

PRZEGLĄD EUROPEJSKI

Socio-economic strategies
of selected EU countries

3

State aid and rural development
policies in the context
of the European Green Deal

2023



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Wydział Nauk Politycznych
i Studiów Międzynarodowych
Uniwersytet Warszawski

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Strategie społeczno-gospodarcze
wybranych państw UE

Polityki pomocy publicznej
i rozwoju obszarów wiejskich
w kontekście Europejskiego
Zielonego Ładu

3

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Wydział Nauk Politycznych
i Studiów Międzynarodowych
Uniwersytet Warszawski
ul. Krakowskie Przedmieście 26/28
00-927 Warszawa
e-mail: przeglad.europejski@uw.edu.pl
<https://przegladeuropejski.com.pl/>

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Wydawnictwa Uniwersytetu Warszawskiego
02-678 Warszawa, ul. Smyczkowa 5/7
wuw@uw.edu.pl
Dział Handlowy: tel. (48 22) 55-31-333
e-mail: dz.handlowy@uw.edu.pl
Księgarnia internetowa: www.wuw.pl

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Socio-economic strategies on the example of selected EU countries – cognitive theory and application approach

Adam Oleksiuk, *SGH Warsaw School of Economics (Warsaw, Poland)*

E-mail: aoleksi2@sgh.waw.pl

<https://www.orcid.org/0000-0003-1796-8125>

Abstract

The article's aim is to explain the essence and specificity of the creation of socio-economic strategies on the example of key documents of development character in selected EU countries. The author discusses the definitional issues related to socio-economic strategies, the motives for their creation, the institutions preparing them, typologies of strategies and methods of their development, as well as the overarching goals formulated in these documents. A separate part of the research is devoted to selected issues that are presented in key strategic documents of the European countries. In the article, examples of solutions implemented in the leading socio-economic strategies of the selected EU countries such as Lithuania, Latvia, Estonia, the Czech Republic, Poland, and Croatia are woven into theoretical considerations. Primary sources in the form of strategic documents and available scientific literature were used for the analysis. The article allows, on the one hand, to better prepare for the initiation of the entire process of drawing up socio-economic strategies and, on the other hand, to familiarise readers with the development directions of individual European countries.

Keywords: socio-economic strategies, European Union, development, EU countries

Strategie społeczno-gospodarcze na przykładzie wybranych państw UE – ujęcie teoriopoznawcze i aplikacyjne

Streszczenie

Celem artykułu jest wyjaśnienie istoty i specyfiki tworzenia strategii społeczno-gospodarczych na przykładzie kluczowych dokumentów o charakterze rozwojowym w wybranych państwach UE. W artykule omówiono kwestie definicyjne związane ze strategiami społeczno-gospodarczymi,

motywy ich powstawania, instytucje je przygotowujące, typologie strategii i metody ich opracowywania, a także cele nadrzędne, sformułowane w tych dokumentach. Osobna część badania poświęcona została wybranym zagadnieniom, które są prezentowane w kluczowych dokumentach strategicznych analizowanych państw europejskich. W artykule w rozważania o charakterze teoretycznym wpleciono przykłady rozwiązań zaimplementowanych w wiodących strategiach społeczno-gospodarczych wybranych państw UE, takich jak Litwa, Łotwa, Estonia, Republika Czeska, Polska i Chorwacja. Do analizy wykorzystano źródła pierwotne w postaci dokumentów strategicznych, a także dostępną literaturę naukową. Zawarte w artykule treści pozwalają z jednej strony lepiej przygotować się poszczególnym krajom do zainicjowania tego procesu sporządzania strategii społeczno-gospodarczych, z drugiej zaś – artykuł pomaga czytelnikom zaznajomić się z kierunkami rozwoju poszczególnych państw Europy Środkowej i Wschodniej.

Słowa kluczowe: strategie społeczno-gospodarcze, Unia Europejska, rozwój, państwa UE

The socio-economic transformation in Central and Eastern European countries has resulted in a shift away from traditional economic planning and the use of the term *economic plan*. Programme activities are a permanent function of the state, so the notion *plan* began to be replaced by *programme*, and especially the use of the term *strategy* became common. Still, some documents of a strategic nature are called plans as in the case of the *National Development Plan of Latvia for 2021–2027* (Cross-Sectoral Coordination Center 2020).

Although the process of creating various documents of a strategic nature is visible in practice, the issue of terminology related to the use of the terms *plan*, *programme* and *strategy* has not yet been sorted out. These terms are often used interchangeably in quite different contexts to refer to several types of documents and processes. In particular, the term *strategy* is used often and in different contexts. The socio-economic strategies of different countries are complex and cover many areas.

The author analyses in this article some key socio-economic strategies of the Central and Eastern European countries. The cognitive theory approach addresses the effectiveness of information, education and communication activities, which can influence the effectiveness of socio-economic strategies, especially in the context of building public support or implementing economic policies (Ross 2005). This article's aim is to explain the essence and specificity of the creation of socio-economic strategies using the example of key development documents of selected European countries.

Literature review in the context of socio-economic strategies

In the literature on socio-economic strategies, it is assumed that the essence of the strategy is the selection of domains and courses of action, considered to be the most important in terms of stimulating the process of socio-economic development and achieving the objectives of the strategy (Freedman 2013; Besanko et al. 2015; Hirschman 1958). These selected domains and activities are treated as priorities, the "winning" of which

– like winning battles as a means of achieving the goals of war – allows the strategy's stated aim to be realised (Dimitriu 2020; Kornberger 2013; Handel 1986). It is emphasised that a country's socio-economic strategy is the planning of activities at the state level to achieve specific socio-economic goals in a country (Szirmai 2015; Besanko et al. 2015). It is also a defined set of actions that aim to ensure the sustainable development of a country, considering social, economic, and environmental aspects. The authors point out that a country's socioeconomic strategy is a comprehensive approach to economic management that encompasses both economic and social policies to ensure a balance between economic development and social progress (Freedman 2013; Acemoglu, Robinson 2013; Palan et al. 2005; Hirschman 1958). A country's socio-economic strategy is a document that sets out the aims, priorities, and instruments of public policy to help achieve specific social and economic goals (Freedman 2013; Ocampo et al. 2009; Jaffee 1998). For this study, it is considered that a country's socio-economic strategy is a long-term or medium-term plan that names aim and priorities for social and economic development, as well as the tools to help achieve them.

The element that distinguishes a long-term and medium-term socio-economic development strategy from other programming documents of strategic nature is the time horizon (Karpiński 2014; Besanko et al. 2015). Although the definitions of strategies cited above do not imply their specific time horizon (apart from the fact that it is supposed to be long or medium), in the case of the country's socio-economic development strategies, due to the type of issues they address, these studies should cover a relatively long framework (understood in economics as no less than 10 years and in principle no more than 20 years). Such horizon is required by the nature of the strategy's tasks, e.g. addressing development challenges, changes in the demographic structure, increasing the quality of human capital, modernising infrastructure, or structural change as a means of dynamising economic development (Karpiński 2014; Wilson 2006; Beugelsdijk, van Schaik 2005; Barro 1991, 1997; Benhabib, Spiegel 1994).

The main benefits of developing this type of document are:

- a) the strategy presents the most important challenges and problems that need to be addressed, thus enabling action to be taken in advance to prepare the country and society for the needs that the future will bring,
- b) allows resources to be concentrated on the most important projects,
- c) supplies a directional overall vision and more detailed sectional snapshots to help organise activities in specific areas of life in such way that they are mutually compatible and correspond to the goals set out in the strategy,
- d) avoids contradictions between short-term decisions and long-term needs,
- e) makes it possible to coordinate the activities of the various actors around goals considered to be of overriding importance,
- f) shows which actions should not be taken in order not to create obstacles to solving problems that will arise in the future.

At the same time, the strategy informs economic actors about the future conditions of the economy, helping to stabilise them in the long term.

Motivations for creating strategies and institutions developing strategies

When analysing the motives for the creation of development strategies, the following categories can be distinguished: firstly, those resulting from the national planning system in the country; secondly, those resulting from the parliamentary cycle; and thirdly, those resulting from the responsibilities of ministries and political changes.

Extensive national planning systems exist in many European countries that have transformed their economies such as Lithuania, Latvia, Estonia, the Czech Republic, and Poland. In this group of countries, strategies were developed within the timeline of the national planning cycle. Each successive strategy or plan covered a further period beginning with the expiry of the earlier one.

The basic and superior documents presenting the assumptions and directions of the country's development are, as already mentioned, long-term strategies with a time horizon of twenty or even 30 years. Documents of this type have general formulations of strategic goals and set out priority directions for action, while the implementation sphere of these guidelines is contained in supplementary long-term documents with a time horizon of 10 years or less. In Poland, an example of this type of document was the *National Development Strategy 2007–2015* (Ministry of Regional Development 2006). The main aim of the Polish *National Development Strategy 2007–2015* was to raise the level and quality of life of the Polish population: individual citizens and families. By raising the standard of living, the authors of the document understand, inter alia, an increase in income in the household sector, facilitating access to education and training, increasing the level of education of the population, raising the qualifications of citizens, increasing employment and labor productivity, improving the health of the Polish population (Ministry of Regional Development 2006). Another example of a document with a medium-term time horizon is the *National Development Plan of Latvia for 2021–2027* (Cross-Sectoral Coordination Center 2020), which is focused on developing a knowledge and innovation-based economy, improving the living conditions of citizens, and increasing the country's competitiveness. *National Development Plan of Latvia for 2021–2027* is the country's highest medium-term planning document at the national level (Cross-Sectoral Coordination Center 2020). It was developed in line with the *Latvian Sustainable Development Strategy until 2030* (Saeima of the Republic of Latvia 2010) to improve the quality of life of each Latvian citizen within seven years (Cross-Sectoral Coordination Center 2020: p. 5).

In many countries, the presentation of a long-term plan is the responsibility of every new government. The origins of this rule may lie, for example, in an economic crisis or other crises, such as the Covid-19 pandemic. To minimise the risk of future crises, society has come to appreciate the importance of thinking in long-term terms for socio-economic development. The creation of such documents is also a result of the responsibilities of the ministries responsible for economic planning in a country.

Political changes, above all the attainment of national independence and the need to define the framework of its system, is an important moment, prompting the country to

think about the future. It becomes the impetus for creating a vision of society and defining a development strategy. This group includes all analysed documents from selected countries of research.

Based on the information contained in the strategies found on the official government websites of the individual CEE countries, the institutions responsible for developing strategies can be divided into the following three groups: government, ministry, and other institutions responsible for long-term planning issues in the country (Office of the Government of the Czech Republic 2017; Ministry of Development 2017; Republic of Estonia Government 2020; Ministry of Regional Development and European Union Funds 2021; State Progress Council 2012; Cross-Sectoral Coordination Center 2020).

In all analysed strategies it is said that the institutions responsible for the elaboration of a given development strategy do not prepare it themselves, but only coordinate the work on a given strategy. In the definitive version of the document, however, the coordinating institution often appears as the author of the strategy.

Other institutions permanently or temporarily cooperating with the lead institution are usually also involved in the development of a country's strategy. These are usually other governmental units and scientific or academic centres, or diverse types of expert groups. Another way is to set up a special working group to develop the strategy under the leadership of the lead institution. An example of this type of action is the medium-term economic strategy for Latvia (Cross-Sectoral Coordination Center 2020).

Often the government is the strategy developer. This approach of entrusting the responsibility for strategy development to the government of the country is found in Poland or the Czech Republic. On several occasions, the coordination of the work on strategy development has been handled by the Prime Minister's Office (see: Office of the Government of the Czech Republic 2017). In such a system, where the government plays a dominant role in the elaboration of overall development strategies, other institutions and units work on long-term planning and programming.

It is rare to meet a situation where a single ministry of a country develops a long-term socio-economic development strategy for that country. In general, in the EU countries discussed here, strategic planning is a young field – the first government documents of this kind were only produced at the turn of the 20th and 21st centuries.

The analysed material demonstrates that a certain type of coordination of work on long-term socioeconomic development strategies, in which the role of coordinator and the institution responsible for developing such strategy is played by governmental institution other than the ministry, is a characteristic approach for the countries analysed in the study.

Typology of strategies and methods of their development

Strategies can be divided into 3 types from the point of view of their thematic scope:

- a) comprehensive strategies (covering the entire range of socio-economic and environmental issues),

- b) sustainable development strategies (similar in shape and content to comprehensive strategies, but with a predominance of environmental issues),
- c) selective strategies (focusing only on selected areas of socio-economic life).

Comprehensive strategies are characteristic for CEE countries (e.g. Czech Republic, Poland, Lithuania, Latvia, Estonia, Croatia). The choice of this approach to development issues in these countries is determined by the fact that these countries are trying to catch up with more developed countries and are looking for the best shape of their system, while at the same time facing more problems to solve.

The fact that these countries are lagging behind developed countries – and they need for a comprehensive approach to development issues – is emphasised by the authors of the strategies. For example, in preface to the Latvian strategy is written about the need to implement such comprehensive economic policy that would enable Latvia to reach the level of development of EU countries in the next 20–30 years (Cross-Sectoral Coordination Center 2020). A similar reference to the necessity of holistic measures to reach the level of development of highly developed countries can be found in each of the strategies, e.g., in Polish strategies (Ministry of Development 2017; Ministry of Regional Development 2006).

The consideration of the need of the comprehensive approach to development issues is reflected in the content of the documents. Indeed, these strategies address both holistic economic, social, or environmental issues, as well as individual development issues. Examples of such approach are the strategies of Poland, Croatia, and Latvia (Ministry of Development 2017; Ministry of Regional Development and European Union Funds 2021; Cross-Sectoral Coordination Center 2020). A similar approach to development issues and the way they are discussed in the strategies are found in the other documents qualified as comprehensive.

Comprehensive strategies have a target vision of the socio-economic system. Strategies of the countries such as Latvia and Croatia also include target visions of the country's socio-economic system (Cross-Sectoral Coordination Center 2020; Ministry of Regional Development and European Union Funds 2021).

In some countries, these types of strategies exist alongside the country's long-term socio-economic development strategies. These strategies can be a composite study, which aim is to present and complement proposals and solutions from other sectoral strategies of a country. However, the features that distinguish sustainable development strategies from comprehensive strategies are:

- a) *promoting the principles of sustainable development*: as these strategies were developed in response to the commitments made by these countries at the Rio Summit, the principles and model of sustainable development are highlighted. The first part of such documents is usually devoted to presenting the idea of sustainable development, followed by a section dedicated to the country's development goals and directions;
- b) *a broader approach to environmental issues*: while in comprehensive strategies these issues are included in distinguishable part (in a separate chapter, subchap-

ter, or point), in sustainable development strategies environmental protection is treated integrally. These issues are included in the discussion of the particular area or economic sector (eg. Saeima of the Republic of Latvia 2010);

- c) *the international dimension*: in comprehensive strategies, international issues are reduced to trade, regional integration, or international development help. Balanced strategies, on the other hand, emphasise the importance of collective action to achieve overall benefits both for individual countries and globally.

Selective strategies are those that are focused on selected areas that are perceived to be decisive for the future development of a country. These strategies look for factors that activate and/or improve the functioning of the entire system. Thus, their aim is not – as in the case of comprehensive strategies – to define the target shape of the socio-economic system but to solve specific problems in a well-functioning system.

In the case of Poland's strategy, regional development issues are crucial for the country's long-term development (Ministry of Development 2017; Oleksiuk 2018). An effective regional policy based on population, production, and employment policies is expected to enable further sustainable and rapid development of the country.

The Latvian document is focused on issues of the long-term sustainability of public finances. This sustainability is considered in the context of projected demographic changes and the associated increase in the burden on the state budget from increased pension payments (Cross-Sectoral Coordination Center 2020).

In addition to the basic types of strategy discussed above, there is also a mixed type having features of diverse types of structures. However, this is not a strategy type specific to the CEE countries.

Most of the strategies do not have information on the method used to develop the assumptions of a country's development strategy. Nevertheless, an analysis of some documents makes it possible to find a certain group of methods that are used in the elaboration of the strategy assumptions. These methods include SWOT analysis, development scenarios, and social consensus (Czech Republic, Poland, Latvia, Lithuania, and Estonia).

SWOT analysis is a commonly used method of finding the strengths and weaknesses of the organisation, for which the analysis is being developed, it also examines the opportunities and threats present. The method is based on a scheme for classifying the factors affecting the current and future position of the organisation according to the following criteria:

- a) factors external to the organisation or having the character of internal conditions;
- b) factors having a negative or positive impact on the organisation.

From the intersection of these two divisions, four categories of factors appear to form the overall dimensions of the SWOT analysis:

- 1) *Internal positive – Strengths*. Strengths are qualities that distinguish the organisation from its competitors in a positive way.
- 2) *Internal negative – Weaknesses*. Weaknesses are a consequence of resource constraints and insufficient skills.

- 3) *External positive – Opportunities*. Opportunities are phenomena and trends in the environment that, if properly exploited, can become an impetus for future development and mitigate existing threats.
- 4) *External negative – Threats*. Threats are all external factors that are perceived as barriers of any kind, impediments, or other costs for future development.

However, in most documents, even if such analysis has not been fully carried out in a formal sense, selected elements of the analysis or its conclusions appear.

Scenarios are used to supply a variant outline of key macroeconomic trends and quantities. Scenarios are based on the selection of variables and the adoption of specific assumptions, which make it possible to present the consequences of the choice of certain developments or the occurrence of certain conditions. Scenarios present several alternative visions of a country's socio-economic development. Usually, these are two extreme scenarios (optimistic and cautionary scenarios), and a main scenario – the so-called baseline scenario. They have an assessment of the consequences for economic growth that the occurrence of certain conditions will cause. Development scenarios can be used not only to illustrate changes in a specific sector or area of the economy, but also to present changes in the economy or society.

Social consensus is meant that the expectations and opinions of the actors or parties affected by the strategy are considered in the development of the strategy. This approach to strategy formulation was widely used in the analysed documents. It is reported that several types of independent actors have been involved in developing the strategy. These are usually scientific and research institutes and expert groups. Direct surveys of public opinion about issues relating to the strategy were also conducted.

Overarching aims in strategies

The overarching aims included in strategies are descriptive. They include a concise description of the target vision and some signs of how it will be achieved. Such goals can be divided into the following categories:

- 1) *Overall vision of the target society*. It is the most common way of formulating the goal in strategies. It includes the desired vision of the social order. Croatia, for example, emphasises democratic values, stresses the role of the individual, the importance of freedom and security, and points to the role of the state as a provider of conditions for citizens' self-realisation (Ministry of Regional Development and European Union Funds 2021). Latvia takes as its goal the achievement of the level of prosperity of highly developed countries (Cross-Sectoral Coordination Center 2020; Saeima of the Republic of Latvia 2010).
- 2) *Target society model focusing on selected aspects*. Several countries define the overarching goal as a target vision of society in the context of selected areas. This applies to strategies defined as selective. In the Polish strategy, the overarching goal, in line with the welfare state, is defined through the prism of regional development, population aging, and measures leading to a society of equal

opportunities – i.e., the areas selected by the authors, which are the axis of the document (Ministry of Development 2017). Similarly, in the case of Lithuania and Latvia – the overarching aim focuses on the prospects for the sustainability of the state's public finances in the context of an aging population (State Progress Council 2012; Cross-Sectoral Coordination Center 2020).

- 3) *Sustainable development goals* – overarching goals in line with sustainable development concepts appear in sustainable development strategies. For example, in the Latvian document, an overarching goal is a bundle of concepts characteristic of the concept of sustainable development particularly relevant to the specifics of the country (Cross-Sectoral Coordination Center 2020).
- 4) *Economic goals*. Strictly economic goals are included in the Czech and Polish strategies. It boils down to the fastest possible industrialisation and modernisation of the economy (Office of the Government of the Czech Republic 2017; Ministry of Development 2017; Oleksiuk 2018).

In general, it can be considered that the target vision of society for most countries is the Western European model of a highly developed society and economy. Within this pattern, individual countries choose different variants.

Selected issues covered by the strategies

This part of the article presents the analysis of the key issues that are the subject of the socio-economic strategies of the Central and Eastern European countries. In the 21st century, adverse changes in the demographic structure and the problem of migration are among the most critical issues in this part of Europe.

There is now a widespread trend towards an increase in the proportion of the elderly population (over 65 years old) in the total population. This is the result of a declining birth rate (although this process is occurring at different rates in the various countries under discussion) and a concomitant increase in human life expectancy. This shift in the age distribution of the population towards older ages is referred to as population aging. This problem primarily affects highly developed countries.

The second characteristic trend is the increase in migration flows, which is related, among other things, to the globalisation process and the growing economic and social inequalities between developed and developing countries. At the same time, technological progress has increased the mobility of people, who more easily change their place of residence in search of work and better social conditions, which has contributed to an increase in migration.

Demographic issues are included in most of the analysed CEE strategies, although they are focused on various aspects of the issue depending on the level of development of the country. These strategies form the core of all long-term considerations. Strategies that consider demographic issues extensively are focused on unfavorable trends. So, proposals for national population policy measures are formulated. Thus, the main issue addressed in the strategies of the Central and Eastern European countries is the process

of population aging. The governments of these countries perceive the negative effects of this trend, especially on the labor market (threat of labour shortages) and because of the increasing burden on public finances (decrease in tax revenues due to reduced time worked, increase in expenditure on pensions, health care, social care, social insurance, public transport). In addition, population aging may negatively affect the productivity and innovativeness of economies.

In this connection, various ways of counteracting the financial impact of an aging population are being considered, including, pension reforms, increasing the retirement age, increasing taxes, creating reserve funds, immigration, better use of the labour force, and family-friendly policies.

One way to alleviate the problem of an aging population is through immigration. The dilemma for developed countries is that, on the one hand, they need an influx of labor due to the aging process, and, on the other hand, they fear a massive influx of immigrants from poorer countries. This reluctance is due to concerns about competition in the labor market, and the preservation of national identity and security (there is a higher crime rate among immigrants). Nevertheless, it is believed that without increased immigration, it will be difficult to avoid strains on the finances of social security systems. The strategies of the Central and Eastern European countries foresee a further decline in the fertility rate, which is below the simple replacement level. At the same time, average life expectancy is increasing, which in total will make the aging process very dynamic. What is needed, therefore, is an active pro-family policy, which is emphasised in many strategies in Poland, Lithuania, and Latvia, among others (Ministry of Development 2017; State Progress Council 2012; Cross-Sectoral Coordination Center 2020). However, the assumptions and proposals that appear in these documents do not translate into increased fertility rates.

In *National Development Plan of Latvia for 2021–2027*, we can read: "Growth model for Latvia: people first" (Cross-Sectoral Coordination Center 2020: p. 5). By 2030 Latvia is to become a country of active and responsible citizens. Every citizen will have the opportunity to achieve their goals. The strength of the Latvian nation will lie in its cultural and spiritual heritage, the richness of the Latvian language, but also the citizens' knowledge of foreign languages. These factors, according to the authors of the document, "will unite the society in the creation of new, diverse and unique values in the economy, science and culture that will also be appreciated also outside Latvia. Riga will be an important European cultural, tourism and business centre. To promote regional development, preconditions will be created to increase the economic potential [...] and reduce socio-economic disparities." (Cross-Sectoral Coordination Center 2020: p. 5). The *National Development Plan of Latvia for 2021–2027* sets out the strategic goals that Latvia will commit to achieving by 2027.

In contrast, the strategy *Estonia 2035* is a strategic management tool for coordinating the country's long-term activities, planning, and economic management (The Republic of Estonia Government 2020). The strategy *Estonia 2035* is implemented through sectoral and regional development plans and programs. The strategy is used as a basis for strategic planning by local governments, private sector organisations, and civil society. The

strategy *Estonia 2035*, like that of other European countries, "is integrated with the economic coordination of the European Semester which serves as a basis for the planning of European Union (EU) funds and provides a direction for implementation of sustainable development goals in Estonia" (Republic of Estonia Government 2020: p. 3).

The *National Development Strategy of the Republic of Croatia until 2030* (Ministry of Regional Development and European Union Funds 2021) is the action plan, which is aimed at the support of the digital and ecological transformation of Croatian society and economy. The *National Development Strategy...* has set four strategic priority axes, i.e., sustainable economy and society, strengthening resilience to crises, green and digital transformation, and sustainable regional development.

The *Strategy for Responsible Development of Poland until 2030* (Ministry of Development 2017) assumes sustainable economic development, based on investments in energy, transport, industry, science, and innovations.

In contrast, the authors of the Lithuanian document emphasised: "We aim at a creative empowerment of each and every member of the society, focusing on ideas that would help Lithuania to become a modern, energetic country, embracing differences, and with a strong sense of national identity" (State Progress Council 2012: p.7). The same document states that "changes will take place in the following areas:

- 1) *Smart society*: happy society that is open to the ideas of each citizen, to innovations and challenges, proving solidarity, self-governance, and political maturity.
- 2) *Smart economy*: economy that is flexible and able to compete globally, generating high added value, based on knowledge, innovations entrepreneurship, and social responsibility as well as "green" growth.
- 3) *Smart governance*: governance that is open and participatory, delivering, meeting public demands, and ensuring high-quality services, as well as competent government, able to take targeted strategic decisions." (State Progress Council 2012: p. 8).

Education is one of the areas that feature in all long-term socio-economic development strategies. The prevalence of education is since it is identified as the basis of modern knowledge-based economies and as one of the key factors for socio-economic development in the age of globalisation. The competitiveness of economies depends more than ever on the quality of human resources, and this quality is created to a decisive extent in education. The importance of education as one of the sources of economic growth (both achieved so far and desired in the future) is reflected in the analysed strategies, regardless of the level of economic development of a country. Therefore, the strategies of the Central and Eastern European countries pay attention to the education systems in the respective countries. The following topics addressed in these documents can be distinguished:

- a) adapting human resources to the needs of the labor market,
- b) increasing the quality of education,
- c) tackling social diversity,
- d) supporting the competitiveness and innovation of the economy,
- e) creating public awareness.

