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Short-Term Problems and Long-Term Oriented Policy: EU Cohesion Policy Responding to Crisis

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Abstract

European Union Cohesion Policy (CP) creates the basis for long-term sustainable development and provides a very significant financial resource in many EU countries. In many disadvantaged regions CP funds have beoame a main tool supporting implementation of regional development policy. Binding regional policy with long-term CP goals limits however the flexibility of regions in taking measures that go beyond those approved by European Commission within operational programs. In consequence, it can prevent regional authorities from adequate reaction to challenges occurring in the short-term perspective. This paper focuses on the role of CP in responding to short-term problems such as those resulting from the latest financial and economic crisis. The hypothesis on whether the CP management and implementation systems of Regional Operational Programs (ROPs) remain unchanged in face of short-term disturbances is verified. Our study confirmed the predominantly long-term orientation of CP, as the deterioration of the economic situation in two studied regions did not bring any significant changes related to the main goals, objectives or funds allocation. However, the two case studies proved that regions undertook special actions and implemented projects focused on resolving short-term problems and challenges in the 2007–2013 period.

Keywords: cohesion policy, regional policy, crisis

Introduction

Cohesion Policy (CP) plays an important role in the development of the most disadvantaged EU regions. The previous interregional income redistribution function stepped aside to the concentration on creating the basis for long-term sustainable development in the disadvantaged region of EU. Long-term orientation of the policy refers to both the overall and to the more specific aims of this policy. The overall aim of CP is to reduce disparities in economic development and employment, thereby equalising opportunities between the most advanced and the most disadvantaged areas of the EU (Art. 158 of the Treaty of the European Union). Since 2000, the specific objectives have been strictly linked to EU development strategies. This means that CP has become the main pro-development instrument throughout the EU, playing a key role in delivering the strategic objectives included in the EU ten year development plans: previously the Lisbon Strategy, and currently the Europe 2020 Strategy. Furthermore, CP is implemented in a seven-year financial perspective, allowing interventions to be planned within a stable, multi-annual framework, which is essential for the realisation of major investments.

There are plenty of studies concerning the effectiveness of CP as an instrument for the implementation of economic goals in the long-term perspective (e.g., Falk and Franz 2008; Mohl and Hagen 2010; Puigcerver-Penalver 2007; Tomova et al. 2013). The adoption of long-term goals provides financial measures that strengthen regional economies by allowing them to improve their competitiveness, enhance innovativeness, and increase the quality of human capital. However, there is a gap in the literature discussing the role of CP in responding to problems appearing in the short-term perspective.

The question of the role of CP as an instrument that can be used in response to emerging unforeseen problems in strategic oriented documents is important for several interrelated reasons. First, as the last few years have proved, the global economy, operating on the principle of "communicating vessels," causes the rapid spread of a crisis, whose origins may lie in other areas of the world. The openness of regional economies makes them susceptible to changes in the economic situation in other parts of the world, causing them to suffer acutely from the repercussion effects. The most recent, unprecedented economic crisis means regional authorities face new, difficult challenges, which require actions aimed at mitigating the effects of the downturn. It should be borne in mind that the regions most affected by economic crisis are usually those characterised by lower levels of socio-economic development. EU lagging regions are the greatest beneficiaries of structural funds provided under CP. Here the second important issue arises — the majority of CP Objective 1 regions, where GDP per capita does not exceed 75% of the EU average, closely tied the content of their development policies with CP goals (Borzel 1999; Ferry 2007; Ferry and McMaster 2013). Thus, the majority of funds earmarked for socio-economic development that the regions have at their disposal is involved in the implementation of so-called Regional Operational Programs (ROPs).[1] Binding regional policy with long-term CP goals significantly limits the flexibility of regions in taking actions that go beyond those included in ROP. In consequence, it can prevent regional authorities from adequately responding to problems and challenges occurring in the short-term perspective (e.g., those resulting from the outbreak of a crisis).

CP provides a very significant financial resource in many less developed EU countries and, as stated above, there is practically no domestic policy response to regional needs beyond that provided by Structural and Cohesion Funds. Besides being criticized for dominating domestic regional policy, different researchers and policy makers have stressed its lack of flexibility in management and implementation systems.[2] This paper focuses on the role of CP as a tool for responding to short-term problems such as those resulting from the latest financial and economic crisis. The issues we address in the paper are threefold. Firstly, we test whether the CP management and implementation system is indeed so rigid that it remains unchanged during a crisis. Secondly, we assess to what extent CP allows regions to react to different challenges they face in the short-time perspective. And thirdly, we give examples of how regions have used this opportunity in responding to the effects of the latest economic crisis.

