHY
AND SPATIAL MANAGEMENT
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III CONGRESS OF LITHUANIAN GEOGRAPHERS
Vilnius, 26-27th of September 2014
CALL FOR RESEARCH

Factors contributing to diffusion of developmental processes affecting the degree of cohesion in less developed regions

The research goal which presents the research problem of the project in question in a more precise way includes methodological and cognitive aspects alike. The project’s methodological goal is to develop an integrated analysis of spread of developmental processes from the core areas to peripheral areas in the social and economic conditions of less developed regions (NUTS 2 with per capita GDP <75% of the EU average) based on the polarization and diffusion paradigm by resorting to classical and contemporary mathematical and statistical methods as well as spatial econometrics, taking into consideration the relevant research accomplishments referring to the more developed regions. This goal includes the following detailed aims:

1. Ex-ante identification of a model system of factors affecting processes of development spread in regions varying with respect to the stage of growth.
2. Development of a methodological approach in order to verify the (adopted ex-ante) model system of factors affecting processes of development spread where the specificity of less developed regions is taken into account by resorting to quantitative and qualitative methods (including regression models, interaction models and spatial dependence models, direct research methods together with e-survey and individual in-depth interviews).
3. Development of an integrated analysis of processes of development spread from core areas to periphery areas in the social and economic conditions of less developed regions where the (identified ex-post) model system of factors affecting processes of development spread has been taken into consideration.

The cognitive goal of this project is to identify factors of spread of developmental processes affecting the degree of cohesion in less developed regions. This goal consists of the following detailed aims:

1. Identification and classification of the multi-dimensional diversification of social and economic growth in the NUTS2 regions of the European Union, referring to their specific developmental conditionings.
2. Identification and analysis of the specificity of developmental conditionings and their intra-regional diversification including endogenous resources of the Wielkopolska region against less developed Polish regions.
3. Development of a model system of factors determining spread of developmental processes, taking into account identification of developmental idiosyncrasies in the following arrangement: more developed regions – transition regions – less developed regions of the European Union.
4. Delimitation of city limits in functional areas on the urban, sub-regional and local levels in Wielkopolska.
5. Identification of factors contributing to the spread of developmental processes affecting Wielkopolska’s cohesion.
CALL FOR RESEARCH

Factors contributing to diffusion of developmental processes affecting the degree of cohesion in less developed regions

Source: Author’s own compilation

ROZWOJ SPOŁECZNO-GOSPODARCZY A KSZTAŁTOWANIE SIE OBSZARÓW WZROSTU I OBSZARÓW STAGNACJI GOSPODARCZEJ

Projekt badawczy nr N 306 791940 finansowany ze środków Narodowego Centrum Nauki

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