The analysed strategies also contain other solutions to contribute to the improvement of educational facilities, namely: strengthening the control and supervision of the quality of the educational offer (e.g. by implementing a system of accreditation of educational institutions); deepening international cooperation; developing a strategy for the allocation of research and development funds for higher education institutions; harmonising curricula and requirements for higher education institutions to achieve real competitiveness of diplomas and certificates, also in international terms. For example, the activities listed in the *National Development Strategy of the Republic of Croatia until 2030* (Ministry of Regional Development and European Union Funds 2021) are aimed to support, as already mentioned, four pillars. In each of them, a factor related to education appears primarily in the context of increasing digital skills for all citizens. Improving and easing access to high-quality adult education programs on digital competencies is prioritised in Croatia's strategy. This approach is aimed to enable citizens to actively take part in a digital society and economy. The Croatian strategy also draws attention to matching the skills of the workforce with relevant digital competencies and recruitment needs, promoting the development of digital workplaces, creating the conditions necessary to improve individuals' career prospects, adapting and developing human resources for traditional industries and occupations to meet the needs of the digital environment, society, and the economy. Attention is given to improving ICT skills, keeping and attracting talent. An increase in the number of ICT specialists with higher and secondary education and the development of advanced digital competencies from an early age should be also encouraged (Ministry of Regional Development and European Union Funds 2021). The development of education is also a priority of the Polish strategy. However, this cannot be achieved in isolation from equalising opportunities in society (Ministry of Development 2017). In this context, the Polish strategy pays remarkably close attention to the overcoming social exclusion.

It can be concluded that education system is a crucial element of socio-economic strategies, and it is intended to support the state's activities in such matters as equalising educational opportunities, counteracting social exclusion, or stimulating the development of certain social groups or even regions.

Promoting the competitiveness and innovativeness of the economy is another important aspect, aiming to stimulate the creation and introduction of innovations in the economy, to increase the absorption ability of modern technologies, and to create a highly qualified workforce to develop high-tech sectors – increasing the competitiveness of the economy. Thus, the strategy *Estonia 2035* is focused on increasing the competitiveness and innovativeness of the economy by improving transport and energy infrastructure. The aim of increasing the innovation and competitiveness of the economy is to improve the quality of life of the population (Republic of Estonia Government 2020).

Similarly, the strategy of the Czech Republic sets out a strategic framework for the long-term development of Czech society. The aim is to improve the quality of life of all Czech residents. At the same time, the strategic framework also serves as a guide for the development of regions and municipalities. The strategy emphasises that quality of life and sustainable development are the most crucial factors in the 2030 perspective. This can

be achieved through investments in infrastructure, the development of the service and industrial sectors, and the improvement of education and healthcare. The Czech Republic's strategy places significant emphasis on environmental protection and the reduction of greenhouse gas emissions (Office of the Government of the Czech Republic 2017).

Lithuania's Progress Strategy *Lithuania 2030* is focused on increasing the country's competitiveness by developing innovation, improving productivity and quality of work, and strengthening the ability to attract investment. Infrastructure development, including roads, ports, and airports, as well as the development of the energy sector, are also essential elements of the strategy (State Progress Council 2012). Contemporary long-term strategies – regardless of type – take environmental issues into account.

However, how these issues are addressed varies, according to the type of strategy. They are most fully presented in sustainable development strategies. For example, Latvia defines its spatial development perspective – from the point of view of sustainable development (Saeima of the Republic of Latvia 2010). Also, the strategy *Estonia 2035* is focused on the sustainable digital economy (Republic of Estonia Government 2020).

In general, the goals in environmental protection are related to two fundamental areas: improving the quality of life and preventing environmental degradation by promoting changes in management practices. The first comes down to ensuring a safe and healthy environment for present and future generations, the essence of the second is the need to link socio-economic development with environmental protection to prevent over-exploitation.

The environment and its quality are treated as a public good, and changes in its condition cause long-term effects for society. Therefore, all strategies emphasise the state's responsibility for environmental issues and sustainable development. Thus, in the area of environmental protection, irrespective of the type of economy, the large role attributed to the state is noticeable.

The characteristic feature of environmental issues in all types of strategies is that these issues appear more strongly than others in international context. This is due to the specificity of the issue, consisting in many cases of the need for international coordination of activities in this field (especially climate change, the ozone layer, seas, oceans, etc.).

All strategies emphasise the need to make the public aware of the importance and role of environmental issues, raise environmental awareness, and integrate environmental issues into educational programmes. It is also postulated to broaden the scope of public consultation and to involve private sector companies in the implementation of environmental standards in their operations.

It can be concluded that environmental issues in the analysed strategies are concentrated in three areas. Firstly, these are the so-called clean production and consumption; secondly, the problem of preserving the natural state of the environment; and thirdly, these are issues related to the efficient and rational use of natural resources.

Of the environmental issues in the documents discussed, most attention is given to the issue of so-called clean production and consumption patterns. The need to change production and consumption patterns is a result of changes in the feeling of

the relationship between economic growth and environmental protection and condition. The postulated changes in production and consumption patterns concern the sphere of broadly defined production techniques, infrastructure, and the promotion of the different lifestyle. Clean production techniques, on the one hand, are geared towards increasingly efficient use of resources, and on the other hand – towards a clean production process and an environmentally unobtrusive product. The need to inform the public (the consumer) about the environmental effects of products is shown.

Trends are also appearing in the strategies of Central and Eastern European countries, which indirectly result in a reduction of the environmental pressure caused by infrastructure overload. The change in consumption patterns is linked to lifestyles and concerns two trends. Firstly, increasing importance is being placed on a clean environment – as an element of high quality of life and a factor in health. Secondly, lifestyle is also about pro-environmental choices made by consumers.

Conclusions

It should be stressed that a strategy is defined in the economic literature as a response to development challenges of external and internal nature. It is, in a sense, a social settlement about basic dilemmas. The country's long-term and medium-term socio-economic development strategies are documents that cover the so-called long horizon. Such documents define the main goals and selected areas and directions of action, considered most important in terms of stimulating the process of socio-economic development and achieving the set goals. Strategic thinking is essential in today's turbulent environment. Every country needs a well-designed development strategy. Through the development of such documents, the most important challenges and problems facing each country can be named. The necessary ways to solve them can also be outlined. Strategies also make it possible to focus resources appropriately on those projects that are key from the point of view of a particular country.

Socio-economic strategies are being developed in all Central and Eastern European countries that have transformed their economies, including Lithuania, Latvia, Estonia, the Czech Republic, Croatia, and Poland. As a result of this study, three types of strategies were distinguished, most important from the point of view of the thematic scope: comprehensive strategies, sustainable development strategies, and selective strategies. The analysis in this article was focused on the former documents. The author also discussed a group of methods that are used in the preparation of strategy assumptions, such as SWOT analysis or scenario approach. The review of the key strategic documents of the selected EU countries has made it possible to find familiar challenges and themes that have become the subject of the development documents of the countries in this part of Europe. These challenges include: demographic problems, migration problems, competitiveness and innovativeness of the economy, the education system, labor market, sustainable development, environmental protection, infrastructure, and the energy sector.

Adam Oleksiuk – PhD in Economic Sciences, lecturer and researcher at the SGH Warsaw School of Economics. Graduate of the Faculty of Management at the University of Warsaw, followed by Foreign Policy Studies at the Polish Institute of International Affairs and several managerial postgraduate studies. Academic internships abroad at the University of Cambridge, Stockholm School of Economics in Riga, Saxion University. Multiple scholarship holder of the programmes *Erasmus* and *Erasmus+*. Participant of courses organised by The Joint Vienna Institute and The Vienna Institute for International Economic Studies. Author or co-author of approximately 150 publications. His research interests include the economic transformations taking place in Central and Eastern European countries.

Adam Oleksiuk – doktor nauk ekonomicznych, wykładowca i pracownik naukowy Szkoły Głównej Handlowej w Warszawie. Absolwent Wydziału Zarządzania Uniwersytetu Warszawskiego, następnie Studium Polityki Zagranicznej Polskiego Instytutu Spraw Międzynarodowych oraz kilku menedżerskich studiów podyplomowych. Odbił naukowe staże zagraniczne w University of Cambridge, w Stockholm School of Economics in Riga oraz w Saxion University. Wielokrotnie stypendysta programów *Erasmus* i *Erasmus+*. Uczestnik kursów organizowanych przez The Joint Vienna Institute oraz The Vienna Institute for International Economic Studies. Autor lub współautor ok.150 publikacji. Zainteresowania badawcze dotyczą m.in. przemian gospodarczych, zachodzących w krajach Europy Środkowej i Wschodniej.

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EU LAW, INSTITUTIONS AND POLICIES

Institutionalisation of European political parties. Niedermayer's model revisited¹

Beata Kosowska-Gąstoł, *Jagiellonian University in Krakow*
(Cracow, Poland)

E-mail: beata.kosowska-gastol@uj.edu.pl

<https://www.orcid.org/0000-0003-3555-2828>

Abstract

According to Niedermayer's concept of Europarties' development (1983), these organisations have to go through three phases (contact, cooperation, integration) to be fully institutionalised. The aim of this article is to analyse relationships between Europarties and their member parties on the basis of statutes of the former in order to answer the question of where individual Europarties should currently be placed in the Niedermayer's model. The subjects of the analysis are all entities existing in the ninth European Parliament term of office (2019–2024): EPP, PES, ALDE, EGP, ECR, ID, PEL, EFA, EDP, ECPM. The analysis demonstrates that some Europarties tend to create supranational structure (e.g. EPP), others settle for transnational cooperation (e.g. PES). Therefore, we can ask whether completing the integration phase is the only way to institutionalise the Europarty.

Keywords: Europarties, party structures, institutionalisation, EPP, PES, European Parliament

Instytucjonalizacja europejskich partii politycznych. Model Niedermayera odczytany na nowo

Streszczenie

Zgodnie z koncepcją rozwoju europartii Niedermayera (1983) organizacje te muszą przejść przez trzy fazy (kontakt, współpraca, integracja), aby mogły zostać w pełni zinstytucjonalizowane. Celem niniejszego artykułu jest analiza relacji między europartiami i ich partiami członkowskimi przepro-

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wadzona na podstawie statutów tych pierwszych, aby odpowiedzieć na pytanie, gdzie w modelu Niedermayera powinny być obecnie umiejscowione poszczególne europartie. Przedmiotem analizy są wszystkie podmioty istniejące w dziewiątej kadencji Parlamentu Europejskiego (2019–2024): EPP, PES, ALDE, EGP, ECR, ID, PEL, EFA, EDP, ECPM. Analiza wykazała, że podczas gdy niektóre europartie dążą do tworzenia struktur ponadnarodowych (np. EPP), inne zadowolają się transnarodową współpracą (np. PES). Można zatem postawić pytanie, czy dokończenie fazy integracji jest jedyną drogą instytucjonalizacji europartii.

Słowa kluczowe: europartie, struktury partyjne, instytucjonalizacja, EPP, PES, Parlament Europejski

There is a growing literature on institutionalisation of political parties encompassing the seminal works of Huntington (1968), Janda (1980), Panebianco (1988), Rose and Mackie (1988), Harmel and Svåsand (1993), Randall and Svåsand (2002), Basedau and Stroh (2008), Harmel, Svåsand and Mjelde (2019), or Jakobson, Saarts and Kalev (2021). However, these concepts are related to political parties at the national level, and there are some doubts as to whether they can be used for research on transnational party federations (TPFs) that developed into Europarties² because of their nature (parties *sui generis* operating in the political system of the European Union) and the special way of creation (emerging from cooperation of national political parties) (Witkowska 2014; Paczeński 2021).³

As far as development of TPFs is concerned, there is an interesting concept – exclusively devoted to these entities – elaborated by Oskar Niedermayer (1983). According to this model, transnational federations of political parties have to go through three stages (contact, cooperation, and integration) in order to be institutionalised. The stages differ from each other in terms of intensity of intra-party interactions. Organisations that successfully accomplished this process can be deemed as fully-fledged Europarties. In the other well-known concept of Europarties' development elaborated by Hix and Lord (1997) intra-party relations were also taken into consideration, however, they were completed by external relations between Europarties and other institutions of the EU political system (external dimension of institutionalisation). Since **the aim of this article** is to analyse the relations within Europarties occurring between European and national party structures (internal dimension of institutionalisation), the Niedermayer's model seems perfectly suited for this purpose. The research should be definitely located within the neoinstitutional approach. The **methods** employed in this research include the content analysis based on formal rules (Europarties' statutes and rules of procedure) and comparative analysis.

The **subjects of the analysis** are all entities that gained the formal status of Europarties on the basis of the *Regulation (EU, Euratom) No 1141/2014 of the European Parliament and of the Council of 22 October 2014 on the statute and funding of European political*

² Jakobson, Saarts and Kalev (2021) mentioned transnational dimension of institutionalisation, however, in their article it is related to domestic parties, which organise their extraterritorial branches abroad in order to help emigrants to vote in national elections.

³ Some scholars used concept of institutionalisation elaborated to investigate domestic parties in order to study Europarties, see e.g. Wiśniewska (2020) who decided to employ the concept of Harmel and Svåsand (1993) to analyse conservative group in the EP.

parties and European political foundations (Regulation 1141/2014)⁴ and were registered by the Authority for European Political Parties and Foundations in the ninth EP term of office (2019–2024). The collection includes ten entities (EPP, PES, ALDE, EGP, ECR, ID, PEL, EFA, EDP, ECPM) that are presented in *Table 1*.

Table 1: Europarties in the ninth European Parliament term of office (2019–2024).

	Name of Europarty	Abbrev.	Beginning of the cooperation	Ideological and programmatic attitudes	Political group in the EP connected with Europarty
1	European Peoples' Party	EPP	1976	Christian democracy, liberal conservatism, pro-Europeanism	Group of the European People's Party (Christian Democrats)
2	Party of European Socialists	PES	1974 (Confederation of Socialist Parties of the European Community), under current name since 1992	social democracy, pro-Europeanism	Group of the Progressive Alliance of Socialists and Democrats in the European Parliament
3	Alliance of Liberals and Democrats for Europe	ALDE	1976 (Federation of Liberal and Democrat Parties in Europe), under current name since 2012	liberalism, pro-Europeanism	Renew Europe Group
4	European Green Party	EGP	1979 (Coordination of European Green and Radical Parties), under current name since 2004	green politics, pro-Europeanism	Group of the Greens/ European Free Alliance
5	European Conservatives and Reformists Party	ECR	2009 (Alliance of Conservatives and Reformists in Europe)	conservative, economic liberalism, Euroscepticism	European Conservatives and Reformists Group

⁴ This regulation was amended in 2015 (twice), as well as in 2018 and 2019.

6	Identity and Democracy Party	ID	2014 (Movement for a Europe of Nations and Freedom), under current name since 2019	nationalism, right-wing populism, hard Euroscepticism	Identity and Democracy Group
7	Party of European Left	PEL	2004	democratic socialism, communism, soft Euroscepticism	Confederal Group of the European United Left – Nordic Green Left
8	European Free Alliance	EFA	1981	regionalism, national minorities, pro-Europeanism	Group of the Greens/ European Free Alliance
9	European Democratic Party	EDP	2004	centrism, pro-Europeanism	Renew Europe Group
10	European Christian Political Movement	ECPM	2002	Christian democracy, social conservatism, soft Euroscepticism	European Conservatives and Reformists Group

Source: List of registered European Political Parties, <http://www.appf.europa.eu/appf/en/parties-and-foundations/registered-parties.html> (1.07.2023).

According to the Regulation 1141/2014, *European political party* means a political alliance, composed of political parties and/or citizens, which pursues political aims and is registered in accordance with the conditions laid down in this document (see: Regulation 1141/2014: art. 2).⁵ In order to be registered, Europarty must have its seat in EU Member State; its member parties must be represented in at least one quarter of the Member States (by MEPs, MPs, members of regional parliaments or assemblies)⁶, or must have received at least three per cent of the votes cast in each of at least one quarter of the Member States at the most recent EP elections; must observe in its programme and activities the values, on which the Union is founded⁷; must have participated in EP elec-

⁵ In the Regulation (EU, Euratom) No 1141/2014, notions *European political parties* and *European parties at the European level* are used interchangeable, similarly in this article, here the notion *Europarties* known from the subject literature is added as well.

⁶ In the Regulation (EU, Euratom) No 2018/673 of the European Parliament and of the Council of 3 May 2018 amending Regulation of 2014, it was added that member parties of one Europarty are not members of another Europarty, hence since then domestic party can be a member of solely one Europarty (see: Regulation 2018/673).

⁷ As expressed in Article 2 TEU, namely: "respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities".

tions or have expressed the intention to participate in the next EP elections; and must not pursue profit goals (Regulation 1141/2014: art. 3). Each Europarty, which is represented in the European Parliament by at least one of MEPs, may apply for funding from the general budget of the European Union (Regulation 1141/2014: art. 17).

Differences in the level of Europarties' development may exist due to the fact that they have been founded in various periods from the 1970s until now. It follows the Huntington's concept, where *time* is a vital component of institutionalisation. The ability of the party structure to survive (durability) and to adapt to the changing environment (adaptability) serve as the main indicators of the party institutionalisation's level (Huntington 1968). Following this pattern, it can be hypothesised that Europarties established earlier should be more institutionalised than these created lately, and consequently entities founded at the same time should be at the similar level of institutionalisation. However, this does not always have to be the case, because Europarties can follow diverse paths of development and oppose a transfer of sovereignty from the national to European level.

Relations between European and national party structures are tested on the basis of some Niedermayer's indicators ascribed to the subsequent stages of development (Niedermayer 1983), but also more sophisticated tool used to investigate intra-party relations in multi-level organisations, mainly parties operating in federal or decentralised political systems (Fabre 2011; Thorlakson 2009, 2013; Deschouwer 2000, 2003), namely influence exerted by national parties on the Europarty structures. All this serves to verify **hypothesis** that parties created at the same time can be at various stages of development due to following their own paths and making own choices that are not always consistent with the Niedermayer's model, especially with its assumption about the need to transfer sovereignty.

The article begins with a theoretical framework that includes a brief presentation of the Niedermayer's model (Niedermayer 1983). This concept should be treated as a starting point, it provides certain theoretical categories requiring further operationalisation. While measuring the level of Europarties development, the author mentions transnational communication and common policy formulation, but focuses mainly on organisational aspects. Tools used to describe relationships between different layers in multi-level parties are employed here, i.e. the influence of lower-level structures on higher-level structures and their involvement in the decision-making process. At the end of this article there are some conclusions and recommendations for further research.

Niedermayer's model as the main concept of Europarties' institutionalisation

Niedermayer elaborated his model of Europarties' development basing on the definition of European integration by Ernst B. Haas (1958) and his assumption that there is a kind of balance between national and supranational organisational structures. Integration is perceived as: "process whereby political actors in several distinct national settings are persuaded to shift their loyalties, expectations, and political activities to-

ward a new and larger centre, whose institutions possess or demand jurisdiction over pre-existing national states" (Haas 1958: p. 16, 105–107). Niedermayer transferred this definition to his concept of the Europarties' development. His aim was to show the path that organisations have to go through for becoming fully-fledged Europarties, what can be considered as a synonymous of institutionalisation process defined by Huntington as "the process by which organisations and procedures acquire value and stability" (Huntington 1968: p. 12).

Niedermayer distinguished three phases of Europarties' development: **contact, cooperation and integration** that differ in terms of intra-party relations' intensity. Among components of these phases he decided to investigate communication, organisation, and policy formulation. When it comes to **communication**, in the first phase it is temporary. Member (national) parties meet in specific periods of time, for specific purposes. In the second and third phases it is more permanent. As far as **organisation** is concerned in the contact phase it is non-existent, there are only interactions between national parties. In the cooperation phase there is a transnational organisation, and in the integration phase – a supranational one. However, to place Europarties in proper phases more indicators are needed, including possibility of individual membership, existence of transnational subunits, and their incorporation in the decision-making process, principle of representation (composition of Europarties' bodies), resolving conflicts (decision-making in Europarties' bodies), range of competences and use of common symbols. The last component – common **policy formulation** – requires interactions between national parties, it shows similarities and reveals differences in their political stances. At the contact stage, it is possible, but not necessary, to define a common policy, at the cooperation and integration stage it is mandatory. The higher the level of integration, the more extensive and detailed the common programmes. It is important in order to achieve the stage of integration. Europarties must have unlimited competencies, and sovereignty of member parties must be partially or fully transferred to transnational European structures which in effect transform into supranational ones. However, full reorientation of loyalties, expectations and activities is not required, it is more about system with multiple loyalties, where supranational level is one of several (Niedermayer 1983: p. 16).

Coined in the very beginning phase of party cooperation at the European level, the Niedermayer's concept has been still used in the subject literature in the XXI century (Delwit et al. 2004). Johansson and Zervakis noticed that European parties have developed significantly since the time of their founding and have become institutionalised beyond the phases of mere contact and cooperation, and therefore should be placed somewhere between the second and third stage or even in the third stage of the Niedermayer's concept (Johansson, Zervakis 2002).

Ladrech claimed that the Party of European Socialists (PES) should be placed in the second stage of the development, in his opinion: "the final stage of Niedermayer's operational concept is quite a far-off proposition, as it would necessitate a much more federalised European-national relationship" (Ladrech 2002b: p. 93). In the other publication from the same period he located at the second stage both biggest Europarties, the

PES and the EPP, because of "a permanent organisations and frequent and prepared interaction" (Ladrech 2002a: p. 399). According to Sandström, the liberal Europarty (till 2012 the European Liberal, Democrat and Reform Party, ELDR, then the Alliance of Liberal and Democrats for Europe, ALDE) since its founding in 1976 in a form of TPF moved from contact to cooperation and even entered the integration phase, however, it has not yet fulfilled all the criteria of the Niedermayer's model ascribed to this stage (Sandström 2002: p. 108, 174; 2004). In turn, Dietz, who studied the Green parties' cooperation at the beginning of the century, admitted that it is not as advanced as it is in the case of the other mainstream party families (Christian democrats, socialists, liberals). This is partly because of some traditions of earlier international cooperation of these families in their global organisations and political groups in the Common Assembly of the European Community of Coal and Steel, both kinds of organisations that helped them to create the TPFs in the 1970s. The lack of such support can be deemed as a reason of later founding of the green parties' organisation and looser cooperation that, however, surely moved from the contact to cooperation stage, but still has not managed to come beyond it (Dietz 2002: p. 127, 150).

Overall, it must be admitted that in order to ascribe individual Europarties to the subsequent stages detailed analyses should be conducted. The preliminary research based on the formal documents of the Europarties conducted in 2013 has proven that then existed Europarties were somewhere between the second and third stage of their development (Kosowska-Gąstoł 2015, 2017). However, whereas some of them seemed to lean towards the third phase, the others opposed this direction of change. The presented results of the analysis should be perceived as a continuation and extension of previous research aimed at tracing the changes occurring within the following years and explaining the state of affairs.

Measuring the level of Europarties' development

Transnational communication and common policy formulation

Niedermayer's first indicator of Europarty development is transnational communication between member parties. Initially, contacts and meetings of political elites of national parties from the same party families were organised *ad hoc*, currently they are permanent in each of the ten entities formally recognised as Europarties. This is, *inter alia*, due to the Regulations on Europarties (2003, 2014) that imposed on the organisation the obligation to have its seat, where the central administration of Europarty is located (Regulation 1141/2014: art. 3.1(a) together with art. 2 (11)), but also common "bodies and offices holding the power of administrative, financial, and legal representation" (Regulation 1141/2014: art. 4.1 (f)).

The situation is similar when we consider the other indicator of the Niedermayer's model, which is a common policy formulation. The mentioned Regulation on Europarties has obliged these entities to include in their statutes (necessary to be registered) provisions covering "a political programme setting out their purpose and objectives" (Regula-

tion 1141/2014: art. 4.1(c)). Therefore, each Europarty must agree on common values and principles and develop a common platform even if it is based on the lowest common denominator. There are differences between Europarties, because some of them have managed to adopt common programmes and detailed political manifestos before the EP elections, while others have limited their activities in this area to accepting more general joint declarations and statements. Each Europarty is able to define the basic principles of common policy, which are included in its declarations and also presented in votes, motions, and speeches delivered by its representatives in the European Parliament, thus meeting the criteria assigned to the second and third stages of the Niedermayer's model. However, it should be emphasised that the issue of formulating common programmes and policies is certainly complex and requires extensive, detailed analyses that are beyond the scope of the article.

Permanent organisation

The organisational structure seems to be the indicator that mostly differentiates the Europarties. Although the Regulation 1141/2014 on Europarties obliged these entities to establish joint bodies and develop a decision-making process, some parties are based on transnational cooperation (second stage), while others have moved closer to supranational solutions (third stage). In order to assess the level of integration within Europarties, this research used indicators such as individual membership and concept developed to study parties in multi-level political systems such as influence of the national parties on European party structures.

Individual membership

European political parties operate as political alliances that form a kind of networks that encompass their member parties and associated organisations. However, individual Europarties differ significantly on this matter, some accept as their full members only parties from EU Member States, while others extend this category to parties from all over Europe. In addition to full membership, there are also other opportunities to collaborate such as associated membership or being an observer party.

