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State Action in an Enlarged Europe

Poland and the Structural Funds 2007-2013

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Abstract

This study sets to investigate the reasons behind state action in an enlarged Europe. It does so through its regional policy and the structural funds for the budget period 2007-2013 by the example of Poland. The question posed is: why is there a centralization trend on a national level in Poland when EU decentralizes its regional policy? The analysis suggests that the answer can be found by adopting a state-centered realist approach complemented with a constructivist perspective. The Polish state is an autonomous actor in need of resources in order to maintain political power. Resources could either be obtained from its own country by, for example, taxes or from outside means by, for example, EU funding. Therefore, when the EU gives the member state more control over the structural funds it results in a centralization process on a national level. This behavior is accentuated by the Polish inherent value system that favors centralization as explained by a constructivist approach.

Keywords: EU, Regional Policy, State Action, Structural Fund, Poland, Centralization.

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1 Introduction

European Union's (EU) regional policy and regionalization in an enlarged Europe have been the subject of considerable debate. Many scholars have focused on the effectiveness of EU's policies. Some scholars uphold that EU policies have facilitated decentralization of authority into the regions (Hooghe 1998 p. 460-462; Hooge, Marks 1995 p. 283; Sutcliffe 2000 p. 291, Gemitis 2003 p. 8). Others argue that the EU impact on regionalization has been limited (Brusis 2002, 2005; Grabbe 2001; Marek, Braun 2002). While the debate about EU regional policies has focused on the effectiveness of policies this paper raises the question of the reasoning behind state action in a NMS (New Member State).

The inspiration for this study is the challenges and the new choices faced by the new member states in an enlarged EU. Through transition, the NMSs had to change their national systems, values, and give up some of their sovereignty to a higher authority in order to receive the benefits that an EU membership entitles. Hence, this analysis deals with the choices a state makes in regional policy when EU changes its rules, allowing for more independence. This is done through investigating the structural funds in Poland for the budget period 2007-2013.

Part of EU philosophy is that decision making should be made on the lowest possible level¹. This is why, for example, the Commission decided to reform itself and produced the White Paper of March 2000 (Commission 2000, 2000a). In this paper one of the points is the principle of decentralization of decision-making with explicit responsibilities. However, in an enlarged Europe, a decentralization decision on an EU level is not necessarily perpetuated in the application of the policy in the member state. In fact, by using Poland as a case study, we find a surprising result. Following a decentralization of the structural funds to give more power to the member states the outcome was centralization within the nation. The study shows that the Polish government actively changed the system in order to gain more control over the funds at the expense of regional actors.

I find this trend of 'opposite effect' of EU policy-making in theory and in practice an interesting phenomenon worth exploring. If EU policies resulting distancing instead of furthering the integration process, the purpose of these policies is defeated. Therefore, in this study I approach this controversy from the theoretical framework of the logic behind state action. Hopefully this essay can be a contribution to the broader debate about the problems that the NMSs are facing.

1.1 The Research Question, the Aim and the Outline

The effectiveness of EU Regional Policy has been extensively debated. There is also a vast amount of literature on centralization, decentralization processes and state action. However, not much is written about the reasons for 'opposite effect' outcomes in the NMSs of EU Regional policies.

This study, therefore, asks why decentralization processes in the structural funds on an EU level result in centralization activities within Poland? The inspiration for

¹ The principle of subsidiarity.

this subject is the question of; what happens when EU changes its regional policy in an enlarged Europe?

The aim is to set up a theoretical framework for state action which has a twofold purpose. Firstly, it aspires to contribute to an understanding of the NMS's trend of centralization in the decentralizing system of the EU. Secondly, it is to be applied to the Polish case.

This essay will be divided into three parts. The first part is a theoretical framework, laying out the fundamental principles behind state action in an enlarged Europe from the point of the national state's view. This section consists of two sections: one that uses the logic of a state-centered realist approach and one that complements this approach with a constructivist perspective. The second section is empirical and starts with a discussion on decentralization patterns on an EU level and changes in the structural funds followed by a description of centralization trend in Poland in the funds. The third section is the application of the theoretical framework in the first part to the empirical material in part two.

1.2 The Theoretical Argument

This study examines the rationale behind state action in an enlarged Europe. EU15² and EU27³ are very different in terms of economics, level of integration, history and social political culture. On one hand, the EU15 is guided by one set of principles and theories developed over many years of cooperation in a system built to accommodate these countries. On the other hand, the new Eastern accessions are facing the pressure to reach a level of the 'old member states' at the same time as they have to try to find their own place within the already 'pre-packaged' EU system. Therefore, it is interesting to look toward the east to examine state action and the theoretical argument of this study will be based on the view from the national level.

From a member state perspective this work adopts realist framework for understanding the processes within the state, specifically a state centric approach. This concept in itself does, however, not paint the complete picture. It will, therefore, be complemented with a social constructivist perspective. There are different views about the usefulness of combining a constructivist and a realist perspective and not everyone will agree that these two theories are supplementary. However, I find these theories complementary rather than contradictory in this case study. Although the realist and constructivist approaches are based on contrasting reality assumptions, they feature different aspects of state action. Therefore, despite that these two theories might not be entire compatible, there is a point to analyze state action from both perspectives. Together, these two models give us the structure needed in order to understand the processes behind national activity in an enlarged Europe.

1.2.1 State Centrism

A state being a member in the EU requires the juggling of issues interacting simultaneous in the domestic and international spheres in a complex system with often conflicting opinions. Hence, there is a relationship between domestic and

² The 'old member states'.

³ EU15+EU12 the NMSs or the 2004 and 2007 accessions.

international systems that needs to be investigated in order to understand the actions of a state in the EU. The classical realist theory discusses how domestic politics can achieve international goals, but leaves out an explanation for how international policies can be used in order to achieve domestic aims. The structural realist theory takes the nation-state for granted and theorizes about the consequences of its actions in the international system, but does not elaborate on domestic politics. Hence, an approach that takes into account both sides of politics is needed. This paper, therefore, adopts a state-centric approach. This perspective considers both domestic and international politics and understands the process as interactive between the two. In this view, the state as an organization wants to survive but needs resources. Subsequently, the state can be seen as a tax collector. It does not matter if it gets these resources from taxing its own people or from the EU in form of funding. Therefore, when the EU changes its regional policy, the member state is bound to use the new situation to its advantage by centralizing as many resources as possible to the state level. State-centric realists used in this study are Gilpin and Mastanduno, Lake and Ikenberry.

In developing the argument I will use Mastaduno, Lake and Ikenberry's 'two faces of state action' (the domestic and international strategies chosen by states). States could either choose domestic strategies in order to achieve international goals (internal mobilization or extraction) or international strategies in attaining domestic goals (external extraction or validation). The selection of strategies depends on how strong the state is in the domestic and international spheres.

1.2.2 Social Constructivism

While the realist framework explains the state's actions on an economic and political level, it overlooks the importance of historical and cultural processes of state identity and value formation. Socially constructed rules, identities, ideas and values are principal to the understanding of the centralization process in the NMSs. The Polish state identity is the construct of a historical perpetuation of centralization, accepted by both state officials and society. Although the EU has introduced new values of liberalization, democratization and regionalization, the member state will act in line with its fundamental socially constructed rules, ideas and values. Hence, Poland, with a strong identity of centralization, will aggregate policies if there is decentralization on an EU level. I have looked at the works of for example: Törnquist-Plewa, Batt, Risse, Marcussen, Engelmann-Martin, Knopf, Roscher, Wendt, Adler, Haas, Christiansen, Jörgensen, Wiener and Checkel.