We adopted the case study approach to investigate the adaptability of Polish regions to specific short-term problems in the framework of CP. Our analysis concentrates on two Polish regions: Podlaskie and Dolnośląskie voivodships.[3] The maximum variation strategy (Flyvbjerg 2006) led to the choice of these two particular regions, as they represent two different socio-economic contexts. Podlaskie is a peripheral region, one of the poorest in Poland, with a predominance of an ineffective agricultural sector. It represents a relatively closed economy, both in terms of its capability to export and its attractiveness for investors. The underdeveloped transport infrastructure together with low access to, and use of, the information and telecommunication infrastructure hampers its accessibility for inhabitants and companies. The urban network is less developed compared to other Polish regions and the number of large agglomerations is limited to the capital of the region, Białystok. Dolnośląskie, in contrast, has a favourable geographic location close to the German and Czech Republic borders, with a relatively well-developed infrastructure: the road network includes a large number of important transport routes to Poland and Europe. The region is highly industrialised and is a leading region in terms of FDIs, exports and imports in Poland (Batorski 2011;

1. National programmes are partly or wholly aligned with the timeframe or thematic coverage of CP progammes, even in countries where there are separate domestic regional policy frameworks (e.g., Poland, Spain, Sweden).

2. See: Ex Post Evaluation of Cohesion Policy Programmes 2000-2006 Co-Financed by the ERDF (Objective 1 And 2). Work Package 11: Management And Implementation Systems for Cohesion Policy (No. 2007 CE 16 0 AT 034). Final Report to the European Commission (Dg Regio). EPRC, 7 August 2009, [@:] http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/expost2006/wp11_executive_summary_en.pdf.

3. The study was carried out within the project named: "The Impact of the Economic Crisis on Social Cohesion," conducted by London School of Economics Consulting on behalf of the European Parliament.

Stawicka, Kwieciński, and Wróblewski 2010).[4] It should be stressed that the global economic crisis in both regions assumed the form of an economic downturn, and the negative socio-economic changes became visible much later than would be expected on the basis of the economic collapse in other European regions. The cases were elaborated on the basis of in-depth interviews as well as analyses of official programming documents and reports.

Therefore, we expected to find different problems and different responses relating to the crisis in each case. Within the case studies, we posed a few main questions:

- What was the role of CP in reducing the effects of the crisis in these two Polish regions? To what extent was CP perceived as a remedy to the crisis?
- Were the main goals, objectives or allocation modified in relation to worsening economic conditions and the appearance of new problems and challenges?
- Were any actions/projects realized within ROPs to mitigate the effects of specific problems, which appeared in the period of economic slowdown?

The paper is organized as follows: The first section focuses on presenting the EU funds granted to Podlaskie and Dolnośląskie Voivodships and identifying their role during the short-term problems linked with economic downturn. The main changes in ROP principal objectives and implementation system as a response to the deterioration of economic conditions is analysed in the second section. Next, we present projects undertaken within ROPs in order to mitigate the effects of new short-term problems and challenges, which appeared in the period of economic slowdown. The article closes with final conclusions.

1 EU funds and their role during the short-time economic downturn

Podlaskie and Dolnośląskie Voivodships were — like all Polish voivodships during 2007–2013 — beneficiaries of EU CP funds under Objective 1, which means that they received the highest sums provided for regions with a GDP not exceeding 75% of the EU regional average. The EU funds to a great extent were allocated for the realization of voivodship strategies, which in both cases took the form of broad-based support to the economy.

Due to the different socio-economic conditions, the regions stressed different priorities, which is visible when analysing the measures and allocations of their ROPs. The ROP of Podlaskie Voivodship (ROP PV) pursued a main objective based on developing the non-agricultural potential of the region through three detailed objectives: (1) increasing the region's attractiveness for investors, (2) improving the competitiveness of regional companies both at home and internationally, and (3) development of tourism focused on the region's natural and cultural heritage.[5] When analysing the size of the allocation by the categories of intervention, it should be noted that the bulk of the funds was earmarked for transport, with 32,2% of the aggregate allocation. As part of Poland's