What is more important from the point of view of this article, is individual membership. According to the Niedermayer's model, at the first stage of the Europarties' development the issue is non-existent. The cooperation is based on contacts between members (mainly elites) of national parties. The issue appears in the second stage. Permanent cooperation may extend beyond collective membership related to national parties and associated organisations to include individual membership. Niedermayer distinguished **double membership**, when members of national parties belonging to Europarties are at the same time members of these Europarties. However, membership can also be of **parallel** nature, when individuals belong to Europarties regardless of whether they are members of national parties or not. At the third stage, individual membership exists only at the European level, and members of Europarties are automatically members of their territorial substructures (Niedermayer 1983: p. 32), that is national parties.

From the analysis of the Europarties' statutes it is evident that formally all entities decided to introduce a kind of individual membership and none of them have dropped membership in national parties in favour of the Europarties, hence all should be located at the second stage of development. However, there are some differences between them. Europarty membership can be opened for all EU citizens or limited to some groups. The second difference is that noticed by Niedermayer: membership can be double or parallel.

The analysis shows that most open and parallel membership characterises the far-right, Eurosceptic party *Identity and Democracy*. Individual members can join it regardless of whether they belong to its member parties or not. Moreover, individual members are entitled to take part in meetings of this association with the right of expression and initiative as well as the right to vote (ID's Statute, see: ID 2019). Natural persons are also mentioned among associate members of the ALDE (see: ALDE 2023); however, their role seems to be currently limited compared to the period when it was the only category of individual membership (ALDE's Statute, see: ALDE 2016). Open, but double, membership occurs in the PES and the PEL, where all members of national parties belonging to the Europarty are at the same time members of that Europarty. In the PES they are called "PES activists" and can create city groups authorised to present their policy proposals (see: PES 2018, 2019). In the PEL the decision on this kind of membership is perceived as an option that can be decided by national parties, which act here as gate-keepers, there is also possibility for individuals from European countries associated with the EU to join or create national group of individual members, hence in this Europarty we are actually dealing with both kinds of open membership – double and parallel (PEL's Statute, see: PEL 2022), but unlike in the ID, these members are not included in the decision-making process.

At the other end of the continuum are Europarties that have chosen to accept as individual members only MEPs from both member parties and beyond (EPP, ALDE, EGP, EDP, ECPM) or only MEPs from outside member parties (PES again, ECR, EFA). Some Europarties decided to offer this kind of membership also to members of national or regional parliaments and assemblies (ECR, EGP, EDP, ECPM), or even for European Commissioners (ECR), members of European institutions and bodies provided for by treaties (EDP), individuals who hold elected offices and are not members of national parties, and organisations belonging to the Europarty (EFA) etc.

To sum up, two biggest Europarties introduced in their statutes different concepts of individual membership. The EPP decided on membership limited to MEPs elected from lists of its member parties and other MEPs by decision of the Political Assembly on the proposal of the Presidency (EPP's Statute, see: EPP 2019, 2022), whereas the PES adopted more open strategy based on double membership (PES's Statute, see: PES 2018, 2019). The solution similar to this of the PES exists in the PEL, hence it is worth considering whether the ideology has something to do with it. Many Europarties follow the path set by the EPP, focusing mainly on MEPs as their individual members, in this way they adapt to the Regulation of 2014, according to which EU funding for

the Europarty depends largely on the number of MEPs who have declared their membership in this party. It is especially visible in the case of the ALDE party, which underwent a transformation in this regard.

The ALDE party was the first that opted for an open individual membership for all interested citizens regardless of whether they were from member parties or not, their delegates took part in meetings of decision-making bodies with the right to voice their opinion and to vote (ALDE's Statute, see: ALDE 2016). However, after changing the statutory provision, the ALDE introduced individual membership for MEPs elected from lists of member parties (*ex-officio*) and for other MEPs who can join individually. Natural persons can still belong to the Europarty, but their role seems to be limited (ALDE 2023). Hence the only Europarty currently based on membership open for all citizens is the Eurosceptic ID party, the other Europarties are composed of their member parties (collective membership) with individual membership designed mainly for MEPs who are needed to secure the Europarty financing from the EU or MPs and members of regional parliaments or assemblies to secure the legal recognition as Europarty.

Influence of member parties on European structures

All registered Europarties have developed transnational organisational structures typical for the second stage of Niedermayer's model. They are based mainly on the decision-making and executive (steering) bodies, however, some entities have created more extensive structures including additional administrative bodies etc. As far as the decision-making bodies are concerned, there are usually two – broader called the *Congress* and narrower known as the *Political Assembly* or the *Council*, only three Europarties limit their structures to one body of this kind – ID, EDP, ECPM. In the case of executive body, it is most often the *Presidency, Bureau, Committee* or *Board*, sometimes there are two bodies of this type, but one of a more administrative nature.

Some Europarties are far advanced on their development path and close to entering the phase of supranational organisation. At the transnational stage the influence of national parties on Europarty structures is strong, at the supranational level it is much weaker. The best way to measure it is to use two indicators – the composition of the Europarty bodies that include national parties' representatives and the involvement of the latter in the decision-making process within Europarties.

The involvement of national parties' in Europarty bodies is deemed as strong when their representatives (*party on the ground*) have the largest share in the composition of Europarties' bodies. The influence is weak when the composition of Europarties' bodies is dominated by other subsystems, *party in central office* (Europarty officers and narrower bodies) and *party in public office* (Europarties' politicians in the EU bodies etc.) (Katz, Mair 1993). *Table 2* presents the variables, which characterise the involvement of national parties in Europarty bodies (representation) and the meaning of scores ranging from 1 (that is strong involvement) to 3 (that is weak involvement).

Table 2: National parties' involvement in composition of Europarty bodies – coding scheme.

Decision-making bodies (eg. Congress, Council)	1 strong	representatives of member parties and possibly some representatives of other subsystems of party structure
	2 medium	representatives of member parties and a lot of representatives of other subsystems of party structure
	3 weak	representatives of member parties in minority, domination of other subsystems of party structure
Executive (steering) bodies (eg. Board or Presidency)	1 strong	representatives of all member parties approved by the highest decision-making body and possibly some <i>ex officio</i> members
	2 medium	representatives elected by the highest decision-making body (not all member parties are represented), and possibly <i>ex officio</i> members, but former dominate
	3 weak	representatives of member parties elected by the highest decision-making body in minority , <i>ex officio</i> members dominate

Source: developed by the author on the basis of the subject literature.

The analyses of the composition of Europarty structures and national parties' involvement were conducted on the basis of formal documents: party statutes and rules of procedure. The results are presented in *Table 3*.

Table 3: The involvement of national parties in Europarty bodies (representation).

	Europarty	Decision-making body (broader)	Decision-making body (narrower)	Executive (steering) body
1	EPP	2	2	2
2	PES	1	1	1
3	ALDE	1	1	2
4	EGP	1	1	2
5	ECR	1	1	2
6	ID (MENL)	1		2
7	PEL	1	1	1
8	EFA	1	1	2
9	EDP	2		2
10	ECPM	2		2

Source: developed by the author on the basis of the Europarties' statutes.

Table 3 demonstrates that in none of the ten analysed Europarties the level of national parties' involvement is weak (code 3). In most decision-making bodies it is strong (code 1) and in most executive ones – medium (code 2). Comparisons of particular parties indicate some differences between them. Firstly, three parties: the EPP, EDP, ECPM seem to be closer on their way to the supranational structure than the others. Secondly, two leftist Europarties (PES, PEL) seem to oppose the general tendency towards a more supranational executives, they are the only entities, in which all member parties have their representatives in the executive bodies. However, it must be admitted that even if the executive bodies of the ECR and the EDP do not gather all member parties, they seem also highly representative (see: ECR 2022; EDP 2019, 2021).

Turning to the issue of **the national parties' involvement in the Europarty decision-making process**, it is perceived as strong when political decisions are made unanimously⁸. In this case each member party can serve as a veto player. The influence is weakest when the decisions are made by a simple majority of votes. The first situation is typical for the transnational structure, the second – for supranational one. Political decisions can be made by unanimity (strong influence, code 1), qualified majority (medium, code 2), absolute majority (weak, code 3), and simple majority (very weak, code 4).

Europarties make different decisions and therefore use different procedures. The administrative decisions are usually made by a simple majority of votes, while decisions on admitting new members or dissolving the organisation are made by a qualified majority. The most important are the political decisions, and they will be the subject of the analysis here, the results of which are presented in *Table 4*. Unlike the participation of national parties in the Europarty bodies' composition, here the engagement of national parties is mostly weak or very weak. The only exception seems to be the PES, partly also the EGP. In the socialist party decisions shall be made by consensus (code 1) and – merely if it cannot be reached – by a qualified majority (code 2, hence the average 1.5). In the green party decisions in decision-making bodies are made by a qualified majority (code 2), in executive body – by a simple majority (code 4). It is worth noting that the EPP change the way the decisions are made from an absolute majority (code 3) to a simple majority (code 4), which can be considered as a step towards the greater supranationality.

Table 4: The involvement of national parties in the decision-making process in Europarties.

	Europarty	Decision-making body (broader)	Decision-making body (narrower)	Executive (steering) body
1	EPP	4	4	4
2	PES	1.5	1.5	1.5
3	ALDE	4	4	4
4	EGP	2	2	4

⁸ As far as composition of the bodies is concerned, there are taken into consideration only their members with voting rights.

5	ECR	-	4	4
6	ID (MENL)	3		3
7	PEL	4	4	4
8	EFA	4	4	4
9	EDP	4		-
10	ECPM	3		-

Source: developed by the author on the basis of the Europarties' statutes currently in force (see: ALDE 2016, 2023; ECPM 2021; ECR 2022; EDP 2021; EFA 2022; EGP 2022a,b; EPP 2022; ID 2019; PEL 2022; PES 2019).

Overall, from the research on member parties' influence on European structures it is obvious that the Party of European Socialists keeps it at the highest level. Whereas the others tend more or less towards supranational structure, the organisation of socialists includes all member parties in its executive body and keeps on decision-making basing on unanimity or qualified majority, allowing therefore member parties to serve as veto-players.

Conclusions

The analysis of the formal documents of Europarties has proven that they can be located between the second and third stages of the Niedermayer's model. However, while some Europarties strive to develop the supranational structures (third stage), others seem to oppose this direction of development. The best example of the former is the European People's Party, and the latter – the Party of European Socialists.

The Europarties have decided to adopt various solutions regarding their individual membership that can be limited (closed) or open, double or parallel. Most of them ensure that their decision-making bodies are sufficiently representative. As far as their member parties are concerned, however, it is quite differently in the case of executive bodies, except the PES and the PEL. Similarly, most Europarties decided to accept a simple majority or an absolute majority as the way of decision-making in their bodies, except the PES and the EGP, which adopted unanimity and qualified majority (the EGP – only in decision-making bodies).

Two largest parties (EPP, PES) that were founded at the same time in the mid-1970s seem to have different approaches to party cooperation. The EPP tends to develop its own structures in isolation from the member parties. Its membership is limited to MEPs, its bodies are based on member parties, but also largely on party officers and EU politicians, the decisions are made by a simple majority. The development is quite different in the case of the PES. Despite a long tradition of cooperation, the socialist Europarty seems to have no ambitions to create a fully supranational structure. It has adopted open double membership, which means that the PES is simply based on members of its member parties. The same principle concerns its organisational structure, which is

created based on national party structures not in isolation from them. This Europarty has included representatives of all member parties not only in the decision-making bodies, but also in the executive organ. Adopting unanimity or a qualified majority as a decision-making method, it confirmed treating national parties as foreground organisations and possible veto-players.

Taking into consideration the differences between parties created at the same time, it is worth asking questions about the model of their development. Long-lasting party cooperation within the PES did not lead to progress towards a supranational organisation, hence it is supposed that this is not the only direction of the Europarties' development. The Nidermayer's model seems to be the convincing, but not the only option. The Europarties can act as multi-level parties in which the transfer of sovereignty from national to European level does not occur. Decentralised Europarties can prove their usefulness in multi-level political system of the EU, in which decisions are made at different level, as they are well-suited to act at each of these levels.

However, the research was conducted merely on the basis of formal documents, hence empirical analyses are required to confirm these initial findings. As the two left-wing parties (PES, PEL) are often located close to each other in the Nidermayer's model, it is worth considering further research on correlations between the Europarty structures and their ideological and programmatic stances.

Beata Kosowska-Gąstot – PhD, D.Sc., Associate Professor of Political Science at the Institute of Political Science and International Relations, Jagiellonian University in Krakow (Poland) and a co-operator at the Jagiellonian Center for Quantitative Research in Political Science. Her research interests include the theory of political parties, new political parties, parties in Poland and transnational cooperation of parties, including parties in the EU. She is a member of IPSA, ECPR, CEPESA and PTNP, conducted lectures at universities in Barcelona, Granada, Prague, and Roma. She is the author of the book *European Political Parties as Multilevel Organisations – Development, Structures, Functions* (Cracow 2014, in Polish), the author or co-author of many articles on political parties. The latest publication: Kosowska-Gąstot B., Sobolewska-Myślik K. (2023), *How Can One Assess the Level of Party Newness, Continuity, and Change? Some Examples from Poland*, "East European Politics and Societies: and Cultures", vol. 37, issue 3.

Beata Kosowska-Gąstot – dr hab., profesor nauk politycznych w Instytucie Nauk Politycznych i Stosunków Międzynarodowych Uniwersytetu Jagiellońskiego w Krakowie oraz współpracownik Jagiellońskiego Centrum Badań Ilościowych nad Polityką. Jej zainteresowania badawcze obejmują teorię partii politycznych, nowe partie polityczne, partie w Polsce oraz współpracę transnarodową partii, w tym partie w UE. Jest członkiem IPSA, ECPR, CEPESA i PTNP, wykładała na uniwersytetach w Barcelonie, Granadzie, Pradze i Rzymie. Jest autorką książki *Europejskie partie polityczne jako organizacje wielopoziomowe – rozwój, struktury, funkcje* (Kraków 2014), autorką lub współautorką kilkudziesięciu artykułów na temat partii politycznych, w tym najnowszy: Kosowska-Gąstot B., Sobolewska-Myślik K. (2023), *How Can One Assess the Level of Party Newness, Continuity, and Change? Some Examples from Poland*, „East European Politics and Societies: and Cultures”, vol. 37, issue 3.

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Evolution of the European Union's policy for development of rural communities in the context of the European Green Deal strategy implementation

Małgorzata Michalewska-Pawlak, *University of Wrocław (Wrocław, Poland)*

E-mail: malgorzata.michalewska-pawlak@uwr.edu.pl

<https://www.orcid.org/0000-0003-1371-1242>

Abstract

This article refers to development support instruments for rural communities in the European Union (EU). The author presents the systemic and strategic determinants of creation and delivery of the EU rural community policy, as well as the origins and evolution of the Union policy in the above-mentioned scope. The analysis is focused on the specific institutional and financial solutions which promote sustainable development of rural communities. The article demonstrates that multi-level and multi-agent nature of the development management system in the EU affects the implementation of a neo-endogenous policy towards rural communities in the EU. The text also presents developments in the implementation of EU policy for rural communities after 2021 in the context of the implementation of the European Green Deal (EGD) strategy.

Keywords: rural communities, endogenous potential, rural policy, European Union (EU), European Green Deal.

Ewolucja polityki Unii Europejskiej na rzecz rozwoju społeczności wiejskich w kontekście realizacji strategii Europejskiego Zielonego Ładu

Streszczenie

Tematyka tekstu odnosi się do instrumentów wsparcia rozwoju społeczności wiejskich w Unii Europejskiej. W artykule przedstawiono systemowe i strategiczne uwarunkowania tworzenia i realizacji unijnej polityki wobec społeczności wiejskich, a także genezę i ewolucję polityki unijnej w powyższym zakresie. Analiza koncentruje się na konkretnych rozwiązaniach instytucjonalnych

i finansowych, które promują zrównoważony rozwój społeczności wiejskich. W artykule wykazano, że wielopoziomowy i wielopodmiotowy charakter systemu zarządzania rozwojem w UE wpływa na realizację neo-endogenicznej polityki wobec społeczności wiejskich w UE. W tekście przedstawiono również zmiany w realizacji polityki UE wobec społeczności wiejskich po 2021 r. w kontekście wdrażania strategii Europejskiego Zielonego Ładu.

Słowa kluczowe: społeczności wiejskie, potencjał endogeniczny, polityka wiejska, Unia Europejska (UE), Europejski Zielony Ład.

The aim of this article is to diagnose the direction of evolution of instruments for supporting the development of rural communities in EU policy, in the context of implementing the objectives of the European Green Deal (EGD strategy). The author discusses the origins, functioning and changes of specific institutional and financial solutions, which were adopted at the EU level and which purpose was to contribute to the development of rural communities in the financial perspective 2021–2027. The rationale behind the topic is that the implementation of the strategic priorities of the EGD brings both opportunities and challenges for rural communities. Taking into account the fact that the level of social, economic and territorial cohesion between cities and rural areas continues to be a development challenge for the EU, and that rural communities face a range of challenges like depopulation, ageing, limited access to high quality jobs or social or digital services (see: European Commission 2021: p. 5–7; Esteban-Navarro et al. 2020), it is worth answering the question of how the EU intends to reduce their scale and improve the development opportunities and quality of life of rural inhabitants through public intervention.

The first part of this article presents the methodological assumptions for the analysis, which were applied to the objective and subjective scope of the article. In order to determine the scope, it is essential to define the major analytical categories used in the article: rural communities and their sustainable development, as well as the neo-endogenous model in rural development governance. Furthermore, the first part of the article indicates the conceptual sources for explaining the process of creating and implementing a rural community development policy at the EU level.

The subsequent part of the article describes the system for managing the EU rural community development policy, illustrates its multi-level and multi-actor nature, and includes a summary of the profile of the interest groups which represent rural communities in the management process.

The next part of the article describes the primary instruments for rural community development, which include institutions, as well as financial measures. This part of the article is also focused on the instruments' origins and evolution in historical and teleological context. The article ends with conclusions concerning the support of rural communities in the EU policy 2021–2027, determined by the EGD's priorities implementation.

The article is based on such source materials as EU legal acts and documents, as well as academic literature on the relevant concepts, academic definitions, EU policy and development of rural communities.

Methodological basis of the analysis

In light of the numerous ways of defining *rural communities* found in source literature, the author uses in this article a definition, according to which the subject of study are local rural communities which are construed as having shared goals, preferences, interests and affairs that relate to the public sphere in a given area. The source of social bonds in rural communities is the voluntary, intentional and active civic engagement, which allows to form a local community. Researchers refer to this kind of rural community as the new local community, which is established through civic participation and cooperation for the community's development (Gorlach et al. 2013; p. 103–104). As will be discussed later in this article, this definition corresponds to the EU policy for development of rural regions and their residents, which offers support instruments to rural communities that have the knowledge, skills and motivation to be engaged in rural development.

Notwithstanding the diverse social and professional structure of residents of European rural areas, the article presents rural communities as uniform analytical category; as such, neither individual social and professional groups, nor diverse local relations are isolated (Halamska 2013; p. 133). Moreover, the analysis laid out in the article does not separately discuss support instruments available to farmers, who are an important, albeit not the only group which makes up rural communities in the EU. Hence, the place of the financial and structural instruments applicable to the agriculture sector in the Common Agricultural Policy (CAP) — which are discussed in detail in numerous academic analyses (e.g. Van Herck et al. 2013; Sadłowski et al. 2021) — are beyond the scope of this article.

With regard to development instruments for rural communities, the article is focused on institutional and financial instruments, which programmatically, as part of the adopted policy of the EU, are directly dedicated to rural communities. This approach is chosen because rural communities are able to derive specific development benefits from each public policy implemented at the EU level.

Another analytical category used in this article is the *development of rural communities*, which is understood in accordance with the sustainable development model promoted in the EU policy. Sustainable development in relation to rural communities means an increase of the quality of life of rural residents thanks to dynamic economic growth, creation of new quality jobs, education, healthcare, social and territorial cohesion, as well as care for the good quality of the natural environment (Council of the European Union 2006). Therefore, the author analyses in this article the instruments used by the EU, which are dedicated to accomplishing the formulated development objective. Instruments of a policy oriented towards the development of rural communities are territorial in nature. They offer support to rural communities, which are also the subject of the policy's intervention, with consideration of their specific needs and development challenges.

In terms of the analysis of system conditions of implementing the EU policy for the development of rural communities, the concept of the *multi-level governance* (MGL) is applicable. Its fundamental theoretical assumptions were formulated by Gary Marks, who studies the structural funds reform carried out by the European Economic Com-

munity (EEC) in the late 1980s, which changed the relations of power between the Member States, transnational institutions and regional authorities in the EEC. In result of the reform, states have lost their dominant position in the development management process to other entities representing transnational and regional levels of the political structure of authority (Hooghe, Marks 2001: p. 4–5). In consequence, the level at which decisions are made, as well as the manner, in which actions and relations between actors participating in the management processes have undergone change. Taking actions and cooperating directly, i.e. without national-level involvement in decision making, has been made possible. An illustration of how MLG works is the interregional cooperation in the EU which takes place outside of governmental decision-making structures. MLG is characterised by relations of power both in the sense of a hierarchical order and networks, whereby subjects of management processes are not only public actors, but also social organisations, interest groups, trade unions and actors who wish to realise their goals and pursue their interests in a political and social system (Bache, Flinders 2001: p. 15–27).

System conditions of the rural community development policy in the EU

The process of creating and implementing the EU's policy may be considered complex due to the characteristics of the Union's public management system. As a result of deepening of European integration processes and creating the institutional order which encompasses international and transnational solutions and procedures, a multi-level system for making and implementing public decisions has been developed. The system does not have a distinct and dominant centre of accumulated power (Ruszkowski 2007: p. 211). The Union's public policies programming and implementing system has a multi-level character, which may be accounted to the EU being a subsidiary community. The organisation intervenes in areas, which are not its sole competence, only when states prove to be incapable of achieving their objectives or when the EU's involvement guarantees better results. Multi-level governance has been developed thanks to two parallel processes, i.e. centralisation and decentralisation of authority. By transferring their competence in the scope of economic and social management, EU Member States have allowed Union's authorities to create a transnational development policy. Democratisation of the management system and dispersion of resources necessary for successful implementation of territorially-oriented development policies have led to distribution of decision-making and executive powers across different levels and resulted in a departure from a hierarchical order in the decision-making process (Commission of the European Communities 2001: p. 11).

At the transnational level, the key role in the rural development policy delivery and implementation belongs to the European Commission (EC), which is responsible for preparation of legislative proposals, programming process, development of administrative procedures, allocation of funds and recommendations regarding development management standards. On the basis of partnership agreements concluded with the

EC, as well as with the assistance of national administration systems, the Member States implement financial and institutional solutions, which were developed at a transnational level, into national development management policies. Depending on the territorial structure and administrative culture of a given Member State, these processes may also involve regional and local actors (Michalewska-Pawlak 2015: p. 83–86).

Therefore, the multi-level and multi-actor development governance system of the EU creates formal conditions for actors, who represent territorial communities, to participate in decision-making processes concerning delivery of the development policy. Rural communities are an interest group, which is able to affect the decision-making process and shape of the policy at the transnational level through existing channels of articulation. Since territorial stakeholders have diverse interests, motivated by local developmental circumstances typical of a given area, they assume different forms of organisation, which are best suited to represent their interests, for example: foundations, policy networks, and groups of experts. Activity of entities, which represent rural communities before the EU, generates a number of benefits connected with informing rural communities about the possibility of pursuing their interest in the EU, providing industry information essential to policy making to EU institutions and bodies, articulating demands and expectations of rural areas at a transnational level, adopting common positions, and coordinating activities of rural areas (Kurczewska 2011: p. 106–107).

Bodies, who represent rural communities, are linked in European networks and regional organisations. The ability of these actors to influence and represent is diverse. The EC is aware of this fact (Tatham 2008) and actively supports the creation of such bodies through legislative and financial solutions. Furthermore, the polycentric mechanism for managing the EU's policy simultaneously generates bases for dialogue, cooperation and competition. It is also possible for a divergence of interests between individual institutions, which represent interests of individual rural communities. Nonetheless, it is difficult to estimate the number of agents who represent rural communities in the EU at a transnational level, because many actors, officially registered as interest groups, at the same time are lobbying in other thematic areas of EU policies. Some of these actors are worth mentioning here.

The European Rural Community Alliance, which has operated since 2004, but was formally registered as late as 2009, is a lobbying organisation which represents interest of rural communities before the EU (see: European Rural Community Alliance WWW). This organisation closely cooperates with *PREPARE – Partnership for Rural Europe*, a network established in 1999 with the aim to support civil society and intranational cooperation for rural areas within the EU. The network strives to strengthen cooperation at all management levels and include rural communities in management processes. This organisation affects the policy for rural communities by participating in meetings of the European Commission's Rural Advisory Committee (see: PREPARE WWW). Together with the European LEADER Association for Rural Development¹, created in 1999 by national

¹ See more on the website <http://elard.eu>

LEADER networks, these organisations established the European Rural Parliament (ERP) – the initiative, which consists in organising biennale meetings of organisations, networks and groups, which represent European rural communities, including from states outside of the EU (European Rural Parliament 2015).

The last general meeting of the ERP was held in Kielce in 2022, where participants formulated specific recommendations for the effective rural development policy in EU. They refer to the inclusion of rural communities and local leaders in decision-making processes, the consideration of pluralism of opinions and rural interests, real institutional cooperation at European, national and regional levels of rural governance. Moreover, ERP members expressed specific demands for funding for the development of rural communities from EU structural and investment funds. They noted: "The EU-framework for the 2028–2034 period should include a truly holistic approach and direct programs for rural development also as part of Cohesion Policy" (European Rural Parliament 2022: art. 5).