In my analysis I will discuss the historical construction of Poland, differences in state creation in Poland and the EU and Alexander Wendt's 'three cultures of anarchy' and place Poland and the EU within the grid of cooperation and degrees of internalization. I will do this to show the different philosophies of EU15 and the NMSs and to emphasize the possible changeable nature of the state.

1.2.3 The Case of Poland

"In Poland, ethnic and regional identities did re-emerge as a significant issue in the regionalization debates, but Poland's size, national self-confidence, and enthusiastic embrace of the 'European' ideal have meant that these potential centrifugal 'threats' did

not prevent wide-ranging political decentralization of the state, which began even before pressure for regionalization was felt from the side of the EU.” (Batt 2002 p. 12)

Granted not all new Eastern and Central European accession countries are alike. I have chosen Poland as a case study for several reasons. First, Poland is considered one of the most ‘integrated’ states of the new accessions and has in many ways successfully assimilated to the EU15 system. It is also one of the more stable systems in Eastern Europe. (Batt 2002; EBRD 2003; Marek, Baun, 2002) In order to look at the effects of regional policy, it is important to use a relatively stable and acclimated case to analyze. Secondly, Poland is not an insignificant actor in the EU system. It is large both population and area wise. It has also proven itself an important player in EU negotiations and does often demonstrate its opinions and ideas. Third, Poland is an interesting case because it is getting an enormous amount of structural support for the budget period 2007-2013, more than any other country has ever received throughout EU history. Fourth, the theory used can appropriately be applied to Polish case. The empirical material shows that the Polish state is an actor in itself, which has altered the system in order to gain more economic and political control over the structural funds. Therefore, a state centric approach can account for this phenomenon. In addition to this, Poland has an inherent culture of centralization that can be explained by social constructivism.

1.3 Hypothesis

This analysis suggests that: when the EU leaves more responsibilities to the NMS, the national government responds by activities in collecting more power to the state instead of following the EU’s intentional delegation of power to regional actors. The reason behind this behavior can be explained by a state centric realist approach complemented with a social constructivist view. The realist argument considers the Polish state is an actor in itself and is in need of funds in order to survive. Therefore, it will try to gain more power over the funds when the opportunity is presented. This behavior is accentuated by the Polish inherent value system that favors centralization as explained by a constructivist approach.

1.4 Method and Material

In this essay I am going to apply theory using the case study method. I have a puzzle that is interesting to me and I aspire to explain and explore this subject and apply the theory to the case of Poland.

The theoretical framework of this study is based on the relevant literature for each of the two approaches used. Worth mentioning here are the inspirations for the intellectual structure. The realist theoretical material and the state centric approach build mainly from an article by Mastanduno, Lake and Ikenberry from 1989. I will in my analysis of Poland use the choices that states have in retrieving resources from either the domestic or international sphere. I will do this in order to attempt to explain the Polish state’s activity of centralization of the structural funds.

The social constructivist view is motivated by an interview with Professor Törnquist-Plewa at Lund University and much of the theoretical argument is based on

the works of Alexander Wendt. I will use this theory in order to show how the Polish state is formed throughout history into a centralizing tradition and what effect this has on its behavior. I will also show how the EU and Poland have different perceived realities of the world and the possibility to change these.

The empirical material derives from interviews as well as written official documentations. In terms of interviews, I carried out one interview with a senior specialist in the central agency for the structural funds in Warsaw. The interview was one hour and fifteen minutes long, conducted in an office in the Ministry of Regional Development (MRR). It was semi-structured and I tape-recorded the conversation as well as taking personal notes. The next interview in Poland was with Ms Agnieszka Surudo and Ms Aleksandra Budny at the Pomorskie voivodship in Gdansk (the Marshal's Office), the managing authority for the Regional Operational Programme. This interview was 40 minutes long and held in a conference room in the Pomorskie Marshal's office. It was semi-structured and I took notes while I tape-recorded the conversation. I made one interview with Ms Barbara Törnquist-Plewa at the Center for Eastern and Central European Studies at Lund University. The interview was semi structured, one hour long and I took notes. I have one interview with Mr. Gunnar Haglund, Counselor of Business Promotion at the Swedish Embassy in Warsaw. The interview was an extensive email conversation. I also attended a seminar about structural funding in Poland at the Swedish-Polish Chamber of Commerce in Stockholm.

The written empirical documentation originates from the European Commission, Parliament, Council, the EBRD, MRR and other material produced by government actors. They consist of case law, statistically produced documents, national strategies, official guides, communications, analyses, studies, and debate questions.

Part I – Theoretical Framework

The European cooperation is a unique and complex formation with multiple layers of governance and competences spread out between the Community and the member states. The relationship between the 27 states is based on the *acquis communautaire*, the supremacy of EU law and direct effect. Collaboration is achieved through formal negotiations, but also through informal network alliances and under the understanding that negotiations are continuous in nature. Hence, EU membership requires the interaction of issues both in the domestic and international spheres. This relationship is complex and is often defined by conflicting ideas and interests between the state and the Union. Consequently, the theoretical framework needs to take into account the relationship between domestic and international systems in order to understand the actions of a state in the EU.

This section will lay down a theoretical foundation for state action in an enlarged Europe in order to try to understand why decentralization processes on the EU level result in centralization processes on a national level. It starts with a definition of the state and a discussion on the logic of state action and the fact that the old and the new member states in the EU follow different 'logics'. The following two sections establish the principles of state action in Eastern Europe by adopting a state centric realist perspective complemented by a social constructivist approach.

2 The Logic of State Action

In a study of state action it is important to define the understanding of what the state is. I will use Mastaduno, Lake and Ikenberry's definition of the state. A nation-state is a territorial unit and the state is defined as politicians and administrators in the executive branch of the government. This definition would equal state with the regime under the presumption that the preferences of state officials are "partially, if not wholly, distinct from the parochial concerns of either societal groups or particular government institutions, and are tied to the conceptions of the national interest or the maximization of some social welfare function." (Mastanduno, Lake, Ikenberry 1989 p. 459)

Realities vary depending on experience. The rationale behind state action in the EU can be divided into two viewpoints. On one hand, the 'old member states' follow one set of logic, developed over time, characterized by a long tradition of cooperation. These states have had the time to learn the EU system and the possibility to influence the direction that it has taken. On the other hand, the 'new member states' follow a different set of assumptions based on their previous socio-economic histories and their 'newness' to the system of the Union. These countries are trying to catch up both in terms of local development and political capability within the EU apparatus. Furthermore, they have had to accept a pre-made 'package deal' of economic realities and value systems in order to join the EU without the possibility to influence these to make them more suitable to their internal situations.

This study looks at the forces behind state action in the recently joined NMSs through the example of Poland. The question asks why there is a centralization trend in Poland, despite the EU attempts to decentralize the system of the distribution of EU funds? I have approached this question from the perspective of the state. This paper, therefore, adopts a realist state-centric perspective. This approach takes into account both domestic and international politics and understands the process as interactive between the both. In this view, the state is seen as an actor in the business of self preservation and resource collection. Means could be in form of domestic taxation or outside resources, ex EU-funding. Therefore, when the EU changes its regional policy, the member state is bound to use the new situation in order to try to gather assets.