4. See also: 2020. Development Strategy of the Lower Silesian Voivodeship. Marshal's Office of Lower Silesia [@:] http://www.umwd.dolnyslask.pl/fileadmin/user_upload/Rozwoj_regionalny/SRWD/SRWD_2020_wersja_ang.pdf; Regional Operational Programme for the Lower Silesian Voivodship for 2007-2013. [@:] http://dolnyslask.pl/upload/RPO/03_dokumenty_i_wytyczne/iz/rop_21_08_2007_en.pdf; Raport Regionalny. Województwo Dolnośląskie, by Janusz Zaleski, Tomasz Korf, and Gabriela Lisowiec, Wrocław, kwiecień 2011 r., [@:] http://www.umwd.dolnyslask.pl/fileadmin/user_upload/_temp_/Raport_regionalny_Dolny_Slask_-_28.04.2011_mini.pdf; Sprawozdanie z realizacji w 2012 roku Regionalnego Programu Operacyjnego Województwa Podlaskiego na lata 2007-2013. Urząd Marszałkowski Województwa Podlaskiego w Białymstoku, czerwiec 2013, [@:] http://www.rpowp.wrotapodlasia.pl/private/upload/file/7b2178e5f54a208fc749a644146d19a4.pdf; Diagnoza sytuacji społeczno-gospodarczej wraz z analizą SWOT dla Programu Operacyjnego Polska Wschodnia 2014-2020. Ekspertyza na zlecenie Ministerstwa Rozwoju Regionalnego by Adam Płoszaj, Warszawa, 2013, [@:] http://www.euroreg.uw.edu.pl/dane/web_euroreg_publications_files/3505/diagnoza_po_pw_25-04-2013.pdf; Ocena wpływu projektów drogowych realizowanych w ramach Regionalnych Programów Operacyjnych na zwiększenie dostępności transportowej województw. Report by Piotr Rosik, Tomasz Komornicki, Marcin Stępniak, and Wojciech Pomianowski, Ministerstwo Rozwoju Regionalnego, Warszawa, 12 grudnia 2012, [@:] https://www.funduszeeuropejskie.2007-2013.gov.pl/dzialaniapromocyjne/Documents/raport_drogowy_m.pdf.

5. See: Regionalny Program Operacyjny Województwa Podlaskiego na lata 2007-2013. CCI: 2007PL161PO014. Zatwierdzony przez Komisję Europejską 21.12.2011 r. Narodowe Strategiczne Ramy Odniesienia 2007-2013. Program współfinansowany z Europejskiego Funduszu Rozwoju Regionalnego. Urząd Marszałkowski Województwa Podlaskiego, [@:] http://www.rpowp.wrotapodlasia.pl/private/upload/file/edfa14bf03eb6377a0ed4d47396b17c0.pdf, p. 65.

Tab. 1. The total EU funds allocation provided in the National Cohesion Strategy (ROP and the remaining Operational Programmes) for 2007–2013

	Podlaskie Voivodship	**Dolnośląskie Voivodship**
Total Allocation	EUR 3 917,5 million	EUR 5 708,7 million
Percentage of the aggregate allocation for Poland	4,4%	6,41%
Allocation per capita	EUR 3 275,2 (140,2% of the national average)	EUR 1 980,6 (84,8% of the national average)

Source: Own calculation based on (Bąk, Piotrowska, and Chmielewski 2008, 55)
[In the journal European practice of number notation is followed — for example, 36 333,33 (European style) = 36 333.33 (Canadian style) = 36,333.33 (US and British style). — Ed.]

16 ROPs, this particular area takes up the largest portion of the funds, nearly 27% of the overall allocation. In Podlaskie, this category was particularly sizeable owing to the planned regional airport, for which one-fifth of the region's total allocation was earmarked. Ultimately, this project was not implemented, and the underlying funds were reallocated to regional roads. Research and development, innovation and enterprise was the area with the second-largest EU funds allocation. With a 24% allocation, the share of funds for R&TD is at the national average level; of this, nearly 30% was earmarked for the development of R&TD infrastructure and specialised competence centres (Bąk, Piotrowska, and Chmielewski 2008, 22). As for Dolnośląskie Voivodship the main objective of the ROP was to improve the living standards of inhabitants and to increase the competitiveness of the region with respect for principles of sustainable development. The analysis of the allocation size in terms of intervention categories revealed that the most funds were allocated to R&D in technology, innovation and enterprise (i.e., 26% of the entire allocation). The second area with the highest budget allocated for support was transport. However, in comparison to other regions, the share of the resources earmarked for projects in transport infrastructure in relation to the entire allocation was the lowest in the whole country and accounted for 17%. In Poland, out of 16 Regional Operational Programmes, this was the category with the highest allocation (i.e., almost 27% of the entire budget).