Rural communities play significant role in rural development governance processes, not only at supranational level, but above all at local one. Within the framework of EU systemic solutions, a bottom-up approach is promoted, which implies the direct involvement of rural communities and the local resources they possess in development processes. The territorial approach, which takes into account the diverse social and economic potential of rural areas, gives rural communities and their stakeholders the opportunity to create their own unique, specific and locally adapted innovative management solutions to solve existing problems and reduce marginalisation processes.

EU policy instruments for support of rural community development

The traditional paradigm for development of rural community, which was adopted by the European Economic Community (EEC) at the moment of its creation, had a sectoral nature and centred on the increase of agricultural production through ensuring an adequate level of income to people working in the agriculture sector. This viewpoint was justifiable in the 1950s, because there was a deficit of basic agricultural products in economies of European states and a high rate of rural residents employed in the agriculture sector, which in certain states reached 60% of all people employed in rural areas (Harvey 2015: p. 6–9).

A steady departure from the sectoral approach to rural development begun in the late 1980s, together with social, economic and environmental changes taking place in European rural areas. In retrospect, it can be said that the origins of the EU's rural communities development policy date back to the late 1980s, when the regional policy of the EEC Community was shaped, which aim was to support the development of regions facing structural challenges. In the Single European Act, among others, rural areas were considered as areas lagging behind. Therefore, the regional policy at that time included an objective, which concerned the development of overpopulated and peripheral rural

areas with low-income population, relatively low GDP per capita, degraded natural environment and high vulnerability to reforms of the CAP (Pietrzyk 2000: p. 98).

Significant changes in support instruments for rural communities were introduced by *Agenda 2000* and the two-pillar *Common Agricultural Policy (CAP)*. In addition to market and price interventions dedicated to the agriculture sector, between 2000 and 2006, the Guidance Section of the European Agricultural Guidance and Guarantee Fund, as part of the rural pillar of the CAP, financed basic services for the rural economy and population, renewal and development of rural areas and preservation of rural heritage, as well as support of tourism and craft (Rowiński 2008: p. 19–20).

The key moment in terms of creating rural community development policy instruments was the start of the European Agricultural Fund for Rural Development (EAFRD), which since 2007 has financed the second pillar of the CAP of the EU. Funds were paid out within an architecture of rural areas' development programmes at national or regional levels, within whose framework the Member States chose actions from 26 available support measures. However, only two measures directly applied to the support of rural community development as a whole: (1) basic services and village renewal in rural areas, and (2) LEADER. The remaining 24 actions were oriented towards restructuring and modernisation of holdings, environment protection and combating climate change (Regulation 1305/2013).

Therefore, economic and environmental priorities of the EU prevail over social aspects of rural areas' development. The total EAFRD's budget for 2014–2020 was over 150 bn euros; around 43 bn euros were allocated for projects concerning increase of competitiveness of small and medium-sized enterprises in rural areas, over 16 bn euros – for social inclusion expenses, around 3,5 bn euros for research and development, over 3 bn euros – for creation of sustainable and quality employment, just under 2 bn euros – for new ICT-technologies expenses, and over 1,5 bn euros – for education and vocational trainings (European Commission 2023). A detailed analysis of funds from the Rural Areas Development Programme reveals that beneficiaries of financial measures provided for by the EAFRD were primarily stakeholders associated with the agriculture and forestry sector, i.e. individual farmers and institutions in the agriculture sector.

Since 1991, LEADER has been the major instrument of the EU policy for local communities. In subsequent financial perspectives, it has been defined as a community initiative, a programme, a measure, a priority axis, and in 2014–2020 financial perspective – as one of the available methods for implementation of the rural development programme (Michalewska-Pawlak 2015: p. 161–163). Regardless of its place in the structure of the specific Union's policy, the principle purpose of this instrument and the manner of its implementation has not changed. LEADER is the only tool of the Union's policy for rural areas, which allows for complete decision-making and executive empowerment of rural communities in the local development management process insofar as rural communities – within local action groups which include public, social and private partners – create bottom-up, multi-sector partnerships oriented towards the development of the endogenous potential of a specific location (Dax et al. 2016). The LEADER measure is

based on the assumption that rural community is aware about the issues pertinent to a given area, and thanks to cooperation, involvement, ingenuity and social activity, that community is able to create innovative solutions driving social and economic change in rural areas, as well as solving or minimising problems which cannot be resolved by traditional public policy instruments (Bosworth et al. 2016; Chevalier, Vollet 2019). The quality and efficiency of pro-development actions undertaken by rural communities is diverse and determined by several variables, including local institutional systems, the quality of social capital or the condition of the civil society. Notwithstanding, LEADER is a solution which enables rural communities to obtain funds for bottom-up development strategies. Therefore, LEADER is a unique instrument in the EU territorial development policy: this measure allows rural communities for bottom-up creation of development processes, where bottom-up social engagement is a precondition for the use of this instrument.

When in 2010 the development strategy *Europe 2020* was adopted by the EU, three pillars of economic, social and environmental growth were established. These principles are also applicable to rural communities, where quality of life is affected by the realisation of the above-mentioned objectives. The basis for smart growth is knowledge and innovations based on new technologies, which significance little by little becomes included in the rural community development policy. However, this happens relatively late, considering that the smart approach to regional economic specialisations has been implemented in the EU development policy since 2014 (Michalewska-Pawlak 2021: p. 30, 33). The debate on the creation of the initiative *Smart Villages* has begun in the EU in 2017 and has included both a presentation of good practices in the scope of implementing innovative solutions concerning satisfying needs and supplying services to rural communities, with their active involvement, and a reflection on the package of measures in the scope of territorial development policy, which could encourage rural communities to create, implement and spread these practices (Panciszko 2021: p. 43–44). Therefore, *Smart Villages* are another bottom-up idea on how to create conditions for growth of individual communities, which takes into consideration their territorial specificities, knowledge, new technologies and cooperation. However, presently, there has been an ongoing debate regarding the form of EU support, in the immediate future, for such initiatives undertaken by rural communities.

The European Green Deal and the implementation of development policy for rural communities in the EU 2021–2027

The current EU social, economic and environmental development strategy EGD, proposed by the EC in 2019, should be considered as the main determinant of policies supporting the development of rural communities between 2021 and 2027. The adoption of the EGD strategy means the entry into a new phase of economic development in the EU, which implies the alignment of economic and social objectives with ecological and climate protection. Achieving the objectives formulated in the EGD relating to the development of Europe as a continent to achieve climate neutrality by 2050 requires changes in a number of sectoral and territorial policies and actions (European Commission 2019).

The EGD strategy implementation presents both specific opportunities and challenges for all EU regions, including rural areas. These relate to the effects of profound structural changes in the economy, the labour market or consumption patterns and levels. Although the main axis of the changes proposed by the EGD is focused on reforms of the agricultural sector to reduce its carbon intensity, decarbonisation, production of healthy and safe food, shortening of the supply chain and protection of biodiversity (Prandecki et al. 2021), the social dimension of its implementation cannot be overlooked. Failure to take into account the social determinants and costs of the introduced economic and environmental changes may contribute to the deepening of social and territorial inequalities, a sense of social exclusion and social injustice, and consequently the growth of Euroscepticism and populist sentiments (Kruszyński 2022: p. 34–36).

In the case of the policy to support the development of rural communities in the current multi-annual financial perspective, it is oriented to supporting the transformation of the rural economy towards a more sustainable one. On 30 June 2021, the EC published the communication: *A long-term Vision for the EU's Rural Areas – Towards stronger, connected, resilient and prosperous rural areas by 2040*, in which challenges and the priorities in the rural areas development were defined. In accordance to green transition established by the EGD strategy, the role of innovation, cooperation, exchange and sharing knowledge was stressed. In the above-mentioned document, the European Commission emphasised that the economic development of rural communities should have been interconnected with bioeconomy which contains „agriculture, forestry, fisheries, aquaculture, and the production of food, feed, bio-energy and bio-based products” (European Commission 2021: p. 7).

The EC referred to local communities and showed their role in the governance of rural development, by participation in the decision-making processes and creation of place-based policies and investments. As crucial determinants of vibrant rural communities existence the transport connections and digital transition were recognised (European Commission 2021: p. 10–11).

The main financial instrument of rural communities support still remains the European Agricultural Fund for Rural Development (EAFRD). In comparison to the previous EU financial perspective 2014–2020, from 2021 to 2027 the total allocation for the EAFRD has been reduced by 19% (European Parliament 2022). The LEADER programme has been sustained and the EU Member States have an obligation to spend at least 5% of the EAFRD's budget for bottom-up developmental strategies managed by local stakeholders (Regulation EU 2021/2115: art. 92).

For the preparation and implementation of smart villages strategies and other forms of cooperation aimed at rural development funding has been maintained. Rural communities, through the use of smart villages strategies, can deal with local challenges defined by the EGD strategy as key, relating to biodiversity, renewable energy, water management or sustainable mobility (Annex 2021).

The LEADER provides opportunities for various bottom-up initiatives by rural residents and various social and professional groups. What can be perceived as unfavourable change from

the perspective of the needs of local communities, is the reduction of the maximum level of funding for local community projects to 80% of eligible costs, which in the previous financial perspective was 85% (Regulation EU 2021/2115). In practice, this means that beneficiaries will be forced to seek additional funds to finance 20%, which may be a challenge for local communities in backward regions affected by development constraints.

New solution in the current financial perspective is the option of engaging the EAFRD for transnational learning mobility of rural communities. This offer is mainly aimed at young farmers and women, the groups perceived as key for rural development (Regulation EU 2021/2115). This solution integrates rural policy instruments into the programme *Erasmus+* and means not only better coordination of support measures, but also investment in knowledge and the quality of human capital.

The detailed analysis of the instrumentarium of support for rural communities in the period 2021–2027 demonstrates that the existing institutional and financial arrangements are focused mainly on environmental and climate priorities. No less than 40% of the EAFRD is dedicated to the measures, which refer to environmental protection and climate changes (Regulation EU 2021/2115). Climate neutrality, biodiversity protection or healthy and affordable food are the benefits to be enjoyed by all EU residents as a result of the EGD strategy implementation. The agricultural sector and farmers, as the professional group with public support and responsibility for achieving the "green" and climate objectives of the EGD, have been playing a central role in these transformations.

Between 2023 and 2027, as part of improved managerial and financial flexibility, the Member States have had the possibility of shifting the EAFRD and amounts allocated to direct payments in the range of 25% to 30% of the funds allocation between the two pillars of the common agricultural policy. On the one hand, this rule offers the possibility of transferring increased funds to rural communities, but at the same time there is no guarantee that, due to the needs of the agricultural sector and food security, this process will be reversed, and the EAFRD will be transferred to agricultural development at the expense of projects dedicated to rural communities.

The EC provides for financial transfers under the Structural Funds and other horizontal programmes, which will ultimately reach rural areas. A special role in promoting the use of knowledge, innovation and cross-sectoral cooperation is to be played by the programme *Horizon Europe*, bringing together rural beneficiaries and the world of science to develop smart solutions to serve rural communities (Annex 2021: p. 1). The emphasis on knowledge and innovation has never been as prominent in EU activities to date. Indeed, these two factors are seen as the remedy to part of the development challenges of the European countryside.

Conclusions

The analysis of the EU policy for rural communities development demonstrates that its objectives and instruments of implementation are the result of the impact of various conditions, both of a social nature, relating to the characteristics of rural communities

and of systemic character, in terms of the adopted model of development management in the EU, and of a strategic one, relating to development objectives defined at the level of the entire integration grouping.

The genesis of the rural community development policy is related to the changes taking place in rural areas, and its instrumentation results from the adopted development model based on balancing economic, social and environmental elements and taking care of the quality of life in rural areas. The policy is implemented by means of a range of financial instruments, in the form of the funds, with particular reference to the EAFRD, and institutional solutions that allow the territorial diversity of rural communities in the EU to be taken into account. The adopted instruments are part of the neo-endogenous approach to rural development, based on the assumption of using local, specific and unique development resources, existing local social and economic relations and the opportunities provided by the EU institutional and financial system in this regard. Owing to the assumed neo-endogenous nature of development processes, existing instruments for supporting the development of rural communities in the EU have a flexible character and can be implemented by communities at different levels of development and with different interests and challenges.

The implementation of the objectives of the EGD strategy has significantly influenced the process of supporting the development of rural communities. The level of funding for community projects has been reduced in favour of supporting environmental and climate initiatives and sustainable agriculture, while recognising the subjective role of local communities and knowledge and innovation for bottom-up rural development.

The ultimate influence on the level of support for rural populations comes from the decisions of the Member States, which, in a multi-level system of rural development governance, play a key role in the territorial distribution of financial resources.

Małgorzata Michalewska-Pawlak – dr hab., works at the Institute of European Studies of the University of Wrocław, a researcher-Europeanist by profession, vocation and passion. Her scientific interests include: theoretical and practical European integration processes at supranational, regional and local levels. She carries out scientific and didactic projects in the thematic areas of local and regional development management, social innovation and socio-economic and political processes taking place in the European Union. She is the author and co-author of eight scientific monographs and more than thirty scientific papers on regional development and selected EU policies.

Małgorzata Michalewska-Pawlak – dr hab., pracuje w Instytucie Studiów Europejskich Uniwersytetu Wrocławskiego, badaczka-europeistka z zawodu, powołania i zamiłowania. Naukowo zajmuje się procesami integracji europejskiej w wymiarze teoretycznym i praktycznym na poziomie ponadnarodowym, regionalnym i lokalnym. Realizuje projekty naukowe i dydaktyczne w tematycznym zakresie zarządzania rozwojem lokalnym i regionalnym, innowacji społecznych i procesów społeczno-ekonomicznych i politycznych zachodzących w Unii Europejskiej. Jest autorką i współautorką ośmiu monografii naukowych i ponad trzydziestu artykułów naukowych poświęconych tematyce rozwoju regionalnego i wybranych polityk UE.

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HISTORY, CULTURE AND SOCIETY IN EUROPE

Educational activity of farms in selected European countries

Piotr Gabryjończyk, *Warsaw University of Life Sciences (Warsaw, Poland)*

E-mail: piotr_gabryjarczyk@sggw.edu.pl

<https://www.orcid.org/0000-0002-8815-9723>

Jan Zawadka, *Warsaw University of Life Sciences (Warsaw, Poland)*

E-mail: jan_zawadka@sggw.edu.pl

<https://www.orcid.org/0000-0003-1979-0607>

Krystyna Krzyżanowska, *Warsaw University of Life Sciences
(Warsaw, Poland)*

E-mail: krystyna_krzyzanowska@sggw.edu.pl

<https://www.orcid.org/0000-0002-4160-6661>

Abstract

The aim of the article is to present the genesis and idea of the activity of educational farms, as well as their organisation and functioning in selected European countries (Poland, Italy, Switzerland, Austria, France). The desk research method was used in this study. Educational farms in different countries are connected by the area of their operation and the goals pursued. However, significant differences can be found in the official requirements for such entities, as well as in the ways and possibilities of cooperation between them within the organisations associating them, which results in significant heterogeneity of educational farms in individual countries. The presented research outcomes may be helpful in improving existing and creating new entities associating educational farms.

Keywords: educational farms, didactic farms, educational functions of farms, European countries.

Działalność edukacyjna gospodarstw rolnych w wybranych krajach europejskich

Streszczenie

Celem artykułu jest przybliżenie genezy i idei działalności gospodarstw edukacyjnych oraz ich organizacji i funkcjonowania w wybranych krajach europejskich (Polska, Włochy, Szwajcaria, Austria,

Francja). W badaniach posłużono się metodą *desk research*. Gospodarstwa edukacyjne w różnych krajach łączy obszar działania i realizowane cele. Znacznych różnic można się jednak doszukać w oficjalnych wymogach stawianych takim podmiotom, jak i w sposobach oraz możliwościach współpracy między nimi w ramach zrzeszających je organizacji, co przekłada się na znaczną heterogeniczność gospodarstw tego typu w poszczególnych krajach. Przedstawione wyniki badania mogą być pomocne przy udoskonalaniu istniejących i tworzeniu nowych podmiotów zrzeszających gospodarstwa edukacyjne.

Słowa kluczowe: zagrody edukacyjne, gospodarstwa dydaktyczne, edukacyjne funkcje gospodarstw rolnych, państwa europejskie.

Educational activity is now becoming an increasingly important function of agriculture and rural areas. The background for its implementation are not only the resources of farms and agritourism farms, but also the entire natural, cultural and social environment of the rural areas (Sikorska-Wolak et al. 2018: p. 8). This idea fits into the paradigm of multifunctional and sustainable agriculture promoted and developed in European countries, which is indicated by, among others, Monaghan et al. (2017), Sin et al. (2018), and Zawadka et al. (2021). Precursors in the field of educational agriculture in Europe were Scandinavian countries. At the beginning of the 20th century, they started to implement the ideas of the American movement initiated by the 4H Club (*Head, Health, Heart, Hand*), which aim was the harmonious development of the individual through the implementation of the concept of "learning by doing" (Stewart 2013). This initiative contributed to the start of the so-called "city farms", i.e. farms located in urban or suburban areas, the aim of which was to familiarise children, teenagers and adults living in cities with farm animals and agricultural crops (see: www.cityfarms.org).

In many European countries, many entities deal with the development of education in a farmstead, e.g. owners of educational farms, teachers, employees of advisory organisations and ministries. Various types of training and courses are organised, both for farmers and teachers conducting classes in educational farms, as well as annual meetings of all interested entities, and cooperation networks are created. Courses preparing farmers for educational activities are particularly important. In some countries, farm owners must obtain special certificate to carry out this activity (Czarnecka 2007: p. 149–150).

Currently, educational activity on farms is undertaken in many countries of the European Union. Most of the farms are associated in regional or national networks or consortia. One of the first international organisations of this type was the *International Association of Educational Animation Farms*, established in 1985¹ (fr. *Groupement International des Fermes d'Animation Éducative*, GIFAE). It associated farms from France, Belgium, Spain, Portugal, Switzerland and Canada. The aim of this organisation was to activate children and youth in the field of protection of the environment, natural and cultural heritage, and natural education carried out during field activities (Girault, Fortin-Debart 2006: p. 6; Włodawski 2011: p. 25). In 2010, the organisation ceased its

¹ The translations of foreign proper names presented in the study were made by its authors.

activities, but its mission is continued by European Federation of City Farms (EFCF), co-founded by GIFAE (Chojnacka-Ożga, Ożga 2007: p. 186). It is worth mentioning here that the EFCF's activity has a global dimension and brings together over 2,000 farms in Europe and beyond.

Interesting initiative that has recently gained great popularity in many countries, which perfectly fits the activities of educational farms, is *Green Care*, which is a well-established international concept that uses animals, plants and nature in promoting health and healthy lifestyle (Steigena et al. 2016: p. 693).

The aim of the research, hypothesis, and used methodology

The aim of this study is to analyse the educational activities of farms in selected European countries. The research issues are reflected in the following questions:

- 1) What is the origin and idea of functioning of educational farms?
- 2) What is the organisation and functioning of entities of this type in selected European countries?

The following countries are included in the research: Poland, Italy, Switzerland, Austria, France. The choice of these countries is not accidental. After a thorough analysis of the available information, it is found that only in these countries the functioning of farms performing didactic functions is carried out on the basis of a superior (usually nationwide) unit, whose role is to inspire and assist in establishing such entities, as well as to promote and coordinate their activities.

In order to achieve the research objective, the desk research method was used (Bednarowska 2015; Guerin et al. 2018), with institutional and legal analysis included, and a case study. The analysis covered scientific and popular science publications on educational farms, documents in the field of government and regional legislation on them, websites of the discussed entities, information brochures, as well as reports (including statistical ones) published by organisations associating farms of this type. The review of these publications, studies and documents made possible discussion of functioning the educational farms in selected European countries. It also allowed the verification of the research hypothesis, which assumed that regardless of the country, the idea of educational farms is connected by the area of activity and the goals set for them by their owners. However, the formal and legal requirements for the farms are different, as are the ways and possibilities of their cooperation within larger organisations associating them.

Research results

Educational farms in Poland

Great opportunities for education using the natural and cultural resources of the Polish countryside and farms, as well as the experience of other countries, inspired the Ministry of Agriculture and Rural Development (MARD) and the Agricultural Advisory

Center (AAC) in Brwinów, Branch in Kraków, to create a network of educational farms (Sikorska-Wolak, Zawadka 2016: p. 104). The National Network of Educational Farms² (NNEF) was established in 2011 and is run by the AAC in Brwinów, Branch in Kraków. The aim of its activities is to popularise the idea of education on a farm and to promote the activities of educational farms. Any facility that meets the definition of *educational farm* approved by the MARD in November 2011 can join the network. The educational farm is an object:

- 1) located in rural areas,
- 2) run by a resident of the village,
- 3) accepting children and youth as part of school programs and extracurricular activities,
- 4) owning and presenting livestock or agricultural crops,
- 5) pursuing at least two educational goals from five listed below:
 - education in the field of crop production,
 - animal production education,
 - education in the processing of agricultural products,
 - education in the field of ecological and consumer awareness,
 - education in the field of rural material culture heritage, traditional professions, handicrafts and folk art (Kmita-Dziasek 2014: p. 5; Krzyżanowska, Kowalewska 2015: p. 18–19; Bogusz, Kmita-Dziasek 2015: p. 157–158; Zawadka et al. 2021).

The educational farm should have livestock or agricultural crops intended for presentations to groups of children and youth admitted as part of school and out-of-school programmes or made available as a tourist attraction for families with children and adults traveling individually. The implementation of these goals can be undertaken by natural persons, including individual farmers, but in some cases also such organisational units as: companies, cooperatives, farmers' wives' associations (Raciborski 2014: p. 49). The minimum, obligatory technical condition is to have a roofed place to conduct classes and make toilets available to participants of classes and to meet the safety conditions specified by law (Kmita-Dziasek 2015: p. 6).

The NNEF does not have legal personality, it operates in the agricultural advisory system on the basis of voluntary cooperation of the central unit (AAC in Brwinów, Branch in Kraków) and voivodeship agricultural advisory units (AAU). At the national level, the NNEF activities are coordinated by the AAC in Brwinów, Branch in Kraków. At the voivodeship level, the partners of the AAC in Brwinów Branch in Kraków are the AAUs located in 16 voivodships. In each AAU there is at least one advisor prepared to act as a voivodeship coordinator. The coordinators recommend farms for the network, advise how to adapt the farm to provide educational services, help in developing programmes and in completing the application form for the network. They conduct promotional and training activities in the region.

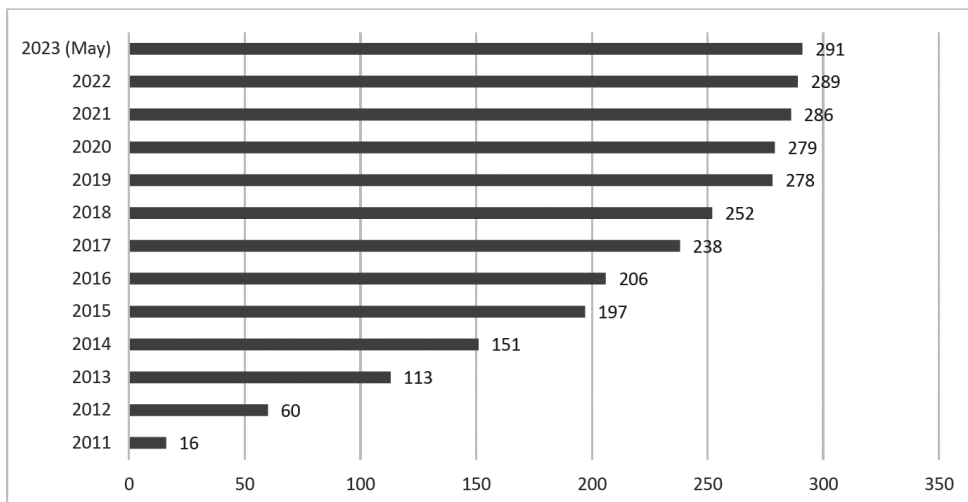
² pl. *Ogólnopolska Sieć Zagród Edukacyjnych*.

Figure 1: NNEF's logo

Source: www.zagrodaedukacyjna.pl (20.05.2023).

At the local level, farms interested in providing educational services prepare an application along with a description of the proposed educational programs. Participation in the network is voluntary and free of charge. Farms admitted to the network have the opportunity to promote offers in the nationwide Internet system, at fairs and other promotional events, and in the media. They can participate in the experience exchange on social media. They have access to substantive guides, can participate in periodic training sessions and receive advisory support from the AAU specialists. Network's participants have the right to mark the object with the logo of the educational farm (Krzyżanowska 2016: p. 306–307).

The development of the NNEF is characterised by significant dynamics. The increase in the number of associated farms in individual years is presented in Figure 2.

Figure 2: Number of farms belonging to the NNEF in 2011–2023

Note: The number of farms in individual months of each year was characterised by a small variability. Source: own elaboration based on data from the AAC in Brwinów, Branch in Kraków and information available on the website: www.zagrodaedukacyjna.pl.

Educational aspects have been implemented in many agritourism farms from the beginning of their existence, but the creation of the NNEF concentrated this activity under a common brand and gave it a more professional character.