Although a state centered approach does not reject the importance of ideals and values it is lacking a 'deeper' understanding of state formation throughout history in Eastern Europe. States in this area have often had a difficult road to autonomy with constantly changing and insecure territorial borders. National identity has been painfully constructed and sovereignty recurrently had to be fought for. (Batt 2002 p. 2) Therefore, a constructivist approach complements the realist perspective taking into account the historical construction of state identity formation. (Risse 2004 p. 161)

2.1 Realism and State Action in EU

"The realities of interdependence dictate that the ability of governments to pursue domestic policies effectively is influenced and constrained by developments in the international system. It is equally evident that the realization of international objectives

depends meaningfully on domestic politics and economics.” (Mastanduno, Lake, Ikenberry 1989 p. 457)

There are three central arguments that all realist traditions have in common. First, the international environment is anarchic in nature and governed by sovereign states. Second, the relationship between these states is competitive, not excluding cooperation if it is in the state’s interest. Third, states are behaving in their self interests toward other states in order to increase their own power and economics. (Mastanduno, Lake, Ikenberry 1989 p. 459; Gilpin 2001 p. 16; Andreatta 2005 p. 23) However, besides for these commonalities, there are many strands in the realist tradition with different contexts in how they explain international affairs.

Classical realists⁴ and structural realists⁵ explain some aspects of international relations but don’t give us the whole picture. Classical realism looks from a state’s perspective out in the world. It is mainly concerned with how national sources are used in international relations and acknowledges how domestic politics influence these relations. Human nature is inherently self-centered and competitive, and states will aggressively compete internationally. (Mortgenthau 2003 p. 7-10) However, this tradition does not consider how international relations and sources could be used in order to achieve domestic goals. Structural realism (neorealism) is looking at the world from the perspective of the international system and in to the state. It develops a formal theory, which says that the international structure poses a constraint on state behavior with the result that states behave in a similar rational manner. (Waltz 2003 p. 484) However, it does not consider the influence of domestic politics on international relations, taking the domestic situation and the nature of the state for granted. Both theories have something interesting to say about domestic or international systems but neither investigate the relationship between the two. (Mastanduno, Lake, Ikenberry 1989 p. 460-461; Gilpin 1984 p. 298-299)

The EU system produces an environment in which domestic and international relations are closely interactive and a theory explaining state action in this system needs to account for both. I will, therefore, argue for a state centered approach, which takes both these aspects into consideration.

2.2 A State Centered Approach

A state centered realist perspective considers the international system as an interaction between domestic and international politics. Regionalization, and membership in the EU, are explained by states making a conscious decision to share political and economic problems in an increasingly globalized and integrated world. Hence, in order to get a favorable share of international gains, to preserve national autonomy and to increase bargaining positions in disputes about distributive issues. (Gilpin 2001 p. 21)

2.2.1 Basic Assumptions

In the state centric realist perspective, global order is seen as anarchic and competitive and there is no higher authority that the state can appeal for help in times of need.

⁴ Ex. E.H. Carr, Hans Morgenthau and Reinhold Niebur.

⁵ Ex. Kenneth Waltz and John Mearsheimer.

Therefore, it is possible to focus on the individual state as the main actor in international affairs. The state in itself has needs and interests and the outcome of domestic and international policies are the reflections of state interests. The main objective of the state is to survive, and in order to do this, it needs resources for political control. It can get these resources from either domestic means, such as taxation, or from outside the state, such as international funding. The fact that states are the principal actors does, however, not exclude cooperation, and states will create institutions in many areas. The EU is, thus, an important actor, just not the most principal one. National governments still make the primary decisions in economic matters, especially large states. Another important issue is that states are concerned with matters such as the terms of trade and the distribution of economic returns in the international environment. Therefore, not only absolute, but also relative gains among national economies are important to states. (Gilpin 2001 p. 16-19, 78)

From above assumptions, it is evident that the domestic and international spheres are closely related. The next two sections will, therefore, consider the 'two faces of state action', i.e. domestic and international strategies by states, developed by Mastaduno, Lake and Ikenberry. States choose different strategies depending on if they are 'soft', decentralized and constrained, or 'hard', centralized and autonomous. These strategies are important for the comprehension of theory application in part three.

2.2.2 Domestic Strategies for the Pursuit of International Goals

Resources, such as power and wealth, are imperative for states and the pursuit of international goals. They are currencies used in order to purchase security and other political commodities. The ultimate aim of the state is to be self-preserving. Domestic strategies to gain power and wealth take two forms: the mobilization and the extraction of domestic resources.

The first strategy for states is the *internal mobilization* of domestic resources. This is done to increase the wealth in society as a whole. The growth of the state is a direct investment in international power by the expansion of political and economic bases of power. This can be done either directly or indirectly. Direct expansion of the state can be achieved by the control and the distribution of production through planning or nationalization. Indirect economic goals can be reached by the promotion of the private sector by tools such as property rights, innovation encouragement etc. The other strategy is the *internal extraction* of domestic assets from society. Wealth is the basis for international power. However, this has to be converted into power by taxation and other state transfers. Hence, a state taxes the community in order to exercise international power. (Mastanduno, Lake, Ikenberry 1989 p. 462-463)

2.2.3 International Strategies for the Pursuit of Domestic Goals

Another important aspect of state survival is the support from society and the ability to overcome domestic challenges. This is true both for the state in itself and for officials holding important positions in the system. Therefore, in order to maintain their power and overcome position, state officials pursue domestic and international strategies.

Domestic goals are two-fold; the acquisition of resource control to fence off challenges and reward supporters and the preservation of legitimacy. More legitimacy

equals less reliance on compensatory or coercive strategies. In order to achieve domestic goals, state officials can use international strategies. It could be in form of *external extraction*, which is the state effort to gather resources from outside its territory. These goods are used to decrease internal extraction and mobilization problems and to reach domestic goals. Assets could be collected from either direct external transfer to the state itself, ex EU funding, or from indirect external transfers to the community that the state can extract from at a later time. The second strategy is *external validation*, which is the use of authoritative status in international negotiations in order to increase domestic political leverage. (Mastanduno, Lake, Ikenberry 1989 p. 463-465)

2.3 Social Constructivism

Although constructivism and realism have different reality assumptions, I find it useful to complement a state centric realist perspective with a constructivist approach. In studying state action in an enlarged Europe through the case of Poland, I predicate that the realist argument of the basic state of nature holds up and a realist point of view explains current behavior of the state. However, there is an element of historical construction of ideas, norms and values of the state that is not adequately addressed in realism. In looking at the Eastern European countries, materialistic explanations are not sufficient in understanding the underlying attitude of states over time. Identity formation is very important and, therefore, this study complements the realist perspective with a constructivist point of view.

Social constructivism focuses on how individuals, or in this case states, participate in the creation of their perceived reality. It looks at the processes of how social realities are built, institutionalized and turned into accepted belief by society. Human structures are determined by shared ideas and collective identities, which over time turn into a common purpose. Hence, knowledge is the product of negotiations, and institutions are the representations of these realities. Constructivism looks at the importance of concepts such as ideas, values, norms, identities, practices and culture. (Checkel 1995 p. 351; Risse 2004 p. 160-162, Christiansen, Jørgensen, Wiener 2001 p. 2-3; Wendt 2003 p. 73)

This section will first discuss two fundamental commonalities in constructivist though of state construction. These dimensions are also discussed in relation to European cooperation. Thereafter, Wendt's the three cultures of anarchy are presented to show normative differences between the EU and NMSs and the transformative nature of states.

2.3.1 Constructivism and State Construction

“interests are constructed in historically specific circumstances, that is, a context of social and cultural norms shape actor identity and behaviour.” (Fierke & Wiener 2001 p. 125)

Historical construction is, consequently, important to the state's perception of itself. Social practices and activities throughout history produce the identity, norms and practices of the state. There are several different strands of constructivism. Scholars differ in their view of the level of how 'socially constructed' the world is. In a

labyrinth of ideas I find it possible to distinguish two conditions that constructivist scholars seem to hold explicitly or implicitly in common in terms of state action.