When evaluating the role of CP funds in addressing short-term problems, it should be stressed that although the funds transferred to both regions under the cohesion policy amounted to only 2,3% of Podlaskie's GDP and 0,8% of Dolnosląskie's GDP, they represented a significant contribution to promoting regional development and alleviating the consequences of the economic slowdown (Wojtowicz 2010). As stated above, in both cases, an approach of broad-based support to the economy was adopted. This proved to be an effective solution in terms of counteracting the short-term deterioration of economic conditions, as it enabled both the public and private sectors to sustain their investments in different areas. Investments were crucial in the period of economic downturn, as they generated wider demand effects. In consequence, the benefits of the implemented projects were felt not only by the direct beneficiaries of EU funds. Moreover, the measures intended to strengthen human resources development, together with the support provided to people threatened with redundancy or lay-offs, proved to be particularly appropriate, given the deterioration in the financial condition of many companies, reflected in the increased lay-offs. It should also be noted that the delay in spending the funds in the 2007–2013 period (during the first two years of implementing the support programmes, only 3,4% of the allocation for that period was spent) quite paradoxically turned out to be advantageous for the Polish voivodships. Accumulation of unspent EU funds coincided with a decline in the condition of both regions' economies. This increased the occurrence of demand effects in a period when Polish regions started to experience the first consequences of the world recession.

Respondents from both regions confirmed that without EU funds the investment opportunities of the entities operating would be extremely limited. In Podlaskie, it was argued that the effects of the economic slowdown were less acutely felt in the region owing to the EU funding made available. Above all, the demand effect was observable as a result, in addition to the restructuring effect of a more long-term nature. The dairy sector is a good illustration of technological modernisation with the use of the Structural Funds from the OP Innovative Economy. The construction sector is another example of enterprises that enhanced their competitive advantage in spite of economic slowdown by using the scope offered by EU funds. Some enterprises used funds to improve their innovativeness (e.g., NORDHUS), whereas some of them built up their potential as a general contractor responsible for the realisation of investments for culture and art co-financed by EU funds (UNIBEP). The beneficiaries of ERDF also included innovative firms forming a medical cluster in the regions (e.g., CHM, Medgal) and other highly advanced enterprises (e.g., PLUM). In the opinion of respondents from Dolnosląśkie Voivodship, the role of funds in times of economic downturn was crucial, as they enabled investments in innovative projects, which — as a rule — are exposed to a higher risk of failure without ensuring co-financing.

2 Main changes in ROP objectives and implementation system

Our studies proved that the economic slowdown did not affect the objectives adopted nor the allocation in operational programs that were being implemented in both regions. As respondents representing Management and Implementation Authorities in both regions stressed, the adopted strategic objectives and the corresponding priorities and measures of the ROPs are of a long-term nature and outline the directions to be followed irrespective of any current economic downturn. No one expected the strategy to resolve immediate problems, but rather to provide a complex approach to the issue of strengthening development potential.

The changes made in the implementation of CP in all of the Polish regions were to a great extent consequences of the introduction by the government of the Stability and Development Plan — strengthening the Polish economy at the time of the world financial crisis in 2009. The Plan was intended to improve EU fund spending efficiency in view of the deteriorating economic outlook. Accelerated spending was intended to maintain a stable level of public and private investment and thereby strengthen demand effects. With regard to the ERDF, the Plan created an opportunity for submitting payment applications for so-called "large projects" even before the official EC decision approving them for co-financing. Secondly, the eligibility period for expenditure in the 2000–2006 programmes was extended beyond the end of 2008. Thirdly, an arrangement was introduced to settle overheads in programmes co-financed by the European Social Fund on a lump-sum basis. This possibility was applied to management, administrative and indirect costs (i.e., costs not associated with specific operations). Fourthly, the scale of possible advance payments for project beneficiaries was increased to up to 95% of the project value. Pre-financing was introduced gradually — first for local government entities, afterwards for entrepreneurs and NGOs. And finally, with regard to the implementation of the ESF regional component, the following arrangements were adopted: increased access to public aid funds for entrepreneurs, vocational reintegration of people affected by the negative consequences of the economic downturn, specialised graduate and training programmes offering as much as 100% co-financing, mobility incentives, and start-up grants (up to PLN 40 000). Another change introduced at the national level, which affected the use of funds and helped to mitigate the slowdown effects observed in the regions, was the restructuring of the measure addressed to employees (training programmes). The range of training courses that could receive co-financing was limited to those required by specific employers. Following this change, employers were able to use CP instruments in line with their needs, to address their own specific problems arising from the economic downturn in the region (e.g., restructuring changes in enterprises).