Educational farms in Italy

The first initiatives of opening farms to visitors in order to disseminate knowledge about their functioning took place in Italy in the 1960s. They can be exemplified by projects such as *Open Gates* (ital. *Cancelli Aperti*) or *Day on the Farm* (ital. *Giornate in Fattoria*), undertaken by industry associations, aimed at bringing the countryside and agriculture closer to the city dwellers (Rossetto, Sambin 2013; p. 13). However, this idea began to be implemented in a formally organised way only in 1997, when the Alimos³ cooperative (at that time acting as an agri-environmental observatory), in cooperation with farmers from the province of Forlì-Cesena, created the first network of educational farms in the Emilia-Romagna region, called *Rete delle Fattorie Didattiche Romagnole*. In 1998, after joining the network of other provinces in the region, the project *Open Farms and Educational Farms* (ital. *Fattorie Aperte e Fattorie Didattiche*) was launched. During this period, also Piedmont Agrotourism Consortium (ital. *Consorzio Agriturismo Piemonte*) and Mantua Agrotourism Consortium (ital. *Consorzio Agriturismo Mantovano*) promoted ideas of this type. In 2000, as a part of the project *City Farms – A network of ecological didactic farms for ecological education and aware consumption* with financial support from the Ministry of the Environment, the Alimos cooperative developed a nationwide inventory of educational farms and a map of projects of this type.⁴

Despite its considerable size of activity, specificity of educational farm⁵ in Italy is not specifically regulated at national level (*Estate a scuola...* 2021). In a very general way, this issue was referred in normative acts concerning agritourism (Legge 20 febbraio 2006) and social farming (Legge 18 agosto 2015). Precise (and somewhat varied) guidelines for the accreditation and operation of educational farms were developed at the regional level. However, it is important that each farm of this type must be registered and meet certain quality requirements, and its teaching staff must undergo special training course.⁶ Teaching activity can be carried out by farms and agritourism farms (Ronchetti et al. 2011).

In Italy, there is no national government institution coordinating and supervising the development of educational farms. Informally, however, this role is now played by an initiative started by the Alimos cooperative (today RI.NOVA Società Cooperativa) through the website *Fattorie Didattiche* (www.fattoriedidattiche.net), which is administered by

³ In 2021, Alimos and CRPV merged to form an entity called RI.NOVA Società Cooperativa, which specialises in research and experimentation in the field of crop production (see more: www.rinova.eu/).

⁴ See more on website: www.fattoriedidattiche.net

⁵ It should be noted here that the Italian concept of a farm in its construction assumptions is more similar to the Polish concept of an enterprise, not a farm. Therefore, they can be defined as an organised set of tangible and intangible components intended for conducting business activity (Szymacka 2009). A farmer, on the other hand, is referred to as "professional agricultural entrepreneur" (ital. *imprenditore agricolo professionale*). See more: Decreto Legislativo 27 maggio 2005.

⁶ See more on website: www.animalissimo.it

RI.NOVA. Farms listed there, in addition to the criteria imposed by regional regulations, must meet certain quality requirements: be environmentally friendly, cozy and comfortable, properly equipped and safe, and have a specific didactic programme.

Figure 3: Fattorie Didattiche project's logo



Source: www.fattoriedidattiche.net/ (18.05.2023).

It is also important that such farms should be located near cities or main communication routes. In the case of units located far from cities and less accessible, it is advisable to provide food and accommodation, which facilitates a longer stay.

In order to ensure high pedagogical and substantive quality of classes conducted in educational farms, the Alimos cooperative launched in 2010 an online course addressed to representatives of educational farms and people wishing to start this type of activity. This training course is also carried out now, and its cost is €61.⁷

The development of educational initiatives on farms and agritourism farms is quite a dynamic phenomenon in Italy. In the first national census of such entities, conducted in 2000, 276 entities were listed. In 2005, there were 622 of them, and in 2010 – just 2,000. In 2018, 2,680 educational farms were listed in the regional registers, and in 2020 as many as 3,120. It is also worth noting that 60% of teaching farms were agritourism farms. Of course, this does not mean that all agritourism farms in Italy have regional accreditations for teaching activities. Out of 24.6 thousand of Italian agritourism farms in 2019, only 1,715 (i.e. 7.0%) were listed on regional lists of educational farms (*Vademecum...* 2021).

At the end of May 2023, 2,954 educational farms accredited by regional authorities were listed on the website *Fattorie Didattiche*. The Veneto region dominated (324 places, 11.0% of the total), Emilia-Romagna (287 places, 9.7%) and Piedmont (273 places, 9.2%).

It is also worth mentioning here that invoices or bills for teaching services may be issued by farm owners without VAT if the given entity is listed in the regional registers of educational farms and the service provided is part of the state or regional curriculum (e.g. agreed with the public school teacher) (Decreto del Presidente... 1972: art. 10, n. 20; Agenzia delle Entrate 2007).

⁷ It should be noted, however, that this course cannot be recognised for the purposes of accreditation by some regional authorities that organise such training courses in their area of operation.

Educational farms in Switzerland

Farmers' attempt to bring their work closer to the rest of society contributed to the idea of using farms (usually in Switzerland in the form of a sole proprietorship; see: Bundesamt für Statistik 2023) as a place for teaching classes, which has been popularised in Switzerland for almost 40 years. Initiatives of this type were initially implemented by individual farms. Since the 1990s, these activities have been carried out in a coherent and coordinated way as part of the project *Schule auf dem Bauernhof* (SchuB), which serves to spread knowledge, exchange ideas and disseminate the concept of educational farms (www.sbv-usp.ch).

The SchuB, like the partnership campaign *Schweizer Bäuerinnen & Bauern*, which aim is to build and maintain relationships between town and country, strengthen trust in local agriculture and promote the sale of local products, is a project of the Swiss agricultural sector (*Basiskommunikation* WWV). SchuB is a decentralised entity. Forum SchuB is the coordinator of the development of educational farms in Switzerland at the national level (Wydler 2012: p. 2). Its activity is wide-ranging and mainly concerns the promotion of the idea of the functioning of educational farms, care for the quality of their services and ensuring further improvement and development of the offer. The Forum SchuB is the first point of contact for cantonal project managers, it supports the cantons in training service providers, actively participates in promoting the SchuB initiative by organising and participating in local and regional events. A very important role of the Forum is to create teaching materials for farmers – educators and teachers. However, each canton has its own SchuB organisation that oversees educational farms in its area.⁸

Figure 4: *Schule auf dem Bauernhof* project's logo



Source: www.schub.ch (18.05.2023).

The National Forum SchuB (germ. *Nationales Forum "Schule auf dem Bauernhof"*, SchuB) facilitates exchanges between cantons and language regions, prepares teaching and promotional materials for schools and farms, supports and organises exchange and training events and thus contributes to the dissemination of the SchuB programme. This work brings results, as evidenced by the fact that in 2022 a record 60,000 students participated in didactic classes organised in farms associated in SchuB (*Schule auf dem Bauernhof knackt...* 2023).

⁸ See more on the website: www.schub.ch/#ueber-uns

It is also worth noting that the number of Swiss educational farms that have joined the SchuB initiative has been declining in recent years. In 2016, their number was 420, and 45,000 people participated in the classes (Jahresbericht 2016), but in 2020 there were just 400 educational farms (*Schule auf dem Bauernhof...* W/W/W, 2023). In mid-May 2023, 393 such farms were listed on the SchuB portal (www.hofsuche.schub.ch/de). However, the number of people using farms' offer increased by 25%. The interest in participation of Swiss students in visits to educational farms is certainly supported by the fact that the costs of such activities are partly covered by the cantonal branches of the SchuB. The amount of co-financing varies regionally. The costs that schools must pay include: costs of travel to the farm or possible meals for the participants of the classes. However, it is important that visits to educational farms are carried out as a didactic project in the context of education for sustainable development, so the school can apply for additional funding from *éducation21*, the national centre for education for sustainable development.⁹

Educational farms in Austria

An initiative bringing together owners of educational farms in Austria is the *Schule am Bauernhof* (SaB). This project has been implemented since 1998 (ÖKL 1999), and its initiator (unlike in Italy and Switzerland) was the government authority (ministries) and the Environmental Education Forum (germ. *Forum Umweltbildung*). The project is financed by federal government, federal states and the EU under the European Agricultural Fund for Rural Development (Grasböck 2015: p. 12). The entity implementing and coordinating this undertaking is the Rural Training Institute (germ. *Ländliches Fortbildungsinstitut*, LFI; see: www.landwirtschaftundschule.at).

Figure 5: *Schule am Bauernhof* project's logo



Source: www.schuleambauernhof.at (20.05.2023).

On farms gathered around the idea of SaB, programmes are implemented that enable children and youth to learn about the specifics of agriculture and food production. This knowledge is to strengthen their attitude as environmentally aware consumers, provide a better understanding of ecological and economic contexts, learn about various forms of agriculture and the origin and production of food. The essence of the project is best reflected in its motto: "We are a school that is not the school you know."

⁹ See more on the website: www.education21.ch

The school building is an outdoor space, the classroom is a field, meadow, forest and stable. Our instructors are plants, animals and people living on the farm" (see: www.schuleambauernhof.at). On farms, stays of a few hours or a whole day are carried out (they constitute the vast majority), and even stays for a week. During one-day visits, participants will learn basic information about agriculture. They have the opportunity to contact farm animals, they can see crops, machines, and participate in various farm activities, such as milking cows, harvesting crops, processing products. The purpose of visits of this type is to arouse the interest of children and youth in the issues of the countryside and agriculture. One-week stays (where participants are provided with accommodation and meals) allow them to get to know and delve into the issues of agricultural production through participation in everyday duties in a farm, establishing relationships with animals, their observation and breeding, as well as active participation in the process of plant cultivation.

An obligatory condition for Austrian farmers joined the SaB programme is the completion of certification course (*Bäuerinnen in Österreich* 2019). Its topics concern pedagogical and didactic issues, organisational, legal and security problems. The training lasts at least 80 hours and ends with an exam (*Zertifikatslehrgang...* 2021). These qualifications allow to conduct classes with children and youth from the age of six to the end of compulsory education (maximum 20 years), as well as educators and future educators, without age limits (*Netzwerk...* 2018). Rural educators belonging to the SaB can also broaden their knowledge and competences within the framework of many training initiatives carried out jointly with the Austrian Pedagogical University of Linz. In order for a given farm to start educational activity, it is also necessary to verify its safety, carried out by the insurance company SVS.

Due to the COVID pandemic, the SaB farms have been able to offer significantly fewer farm visits in recent years. While in 2019, slightly more than 87,000 children got to know the specifics of farms during almost 5 thousand visits, in 2021 there were only about 35,000 children with around 60% fewer visits (www.ots.at).¹⁰ In mid-May 2023, there were 459 farms in Austria involved in the implementation of this project.¹¹

Educational farms in France

There are many farms in France that provide various types of educational services – their number is estimated at over 1,400 (Cazenave 2023). However, these farms differ significantly in their specificity, so their group is highly heterogeneous. There is also no single organisation associating all entities – the most important is the nationwide network of farmers *Welcome to the Farm* (fr. *Bienvenue à la Ferme*, BF), which was established in 1988 and currently supports approx. 10,000 farmers through activities aimed at maintaining the quality of products and services, creating technical facilities, promotion, communication between partners and development of members (*Le réseau Bienvenue à la ferme* W/W). The second important organisation is the network *Village Welcoming*

¹⁰ Information from the website www.ots.at (see more: "*Schule am Bauernhof*" startet... 2023).

¹¹ See more on the website: www.schuleambauernhof.at/betriebe

(fr. *Accueil Paysan*), which has existed since 1987 and consists of 13 local associations, each with a specific structure (*Nos associations locales* WWW). For this reason, they usually gather small number of educational farms from a given area, e.g. in the case of *Pays de la Loire*, it is 13 entities.¹²

The French official definition of the educational farm was established in 2001 with the publication of the interdepartmental circular, which stated that it is a facility presenting farm animals and/or crops, which regularly has visitors (mainly children and youth from school or out of school) interested in this type activity (*Circulaire...* 2001). Such a broad definition means that several types of educational farms are distinguished in France:

- entertainment farms, i.e. facilities created especially for the needs of guests, with numerous animal species, without (or with little) commercialised agricultural production, usually located close to cities (*Circulaire...* 2001);
- generally accessible educational farms, which basic function is agricultural production, and educational activity allows them to diversify their sources of income, which contributes to the multifunctionality of agriculture (*Circulaire...* 2001);
- mixed educational farms, where the shares of turnover related to educational activity and agricultural production are similar (proportions between 40% and 60%) (*Les fermes pédagogiques...* WWW);
- mobile educational farms, where animals and the necessary equipment and accessories are transported to selected destinations (e.g. schools, recreation centres, workplaces, institutions, retirement homes), where "artificial farm" is created, with educational workshops and classes (*Ferme Pédagogique Itinérante* WWW).

Regardless of the type, French educational farms have the same goals (*Circulaire...* 2001):

- they should propose different pedagogical approaches (e.g. sensitive, sensory, creative) which at the same time enable embedding learning in reality;
- should facilitate understanding of farming, its challenges and constraints, as well as build awareness of food quality;
- should contribute to the understanding of urban-rural relations in economic, social, cultural and environmental terms;
- should contribute to local development, also by strengthening partnerships between local actors;
- should contribute to the personal development of individuals and civic attitudes through education in the area of respect for other people and living beings, and learning responsibility.

The specific requirements (apart from those resulting from the general regulations on granting specific services, such as the need for third party liability insurance for hosting guests) that must be met by educational farm are not specified, but there is a list of recommendations for this type of entities (*Recommandations* 2000).

¹² See more on the website: www.fermespedagogiques-accueil-paysan-pdl.com

Figure 6: Bienvenue à la Ferme logo

Source: www.bienvenue-a-la-ferme.com (20.05.2023).

Within the BF network, there are a total of 917 entities (membership is paid) that provide broadly understood educational services. According to the internal typology, they are divided into the so-called explorer farms, educational farms, horse farms and farm birthday venues (*Dans une ferme de découverte* WWW). In each of these places the educational element is clearly present, but in the case of educational farms it plays the most important role, and such objects are also focused primarily on accepting children and young people (*Dans une ferme pédagogique* WWW). However, there are definitely fewer entities using the name of educational farm (344), and they are located throughout the country and, interestingly, also in the French overseas territories: French Guiana – 2 farms), New Caledonia – 2, Martinique – 1, and Reunion – 1 (*Que recherchez-vous?* WWW).

Conclusions

Educational farms operate in many European countries. The element that connects all institutions, regardless of the country, is undoubtedly the area of their operation and the goals that such entities want to achieve. However, both the official requirements for educational farms and the ways and possibilities of cooperation between them within larger associating organisations are different. These circumstances result in a significant heterogeneity of the phenomenon and the strong differentiation of places in the countryside that provide educational services.

It is worth noting that the idea of educational farms in Poland is one of the youngest among the presented countries, which on the one hand makes it difficult to gain a competitive advantage on the international arena, but on the other hand allows to draw know-how from Western, much more experienced entities, both in organisational and legal matters. This is reflected in the Polish regulations defining the educational farms and its requirements, especially when we compare them with French or Italian laws.

A disturbing phenomenon, noticeable in most of the analysed countries, is a certain

lack of continuity and representativeness of formalised structures associating educational farms. While this fact should not affect the quality of the offer of individual farms, it may significantly hinder building the reputation and positive social perception of the entire initiative. Perhaps a way to reduce this threat is the certification process implemented in some countries, which provides a top-down guarantee of the level of services provided. Unfortunately, it is also additional obstacle in the process of popularising agriculture and its importance for society.

Piotr Gabryjończyk – Ph.D., working at the Warsaw University of Life Sciences. Research interests: military tourism, preferences and tourist behaviour of various social groups. Recent publications: *Economic and social consequences of the use of modern fortifications in tourism* (Warsaw 2020), *Monuments of history as an element of shaping tourist traffic in the region* (co-authorship with K.Gabryjończyk, in: "Tourism and Regional Development" 2021, no. 16).

Piotr Gabryjończyk – doktor, pracuje w Szkole Głównej Gospodarstwa Wiejskiego w Warszawie. Zainteresowania badawcze: turystyka militarna, preferencje i zachowania turystyczne różnych grup społecznych. Wybrane publikacje: *Ekonomiczno-społeczne konsekwencje turystycznego wykorzystania obiektów fortyfikacji nowożytnej* (Warszawa 2020), *Pomniki historii jako element kształtowania ruchu turystycznego w regionie* (współautorstwo z K.Gabryjończyk, w: „Turystyka i Rozwój Regionalny” 2021, nr 16).

Jan Zawadka – Ph.D., working at the Warsaw University of Life Sciences. Research interests: rural tourism and agritourism, preferences and tourist behaviour of various social groups. Recent publications: *Impact of the COVID-19 pandemic on tourist plans: a case study from Poland* (co-authorship with: J. Uglis, A. Jęczynek, M.M. Wojcieszak-Zbierska, M. Pszczoła, in: "Current Issues in Tourism" 2022, vol. 25, issue 3), *Socio-Economic Factors Influencing Agritourism Farm Stays and Their Safety during the COVID-19 Pandemic: Evidence from Poland* (co-authorship with: A. Jęczynek, M.M. Wojcieszak-Zbierska, G. Niedbała, J. Uglis, J. Pietrzak-Zawadka, in: "Sustainability" 2022, vol. 14, issue 6).

Jan Zawadka – doktor, pracuje w Szkole Głównej Gospodarstwa Wiejskiego w Warszawie. Zainteresowania badawcze: turystyka wiejska i agroturystyka, preferencje i zachowania turystyczne różnych grup społecznych. Wybrane publikacje: *Impact of the COVID-19 pandemic on tourist plans: a case study from Poland* (współautorstwo z: J. Uglis, A. Jęczynek, M.M. Wojcieszak-Zbierska, M. Pszczoła, w: "Current Issues in Tourism" 2022, vol. 25, issue 3), *Socio-Economic Factors Influencing Agritourism Farm Stays and Their Safety during the COVID-19 Pandemic: Evidence from Poland* (współautorstwo z: A. Jęczynek, M.M. Wojcieszak-Zbierska, G. Niedbała, J. Uglis, J. Pietrzak-Zawadka, w: "Sustainability" 2022, vol. 14, issue 4).

Krystyna Krzyżanowska – Professor, working at the Warsaw University of Life Sciences. Research interests: economic and social conditions of undertaking entrepreneurial activities, agritourism, education in rural tourism. Recent publications: *Ekonomiczno-społeczne uwarunkowania innowacji w zespołowym działaniu w rolnictwie* (Warsaw 2016), *Edukacja w turystyce wiejskiej* (co-authorship with: I. Sikorska-Wolak, J. Zawadka; Warsaw 2018).

Krystyna Krzyżanowska – Profesor, pracuje w Szkole Głównej Gospodarstwa Wiejskiego w Warszawie. Zainteresowania badawcze: ekonomiczno-społeczne uwarunkowania podejmowania działań przedsiębiorczych, agroturystyka, edukacja w turystyce wiejskiej. Wybrane publikacje: *Ekonomiczno-społeczne uwarunkowania innowacji w zespółowym dziataniu w rolnictwie* (Warszawa 2016), *Edukacja w turystyce wiejskiej* (współautorstwo z: I. Sikorska-Wolak, J. Zawadka; Warszawa 2018).

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National business cultures of Poland, Lithuania and Ukraine as a factor of the synthesis of Western and Eastern management styles¹

Beata Glinkowska-Krauze, *University of Lodz (Lodz, Poland)*

E-mail: beata.glinkowska@uni.lodz.pl

<https://www.orcid.org/0000-0002-6915-3297>

Viacheslav Chebotarov, *University of Lodz (Lodz, Poland)*

E-mail: viacheslav.chebotarov@wz.uni.lodz.pl

<https://www.orcid.org/0000-0003-1131-9116>

Iegor Chebotarov, *University of Lodz (Lodz, Poland)*

E-mail: iegor.chebotarov@wz.uni.lodz.pl

<https://www.orcid.org/0000-0001-5963-7637>

Abstract

In this study, based on the identification of similarity factors of the national business cultures of Poland, Lithuania and Ukraine, the hypothesis was formulated and verified concerning the formation of premises for a new management style – Eastern European management as a synthesis of Western and Eastern management. Using the measurement tools of modern economic comparative analysis, an analysis of the business cultures of these countries was conducted. The feature system was built by comparing western and eastern conceptual management approaches and practices. It has been proven that the great proximity (similarity) of the national business cultures of Poland,

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Lithuania and Ukraine creates conditions for optimal combination of the advantages of Western and Eastern management.

Keywords: Poland, Lithuania, Ukraine, national business cultures, management in Eastern Europe.

Narodowe kultury biznesowe Polski, Litwy i Ukrainy jako czynnik syntezy zachodniego i wschodniego stylu zarządzania

Streszczenie

W niniejszym badaniu, na podstawie identyfikacji czynników podobieństwa narodowych kultur biznesowych Polski, Litwy i Ukrainy, sformułowano i zweryfikowano hipotezę o kształtowaniu się przesłanek dla nowego stylu zarządzania – wschodnioeuropejskiego zarządzania jako syntezy zachodniego i wschodniego zarządzania. Wykorzystując narzędzia pomiarowe współczesnej komparatyki ekonomicznej, przeprowadzono analizę kultur biznesowych tych krajów. System cech został zbudowany poprzez porównanie koncepcyjnych podejść i praktyk zarządzania zachodniego i wschodniego. Udowodniono, że duża bliskość (podobieństwo) narodowych kultur biznesowych Polski, Litwy i Ukrainy stwarza warunki do optymalnego połączenia zalet zarządzania zachodniego i wschodniego.

Słowa kluczowe: Polska, Litwa, Ukraina, narodowe kultury biznesowe, zarządzanie w Europie Wschodniej.

At the turn of the second and third decades of the 21st century, the world economy entered a period of significant strengthening of anti-globalisation and disintegration processes that have become the most characteristic for the European continent. This is confirmed, among other things, by the rapid exacerbation of global energy, environmental, technological and food problems. The COVID-19 pandemic and the continuous mutation of the virus SARS-CoV-2 have become manifestations of one of the most serious aggravations of the global problem of epidemic diseases in the last century. The "systemic" crisis of the economic and political situation in the world is deepened by the Russian-Ukrainian conflict that negatively influences international socio-economic progress.

The solution to these problems lies largely on business, as the foundation of modern society in the system of its relations with the state. However, in order to solve the identified problems, economic sciences must develop common approaches, mechanisms and practices that would apply to the main existing schools of management: Western (in the classical sense – Anglo-Saxon) and Eastern (in the traditional sense – Japanese). The theoretical and methodical, as well as and practical "scientific rivalry" of modern management directions, however, acts rather as a "deterrent" in solving global problems by business and society as a whole.

The type of rivalry between Western and Eastern management, which has been visible for several decades, has not led to the definition of leadership in this rivalry, but it poses the task of defining the determining premises that would become the basis for the convergence of these schools (their similarity or penetration). The basis for this convergence (interpenetration, synthesis) may be such fundamental phenomena of entrepreneurship

and science as national business cultures, which concentrate the entirety of institutional, economic and natural conditions, as well as factors of social development. However, in terms of content, not all countries' national business cultures are conducive to converging Western and Eastern management styles. There are not many such countries on the political map of the world.

The centuries-old "coexistence" of Poland, Lithuania and Ukraine – together with a number of other countries of the Eastern European subregion within two confederate states – the Grand Duchy of Lithuania and the First Polish Republic, provide scientific grounds for the hypothesis that the national business cultures of Poland, Lithuania and Ukraine have the potential for the synthesis of Western and Eastern management styles. The verification of this **hypothesis** poses a complex interdisciplinary scientific problem of identifying and analysing features that are characteristic of the national business cultures of Poland, Lithuania and Ukraine, which may become the basis for the synthesis and enrichment of Western and Eastern management. Identification of the characteristics of national business cultures and their analysis are the **main research objective** of this study. The **main research problem** is whether the national business cultures of Poland, Ukraine and Lithuania are similar or significantly different. **Another research problem** is whether the national business cultures of these countries are eclectic, i.e. whether they contain elements of Western and Eastern cultures. Due to the problems formulated in this way, there is first of all a need for a theoretical analysis of the characteristics of national business cultures adopted in this study for country research.

Analysis of the literature on the subject of research

Various aspects of the relationship between Western and Eastern management have been the subject of systematic research since the 1980s and 1990s. Moreover, it was characteristic of both schools of management. For representatives of the Western style of management, such a development of events was caused primarily by the effects of the Japanese "economic miracle" (from mid-1950s to the world crisis in 1973–1974), as a result of which Japan became one of the most developed countries in the world (despite losing in World War II). For representatives of the Eastern style of management, such research was dictated by the need not only to search for further strengthening of Japan's position, but also by the emergence of the Four Asian Tigers (Hong Kong, Singapore, South Korea, and Taiwan), and then the formation of the Chinese "economic miracle" (since the late 1970s).

The initial methodological approach in considering the relationship between Western and Eastern management was a comparative analysis of their basic conceptual approaches and derivatives of specific management practices. There are reasons to believe that the analysis conducted by J. K. Solarz (1994) and D. Waters (1995) has become an example of one of the most productive solutions from the point of view of Western management. In this regard, the very title of the work by D. Waters, devoted to this issue, *21st Century Management: Keeping Ahead of the Japanese and Chinese*, became quite

"revealing" itself. In countries with Eastern style of management, such an analysis was reasonably done by W. Ouchi (1981), I. Watanabe (1999) and M. Yoshimori (1996).

Eliyahu M. Goldratt presented a fundamentally different approach in considering Western and Eastern management. He introduced the process-objective theory (the theory of constraints, see more: Goldratt, Cox 2016), which grew out of the need and desirability of an optimal combination of approaches and practices of both schools of management.