First, the character of the state is a construct of the collective identities developed in society through the process of socialization, especially the elite, in a country. Key to this concept is the idea of identity, or how a society defines itself. For example, whether society believes it is democratic or authoritarian in nature affects its behavior. Politics is, hence, guided by the shared ideas, norms and values by actors in the system. (Marcussen, Risse, Engelmann-Martin, Knopf, Roscher 2001 p. 102; Wendt 1999 p. 372) Secondly, the social construction of the state is a two-way process and, as Wendt puts it, “the intersubjectivity constituted structure of identities and interests in the system” (2003 p. 76). As state identity becomes a more stable structure of interests and identities, it in itself becomes a motivating force of the created rules, norms and values toward its community. These factors then play an important role in shaping how the people in the country perceive themselves and what role they think they should have. (Wendt 2003 p. 74-75)

Following the argument of the construction of the state, cooperation in Europe is also a constructive force. From a state perspective, it is socially constructed as a result of an ongoing process of state interactions, shaping its interests and identities. Politics is guided by the shared ideas, norms and values by actors in the system. Threats, fears and cultures in the international arena are the social constructs of the actors. (Marcussen, Risse, Engelmann-Martin, Knopf, Roscher 2001 p. 118; Risse 2004 p. 162; Adler, Haas 1992 p. 371) Furthermore, social relations on the European level affect the perception of interests on a national level. EU norms can in this way influence state action and play an important role in shaping member identities. (Checkel 1995 p. 352; Risse 2004 p. 162-164; Adler, Haas 1992 p. 372)

2.3.2 The Three Cultures of Anarchy

A third component, less discussed in academia, is the possibility to change state reality through the initiation of new social practices. (Marcussen, Risse, Engelmann-Martin, Knopf, Roscher 2001 p. 114) These could be such as liberal values prescribed to the NMSs. Since the actors in the international system are the social construction of each other and of the system itself, patterns could be broken and destinies could be changed. This is an important aspect of state action because it says something about the future of the Eastern European states.

For my study, the ideas of Alexander Wendt are useful. His view on international relations is somewhat less strict compared to many ‘hard core’ constructivists in terms of the level of socialization as world-explanation. Wendt shared some of the key realist assumptions such as the fact that anarchy exist, that states are autonomous actors important in the international system and that states have basic self-interests prior to interaction with other states. However, he challenges the belief that materialistic reasons are the only determinants of the system. (Wendt 2003 p. 76-77)

Wendt describes in his work *A Social Theory of International Relations* in 1999 three cultures of anarchy motivating state action, i.e. three types of states: The Hobbesian (Pre-Modern), the Lockean (Modern) and the Kantian (Post-Modern). Each one of these states play different roles in international politics and have divergent norms and values. The Hobbesian culture of enemies, distinguished by “war by all against all” (p. 265), characterized international affairs until the seventeenth century. The Lockean culture of rivals, in which states see each others as rivals but don’t always use violence, dominated international relations in the modern state since

the Treaty of Westphalia. In my study, I make the assumption that the Eastern member states, and Poland, are in a Lockean and possibly in transit toward a Kantian culture. The Kantian culture of friends, in which states don't perceive each other as threats and in which tools of persuasion is used rather than violence in disputes, is a recent phenomenon in relationships between democracies. EU is an example of this kind of culture. The values and norms of these three cultures can then be internalized in three degrees. The first degree is close to neorealism, the internalization of the norms is only a product of coercion and material forces. The second is consistent with neoliberalism, in which states comply to the norms for economic gain. The third degree is more aligned with constructivist views and states have internalized norms as legitimate part of reality. (p. 254-308)

The international system is the product of any of nine possible outcomes from these three cultures and three degrees of internalization. The level of cooperation is located on a horizontal axis, from Hobbesian to Kantian, and the degree of internalization is placed on vertical axes from the bottom up. A state can move anywhere along these horizontal and vertical lines depending on where in its history and identity formation it is. The advantage of this framework allows us to look at the world as changeable. If states engage in new practices it is possible to create different identity structures and the realities of states and societies can, thereby, change. (p. 312-313)

2.4 Hypothesis

In my theoretical foundation I argue that the logic of state action in the NMSs in EU derive from a state centric realist tradition enhanced with a constructivist view. This framework, I uphold, answers the question of why a NMS accumulate competences in the state at the expense of regional actors when the EU delegates power.

Part II – Empirical Framework

In order to apply the theoretical framework in Part I, this section builds an empirical base for decentralization and centralization processes. It starts with a description of a decentralization trend on the EU level and in the structural funds. Thereafter, there will be a brief description of the 2007-2013 structural funds and changes. Finally I will discuss the example of the structural funds in Poland and show that there is a centralization tendency by the Polish state within these funds.

3 Decentralization in EU Policy Making

This section describes the decentralization trend in cohesion policy on an EU level. The first part lays out essential EU documentation of decentralization. The second part discusses implications of decentralization in the NMSs.

3.1 EU Regional Decentralization Trend

EU regional policy has since 1999 been increasingly decentralized. This originated with the Commission's vision of the future of regional policy. The Commission stated in a comparative analysis of old and new policies that it wants "to ensure a clearer vision of responsibilities and a stronger application of the principle of subsidiarity: the European Commission supervises the compliance with the strategic priorities but the management of the programs is more decentralized" (Commission 1999 p. 15; Gemitis p. 78) The most important documentations are, though, the White Papers on Reforming the Commission I & II and European Governance. (Commission 2000, 2000a, 2001) The reasons for the policy of reforming the Commission can be traced to two developments. The first is the new implementation guidelines for the PHARE program issued in 1998. The other is the reform of the structural funds in 1999. (Levy 2003 p. 88)

Traditionally, regional EU policies have been characterized by a centralist model. However, for the first time, delegation to the member states in terms of administrative decentralization was mentioned in the White Paper Reforming the Commission. (Levy 2003 p. 88) In this paper the Commission lays down a 'new public management' (NPM) characterized by managerial and service-delivery decentralization. The reason for delegation and externalization "of all or part of its tasks or activities" (Commission 2000 p. 6) was the wish to refocus on its main task and on policy priorities. In part II, externalization is also defined to include decentralization, devolution and outsourcing (Commission 2000a p. 17). Furthermore, the White Paper on European Governance is committing to a higher level of partnership and dialogue between EU and the member states to ensure efficient implementation of the policy. (Commission 2001) Both result in decentralization and more influence and independence for the member states.