Both of the study regions introduced additional solutions, which were designed to speed up the implementation of their ROPs. In Podlaskie some adjustments were made within the categories of ROP PV intervention. There was an increase in the budget allocations for renewable energy sources (by 3,8 percentage points), R&D activities, innovation and enterprise (by 3,2 percentage points), and tourism (by 2,1 percentage points), coupled with decreased allocations to social infrastructure and environmental protection projects (by 3,2 and 2,6 percentage points, respectively) and, albeit to a smaller extent, to culture, transport and information society.[6] In 2011, the criteria used in project selection as part of the measure to provide investment support to enterprises were changed.[7] The amended criteria promote projects that create new jobs in municipalities with the poorest economic performance, as well as innovative projects. The criterion "jobs created in poorly developed municipalities" gave preference to projects located in poorly developed areas of the region and in the Municipality of Łapy due to its especially difficult socio-economic situation (this was the sole commune to be named in the criteria). Poorly developed areas were defined as those municipalities where taxable income per capita was lower than 120% of the region's average. This criterion was consistent with the policy aimed at counteracting the crisis in the areas most adversely affected, since a municipality's own income is a measure of its economic condition.

By contrast, the prerequisite for scoring points under the criterion "Project innovation" was demonstrating that the proposed undertaking was innovative, by fulfilling (and documenting) from one to six specific conditions, such as: cooperation of the project applicant with a research institution, purchase of a patent or licence, and purchase of new machinery or equipment. This criterion could help counteract crisis phenomena, by channelling funds to purposefully selected projects, thereby producing lasting and attractive jobs with a potentially significant impact on the regional economy. By meeting this criterion, the project application could score as many as 40 points (out of a total of 100) and its likelihood of gaining support would grow considerably. Following the introduction of this criterion, over 40% of total support was awarded to projects involving the implementation of highly innovative solutions (R&D, laboratories).

In Dolnośląskie Voivodship the Implementing Authority changed the requirements for the result indicators (in particular the 'new job created' indicator) that needed to be met by beneficiaries. Meeting this obligation became increasingly difficult in companies particularly affected by the crisis (e.g., with export-oriented production). The Implementing Authority stated that, in exceptional circumstances, the company does not have to return the funds granted to it, even if the project does not achieve the anticipated results.

Another change adopted in this region was the increased allocation to measures providing grants for private sector entities. For example, instead of the planned release of 15% of the pool for grants for innovative investments under the OP Innovative Economy, another 30% were made available to beneficiaries. The total allocation for the year 2009 in this region increased from the planned EUR 320 million to EUR 462 million (grant allocation for companies tripled, and for local governments doubled). In addition, under Priority 5, the Power Industry, a new Measure 5.4 Increasing energy efficiency was established. The value of the allocation for this measure amounted to EUR 2,3 million and the resources were transferred from Measure 5.2, Electric energy distribution.[8] Moreover, as of 2010, in the face of the deteriorating condition of the regional economy, increasing unemployment and the increasing scale of related negative social phenomena, the institution managing the regional HC OP component has strictly reduced the funds earmarked for information and promotion campaigns.

3 Cohesion Policy as response to the appearance of short-term problems and challenges

In Podlaskie Voivodship, the measures adopted in the case of Łapy commune can serve as an example of the use of CP funds in response to the specific, short-term problems, which appeared after the settlement of OP for 2007–2013. The compounding of many negative phenomena caused by the closure of two major local plants (the sugar refinery and the railway repair plant, ZNTK) and

6. See: Regional Operational Programme for the Lower Silesian Voivodship for 2007–2013..., op. cit.; Regionalny Program Operacyjny Województwa Podlaskiego na lata 2007–2013. CCI: 2007PL161PO014..., op. cit.

7. See: Przewodnik po kryteriach wyboru projektów w ramach Regionalnego Programu Operacyjnego Województwa Podlaskiego na lata 2007-2013. Działanie 1.4 Wsparcie inwestycyjne przedsiębiorstw. Urząd Marszałkowski Województwa Podlaskiego, Białystok, styczeń 2012 r. [@:] http://www.rpowp.wrotapodlasia.pl/private/upload/file/2a7e132ff71d16d35520cc5a0bbfd08c.pdf.