It should be noted that such studies do not pay due attention to the issues of national business cultures. In this regard, in the science of the late 20th century, the only exception may be the works of famous scientists C. Hampden-Turner and F. Trompenaars – one of the creators of the theory of national business cultures. However, their analyses did not take into account the business cultures of the Eastern European sub-region (see: Hampden-Turner, Trompenaars 1995). It is similar in the works of the most famous creator of the theory of national business cultures, G. Hofstede (see: Hofstede 1980; Hofstede et al. 2010). To some extent, the countries of Central and Eastern Europe were also considered by another outstanding representative of the theory of national business cultures, R. Lewis. However, the subject of R. Lewis' analysis are mainly the issues of communication behavior and communication systems of managers and entrepreneurs from different countries, and not management as a whole (see: Lewis 2013).

National business cultures, as a qualifier among indicators/determinants of Western and Eastern management, are analysed in joint Polish-Ukrainian research (Glinkowska-Krauze et al. 2023). Prior to this, the authors laid the theoretical and methodological foundations for a comparative analysis of the "profiles" of Polish and Ukrainian managers (Glinkowska, Chebotarov 2018) and the essence (content) of the national business cultures of Poland, Lithuania and Ukraine (Glinkowska-Krauze et al. 2020a; Zat'ko et al. 2022). However, this requires a logical continuation of research and its deepening in the context of understanding the content of the national business cultures of Poland, Lithuania and Ukraine as the "synthesising" beginning of Western and Eastern management.

Purpose of the article and research methodology

The **research objective of the study** is to identify the features of national business cultures of both styles (Western and Eastern), and then to perform a comparative analysis of the national business cultures of Poland, Lithuania and Ukraine in the context of comparing two groups of countries – the most typical carriers of Western and Eastern management.

In the framework of the presented study, the methods of unity of analysis and synthesis, grouping, comparative analysis and generalisation were used.

The use of the grouping method is confirmed by the separation of three groups of national business cultures for the purpose of comparative analysis: countries of the Eastern European subregion, the most developed countries – representatives of Western management, and the most typical countries of Eastern management (countries of the

Indo-Pacific subregion). In addition, to ensure “purity” and comparability of the overall research methodology, three identified clusters are equivalent in terms of the number of countries in each.

The application of the analysis and synthesis unity method involves analysing the business cultures of individual countries within three selected clusters, and then pointing out the common features of business cultures in each cluster as a whole. The next step in the context of analysis and synthesis is to compare the national business cultures of the three clusters using the tabular method. At this stage of the research, empirical data from the study of national business cultures of countries, conducted by the international consulting agency *Hofstede Insights* (the current authority on this issue), was utilised. Another element of the empirical research was the use of the results of research conducted in parallel by the authors on a sample of managers and entrepreneurs in Poland and Ukraine.

The adoption of generalisation and comparison methods at the same time allows determining specific areas, in which the application of Western and Eastern management approaches and practices will be the most appropriate in the business sphere of Poland, Lithuania and Ukraine, taking into account the properties and features of their national business cultures.

Theoretical basis

The theory and practice of national business cultures is one of the elements defining the interdisciplinary and multicultural field of contemporary economic science – economic comparative studies. The creator of the analysis of these problems is the well-known scientist and practitioner G. Hofstede from the Netherlands (see: Hofstede 1980; Hofstede et al. 2010). The theory and practice of national business cultures began in the 1970s and 1980s. F. Trompenaars (Netherlands) and R. Lewis (UK) also made a significant contribution to the development of the issues of national business cultures and comparative economic studies in general.

Based on the works of G. Hofstede, F. Trompenaars, R. Lewis and their continuators, we can identify the definition of the concept of *national business culture*. It is a system of inseparable and evolutionarily shaped, reproducible in time and space, basic features of entrepreneurial activity. Values, norms and canons, as well as traditions and ethics of running a business are specific for a given country² (Glinkowska-Krauze et al. 2020b). A number of methodological and practical aspects of studying the theory and practice of national business cultures, including defining the essence of the concept, became the subject of the development and registration of intellectual property rights of authors (e.g. see: Chebotarov et al. 2020; Chebotarov, Glinkowska-Krauze 2020).

On the basis of his cultural dimensions theory, G. Hofstede developed indicators (dimensions, parameters) leading to the assessment of national business cultures in individual countries and organisations (corporations), which enables comparative research.

² and/or groups of countries that are characterised by similar features of organising and running a business.

Such measures of culture that are used in global comparative economic research are: power distance, individualism, masculinity, uncertainty avoidance, long-term orientation, indulgence.

In contemporary comparative economic studies, the content of these dimensions by representatives of various schools and trends is understood as follows:

- *Power distance* is a parameter determining the measure of the concentration of power at the highest levels of the hierarchy (or *vice versa*: the measure of the distance of middle and lower level managers from making real decisions; at the same time, distance from power is perceived as a natural phenomenon).
- *Individualism* is a measure that classifies the spread of an individualistic approach in the development and direct implementation of entrepreneurial activity.
- *Masculinity* is a trait that indicates determination in the pursuit of commercial success and the cultivation of celebration (professional successes, victories, etc.).
- *Uncertainty avoidance* is an indicator that determines the internal predispositions of entrepreneurs/managers of a given country to avoid risk in every possible way (or *vice versa*: quite high comfort and habit of working in conditions of uncertainty).
- *Long-term orientation* is a parameter used to assess the internal orientation of managers to focus activities in the short-term perspective (or *vice versa*: focus on the long-term perspective in running a business and achieving its profitability).
- *Indulgence* describes a condescending (quite open and natural) attitude towards the absolutisation of market "values" in business, achieving success by any means and without considering moral, religious, etc. constraints.

To evaluate the above-mentioned measures directly, Hofstede developed their scoring, usually from 0 to 100 points (see: Hofstede Insights WWWa).

Research results

Nowadays, the assessment of national business cultures of countries, their specific groups (clusters) and leading corporations is systematically conducted by the international consulting agency *Hofstede Insights* co-founded by G. Hofstede (see: Hofstede Insights WWWb). At the same time, in-depth and complex scientific and practical research carried out by the authors of this study confirm the impossibility of absolutising the conclusions of the *Hofstede Insights'* research.

Using the research results contained in the *Hofstede Insights'* studies, *Table 1* presents data on the parameters (indicators) of the national business cultures of Poland, Lithuania and Ukraine – the most typical countries of Western and Eastern management. Based solely on the research materials of *Hofstede Insights*, a fairly clear conclusion should be drawn about the significant difference between the national business cultures of Poland and Ukraine. This conclusion is confirmed in almost every respect by the indicators in *Table 1*. However, not only empirical research, but also data from comprehensive scien-

tific research conducted by the authors³ in the context of implementation of several joint scientific international projects do not give grounds for such conclusions (Glinkowska-Krauze et al. 2020b; Glinkowska-Krauze et al. 2023).

In particular, data based on the results of pilot (trial) studies of entrepreneurs in Poland and Ukraine⁴, indicate a much higher level of *individualism* in the national business culture of Ukraine (not 25 points, according to the results of *Hofstede Insights*) and a lower level of this parameter – characteristic of the business culture of Poland (60 points, according to *Hofstede Insights'* results, see: Hofstede Insights W/WWb). This means that the "individualism" parameter records sufficient proximity between Poland and Ukraine.

Table 1: Indicators of national business cultures of Poland, Lithuania and Ukraine in the "Western management" – "Eastern management" coordinate system.

Country / Dimension	Power distance	Individualism	Masculinity	Uncertainty avoidance	Long-term orientation	Indulgence
Poland	68	60	64	93	38	29
Lithuania	42	60	19	65	82	16
Ukraine	92	25	27	95	86	14
Latvia	44	70	9	63	69	13
Estonia	40	60	30	60	82	16
Slovak Rep.	100	52	100	51	77	28
USA	40	91	62	46	26	68
G. Britain	35	89	66	35	51	69
Germany	35	67	66	65	83	40
France	68	71	43	86	63	48
Italy	50	76	70	75	61	30
The Netherlands	38	80	14	53	67	68
Japan	54	46	95	92	88	42
China	80	20	66	30	87	24
S. Korea	60	18	39	85	100	29
Singapore	74	20	48	8	72	46
Indonesia	78	14	46	48	62	38
Malaysia	100	26	50	36	41	57

Source: authors' own elaboration based on publication: Hofstede Insights W/WWb.

³ Authors from the University of Lodz (Poland) and Luhansk Taras Shevchenko National University (evacuated to Poltava, Ukraine).

⁴ 547 respondents were interviewed in Poland, 561 in Ukraine – according to two different surveys.

The authors of this study also note a lower level of masculinity in Poland (below 64 points) and a much higher level of masculinity in Ukraine (significantly above 27 points). Moreover, when it comes to the parameter *uncertainty avoidance*, the characteristics of Polish and Ukrainian business cultures are indeed similar; however, they are significantly lower than in research conducted by *Hofstede Insights* (93 and 95 points respectively). The risk tolerance of entrepreneurs in Poland and Ukraine is not significantly different and is similar to that of Lithuania.⁵

The above-mentioned results lead to the conclusion that there is a fairly high degree of similarity between the national business cultures of Poland and Ukraine. This conclusion is confirmed by a more thorough comparative analysis of organisational (corporate) cultures and "profiles" of entrepreneurs in these two countries (Glinkowska-Krauze et al. 2023). At the same time, there is no reason to repeat a very widespread and unjustified view on the identity of the national business cultures of Poland and Ukraine (it is not confirmed by either theoretical research or practical applied analysis).

Simultaneously, the national business culture of Ukraine is to a greater extent, compared to the business culture of Poland, similar to the features of the business cultures of the Baltic states (primarily Lithuania): the indicators of Lithuania and Ukraine are very close in terms of the dimensions: *long-term orientation* (82 and 86 points, respectively) and *indulgence* (16 and 14 points respectively). The business cultures of Lithuania and the Netherlands are also quite similar (in terms of dimensions *power distance* and *masculinity*).

However, the comparative analysis of national business cultures presented in *Table 1* allows us to draw two following conclusions.

The first: there is a high degree of proximity and mutual general complementarity of the national business cultures of Poland, Lithuania and Ukraine, which are close in terms of their characteristics and a number of institutional, economic, natural and geographical characteristics.⁶ The stated proximity of the national business cultures of Poland, Lithuania and Ukraine is not some artificial and unjustified conclusion. It is confirmed not only by empirical observations, but also by the results of research conducted by the international consulting agency *Hofstede Insights*. The data in *Table 1* contain the absolute similarity of the *individualism* indicators for Poland and Lithuania (60 points each). The *uncertainty avoidance* dimension's score for Poland and Ukraine practically coincides (93 and 95 points, respectively). These parameters (measures), considered by *Hofstede Insight*, are the basis for confirming the correctness of the authors' theoretical conclusion about the organicity and complementarity of the national business cultures of Poland, Lithuania and Ukraine (considered as part of their tripartite cooperation).

⁵ Lithuania's score for the parameter *uncertainty avoidance* coincides with Germany's score of 65 points, which is slightly above neutral.

⁶ Besides that, should be taken into consideration the scientific papers stating the considerably relevant proximity to the first group (Poland, Lithuania, Ukraine) also three other countries, including Eastern European subregions: Slovakia, Latvia and Estonia (Zat'ko et al. 2022).

The second: quite a high degree of similarity between the national business cultures of Poland, Lithuania and Ukraine (as well as Slovakia, Latvia and Estonia) and a number of countries from the East and the Indo-Pacific subregion analysed in *Table 1*. This conclusion is based primarily on the characteristics of the national business culture of Ukraine. The analysis of subsequent data in *Table 1* demonstrates that Ukraine's national business culture is largely similar to that of China (in as many as three dimensions simultaneously: *power distance*, *individualism* and *long-term orientation*), as well as South Korea (in terms of *power distance* and *individualism*, while for dimension *long-term orientation* it is observed less often). Ukraine's business culture is also close to Japan: precisely in terms of *avoiding uncertainty* and *long-term orientation*. In addition, according to two dimensions out of six (*power distance* and *individualism*), the similarity of the business cultures of Ukraine and Malaysia is noted.

Comprehensive comparative studies of national business cultures of a number of groups (clusters) of countries conducted by the authors (Glinkowska-Krauze et al. 2020a,b), including empirical research in the form of surveys among entrepreneurs and managers in various sectors of the Polish and Ukrainian economy (Glinkowska-Krauze et al. 2023), justify the following conclusion.

Considered as a unity, indicators-dimensions of national business cultures (their levels: high and low scores, as well as various combinations of the levels of six dimensions) largely determine and shape the general approaches and value orientations of organisations (enterprises and corporations) of some countries. Orientations to organisational values and the forms of their manifestation are the essential features of organisational cultures (Schein 2009). This means that the content and nature of the national business cultures of some countries largely determine the content and nature of the organisational (corporate) cultures of these countries.

For example, a high score of the dimension *power distance* and a low score of the *individuality* usually determine complex hierarchical structures of management in the organisation (enterprise). *Long-term orientation* (especially in combination with a high ratio of the parameter *uncertainty avoidance*) "stimulates" the company's development of activities with long-term capital turnover and the general nature of the functioning of management systems. A high level of *masculinity*, apart from purposefulness in the pursuit of business interests, is very often accompanied by a general conflict in the implementation of business activities (and a low score in *masculinity* may cause predispositions to corruption in business).

Such understanding of the causal dependence of organisational (corporate) cultures on national business cultures is fully consistent with the approach of G. Hofstede (1980), the creator of the theory and practice of national business cultures, and his followers C Hampden-Turner and F. Trompenaars (1995). In the same context, economic comparative studies considered the subordination of organisational cultures to national business cultures. We can trace this approach in the papers of such representatives of the Western leadership as N. Jacob (2003), H. Bloom, R. Calori, Ph. De Woot (1995). What is interesting, the representatives of the Eastern leadership share such viewpoint: M. Yoshimori (1996), Ch.W. Hill (2007), C.K. Prahalad (1998).

At the same time, in order to practically implement the research triad proposed by the authors: "national business cultures" – "organisational (corporate) cultures" – "profiles" of entrepreneurs (Glinkowska-Krauze et al. 2023: p. 38–49), it would be logical to put forward the following postulate. The content of national business cultures of countries and their organisational cultures have a predetermining impact on specific management practices: mechanisms for justifying and implementing business decisions, the nature of job descriptions, the procedure for communicating, and information exchange by managers at various hierarchical levels in organisations, etc. Also, in the context of comparative analysis of the Western and Eastern management, we should take into account the growing differences in the content of management practices (their techniques) resulting from the essence of national business cultures and the basic legal provisions of the two existing schools of management.

The development of practical aspects of the issues of comparative analysis of Western and Eastern management indicates the desirability of identifying their conceptual (basic) approaches and specific management practices in the first stage, and revealing their essential features in the second stage. The implementations of this methodology are presented in *Table 2*. The data contained in this table allows us to identify conceptual approaches and demonstrates their essence (at this stage of the research, we limit ourselves to distinguishing five main such approaches). As part of the activities of the *Scientific and Research Cooperation Center: Poland-Ukraine*, the authors discussed the legitimacy of exposing the existing conceptual approaches and management practices with representatives of the expert community of the Indo-Pacific subregion – Malaysia and India). Its first five features (from the first to the fifth) indicate the conceptual approach of these schools, and the next five features (from the sixth to the tenth) indicate their management practice (technologies, techniques).

Table 2: Comparative parameters of the main Western and Eastern management conceptual approaches and practices

no.	Features of management approaches	Western management system	Eastern management system
1.	Power distance and the nature of its distribution	Mostly short power distance with little delegation of authority to lower levels	Usually large power distance and decentralisation within a certain level; in many respects, the informal nature of power
2.	Approach to strategic planning	Economic performance orientation (profitability, efficiency, return on investment, etc.)	Focus on developing an optimal model of adapting the company to the conditions of the market environment

3.	General nature of the functioning of organisational and management structures	Mostly egalitarian systems with cross-functional, multi-directional relationships in the enterprise	Mostly complex-hierarchical vertical control systems with a long-term use nature.
4.	Functioning of management systems	Functioning on individual (personal) basis with personalised responsibility	Functioning on group (collective) basis with collective responsibility
5.	General nature of planning systems in the enterprise	Directive-oriented and clearly formalised planning	Indicator-oriented and flexible dynamically changing planning

Source: authors' own elaboration

Thus, the basic parameter of national business cultures – *power distance* and the nature of economic power in organisations (the first feature in *Table 2*) shapes the main differences between Western and Eastern management in the very content (essence) of the approach to strategic planning: achieving economic efficiency indicators for the Western management and development of optimal models of organisation adaptation to the constantly changing conditions of the market environment for Eastern management. The content and nature of business cultures of some countries also determine the specificity of Western and Eastern management in their understanding and the use of other general approaches (from second to fifth element of *Table 2*).

As a result, the differences between Western and Eastern management in the development and implementation of specific management practices deepen: from the division of duties and functional managers to control and motivation systems. The scientific and practical research carried out by the authors (as well as the experience of practical business activity) make it possible to identify the general nature of the activities of managers, the type and distribution of their official and functional duties, the system of communication and information exchange, the nature of job descriptions, the nature of making non-strategic decisions, the content of control systems and incentives for managers and the attitude of managers to improve the performance of enterprises.

Conducting a comparative analysis of the national business cultures of Poland, Lithuania and Ukraine in the context of their comparison with the business cultures of countries that are classic carriers of the essential features of Western and Eastern management, and then identifying the main features and content of both global schools of management, allows us to draw the following main conclusions.

The national business cultures of Poland, Lithuania and Ukraine are multicultural in their content. At the same time, three fundamentally important theoretical and methodological features should be taken into account, fully confirmed by empirical assessments, including parallel studies of entrepreneurs conducted by the authors on the example of Poland and Ukraine. In addition to the assessments of the international agency *Hofstede Insights*, authors' studies are an empirical confirmation of the verification and legitimacy of

the scientific hypothesis and national business cultures of Poland, Lithuania and Ukraine as a factor in the synthesis of Western and Eastern management.

Firstly, the national business cultures of Poland, Lithuania and Ukraine are devoid of the polarity and mutual exclusion inherent in a broad cognitive and cultural understanding of Western and Eastern socio-economic systems.

Secondly, the national business cultures of Poland, Lithuania and Ukraine have their own qualitative certainty and stability, as well as complementarity (especially in pairs).

Thirdly, the national business cultures of Poland, Lithuania and Ukraine have a number of properties that indicate both their similarity to the business cultures of the most developed countries of Western civilisation (mainly due to the parameters of Poland and Lithuania), and their similarity to the business culture of Eastern civilisation (mostly thanks to Ukraine).

Considered together, the essential features of the national business cultures of Poland, Lithuania and Ukraine constitute a factor and a fundamental theoretical and methodological condition for the development of new conceptual approaches and management practices, the aim of which is to synthesise the main advantages of Western and Eastern management. These features include purposefulness and external coordination characteristic of Western management, as well as internal flexibility and ability to adapt to the business environment characteristic of Eastern management. Such new type of management as a real business practice and scientific school can be defined as management in Eastern Europe.

Conclusions

The problem of overcoming polarisation and shaping the synthesis of Western (Anglo-Saxon) and Eastern (Japanese) management is focused not only on the directions of development of modern world science – its interdisciplinarity, interfunctionality and multiculturalism. Its solution is also of great practical importance, creating conditions for a significant increase in management efficiency. However, the consolidation of the premises of such synthesis presupposes the existence of a number of objective and subjective conditions. In many ways, they are rooted in national business cultures as a phenomenon of entrepreneurship and contemporary comparative economic studies.

A comprehensive scientific and practical analysis of the national business cultures of Poland, Lithuania and Ukraine (and the business cultures of several other countries of the Eastern European subregion – Latvia, Estonia and Slovakia) gives grounds for the conclusion that they have a great potential and a real precondition for combining the advantages of Western and Eastern management.

Prospects for the development of the taken problem

The synthesis of Western and Eastern management based on the identified proximity and complementarity of national business cultures of Poland, Lithuania and Ukraine

seems to be both possible and real. In order to deepen this synthesis, it is necessary to develop specific proposals for the use of Western and Eastern conceptual management approaches and practices identified so far in the practical operation of business structures in Poland, Lithuania and Ukraine. In order to strengthen the scientific justification of the above proposals and recommendations, the authors planned parallel research of Polish, Lithuanian and Ukrainian entrepreneurs according to the original questionnaire, which contains a set of questions on national business cultures, organisational (corporate) cultures and "profiles" of entrepreneurs, and managers (with further use for research in the Indo-Pacific subregion). Processing the results of empirical research will be the basis for methodological recommendations for using the advantages of Western and Eastern management in the activities of business formations in Poland, Lithuania and Ukraine.

Beata Glinkowska-Krauze – dr hab., associate professor of the University of Lodz, Chairwoman of the *Scientific and Research Cooperation Center: Poland-Ukraine*. Research interests: business internationalisation, analysis of the economic efficiency of investments, managing organisations in the conditions of dynamic environment and crises.

Beata Glinkowska-Krauze – dr hab., profesor Uniwersytetu Łódzkiego, Kierownik *Centrum Współpracy Naukowo-Badawczej: Polska-Ukraina*. Zainteresowania badawcze: internacjonalizacja biznesu, analiza efektywności ekonomicznej inwestycji, zarządzanie organizacjami w warunkach dynamicznego otoczenia i kryzysów.

Viacheslav Chebotarov – professor, dr hab., University of Lodz (Poland), and Luhansk Taras Shevchenko National University (Poltava, Ukraine), Co-chairman of the *Scientific and Research Cooperation Center: Poland-Ukraine* on the Ukrainian side. Research interests: pan-European integration policy, marketing management, state innovative policy.

Viacheslav Chebotarov – profesor, dr hab., profesor Uniwersytetu Łódzkiego (Polska) oraz Ługańskiego Narodowego Uniwersytetu imienia Tarasa Szewczenki (Połtawa, Ukraina), Współprzewodniczący *Centrum Współpracy Naukowo-Badawczej: Polska-Ukraina* po stronie ukraińskiej. Zainteresowania badawcze: europejska polityka integracyjna, zarządzanie marketingowe, polityka innowacyjna państwa.

Igor Chebotarov – doctor, assistant professor of the University of Lodz, secretary of the *Scientific and Research Cooperation Center: Poland-Ukraine*. Research interests: international business and strategy related issues.

Igor Chebotarov – doktor, adiunkt Uniwersytetu Łódzkiego, sekretarz *Centrum Współpracy Naukowo-Badawczej: Polska-Ukraina*. Zainteresowania badawcze: zagadnienia związane z biznesem międzynarodowym i strategią.

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State aid policy for environmental protection in Poland after accession to the European Union: did it meet expectations in the face of challenges?

Adam A. Ambroziak, *SGH Warsaw School of Economics*
(Warsaw, Poland)

E-mail: Adam.A.Ambroziak@sgh.waw.pl

<https://www.orcid.org/0000-0002-4618-8497>

Beata Grzegorzewska, *Independent researcher* (Warsaw, Poland)

E-mail: Beata.Grzegorzewska@gmail.com

<https://www.orcid.org/0000-0002-8747-3622>

Abstract

In the face of years of negligence in the environmental protection in Poland, the membership in the European Union has caused the adoption not only of a restrictive legal framework and now ambitious environmental goals, but also restrictions on permissible support for entrepreneurs. To date there is a lack of research combining both legal and financial aspects in this field. The aim of this study is to identify the extent, to which Poland's policy of financial assistance to entrepreneurs has exercised the legal framework for granting state aid for environmental protection. To this end, we conducted a comparative analysis of EU legislation on state aid and Polish aid schemes for environmental protection, as well as statistical analysis of changes in granting aforementioned state aid in terms of its intended uses and areas of support in Poland. We found the high degree of cumulation to certain sectors and incidentality of environmental aid in Poland, both in terms of its objectives envisaged by the Commission and of support areas. That support did not follow a well-thought-out, coherent and systematic policy of supporting entrepreneurs, but was merely a collection of isolated interventions, depending on the availability of fund resources in the EU financial perspectives.

Keywords: state aid for environmental protection, Poland, European Union, "polluter pays" principle.

Polityka pomocy publicznej na ochronę środowiska w Polsce po przystąpieniu do Unii Europejskiej: czy spełniła oczekiwania wobec wyzwań?

Streszczenie

W obliczu wieloletnich zaniedbań w dziedzinie ochrony środowiska w Polsce, członkostwo w Unii Europejskiej spowodowało przyjęcie nie tylko restrykcyjnych ram prawnych, a obecnie ambitnych celów środowiskowych, ale również nałożenie ograniczeń w odniesieniu do dopuszczalnego wspierania przedsiębiorców. Do tej pory brakuje prac łączących aspekt prawny i finansowy w tym obszarze. Celem niniejszego opracowania jest określenie zakresu, w jakim polska polityka pomocy finansowej dla przedsiębiorców korzystała z prawnych możliwości udzielania pomocy publicznej na ochronę środowiska. W związku z tym przeprowadzono analizę porównawczą prawodawstwa unijnego w zakresie pomocy publicznej oraz polskich programów pomocowych na rzecz ochrony środowiska, a także analizę statystyczną zmian w udzielaniu ww. pomocy publicznej pod kątem jej przeznaczenia i obszarów wsparcia w Polsce. W wyniku badania stwierdzono wysoki stopień rozproszenia i incydentalności pomocy środowiskowej w Polsce, zarówno pod względem jej celów przewidzianych przez legislację unijną, jak i obszarów wsparcia. Pomoc ta nie wynikała z przemysłowej, spójnej i systematycznej polityki wspierania przedsiębiorców, a była jedynie zbiorem pojedynczych interwencji, uzależnionych od dostępności środków w perspektywie finansowej UE.

Słowa kluczowe: pomoc publiczna na ochronę środowiska, Polska, Unia Europejska, zasada "zanieczyszczający płaci".