The new philosophy of delegation and decentralization of the Commission is exemplified in some of the main strategies of the new financial framework for 2007-2013. Decentralization, simplification and a more 'bottom-up' strategies are suggested. (Commission 2004 p. 13, 17, 21) Furthermore, in the new cohesion policy, regional and local actors are to be more involved in the preparation of programs. (Commission 2006)

3.2 Confused Expectations and Decentralization

Decentralization in the quasi federal system of EU has created a dilemma of confused expectations in the NMSs. Traditionally, the Commission has followed a Weberian and centralist model of public administration with strict bureaucratic rules and procedures. However, the NPM reform has meant a new set of ideas and values, more suited for business and market mechanisms, than the older version. These new ideas include decentralization and change of public services and practices. (Levy 2003 p. 83-84) This has resulted in that the EU is giving somewhat mixed signals about decentralization in the structural funds. Regionalization in the NMSs has not always been successful and one of the reasons for this problem could be the contradicting messages that the EU is sending. On the one hand the EU system is centralized and

formally bureaucratic, and on the other hand it is not imposing a uniform model for regional governance due to lack of competence in this area. This is an especially difficult issue for countries still in process of large political and economical changes. (Commission 1999 p. 17; Levy 2003 p. 89, Gemitis 2003 p. 898) Poland, which is the case studied in this work has, however, despite mixed signals from the EU, succeeded rather well in decentralizing authority on the national level to include regional and local relevant bodies. (Batt 2002 p. 12)

4 EU Cohesion Policy

The goal of the structural funds is both normative and re-distributive. It was adopted into the Treaties in order to increase integration and to decrease the economic differences between rich and poor areas of the Union. The funds have two priorities, on one hand economic convergence, in accordance with the Lisbon Strategy and in order for the EMU to work, and on the other hand, social and economic cohesion (from the SEA). The main objective of the new policy is to be a force to “re-launch the Lisbon strategy by fostering competitiveness, growth and employment all over the Union; on the other side it will be a key instrument to accelerate catching up of regions and countries in an enlarged Europe.” (Hubner 2006 p. 9)

There are three main financial instruments for cohesion policy; The European Regional Development Fund (ERDF), The European Social Fund (ESF) and the cohesion fund. These funds are used to finance different objectives. The new cohesion policy differs substantially from the prior period. For the 2000-2006 budget period there were nine objectives and six financial instruments. For the 2007-2013 budget these were reduced to three objectives and three financial instruments. First, Objective 1, convergence⁶, financed by the ERDF, the ESF, and the cohesion fund⁷. Second, Objective 2, regional competitiveness and employment⁸, financed on a regional level by the ERDF and on a national level (EES⁹) by the ESF. Third, Objective 3, European territorial cooperation¹⁰, financed by the ERDF. (Commission website; Commission 2007)

These changes are the product of enlargement. With twelve new NMSs the socio-economic differences between the countries within the Union has doubled. The 2007-2013 framework has been redesigned in order to address these changes. Some of the differences are; a new simplified policy, a shift of emphasis from social and economic cohesion toward convergence, more decentralization of responsibilities and stronger partnership in the funds and more decision-making power to member states and sub-national actors. (Howarth 2005 p. 72-73, Commission 2007) There are no specific guidelines of how this decentralization should be actualized. The national governments produce a plan through the National Strategy Reference Framework, subject to the approval of the Commission. In terms of specific decentralizing changes one can see that last budget's Community initiatives are totally gone.

⁶ Regions with a per capita GDP less than 75% of EU-25 average.

⁷ Member states with a GNI less than 90% of EU average.

⁸ Designed to help the richer member states deal with economic and social change, globalization and the transition to the knowledge society.

⁹ European Employment Strategy - adaptability of the workforce and job creation.

¹⁰ European Cross-Border co-operation.

5 Poland Empirically

In looking at centralization trends and state action in the NMSs, Poland is the natural choice. Many of the recent accessions still have unstable economies or political turmoil and a study of such countries could give results today that are askew tomorrow. Although Poland has some political problems, it is considered an economic success story and is one of the most integrated of the NMSs in terms of EU15 standards. It is, furthermore, a powerful actor in EU negotiations and one of the NMSs that has 'enthusiastically' embraced the European ideals. Furthermore, in terms of regional policy, it has rather successfully regionalized authority according to EU guidelines during its transition before EU membership. The latter is essential making a significant study of centralization trends as a product of EU decentralization. (Batt 2002 p. 12; Marek, Baun 2002 p. 896; Brusis 2002 p. 548-549; EBRD 2003; Slay 2000 p. 50-51)

Due to the fact that Poland is also a large country in both size and population, and has a rather poor population (until the 2007 accessions, Poland had the poorest regions in all of EU), it will receive a huge portion of the new budget. It will all and all together with its own contributions have an astonishing total of over 110 billion euros to spend on development over the next 7 years!

5.1 Poland and Cohesion Policy

Most of the funds that Poland receives come from Objective 1 and some from Objective 2. 67,3 billion euros will be pure EU structural funding. Poland also collects an additional 13,2 billion euros from the reinvented CAP and the fisheries fund. The portion that Poland is given in structural funds represents almost 22% of the entire 308 billion euros¹¹ EU cohesion budget. In addition to these funds, the final beneficiaries and the Polish government will supplement with 18,3 billion euros in the co-financing procedure¹². The break-down of these funds are as follows in billion euros (MRR 2006; Seminar 2007, Howarth 2005 p. 83):

Structural Funds (67,3)	
Cohesion Fund	21,5
ERDF	34,1
ESF	9,7
Reserves	2,0
Additional Funds (13,9)	
Agricultural Fund Rural Development	13,2
European Fisheries Fund	0,7
Poland's Co Financing (18,3)	
Public Funds	11,9
Private Contribution	6,4
Total	110,3

¹¹ 35.7% of the EU's budget.

¹² All EU funds have to be co-financed by either the Polish state or the final beneficiaries, depending on the project. EU payments are between 60%-85% for each project. (Commission website)

Within Poland these funds are distributed through Operational Programmes (OP's). There are two different kinds of OP's with different levels of authority. On one hand, there are sixteen OP's regionally managed by the leaders, the Marshals. The Marshals are the leaders of the self-governing organ of the regional governments, the voivodships. On the other hand, there are six uniform OP's centrally managed and governed from the highest level by the MRR. The break down is as follows (MRR 2006) in billion euros:

2007-2013

16 Regional OP's (one for each region)	15,9
1 OP Infrastructure and Environment	27,8
1 OP Human Capital	9,7
1 OP Innovative Economy	8,3
1 OP Development of Eastern Poland	2,3
1 OP of European Territorial Co-op	0,7
1 OP Technical Assistance	0,5
Reserves	2,0
Total	67,3

5.2 Centralization in the Structural Funds in Poland

Evidence suggests that there is a centralizing trend within the structural funds in Poland. This is the case despite the increasingly decentralized aims of the Commission. As in most cases, there is a power conflict between the national and regional actors over the distribution of the structural funds. There are, thus, some indications that the Polish state is actively changing the system in order to gain more control over the funds at the expense of regional actors. This is particularly evident within: the ESF and the ERDF within the Regional OP's, the distribution between centrally and regionally managed programs for the new budget framework, and the OP for Development of Eastern Poland.

This section illustrates the centralizing trend within these three areas. Firstly, the Polish government used legislative tools in order to gain influence over Regional OP decisions. Secondly, in the new budget, the percentage of regionally managed funds has decreased while the percentage of centrally managed funds has increased. Thirdly, there is a conflict of interest in the distribution of the funds in favor of the current government.

5.2.1 Centralizing Decision-Making Power

The sixteen Regional OP's are managed by the self-governing and regionally elected Marshals. The voivodships have ultimate power over these funds and they report directly to the Commission. Hence, the program was designed for the Marshals to have the final say over the funds in this program. However, it appears as if the government has tried to absorb some of this power by revising the Polish Law on the Principles of Development Policy Article 28.3. This revised law was adopted by the parliament (Sejmen) and approved by the president on December 6 2006. The changes resulted in that some of the autonomous power was taken away from the Marshals and given to the regional governors, the Voivods (not to be confused with

the voivodship). The Voivods are the central government representatives in the voivodships. According to this amendment, the Voivods can supervise project selection and veto projects at any stage in the process ‘in case of documented irregularities’. This veto has to be approved by the prime minister. (Interview with MRR 2007; Haglund 2007; Parliament 2007; MRR 2006)

Supporters of the law argue that it is important with centralized control over how the funds are distributed within the regions. This, due to the inefficiency of the system evident from 2004-2006 period, in which the absorption level of the EU funds was very low. (Kozak 2006 p. 5) However, critics say that the consequences of article 28.3 are that it, implicitly depending on interpretation, creates a situation in which there is a possibility for the government to control the process over these funds. It does give the Polish government the right of oversight over the voivodships and delegates the regionally elected Marshals permanently under the government representative in the region, i.e. the Voivod. There is, hence, the fear that this could result in that political issues get transferred from the capital to the regions. (Parliament 2007, Haglund 2007) In sum, this arrangement centralizes the power in the Regional OP funds.