8. See: Regional Operational Programme for the Lower Silesian Voivodship for 2007-2013..., op. cit.; Regionalny Program Operacyjny Województwa Podlaskiego na lata 2007-2013. CCI: 2007PL161PO014..., op. cit.

the resulting loss of 1000 jobs in a city with a population of 16 000 was not, as claimed, a direct consequence of the global crisis. In Łapy, projects were implemented as part of two measures: making the region attractive to investors (EUR 2 million) and creating conditions for the development of innovation (EUR 1 million). As part of these activities, investment sites were prepared on the premises of the former sugar plant (10 hectares on the site formerly serving as a tank), in addition to a business incubator that is being set up in a former kindergarten. The municipality launched the incubator to support potential entrepreneurs, providing advice and offering assistance in drafting grant applications, in cooperation with the County Labor Office[9]. The success factors include the fact that the funds were specifically earmarked for the municipality of Łapy and not the entire county of Białystok.

In Dolnośląskie Voivodship, the use of CP funds as a response to challenges is illustrated by projects aimed at modernising the general and vocational education system. The problem of the mismatch between the education received by university graduates and school leavers and the needs of the labour market became especially significant in the region in the period of economic slowdown, characterised by job redundancies. Despite the separation of programmes implemented with financial support from the ERDF and the ESF and those implemented by various institutions, a high level of complementarity of the two types of projects — hard and soft — became a main goal for the regional authorities who faced increased problems in labour market owing to the crisis. The first project, co-financed under the HC OP, offers support for development programmes for all public vocational schools in the voivodship (i.e., about 275) through funding various types of classes. The second project, entitled "Modernisation of vocational education and training in Dolnośląskie Voivodship," provides for the establishment of industry training centres in seven industries and nine counties and the provision of additional specialist equipment for conducting classes in the centres. In consequence, the undertaken activities optimise the use of the modernised teaching and training facilities through implementation of projects supporting the development of teaching programmes and strengthening their cooperation with employers. Another example of a measure adopted in connection with the deterioration of the economic situation was the rapid-response path adopted as part of the project providing comprehensive support to persons threatened with redundancy or laid off by employers, which was realized in the region under the OP Human Capital. In view of the increased redundancies since 2009, Dolnośląskie decided to withdraw grants for competition-based projects in this area. In return, a "rapid response" systemic project was implemented, which allowed for the fast launch of support funds and was more flexible than competition-based projects. Additionally, the project was implemented using a "stand-by" scheme — i.e., the activities were undertaken at the moment of receiving information about the need to provide support to employees of specific companies that were planning or undergoing a downsizing process. Unlike other projects implemented under the same category in other voivodships, the project did not identify in advance any type or scope of proposed training (e.g., training in specific occupations or in specific counties). It ensured a large degree of flexibility and full alignment with the needs existing at a given time. In addition, the list of potential beneficiaries was extended to include large enterprises negatively affected by the consequences of the crisis.

Conclusions

Our study confirmed the predominantly long-term orientation of CP, as the deterioration of the economic situation in Dolnośląskie and Podlaskie Voivodships did not bring any significant changes related to the main goals, objectives or allocation of ROPs being implemented. The strategies adopted by both regions, which could be summarised as broad-based economic development, offered support to many socio-economic areas of regional life. It helped to counteract the negative consequences of the decelerated development in the region, as it allowed interventions to be made in many spheres, including those affected by the effects of the downturn. Furthermore, this proved to be a proper and an effective solution in terms of counteracting the crisis, as it enabled both the

9. In Polish: Powiatowy Urząd Pracy.

public and private sectors to sustain their investments. Investments were crucial in the period of economic downturn, as they generated wider demand effects.

We found the CP implementation system rigid and focused on long-term perspective effects—the scale of the changes remained insignificant and the changes had no strategic character. This results from two facts. First, the process of introducing changes is lengthy and time consuming; and second, management of cohesion policy—with regard to the ESF—is quite highly centralised. However the two case studies showed that it was possible to undertake special actions and projects focused on resolving short-term problems and challenges, and both regions indeed did make use of these in the 2007–2013 period. Most of the solutions resulted from the Stability and Development plan adopted at the central, not regional, level. The main goal of all of the measures stipulated by the Plan was to accelerate spending in order to maintain a stable level of public and private investment and thereby strengthen the demand effects in view of the deteriorating economic outlook. As a result, a number of changes were made in the implementation of the ROPs and the regional components of the HC OP, which did in fact speed up EU fund spending. Moreover, both regions, in view of the "new" problems in the socio-economic sphere, were also able to implement special, tailor-made interventions under the ROP that helped to mitigate the short-term crisis effects.

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