One of the world's major challenges today is the climate change, which the international community has been trying to address for several decades. A leader in identifying the sources of the problems and taking actions in this area is the European Union, which at the turn of the 21st century took ambitious measures to protect the environment and improve energy efficiency. These measures as a whole have now become the element of the concept of climate transition.

Since its accession to the EU, Poland has been struggling with problems of effective environmental protection, due to both systemic delays and *market failure*, i.e. the unwillingness of entrepreneurs to undertake costly environmental measures. The EU's response to this problem was to introduce the possibility of multi-faceted financial intervention to support entrepreneurs' investments in this sphere, and the final form adopted for environmental regulations was strongly influenced by lobbying groups (Flåm 2009). As a result, these regulations do not necessarily reflect the situation of all Member States and the needs of the entrepreneurs.

Previous research on state aid for environmental protection in Poland has basically been limited to the presentation of legislative changes in the EU (Ambroziak 2008) and aggregation of statistical data on the position of this category of aid in the structure of public support in comparison with other Member States (Braun 2020; Bartniczak 2013; Rutkiewicz 2011). Furthermore, the European Commission combines environmental issues with energy efficiency, which reflects a comprehensive approach to tackling climate change, but makes it impossible to single out basic operations that are strictly environmental.

We have identified a gap in research on environmental state aid in Poland, particularly with regard to financial interventions in the market in the form of different categories of state aid offered to entrepreneurs. Recent initiatives of the European Union, including the concept of the *European Green Deal*, have been developed on the basis of experience resulting from previous actions taken by governments and business since the end of the 20th century. Taking into account the challenges facing Poland as a member of the European Union in the field of climate change, it is worth analysing the financial instruments used in the framework of environmental policy after Poland's accession to the European Union.

Therefore, **the aim of this study** is to identify the extent, to which Poland's policy of financial assistance to entrepreneurs has exercised the legal options for granting state aid for environmental and how public funds have been distributed in terms of objectives and beneficiaries. We formulated a thesis that Poland, as one of EU Member States, has gradually increased its involvement in the form of financial support for entrepreneurs to improve environmental protection since its accession to the EU. Two research questions arise in this context, which we will attempt to answer: a) to what extent Poland has used EU legal instruments to build a state aid policy for environmental protection, and b) whether state aid support has ensured an even distribution of funds among different types of beneficiaries or has led to their accumulation in certain industries.

In order to answer the research questions and to verify the hypothesis, an analysis will be carried out of secondary legislation of the European Union issued by the European Commission in relation to state aid for environmental protection and those concerning this category of support. In order to capture Poland's approach, a comparative legal analysis of aid schemes and individual aid programmes for environmental protection prepared in Poland and accepted by the European Commission in 2004-2022 was carried out. In order to assess the distribution of public sources, a statistical analysis of the state aid granted for environmental protection was carried out in terms of objectives, areas of interventions and beneficiaries. To this end, we used data collected and delivered by the European Commission and the Office for Competition and Consumer Protection in Poland (OCCP).

In the first part of this article, we will present the concept of state aid for environmental protection based on international principles stemming from the outcome of discussions within the OECD in the 1970s and the recent evolution of the treaties establishing the European Union. The comparative legal analysis covers EU legislation and Polish state aid for environmental protection. This part will be followed by statistical analysis of changes in granting state aid for environmental protection in terms of its intended uses and areas of support in Poland. The article ends with conclusions and recommendations.

The concept of state aid for environmental protection

Any financial intervention by the state in market mechanisms may lead to an artificial improvement in the competitiveness of domestic undertakings not only within the single European market, where all barriers have been eliminated, allowing i.a. the free movement of goods within the EU, but also in relation to third-country partners. Despite

the negative consequences of supporting the economic operation of undertakings with public funds,¹ there are exemptions to the general rule that state aid is not permitted in the EU. One of them is the possibility of granting environmental aid under the exemption mentioned in Article 107(3)(c) TFEU, which states that "aid to facilitate the development of certain economic activities or of certain economic areas, where such aid does not adversely affect trading conditions to an extent contrary to the common interest" may be considered to be compatible with the internal market.

Although from the legal point of view there are many diverging interpretations of the compatibility of financial support for environmental protection with EU rules (Bouchagiar 2020), in the economic approach it needs to be determined whether the *market failure* condition is fulfilled with respect to inefficient allocation of resources in the Pareto sense, i.e. in which the production of one good (or consumption by one consumer) cannot be increased without decreasing the production of another good (or consumption by another consumer) (Stiglitz 2004; Kaur 2009). In the case of environmental aid, it is pointed out that this failure leads to the suboptimal use of environmental resources, and to their excessive use and degradation (Podsiadło 2015). However, the market does not indicate any preference for a socially desirable level of environmental quality, nor can it directly determine the unit price of pollution for a given good (Kozuch 2010; Popławski 2013). A solution can be sought through the internalisation of externalities, stimulated both by public subsidies (Hyung-Jin 2000) and regulatory support, as well as the implementation of private ideas (Coase theorem 1960).

The financial support accepted in a free market economy should only be a response to the already mentioned *market failure* resulting from the negative externalities of business operations, which – without sufficient incentives – are not taken into account by entrepreneurs in their operations. Consequently, the costs to an undertaking may be lower than the costs to society (Podsiadło 2015). The rationale for granting financial support is asymmetry of information, e.g. regarding the profitability and risks of the environmental project, or coordination errors, which amount to the absence of common interests of cooperating entrepreneurs in the context of environmental protection (Stiglitz 2004).

In its guidelines, the European Commission indicates that those market failures are unlikely to "lead to optimal welfare for consumers and society at large, resulting in insufficient levels of environmental protection in relation to the economic activities conducted in the absence of State support" (European Commission 2022: p.10). Support can take the form of both corrective taxes² on the producer/polluter to align the producer's private marginal costs with marginal environmental costs, as well as subsidies to support environmental investments or tradable emission allowances. The essence of the latter comes down to a purely market-based mechanism: the ability to purchase and sell permits on the market so that they are distributed to those producers, who manufacture goods with the lowest levels of pollution.

¹ According to Article 107(1) of the Treaty on the Functioning of the European Union (TFEU).

² For example, Pigouvian tax (named after English economist Arthur Cecil Pigou, who developed the concept of economic externalities) – a tax on any market activity that generates negative externalities.

The market-based approach to environmental protection in the EU was ensured by the introduction of provisions on environmental protection into the EEC Treaty with the Single European Act of 1986, including the indication that it is "based on the precautionary principle and on the principles that preventive action should be taken, that environmental damage should as a priority be rectified at source and that the polluter should pay" (Article 191(2) TFEU; see also: OECD 1972). Its implementation should discourage pollution of the environment according to the principle that the costs of measures aimed at combating pollution should be borne by the polluter. The means of operational implementation of the aforementioned treaty provisions in the EU was Directive 2004/35/EC, aimed to establish a framework of environmental liability based on the 'polluter pays' principle. The above-mentioned principles were even referred to by the European Commission in its first guidelines on State aid for environmental protection, and restated in subsequent legislation (European Commission 1994, 2001, 2008b). At the time, the solution was adopted that state aid should not be considered an appropriate instrument to support polluters. Additionally, "economic activities can harm the environment not least through pollution. In certain cases, in the absence of government intervention, undertakings can avoid bearing the full cost of the environmental harm arising from their activities" (European Commission 2008b: point 1.2.(7)). It is worth noting at this point that the original meaning of the discussed principle relating only to the production and marketing of products has been significantly extended towards controlling the impact of products throughout their life cycle (Pouikli 2016).

According to the Commission, "undertakings generating waste should not be relieved of the costs of its treatment" through the aid system (European Commission 2022: p. 53). What is equally important is that any aid provided should not be targeted at the undertaking's regular costs (European Commission 2014a,b, 2022). This approach is about ensuring that entrepreneurs operate under identical conditions in the market: all should conduct their activities in such a way as to meet the national or EU environmental requirements, and, if they exceed them, should bear the corresponding costs. If this principle was not included, state aid to selected entrepreneurs would mean that benefits were granted selectively to the exclusion of those who are not covered by such a scheme. As a result, it is assumed that the "polluter pays" principle prevents state aid being granted, where it could distort competition in the market. Only aid that complies with this principle or is granted under particularly justified exception should be acceptable on both legal and economic grounds (Stoczkiewicz 2009).

Consequently, aid for environmental protection is justified when such intervention leads to a change in the behaviour of the entrepreneur and, as a result, to a higher level of environmental protection than would be the case without financial support. However, the aim is to change the entrepreneurs' behaviour and not to participate in the costs they are forced to bear, e.g. under national or EU regulations (Hyung-Jin 2000; Podsiadło 2015). This is known as the *incentive effect*, and it is an important criterion for assessing the admissibility of state aid in the EU, and whether the aid is necessary. It is equally important to ensure that the granted aid does not exceed the costs incurred

by the entrepreneur to achieve a higher level of environmental protection (Haucap, Schwalbe 2011).

Taking the above-mentioned principles into account, the European Commission has developed a set of categories of state aid for environmental protection that is acceptable from the point of view of competition rules, including that compatible with the "polluter pays" principle. Thus, aid categories such as aid for more environmentally friendly but more expensive substitutes; aid aimed at obtaining a higher level of environmental protection (going beyond environmental standards or improving environmental protection in the absence of EU standards); aid for the acquisition of transport vehicles that go beyond the standards required by EU law and aid for early adaptation to future EU standards were introduced (Pouikli 2016).

Evolution of the rules on state aid for environmental protection in the European Union

The Commission's environmental guidelines contained criteria to be taken into account when assessing the compatibility of notified state aid for environmental protection. The regulations in force in the first years after Poland's accession to the EU provided i.a. for transitional investment aid to help SMEs adapt to new Community standards (with a ceiling of 15% of eligible costs), which was clearly a means of support to meet EU requirements (including in Poland as a new Member State), aid to improve on Community standards (up to 30% of eligible costs), and environmental investment aid (up to 30% of eligible costs) in regions eligible for regional state aid (European Commission 2001: p.7).

In the subsequent 2008 and 2014 guidelines (see: European Commission 2008b, 2014b), the Commission proposed enabling the option of granting environmental aid for going beyond EU standards or improving environmental protection in the absence of EU standards, early adaptation to future EU standards, environmental studies, waste management, remediation of contaminated sites, and relocation of undertakings (see: *Table 1*). Several patterns are worth noting. First: the smaller the undertaking, the higher the allowable aid intensity, which resulted from potentially lower distortion of competition. Second: much higher intensities were allowed for activities aimed at improvement on standards rather than just early adaptation to existing standards. Third: the closer the undertaking's activities were to the "polluter pays" principle, the lower the corresponding intensity provided for in the guidelines. The 2014 guidelines (see: European Commission 2014b) provided in many cases for a reduction in the permissible intensity, indicating the Commission's view that previous values significantly affected competitive conditions in the market.

The 2008 General Block Exemption Regulation (European Commission 2008a) provided for slightly lower allowable intensities, concerning e.g. aid for meeting requirements stricter than (going beyond) EU standards or improving environmental protection in the absence of EU standards, and aid for early adaptation to future EU standards, while the 2014 Regulation (see: European Commission 2014a, 2021) restated the maximum intensities introduced by the guidelines.

Table 1: Maximum intensity ceilings for state aid for environmental protection based on EU guidelines for 2008–2013 and 2014–2020.

	Small enterprise	Medium-sized enterprise	Large enterprise
Aid for undertakings going beyond Union standards or improving environmental protection in the absence of Union standards (aid for the acquisition of new transport vehicles)	(70% [55%]) 60% (80%) 70% if eco-innovation 100% if bidding process	(60% [45%]) 50% (70%) 60% if eco-innovation 100% if bidding process	(50% [35%]) 40% (60%) 50% if eco-innovation 100% if bidding process
Aid for early adaptation to future EU standards more than three years before the entry into force of the standards	(25% [15%]) 20%	(20% [10%]) 15%	(15%) 10%
Aid for early adaptation to future EU standards between one and three years before the entry into force of the standards	(20% [10%]) 15%	(15%) 10%	(10%) 5%
Aid for environmental studies	70%	60%	50%
Aid for waste management	(70%) 55%	(60%) 45%	(50%) 35%
Aid for the remediation of contaminated sites	100%	100%	100%
Aid for relocation of undertakings	70%	60%	50%

Note: The figures in brackets () indicate the ceilings provided by the 2008 guidelines (European Commission 2008b). Unless otherwise stated, the ceilings were valid in the 2008 and 2014 guidelines (European Commission 2014b). The figures in brackets [] indicate the notification ceilings specified in the 2008 GBER (European Commission 2008a).

In addition, the 2014 guidelines provided for additional incentives for undertakings located in less developed regions: the possibility of increasing the aid intensity by a bonus of 5% points in regions covered by Article 107(3)(c) or by a bonus of 15% points in regions covered by Article 107(3)(a) of the Treaty up to a maximum of 100% aid intensity.

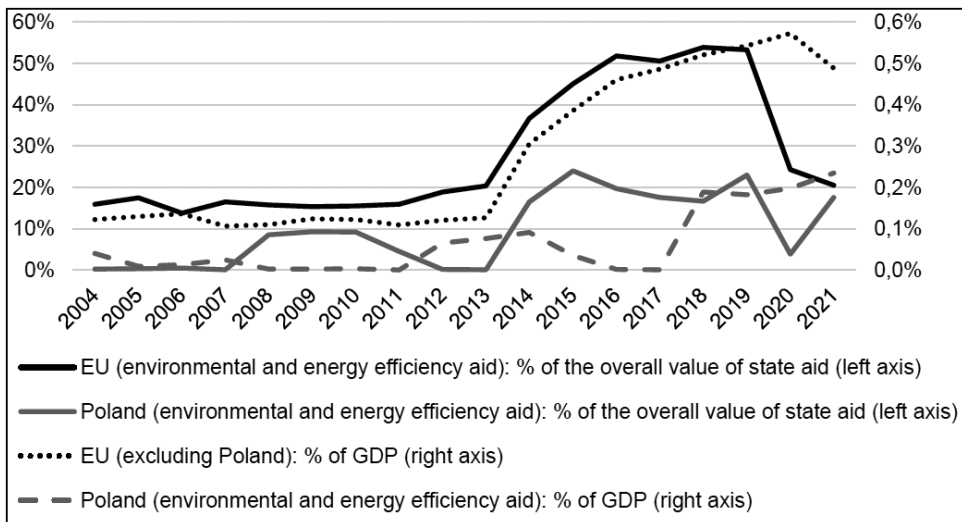
Financial aspects of state aid for environmental protection in Poland

Aid for environmental protection has been continuously monitored by the European Commission both in relation to pro-environmental measures and the energy sector, be-

cause this sector transformation indirectly contributes to environmental protection. In fact, the 2001 guidelines provided for aid for energy-saving investments (European Commission 2001), and since 2009, support for energy efficiency has been explicitly defined and disclosed in the GBER (European Commission 2008a). The Commission presents cumulative data on state aid in the EU for environmental protection and energy efficiency, so it is not possible to compare environmental aid alone in Poland to that in other Member States.

European Commission's data demonstrates that the value of aid for environmental protection and energy efficiency in Poland between 2004 and 2021 increased from EUR 10.6 million to EUR 1,850.3 million³. This represented a substantial increase both in relation to GDP (from 0.04 % to 0.24 %) and as a share of the overall aid value (from 0.3 % to 17.6 %) (see: *Figure 1*). However, most of these funds were ETS support related to energy investments. Analysing the cumulative value of aid for environmental protection and energy efficiency, a marked similarity to the EU figures can be observed (although at a slightly lower level for Poland), including a significant increase in the aid structure between 2014 and 2019 and in 2021.

Figure 1: State aid in Poland versus the European Union in the years 2004–2021.

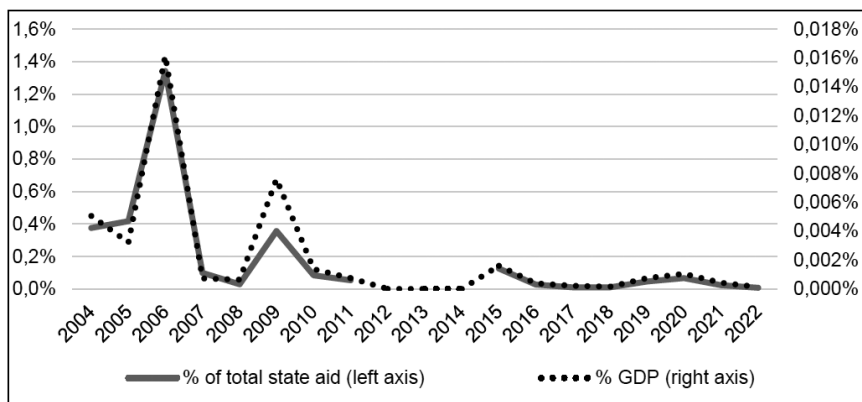


Source: authors' own calculations based on European Commission's data (see: European Commission 2023).

On the other hand, the exclusion of strictly environmental aid demonstrates that this category of aid, despite many legal acts defining and allowing state intervention, has not been a priority among support areas in Poland. Its value over the past ten years has not exceeded 0.2% of the overall annual value of state aid granted and 0.002% of GDP (see: *Figure 2*).

³ Source: authors' own calculations based on OCCP's data.

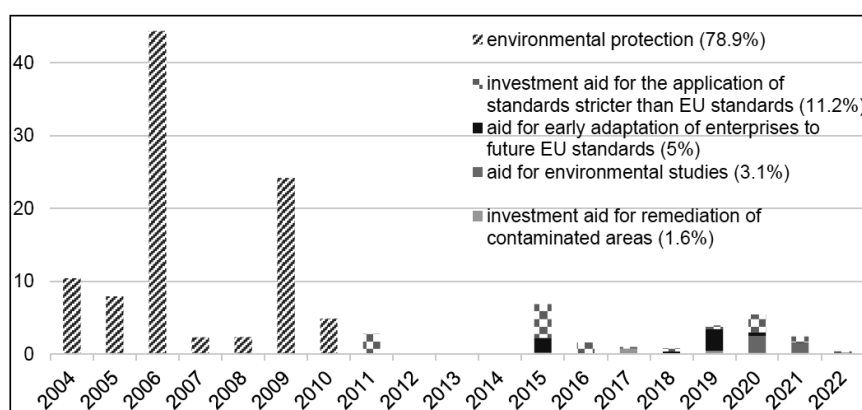
Figure 2: Share of environmental aid in Poland in the overall value of state aid and in GDP in the years 2004–2022.



Source: authors' own calculations based on OCCP's data.

The overall value of environmental aid granted in Poland in the years 2004–2022 amounted to EUR 122.2 million, of which nearly 80% was granted in the years 2004–2010 (EUR 96.4 million)⁴, however, due to the format of the reports, individual objective cannot be identified in accordance with the Commission guidelines. In the following years, new objectives emerged, dominated by investment support enabling undertakings to adapt to standards that go beyond the Community standards (11.2%) and aid for early adaptation (5%) (see: Figure 3). It is worth noting at this point that, first, the shares varied quite substantially from one year to the next and, in addition, no environmental aid was reported in 2013 and 2014.

Figure 3: Objectives of environmental aid in Poland in the years 2004–2022[EUR mln].



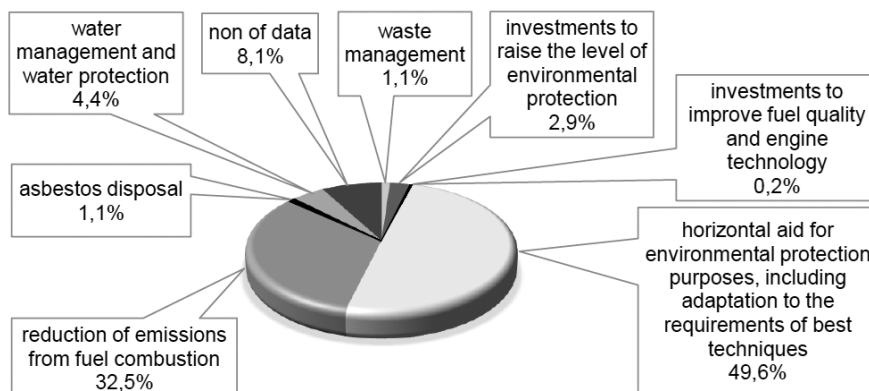
Note: The figures in brackets () indicate the share of objectives in the overall value of environmental aid in the years 2004–2022.

Source: authors' own calculations based on OCCP's data.

⁴ Source: authors' own calculations based on OCCP's data.

Taking into account the areas of support (rather than the objectives detailed in the Commission's guidelines), it can be seen that the largest share was allocated to aid aimed at adaptation to best techniques (34.4%) and reduction of fuel emissions (32.5%) (see: *Figure 4*). A much smaller share of the overall value of aid for environmental protection was recorded for aid for water resources management and water protection, which only occurred in the years 2004–2007. In turn, in the years 2017–2021, aid was allocated for asbestos removal, which was one of the measures included in the projects related to thermal renovation of residential buildings.

Figure 4: Areas of environmental aid intervention in Poland in the years 2004–2022.



Source: authors' own calculations based on OCCP's data.

Until Poland's accession to the EU, environmental aid had been provided primarily by the Environmental Protection Funds (EPF), which had European resources at their disposal. In addition, voivodships' marshals (VM) disbursed environmental aid funds in 2017, as part of the implementation of regional schemes from the 2014–2020 financial perspective. Also, it is worth noting that the share of national and foreign resources in the financing of state aid for environmental protection was at a similar level in the surveyed period, with 47% of aid provided by national funding (EUR 56.9 million) and 53% by EU funds (EUR 65.4 million).⁵

Table 2: Environmental aid schemes in Poland in the years 2004–2022.

Environmental aid schemes	Aid period (granting authority)	Gross value of state aid granted [EUR million]	Share in overall environmental aid [%]
PL 8/2004 (later N11/2007) – Horizontal aid scheme for investment in adaptation to best techniques 33/2004/K	2004–2010 (EPF)	42.0	34.4

⁵ Source: authors' own calculations based on OCCP's data.

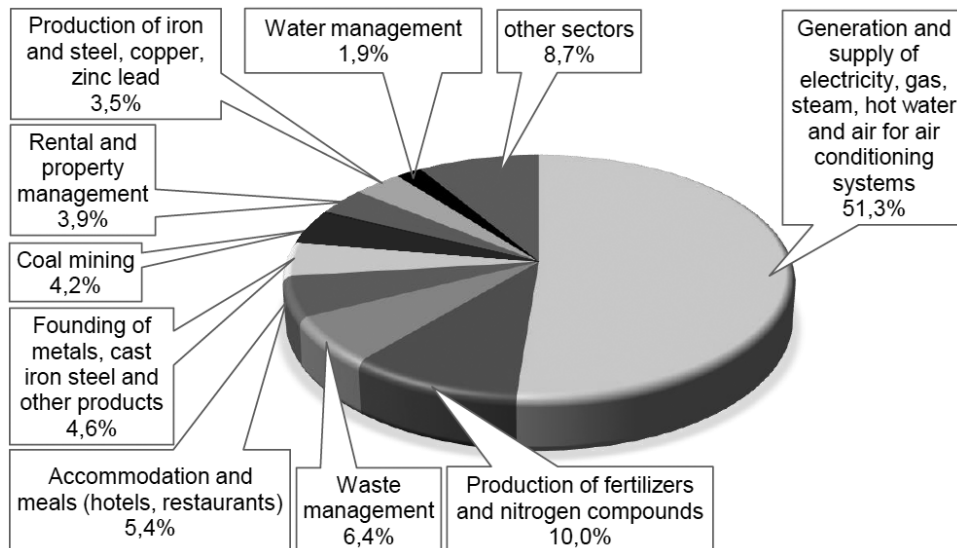
PL 12/2004 (later N10/2007) – Horizontal aid scheme for investment in reduction of emissions from fuel combustion sources	2005–2012 (EPF)	38.8	31.8
SA.36499(2013/N) (later SA.44685(2016/X), SA.61012(2021/X)) – Horizontal state aid scheme for certain environmental objectives as defined by the Regulation of the Minister of the Environment on the detailed conditions for granting horizontal state aid for environmental objectives	2015–2021 (EPF)	17.5	14.3
PL 5/2004 (later N4/2007) – Horizontal aid scheme for investment in protection of waters against pollution	2004–2007 (EPF)	5.2	4.3
SA.43908(2015/X) – Aid for investments to improve environmental protection under the regional operational programmes 2014–2020	2017–2020 (VM)	2.9	2.4
Other schemes		3.8	3.1
Other aid not allocated to any scheme	2004–2006	10.3	8.4
Individual aid (20 decisions)	2017–2021 (VM)	1.7	1.4
Total environmental aid	2004–2022	122.2	100

Note: Aid granting authority: EPF – Environmental Protection Funds, VM – voivodships' marshals.
Source: authors' own compilation based on OCCP's data.

Subsidies (68%) from Environmental Protection Funds (EUR 77.9 million) and voivodship marshals (EUR 4.7 million), as well as loans (primarily EPF funds – EUR 38.2 million) were the prevailing forms of environmental aid. Reductions in environmental charges or penalty reliefs accounted for approximately EUR 0.5 million.⁶

The primary beneficiaries of environmental aid were enterprises from the electricity and heat generation sector, which received EUR 62.7 million in aid (accounting for 51% of the overall amount of this aid category), and from the manufacture of fertilisers and nitrogen compounds, with EUR 12.2 million in aid (see: *Figure 5*). Large enterprises collectively received more than 80% of the environmental aid value, with more than a half of this aid granted to ten large enterprises, seven of which were active in the electricity or heat generation sector, two – in the manufacture of fertilisers and nitrogen compounds, and one – in coal mining.