However, the law is in contradiction to EU regulations and it will be changed. (Interview with MRR 2007; Sturdo, Bundy 2007) The Commission has pointed to the regulation of Direct Effect, Article 249 of EC Treaty, which defines ‘the legal character of regulations as the sources of Community law’. (Parliament 2007) In terms of the Voivod’s veto right, the Commission has regarded it not in compliance with the Council General Regulation¹³ laying down the general provisions on the ERDF, ESF and the Cohesion fund. It is in contradiction to the principle of self governing and, hence, the right given by the General Regulation to the self governing voivodships and the Marshals over the Regional OP’s by. Even though the veto has to be approved by the Polish prime minister doesn’t off-set the fact that it violates EU legislation. Furthermore, supervision of the Regional OP’s should not be done by the Voivod, since the Commission considers the Voivod ‘situated outside the system of authorities’ of the General Regulation¹⁴. (Parliament 2007; EurLex)

However, the law has not affected the power of the regions as of yet and so far, no projects have been rejected by the Voivod. (Interview with MRR 2007; Sturdo, Bundy 2007) However, this law can be viewed as an attempt by the Polish government to gain more influence over the EU funds.

5.2.2 Centralizing the Projects

The Polish government was heavily criticized for the centralized and inflexible format of the 2004-2006 Regional Ops. For the previous budget there was only one single national code for the IROP. (Kozak 2006 p. 7) As a response to this criticism, the government did decentralize this part of the budget to 16 different regional programs instead of one for the 2007-2013 period. This new situation gives the voivodships more flexibility over the funds (Sturdy, Bundy 2007). However, concurrently the government changed the structure of the programs so that more of the funds were allocated in the centrally managed OPs instead. The break down is as follows in billion euros (MRR 2006; PAIZ)

2004-2006

¹³ Council Regulation 1083/2006 ‘General Regulation’ - §58, 59(1)(a), 60.

¹⁴ General Regulation – §61, 62.

1 Integrated Regional OP	2,87	26%
1 SOP Competitiveness	1,30	12%
1 SOP Human Resources	1,27	11%
1 SOP Rural Development	1,06	9%
1 SOP Transport	0,63	6%
1 SOP Fisheries	0,18	2%
1 OP Technical Assistance	0,02	>1%
The Cohesion Fund	3,73	33%
Total	11,37	

(See 2007-2013 above.) During the 2004-2006 budget period, 74% of the funds were managed by central government agencies and 26% was managed by the local self governing bodies. For 2007-2013 (see 5.1) the Regional OP's accounted for 23% of the funds and the centrally managed OP's for 77%, with the largest OP Infrastructure and Environment of 41%. This represents a centralization by 4% and a decrease of regionally managed funds by 11,5%. This sounds rather small, but when the numbers are in billions of euros, a 4% decrease is in real money two billion euros. This is an amount that is allocated from regional to central management in comparison to the previous budget year. Simultaneously, the percentage of funds coming from the cohesion fund has decreased from 33% to 32%. The funds from the cohesion fund are not subject to the partnership principle¹⁵ as the ERDF and ESF are. This implies a 1% decrease in funds that must be centrally managed. If the increase in centrally managed funds was a result of an increase in the percentage of cohesion funds there would not be an argument for centralization. However, the cohesion funds decreased and there is actually an increase of funds that potentially could have been allocated to the Regional OP's for the 2007-2013 period. The result of this allocation change is that the state gets more influence over which projects to finance.

5.2.3 The Distributional Power

Another interesting situation is that the formula, or algorithm¹⁶, that the government decided to use in the distribution of the funds to the voivodships strengthens the leading party. Using the criteria of the algorithm, the voivodships with a high level of unemployment and relatively low GDP receive more money. This has led to that the five poorest regions in Eastern Poland will receive more funds per capita than the more developed ones in the rest of the country. These five regions have also been the poorest regions in the entire EU until the 2007 accessions. Lubelskie (32% of EU15), Podkarpackie (33%), Warminsko-Mazurskie (34%), Podlaskie (35%) and Swietokrzyskie (36%). (Haglund 2007; MRR 2006a p. 22, 106, 141; Kozak 2006 p. 17)

These five voivodships got most money both through the Regional OP's and through the OP Eastern Poland. The national government bases this decision on that the need for development and integration is greater in the poorer regions than in the other. The other voivodships were consequently very disappointed. Lubelskie will receive 1,156 billion euros or 530,3 euros per capita, Podkarpackie 1,136 or 541,6 per

¹⁵ Cohesion policy "operates through close cooperation between the Commission, national governments and regional authorities". (Hix 2005 p. 289)

¹⁶ Algorithm 80+10+10. Size of the population (80%), level of unemployment in the districts (10%) and GDP level in the voivodship (10%).

capita, Warminsko-Mazurskie 1,037 or 725,6 per capita, Podlaskie 0,636 or 530,2 per capita and Swietokrzyskie 0,726 or 564,8 per capita. Together they will receive 4,691 billion euros. In addition they will also get 2,3 billion Euros from the OP Development of Eastern Poland, which brings this number up to a total of 6,991 billion. This results in that 21,5% of the population will receive 38,5% of the funds. (MRR 2006; Sturdo, Bundy 2007; interview MRR 2007)

It is, however, a known fact that there is a problem with fund absorption capacity in these regions. There has been little, or no, foreign or domestic investment in these regions. The co-financing principle requires part of the investment in project to be financed either by the final beneficiary or by the government in order to receive money from EU. Therefore, although these regions have the possibility to receive huge amounts of funding, they run the risk of not receiving any money at all. (Kozak 2006 p. 18, Musialkowska, Sapala 2007 p. 1)

It is interesting in this matter to note that the current government has its main electorate in these five regions, and hence have an interest in giving preferential treatment to these regions. (Haglund 2007) One can say that, on the one hand, it is reasonable that the poorest regions get the most money. However, on the other hand, due to the coinciding interests and the disregard for the absorption problem in these five regions, one could also argue that the EU funds could have been distributed in a different way. The state has tried to deal with the problem of absorption by crating a separate body (2005) to manage the funds, the MRR, and hopefully this will be the remedy to the problem. (Kozak 2006 p. 5)

Regardless if there is a political motive of vote appreciation by the government in the algorithm formula calculating the fund distribution, or not, the fact is that the government is gaining from it. This together with the centralization of the OP's gives the government more control over how and where the money should be spent.

5.3 Conclusion

In looking at the empirical evidence, two things are clear to us. On one hand, the Commission's vision is a stronger application of the subsidiarity principle and decision making on the lowest possible level in the structural funds resulting in a decentralization process in the structural funds. On the other hand, the Polish state has responded to this by activities in drawing competences toward Warsaw instead of giving more power to the regions. Hence, a decentralization process on the EU level has resulted in a centralization process on a national level.

PART III – Theoretical Application

I have theoretically examined the logic behind state action in the new accessions of the Union and empirically shown a tendency of centralization in the member state following delegation of power from the EU institutions. This part will use the theoretical framework to understand the question of why the Polish is centralizing the structural funds.

6 Poland Theoretically

In examining state activity in Poland, my research shows centralization developments on a national level in the structural funds. This section will investigate this by applying the theory-tools developed in part one. First, I will analyze the Polish state from the perspective of state centrism and survival strategies. If the state is strong domestically, it can remain in power through mobilizing its country's own resources and the taxation of its society. However, if the state is weak, it needs to accumulate outside assets. Poland appears to be strong internationally but in some cases weak domestically. The Polish state is, therefore, to some extent relying on EU funding to compensate for weak internal extraction and mobilization. Secondly, due to the historical legacy of centralization, the realist view will be balanced with a constructivist perspective. This section starts with a historical account of centralization. It is then followed by a discussion about the construct of the state, state identity as transformable, and finally the different realities of Poland and the EU.

6.1 State Centrism - Strategies of the Polish State

In order to understand the choices the Polish government is making, it is useful to look at recent politics. Strategies of state officials are often dependent on ruling elites. Right now there is a leading right wing coalition in power with the main player Law and Order (PiS), a moderate right party. PiS is in coalition with Polish Families (LPR), a nationalistic and conservative catholic wing and Self-Defence, a conservative farmers party. The government is run by the identical twin brothers Lech Aleksander Kaczynski and Jaroslaw Kaczynski as president (June 2006) and prime minister (October 2005). PiS might not in itself be very nationalistic and protectionist, however, it appears more right than it really is because of its coalition partners, which both have a small and rather extreme interest group.

It would have been most natural for PiS to go in alliance with Civic Platform (PO) with a more similar right liberal agenda. This coalition would have been strong and a reflection of how the Polish people voted. However, this did not happen and PiS had to form the alliance with the more conservative parties instead. (Törnquist-Plewa 2007, Economist 2005) A state centric approach affirms that the main purpose of the state is to survive. In order to maintain power, PiS made an ally with unlikely partners in preservation purposes and is trying to use EU funding in order to strengthen its political standing.

6.1.1 Poland - a 'Soft Powerful' State

As we remember from part one, states could be 'soft', decentralized and constrained, or 'hard', centralized and autonomous. Mastanduno, Lake and Ikenberry have developed four hypotheses to test the strength of a state (p. 468-469). I will use these to determine which choices and strategies the Polish state is expected to use in retrieving resources.

Hypothesis one: Soft states will rely on international strategies to a greater extent than will hard states. Hard states will rely on domestic strategies to a greater extent

than will soft states. In this case Poland is rather soft, since it is to some extent relying on EU funding to build the country.

Hypothesis two: Internationally weak states will emphasize domestic strategies more than will internationally powerful states. Likewise, powerful states will emphasize international strategies than will weak states. Poland is a significant actor internationally and will emphasize international strategies.

Hypothesis three: Soft states will rely on internal extraction to a greater extent than will hard states. Hard states will rely on internal mobilization to a greater extent than will soft states. Poland is fairly soft and development of internal mobilization is lagging. Direct internal mobilization is growing slowly due to administrative problems and indirect internal mobilization has been sluggish by over-regulation. (Kozak 2006)

Hypothesis four: Internationally weak states will emphasize external validation more than will stronger states. Internationally powerful states will engage in external extraction to a larger extent than will weak states. In this case Poland is internationally powerful and engages in external extraction in terms of EU funding.

The conclusion is that Poland is internationally powerful state and relatively soft domestically. International strength lies in its sheer size and large population, which bears weight in EU decision-making. Poland has often shown itself an important and autonomous player on an EU level making sure that its interests are heard, even if it is against the opinions of the other member states. However, on a domestic level, Poland is a little 'weaker'. Although it is one of the more stable economies of the Eastern accessions and ranks high on the integration scale, domestically it still has had some economic and administrative difficulties. (Kozak 2006; EBRD 2003; Slay 2000) As the Economist describes Poland "From afar, the Polish eagle is an impressive sight. Poland has never been so democratic, so secure and so prosperous. Yet from close up, the Polish eagle looks tatty, tired and tied up in red tape." (Economist 2005)

As a result, in terms of the structural funds, it is natural for the Polish state, which is in the business of survival, to use the strategy of external extraction to compensate for a sometimes lacking possibilities of internal mobilization and internal extraction. "Our model suggests that soft, powerful states will be compelled, by the combined logic of their domestic and international positions, to pursue a dominant strategy of external extraction. (Mastanduno, Lake, Ikenberry 1989 p. 471) Therefore, this analysis confirms that it is anticipated that the state will try to control as much of the EU funds given to Poland as possible, hence centralize power to the state.

6.1.2 Internal Mobilization and Extraction

Poland might seem strong from the outside, but it is somewhat fragile on the home-front by an at times weak ability for strategies of internal mobilization and extraction.

First, direct internal mobilization is not so easy in the privatized and globalized economy of the common market. Membership in the Union means the acclimatization to competition rules and liberalized economies. It is hard for a state in the Union to seize control over the means of production. Even though Poland is persisting its hold over the means to expand the state, the EU has in several cases forced Poland to privatize and to sell out state owned companies. In terms of the internal market and take over bids, the Commission approved a bank merger that the Polish state has blocked. The reason is that this merger would mean that the new bank would be larger than the state-owned bank PKO BP. (Jones 2007, Commission 2007a) Furthermore,

even though the gas markets opened up for competition in 2004, still 95% is controlled by national or regional authorities. (Commission 2007b)

Indirect internal mobilization and attainment of economic goals is frequently hampered by the sometimes over-regulated and inflexible legal system facilitating economic activities. Furthermore, innovation in Polish enterprises is slow due to problems with property rights and difficulties in the creation of public-private partnerships. (Musialkowska, Sapala 2007 p. 9, 11, 16; Kozak 2006 p. 4; Economist 2005; Cellmer & Zrobek 2006 p. 11)

Secondly, the possibility for internal extraction in Poland is to some extent problematic, due to a tradition of black market jobs, corruption and a complicated tax system. First, during communism an illegal black market developed to supplement what the communist regime failed to provide. This has created a tradition of the Polish people working in the black market. In the mid 1990's studies showed that as much as 30% of the Polish population worked under the table with the result that a large portion of tax revenue for the government is lost. (Törnquist-Plewa 2007) Second, this double edged heritage of economic back-door entrepreneurship has led to the creation of network building but also to wide spread tendencies of corruption. The government has, therefore, justified centralization of the state with that; to fight corruption it is easier to have accountability and transparency from a centralized than from a local level. However, the backlash of this centralized nature of the Polish state is that corruption runs high and deep in the political system. (Kozak 2006 p.4; Törnquist-Plewa 2007) Third, currently the tax system in Poland is rather different from EU15. It is rather complicated and tax collection is sometimes difficult. There are in some cases a lack of clear rules leaving room for interpretation (ex. VAT). However, this problem is right now being dealt with and will hopefully not be a problem in the future. (Kozak 2006 p. 4; Musialkowska, Sapala 2007 p. 8-9, 15)

As a result of sometimes weak internal mobilization and extraction possibilities for the Polish state, it places its bets on external extraction instead. Hence, the structural fund is important for the survival of the Polish state and state officials try to gain as much control over it as possible, resulting in centralization activities. Consequently, the state centric realist analysis confirms my hypothesis of centralization due to the logic of state action. However, the problem of external extraction is that it is a short-term strategy, which erodes the possibility for future extractions and often damages relations. It is also often used at the expense of long term plans eroding long term economic prosperity. (Mastanduno, Lake, Ikenberry 1989 p. 471) This is a problem that Poland might have to face in the future. However, all of these situations can, undoubtedly, be solved over time.

6.2 The Application of Constructivism

I have established an attitude of centralization of the Polish government and put this into the first layer of theoretical explanations and the context of the realist tradition of state centrism. In this section I will discuss the second tier my argument, the attitude of the Polish government as a social construct of history. Hence, this part will start with evaluating centralization as a tradition of Polish state formation through history and the impact it has had on its identity and value configuration. Following will be a discussion about centralization as a force of the different realities of EU and Poland.

6.2.1 Centralization as a Historical Construct

Poland as we know it has a history of centralization. It is part of the identity of the state, the country, and the people. Centralization is a construction of a need to unify the three parts of which Poland was created from in 1918, a homogenization of the population, the strict state format of the post-war communist era and internal insecurity issues.

Firstly, the “second” state of Poland is not very old. Poland disappeared in 1795 into Russia, Hapbsburg and Preussen and was then put together again from part these of three territorial areas in 1918. However, after more than 100 years of separation, these three areas were now very disassociated in terms of political culture and administrative traditions. Therefore, integrating these three parts into one unified entity was detrimental in order for the infant Poland in order to rebuild as a state, and the model used was drawn upon the French and Napoleon unitary traditions. Centralized governance was, hence, the basis for this new country. (Batt 2002 p. 5; Törnquist-Plewa 2007)

The second predicament was a homogenization of the Polish population. After WWII Poland’s borders changed. Russia had taken some of the eastern parts and some parts of Germany were given to Poland as compensation for the horrible war crimes of Nazi Germany. Hence, in 1945, the Polish border shifted 200 km to the west. Before this change, Poland had about 30% of minority populations in the country. However, with the new borders these minorities virtually disappeared. The Eastern minorities lived mainly in the Eastern parts that now became part of Russia, the German minority moved westward and most of the Jewish minority was annihilated in the holocaust. The result was that Poland became about 95% ethnically Polish. It is less complicated to centralize a country with a comparable population since there are fewer conflicting interests, simultaneously as control is easier. This situation paved the way for nationalist objectives to take charge. (Batt 2002 p. 6-7, Törnquist-Plewa, 2001 p. 8, 2007)

After WWII, Poland aligned itself with Russia and became a communist state. This resulted in a rigid formal centralization of the state and control of economics. In other words, power was all in the central authority and regional identity was destructed. Hence, the polish state formation went from centralized to even more centralized in its early years. (Batt 2002 p. 2, 8, Törnquist-Plewa 2007)

A fourth situation of internal insecurity of the country forced the state to keep its format centralized in order for the country to stay intact. The two large countries bordering Poland, Germany and Russia, have always been its archenemies. Germany didn’t accept the Polish border being moved into its territory until 1972. Hence, between 1945 and 1972 there was constant tension along the German border. Poland was during this period dependent on Russian soldiers guarantee the hold of this territory. It was, therefore, important for the Polish government to remain in control over this area. Hence, a decentralization of the power to the voivodships would mean loosing the iron control over this enclave, and was never considered at all during this time. (Batt 2002 p. 7; Törnquist-Plewa 2007)

6.2.2 EU and Poland – Different Realities

Centralization tendencies can, furthermore, be contributed to the turbulent history of state building characterized by radical changes and lack of continuity. The manifestation of the nation came before the state (as contrary to Western Europe) and

once the state emerged, it was under constant threat and in need of protection. From this past comes a tradition of centralized governance that is embedded, not only in the state itself, but also in the philosophy of the people. This phenomenon has led to a mentality of nationalism and centralization. The philosophy in Poland is that; what is good for the state is also good for the nation. If the state is equal to nation in the nation-state, it is then natural to have a strong central state, since it would mean having a strong nation. This same line of argument explains why Poland joined the EU despite strong national resistance. This, since it was in the nation's interest to increase its standard and status, to have inner stability within the country and to secure the borders toward its archenemies Russia and Germany. Simultaneously, this explains why Poland wants to protect its interest and the suspicion of the state toward EU. Hence, according to this perspective, the centralization of the structural funds would be a natural for the protectionist Polish state and in the interest of the nation. (Törnquist-Plewa 2001 p. 15, 18, 2005 p. 45, 2007; Batt 2002 p. 2)

Considering EU and Poland having different historical backgrounds, we can apply the Wendtian power grid to understand their divergent realities. According to Wendt, states can move from a Hobbesian to a Lockean to a Kantian culture. They can also progress from a first to a second to a third degree of internalization in each of these cultures. I argue that Poland is in a Lockean level of cooperation with the possibility of proceeding to the Kantian. However, due to historical and political circumstances, there are socialization forces keeping the reality of the state of Poland within a first or possibly second degree of internalization. The outcome is that Poland regards other states as enemies and cooperation is based primarily on material or coercive means. EU, on the other hand, is located in a Kantian culture and a third degree of internalization, perceiving the world as an arena for friendly cooperation.

Consequently, Poland and the EU have two very different views of what reality entails. However, there is a possibility, devoid of external shocks, for these views to merge. Since identities are socially constructed, and EU norms are being transported into Polish socialization processes, Poland is slowly reconstructing itself toward an EU15 reality. However, in the meantime, Poland will guard its sovereignty, which it historically has fought so hard for. It will also engage in centralizing and protectionist activities any chance it gets. Therefore, when EU decentralizes its policies, the Polish state uses this freedom to try to retrieve as much material resources as possible. Hence, it is centralizing the structural funds, in order to survive in the environment of its reality. (Wendt 1999, Batt 2002)

7 Conclusion

This work examines state action and regional policy in the new accessions of the EU by studying Poland. It does this by looking at the puzzle of why decentralization processes in the structural funds on an EU level result in centralization activities in the member state. My empirical material establishes a pattern of 'opposite effect' of EU policies in Poland.

The inspiration for this research is the challenges that the NMSs face in joining the Union. Therefore, I have looked at some of the reasons behind this dilemma. I argue in this work that a state centric perspective complemented with a constructivist approach can explain this puzzle. This hypothesis is confirmed by my analysis of Poland. I conclude that the state is the most important actor in the system in Poland and its main objective is to survive. It does so by collecting resources. These resources could derive from, for example, taxing its own people (internal extraction), or from outside resources, such as EU funding (external extraction). However, since Poland is domestically weak in terms of possibilities for mobilizing or extracting resources, outside means become more important. Hence, when the EU delegates power to the state in these structural funds, the Polish state tries to collect as much influence over these funds as possible. However, there is a second aspect of the Polish centralization attitude that is not adequately explained by a realist perspective. State construction through history is also an important factor in understanding the actions of the state. Therefore, exploring past experiences and the nature of state formation in Poland can complement our understanding of its protectionist and centralizing reactions.

EU and Poland have different realities and logics behind state action. Membership in the EU means having to give up some sovereignty and agree to a pre-packaged deal of rules and norms. However, having clashing perceptions could result in conflicting interests in the ideas and implementation of EU policies on a national level. Poland is still in the Lockean reality while EU15 is in a Kantian culture. Poland is in transition of adjusting to Union values but the deconstruction of ideals and identities formed throughout history could take some time. Identities that are changing are, on one hand, physical in terms of its economy, industry and infrastructure and, on the other hand, psychological in terms of conformity to EU values.

This study deals with the reasons of state action and underlying differences in the EU institutions and the EU12 and possibly it can serve as a contribution to the broader debate in this issue. My analysis shows that policies in this case result in a distancing rather than a furthering the integration process. This scenario raises a number of other questions for future research. Interesting would be to explore what need to be changed in order for EU policies to be implemented properly in the NMSs? Even more detrimental is the question of what the implications are on EU legitimacy?

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Web Resources

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