⁶ Source: authors' own calculations based on OCCP's data.

Figure 5: Environmental aid in the years 2004–2022 by sectors of beneficiaries' activities.

Source: authors' own calculations based on OCCP's data.

Conclusions

In view of the EU's commitment to the environment protection, state aid for such measures could be a significant part of Member State intervention. This approach is justified insofar as the relevant provisions have been clarified in successive environmental state aid guidelines, and in the 2014 GBER the Commission exempted many categories of financial support from notification. However, this is not the case of Poland, where the overall value of this aid accounts for only 0.1% of the total value of state aid granted in Poland over the period under research. The largest portion of the aid was granted to large operators in the electricity and hot water generation and supply sector or in the manufacture of fertilisers and nitrogen compounds. The research has demonstrated that support was not ultimately given to all pre-settlers currently facing environmental challenges in the EU.

Particularly noteworthy is the high degree of cumulation to certain sectors and incidentality of environmental aid in Poland, both in terms of its objectives envisaged by the Commission and of support areas. This means that support did not follow a well-thought-out, coherent and systematic policy of supporting entrepreneurs, but is merely a collection of isolated interventions in the individual years in the period 2004–2022, depending on the availability of fund resources in the EU financial perspectives.

Furthermore, it should be emphasised that the EU rules are based on the "polluter pays" principle, which means that the aid could not be used to support companies' adaptation to existing environmental requirements. At the same time, the research results demonstrates that entrepreneurs in Poland have little interest in introducing solutions

that go beyond the required standards and in adapting their technologies to future environmental requirements. Thus, further tightening of existing standards may hinder the development of the Polish economy in those sectors, where activities have a direct impact on the environment.

Adam A. Ambroziak – Ph.D. in economics, Professor at the SGH Warsaw School of Economics; the author of over 130 scientific publications and analyses on the EU internal market policy, state aid policy, cohesion policy, common commercial policy, industrial policy, and in using EU funds; expert in decision-making process in the European Union and in the EU lobbying; Head of Postgraduate Programme in Administration and Management, Head of Postgraduate Programme in Public Aid.

Adam A. Ambroziak – doktor habilitowany nauk ekonomicznych, profesor w Szkole Głównej Handlowej w Warszawie; autor ponad 130 publikacji naukowych i analiz dotyczących polityki rynku wewnętrznego UE, polityki pomocy państwa, polityki spójności, wspólnej polityki handlowej, polityki przemysłowej oraz wykorzystania funduszy unijnych; ekspert w zakresie procesów decyzyjnych w Unii Europejskiej i lobbingu UE; Kierownik Podyplomowych Studiów Administracji i Zarządzania, Kierownik Podyplomowych Studiów Pomocy Publicznej.

Beata Grzegorzewska – graduate in applied mathematics and mathematical modelling (Silesian University of Technology) with the title of Master of Public Administration (University of Economics in Krakow). Head of the Reporting Unit in the Department of State Aid Monitoring, the Office of Competition and Consumer Protection, previously – chief financial management specialist for the Regional Operational Program of the Silesian Voivodeship. Lecturer in Postgraduate Studies in Public Aid at the Warsaw School of Economics.

Beata Grzegorzewska – absolwentka matematyki stosowanej i modelowania matematycznego (Politechnika Śląska) z tytułem Master of Public Administration (Uniwersytet Ekonomiczny w Krakowie). Naczelniczka Wydziału Sprawozdawczości w Departamencie Monitorowania Pomocy Publicznej w Urzędzie Ochrony Konkurencji i Konsumentów, wcześniej - główny specjalista ds. zarządzania finansowego Regionalnym Programem Operacyjnym Województwa Śląskiego. Wykładowczyni Podyplomowych Studiów Pomocy Publicznej w Szkole Głównej Handlowej.

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Polish subsidiaries in Germany – post-transition country firms' legitimation strategies¹

Piotr Trąpczyński, *Poznań University of Economics and Business*
(Poznań, Poland)

E-mail: piotr.trapczynski@ue.poznan.pl

<https://www.orcid.org/0000-0001-8154-9174>

Barbara Jankowska, *Poznań University of Economics and Business*
(Poznań, Poland)

E-mail: barbara.jankowska@ue.poznan.pl

<https://www.orcid.org/0000-0003-1984-3449>

Łukasz Puślecki, *Poznań University of Economics and Business*
(Poznań, Poland)

E-mail: lukasz.puslecki@ue.poznan.pl

<https://www.orcid.org/0000-0003-1062-8312>

Zuzanna Maleszewska, *Poznań University of Economics and Business*
(Poznań, Poland)

E-mail: zuzanna.maleszewska@phd.ue.poznan.pl

<https://www.orcid.org/0000-0002-4793-413X>

Melanie Franke, *University of Regensburg (Regensburg, Germany)*

E-mail: melanie.franke@wiwi.uni-regensburg.de

<https://www.orcid.org/0009-0001-7198-4153>

Thomas Steger, *University of Regensburg (Regensburg, Germany)*

E-mail: thomas.steger@wiwi.uni-regensburg.de

<https://www.orcid.org/0000-0002-4216-2599>

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Abstract

Legitimacy in foreign markets, a concept rooted in institutional theory, has traditionally been examined for firms originating from advanced economies. However, it becomes more complex for firms from emerging and post-transition economies. Polish firms began establishing foreign subsidiaries after the accession to the EU, primarily in European markets. In this context, Germany was a key destination for Polish foreign direct investment (FDI). However, scholarly literature about foreign subsidiaries established or acquired by Polish firms is limited. This article presents the analysis of the legitimation strategies employed by post-transition country firms in advanced economies, using Polish subsidiaries in Germany as empirical cases. The empirical context is chosen due to its economic significance and the close linkages between Poland and Germany. With a conceptual framework, the authors synthesise legitimation strategies discussed in scholarly literature and highlight some unique challenges for post-transition economy's firms. The article presents the outcomes from a qualitative study, extending the framework and offering some fresh perspectives in the field of international business legitimacy.

Keywords: legitimacy, international business, emerging markets, post-transition economies, foreign subsidiaries, Polish FDI, Germany.

Polskie filie w Niemczech – strategie budowania wiarygodności firm z krajów post-transformacyjnych**Streszczenie**

Wiarygodność na zagranicznych rynkach, jako pojęcie zakorzenione w teorii instytucjonalnej, tradycyjnie była badana dla firm pochodzących z zaawansowanych gospodarek. Jednakże staje się bardziej złożona dla firm z rynków wschodzących i post-transformacyjnych. Polskie firmy rozpoczęły zakładanie zagranicznych filii po przystąpieniu do UE, głównie na rynkach europejskich. W tym kontekście Niemcy wyłaniają się jako kluczowy cel polskich bezpośrednich inwestycji zagranicznych (BIZ). Mimo to, literatura naukowa dotycząca zagranicznych filii zakładanych lub nabywanych przez polskie firmy pozostaje ograniczona.

Niniejszy artykuł przedstawia analizę strategii budowania wiarygodności stosowanych przez firmy krajów post-transformacyjnych na bardziej zaawansowanych rynkach, wykorzystując polskie filie w Niemczech jako studium przypadku. Kontekst empiryczny został wybrany ze względu na jego znaczenie ekonomiczne i bliskie powiązania między Polską a Niemcami. Poprzez schemat koncepcyjny, autorzy podsumowują strategie legitymizacji omawiane w literaturze przedmiotu, podkreślając unikalne wyzwania stojące przed firmami z gospodarki post-transformacyjnej. Artykuł zawiera wnioski z badania jakościowego, rozszerzając ramowy schemat koncepcyjny i oferując nowe perspektywy w dziedzinie legitymacji w biznesie międzynarodowym.

Słowa kluczowe: budowanie wiarygodności, biznes międzynarodowy, rynki wschodzące, gospodarki post-transformacyjne, filie zagraniczne, polskie inwestycje bezpośrednie za granicą, Niemcy

The challenge of attaining legitimacy in foreign markets has been explored by scholars – particularly those working with institutional theory as a theoretical foundation (e.g. Kostova, Zaheer 1999; Xu, Shenkar 2002; Xu et al. 2004). Factors increasing legitimacy

in a foreign market such as strategy adaptation (Petersen, Pedersen 2002) have often been studied in the context of advanced economies, while the challenge increases notably for firms from emerging markets and (post-)transition economies (Bian, Emons 2017; Burgoon, Raess 2014; Schüller, Schüler-Zhou 2013). For these novice firms, the establishment of subsidiaries in more advanced economies may not be immediately obvious. While upmarket investment may be a unique learning opportunity, there is also evidence that foreign expansion into demanding markets may not be successful without some solid managerial capabilities (Hennart 2012).

Polish firms started establishing their foreign subsidiaries only after Poland joined the EU, and the main foreign market for them is still European (Wach 2012). Nevertheless, the size of Polish FDI is still modest when we compare with the global flows. It can be explained by still relatively small population of Polish multinational enterprises (MNEs). At the end of 2020, 1,880 entities based in Poland reported involvement in 4,030 entities abroad in the form of shares, branches or other forms (Central Statistical Office 2022). Most foreign entities were based in Germany, the Czech Republic, Ukraine and Russia. In 2020, the largest number of employees was reported in foreign units based in Germany (27.3 thousand), Russia (20.0 thousand), the Czech Republic (19.4 thousand) and Romania (17.9 thousand). Taking into account the location of the surveyed foreign units, higher net revenues from sales of products, goods and materials in 2020 were achieved by foreign units based in Germany (PLN 36.7 billion) and the Czech Republic (PLN 25.1 billion). Thus, the German market is the key destination for Polish MNEs investing abroad.

Meanwhile, studies on foreign subsidiaries of Polish firms still constitute a rather less explored area (Wąsowska, Obtój 2013; Wiliński 2013; Ciesielska et al. 2016; Gołębiowski et al. 2021, Gorynia et al. 2015; Élterő et al. 2015; Götz 2011 Götz, Jankowska 2016; Zimny 2013). There are studies focused on motives and drivers of Polish firms investing abroad (for example: Obtój, Wąsowska 2012; Radtő, Ciesielska 2016) or consequences and implications that kind of investment may provide for firms and Poland as their home country (Bartożewski 2017; Nowiński 2015; Trąpczyński 2016; Trąpczyński, Banalieva 2016).

Therefore, the aim of this article is to analyse legitimization strategies by post-transition country firms in more advanced countries, based on the empirical context of Polish subsidiaries in Germany. The choice of the empirical context is related to the size of the two economies, as well as their close economic linkages, whereby the expansion of Polish firms to Germany has received less attention than the other side of the relationship, although Germany is a major location for Polish exports and FDI (Götz, Trąpczyński 2016). This article creates conceptual foundations for understanding the ways of building legitimacy in a foreign market by enterprises from a less developed market, as well as provides the first empirical premises based on qualitative research. Then these findings will be used in the quantitative part of the Polish-German research project, taking into account both perspectives: headquarters and subsidiaries.

In a first step, this article will present a conceptual framework, which integrates extant knowledge on legitimization strategies, particularly in the context of emerging market firms and (post-)transition economies, going beyond legitimacy literature *sensu stricto*

and incorporating also other streams which may be important for legitimation in foreign markets. Secondly, insights from a mixed-method study will be presented in this article to extend the literature-based framework and provide new insights which may inspire future research.

Conceptual framework

Legitimation refers to how organisations secure their position by adhering to the rules of the institutional environment (Kwak et al. 2019; Steinhauser, da Rocha 2023). Following the literature review, we have developed a conceptual framework, which is visualised in *Figure 1*. Firstly, we identified strategies devoted to legitimacy *sensu stricto* (first-order legitimation strategies), which portray the key strategies to secure legitimacy when entering a new host market. Luo and Tung (2018) emphasised acquisitions as the main strategy for emerging market firms to gain legitimacy. These first-order strategies can mitigate a number of challenges encountered by emerging market firms in new host countries. For example, challenges attributed to the amalgamation, expansion, and realignment of the firm's capabilities (Kotabe, Kothari 2016), as well as allowing employees from the acquired local firm to be seamlessly integrated into the acquiring organisation (Luo, Tung 2018). Furthermore, international business (IB) research has long identified such tactics as using joint ventures as an entry mode to legitimate own position in a new market (Bai et al. 2019). Additionally, the company's positioning plays important role in connection with its network ties and relationships in the new host country (Ahlstrom et al. 2008; Gebert-Persson, Kaptalan-Nagy 2009).

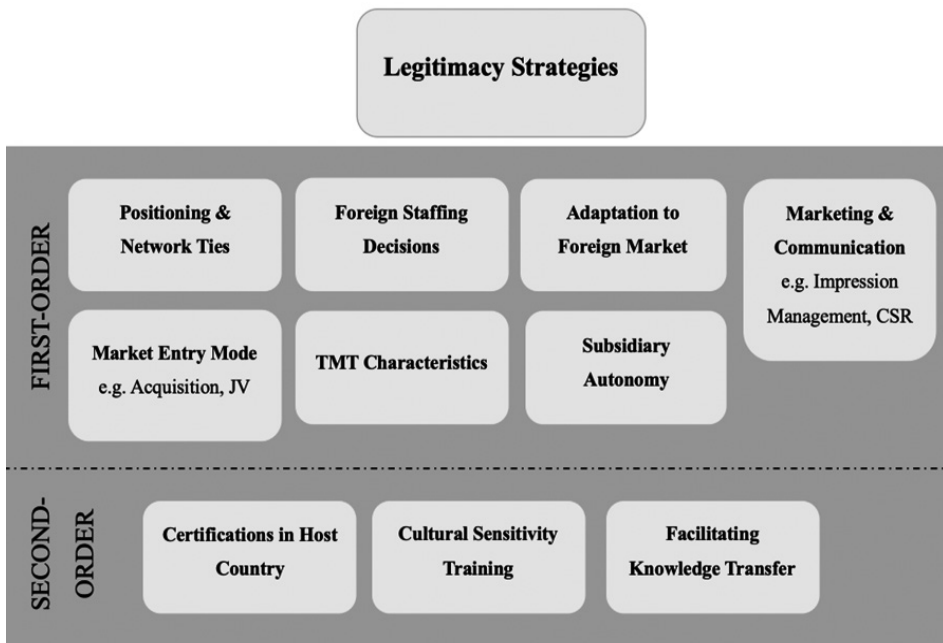
Another stream within the discussion of first-order legitimation strategies pertains to foreign staffing decisions (Ando 2011; Belderbos, Heijltjes 2005; Delios, Bjorkman 2000), access to (local) networks of managers (Jean et al. 2011), or the cultural adaptiveness/willingness of manager (Pinkerton, John 2008; Davis et al. 2000). Other scholars describe top management team's (TMT) characteristics, drawing attention to international mindset of managers (Beechler, Javidan 2007) or the diversity of TMT (Singh, Point 2009). Moreover, literature on subsidiary autonomy also raises the issue of the governance of foreign subsidiaries, drawing attention to the role of advisory boards or local boards (Carpenter et al. 2001; Daily et al. 2000), as well as the adaptation to local business behaviour (Davis et al. 2000; Kostova, Zaheer 1999; Yiu, Makino 2002). Other examples related to legitimacy building can be found in the area of marketing and communication, particularly with regard to impression management in annual reports (Linsley, Kajuter 2008; Wang 2014; O'Donovan 2002), signal restructuring (Wang et al. 2014), or recently also Corporate Social Responsibility (CSR) communication (Seele, Gatti 2017; Bai et al. 2019) have been thematised.

Not least, research on the localisation or adaptation of foreign market operations has often adopted an institutional perspective in order to justify strategic adjustments with the intention to enhance legitimacy. This research has raised the relevance of such aspects as local sourcing (Walker, McCarthy 2010), and foreign marketing adaptation (e.g. Chen et al. 2016).

Finally, we argue that the concept of legitimization strategies in foreign markets needs to be extended, because some activities may contribute to legitimacy-building, without being referenced as such (second order legitimization strategies). The scholarly literature on this matter includes research on certifications in areas such as corporate social responsibility (Husted et al. 2016), or cultural sensitivity training (Kaihlainen et al. 2019). The significance of knowledge transfer becomes evident when addressing the challenges related to liability of foreignness. This is particularly crucial when making staff decisions and fostering transparency, knowledge sharing, and communication between the headquarters and its subsidiaries. While these factors are interconnected, they have not yet developed a direct and discernible influence on specific legitimacy strategies (Calhoun, Dunn-Jensen 2014).

The summary of the identified legitimacy strategies of the first and second orders can be found in *Figure 1*. As evident from the scholarly literature review, there is a notable disparity in the depth of discussion surrounding second-order legitimacy strategies. It proves considerably challenging to pinpoint strategies that are not directly tied to legitimacy, but have a substantial influence on its cultivation throughout the internationalisation process. This fact underscores the multifaceted nature of establishing credibility for outsider company in a new host environment.

Figure 1: Identification of legitimacy strategies.



Source: authors' own elaboration.

Materials and methods

In this study we combined the systematic literature review with qualitative empirical research. The literature review was conducted according to the SALSA² framework (Grant, Booth 2009). This framework indicates four stages in the literature review process. At the first searching stage we collected a large pool of publications, drawing on predefined search keywords: legitimacy, institutional distance, subsidiary staffing, TMT diversity, network embeddedness, host-country knowledge transfer, subsidiary performance, upmarket investments/FDI in advanced economies by emerging market firms, etc. In the second phase we assessed some previously selected articles to extract irrelevant and to focus on important publications. The third and fourth stages were focused on analysing and synthesising these chosen materials, on drawing conclusions and summarising the main findings (Grant, Booth 2009). Thanks to the results of the literature review we were able to prepare the questions for semi-structured in-depth interviews both with headquarters and subsidiaries (using non-random sampling procedure, with purposeful selection). We have created a database that comprises detailed information about Polish market entries to Germany that helps to identify successful market entry patterns, which is not only of vital academic interest, but can likely serve as a benchmark for managers and policy-makers.

In order to gain the in-depth understanding of the legitimization strategies of Polish firms possessing subsidiaries in Germany, some longitudinal case study analyses were scheduled for 2023–2025, the first stage of research being reported in this article. For the purpose of the article, information from three companies is presented, based on in-depth interviews with executives responsible for German operations. The companies were selected based on theoretical sampling criteria, differentiating such characteristics as size, sector or experience with the German market.

Therefore, in the empirical part of this research we applied the case study research method and conducted semi-structured in-depth interviews in three companies. Case studies often clarify hidden and non-obvious phenomena (Cappelli, Sherer 1991) and allow us to study them in their natural circumstances, enabling us to formulate new practically and empirically valid insights (Miles, Huberman 1994). The exploitation of that method allowed us to identify links between results of previous literature studies and new empirical insights (Andriopoulos, Slater 2013). We used a multiple case study approach, which was exploratory in nature since we tried to identify key legitimization-building strategies and better understand the phenomenon under this study (Siggelkow 2007).

The novelty of the research design relies on the integration of the perspectives of both headquarters and subsidiaries, because informants from both sides were interviewed. Such dyadic research approach was possible thanks to the combination of the German and Polish research teams. Additionally, these case studies shed light on the legitimization strategies indicated in the conceptual framework – whether and how they are exploited

² Search, Appraisal, Synthesis and Analysis.

by real firms and how the peculiarity of the company (in terms of e.g. its size, industrial background, organisational culture and external embeddedness) may reshape the same approach to legitimisation building efforts.

Results and discussion

Company A

Company A is a Polish manufacturer of kitchen appliances, with many foreign subsidiaries (both established and acquired) and exports to over 50 markets. Its first gas/coal cooker was produced in 1957. Nowadays the appliances, produced by *Company A*, are very well known in the European markets. Around a half of the company's production is currently exported. In the basket of foreign markets the most popular is the German market, then Great Britain and Scandinavia. Exporting strategy is accompanied by acquisitions. The privatisation of *Company A* in 1994 facilitated very much its more ambitious way of international expansion. The firm was actively engaged in acquisitions in the early 2000s and spread its foreign subsidiaries across many European markets. Nowadays *Company A*'s subsidiaries are established in Denmark, Germany, England, Spain, France, Russia, Ukraine, China and Romania. The firm's products are also sold in Asian and Middle East markets.

Germany was the firm's first export market. Its first products appeared in Germany in the 1960s. Later, the company expanded more intensively into the German market during the 1990s, initially sourcing components and materials for the factory in Poland, and subsequently selling products to German distributors, wholesalers, and retail chains. Applying German components in the Polish products has had a positive impact on the perception of *Company A*'s products in Germany. Maybe at first not intentionally in that way *Company A* started to build its legitimacy in the German market. Later this company realised the positive impact of that approach on the perception of its products and further of the entire company. German components were recognised as reliable, high-quality elements of the firm's products and the German market being the first foreign market for *Company A* provided great opportunities to learn and collect experiences.

Company A respects the peculiarities of foreign markets and the German one among others. And that is another approach to legitimacy building. Since the customers in Germany have high quality expectations and are very loyal to their German brands, the above-mentioned sourcing of components from Germany helps to cope with that challenge plus very strong pressure on the innovativeness and quality of products and services provided to German customers. To enhance its legitimacy in Germany, *Company A* cooperates with professional research institutions that issue appropriate certificates. The embeddedness in the network of those institutions contributes to positive perception of *Company A* in the German market.

Another aspect, obviously crucial for legitimacy purposes was the level of the autonomy of the subsidiary. *Company A* granted significant operational autonomy to its subsidiary in Germany. It resulted in its great agility, especially visible in logistics.

The adjustment to the clients' expectations is also reflected in the choice of products, which are not popular elsewhere. Thus, in Germany the firm combines innovativeness with more conservative, old-fashioned products still appreciated by German customers.

Although the management of the German subsidiary was initially entrusted to a Polish manager, it was subsequently handed over to Germans, which had a positive effect on the company's perception in this market. However, it is at the same time important that the top management of the group has a European mindset (not Polish or German). The CEO of the entire group gained significant experience while working in the German market even before the transition period, which had a strong impact on the decisions regarding this market. Moreover, the whole staff is still trained in cultural differences to be sensitive to the specific characteristics of their host markets.

Taking into account the *Company A*, the dynamics of knowledge transfer play a vital role in the success of cross-border operations. This aspect gains further clarity through the insights shared by *Company A* subsidiary, highlighting the importance of swift response to market challenges through effective communication between the subsidiary and headquarters. This emphasis on experiential knowledge exchange becomes even more meaningful when examined in the context of Baskici's study (see: Baskici 2019). This study underlines the relevance of knowledge transfer mechanisms in achieving adaptability and problem-solving prowess in international subsidiaries. The subsidiary's ability to swiftly react and counteract market issues hinges on the proficiency of knowledge transfer channels, establishing a dynamic interplay between subsidiary and HQ that is instrumental in fostering market agility and sustained growth.

It should be also taken into consideration that the pricing of *Company A* products becomes an essential aspect, intricately linked with their niche focus, ensuring they capture the market effectively. This holistic approach, blending a strategic niche focus with appropriate pricing strategies, guarantees them competitive advantage on the already saturated German market. This niche focus not only helps defining the *Company A*'s brand identity, but also enables them to implement pricing strategies that resonate with their target audience. Research by Lado et al. (2004) underlines the significance of pricing in entering the market successfully.

Company B

Company B is a service company from Poznań (Poland), which has developed a premium booking platform for hotels & resorts. The award-winning platform is more than just the highest converting booking engine on the market – it is a powerful marketing automation tool, advanced channel manager, and website builder all in one. It is easy to use across multiple properties and any team will love the intuitive interface, no matter their experience level. The story of the company began in the summer of 2008, when the Chairman of *Company B*, encountered a genuine problem when trying to go on holiday to seaside resort. The resorts simply didn't have the technology to allow him to book online last minute and demanded that he had to call, e-mail or visit personally the reception desk. He founded the company on the spot and, 15 years later, the company now has a team

of over 200 employees across the world in 44 countries and has helped more than 3500 hotels and resorts supercharge their direct bookings and stand out online with style.

Company B's expansion in Germany began in 2012, and the German subsidiary was established in Munster. Initially, the company started with one German representative with Polish origin, who had lived more than 30 years in Germany and focused on finding potential partners for business from hotels and resorts in Germany. The owners decided to present the company as "international" rather than "Polish", because they had a bad experience in 2010 and 2011 with one potential deal in Germany during very important international fairs ITB. Everything was discussed and prepared for implementation, however when the German partners discovered that the company was from Poland, they decided to terminate this deal and decided to develop the business with American partner.

The strategy of the "international" company was very successful at the beginning, however, the company faced some important problems taking into account the communication aspect (language barrier), as well as technology development and advancement in hotels and resorts in Germany (in fact the lack of development and advancement). The reality was that many resorts did not use any advanced technologies, moreover, many representatives did not have any interest in better sales or in having more new customers. This situation was very strange, taking into account the situation in other markets, where *Company B* has its subsidiaries. The language barrier was important in the negotiation phase of several deals, because the owners of *Company B* speak only English and not German. Even though they have had representatives of German origin employed in the German subsidiary, sometimes the owners of hotels and resorts in Germany would like to discuss the business development with the representatives of the board of the company. Another interesting phenomenon was the low development of marketing tools used in hotels and resorts (websites, social media profiles, etc.) and the very cheap price of competitive services. It was quite specific in comparison to more advanced markets or even emerging markets – like Poland.

The same situation was observed regarding different methods of payment, which are very important in the booking process. This situation caused *Company B* to develop a completely new marketing strategy in Germany, different from that used in other markets. The level of adaptation was really high.

Another important problem in successful business development was a low level of automation (which is a core business of the platform developed by the company). Many hotels and resorts in Germany are managed by families – from generation to generation. Because of that, they do not employ professional managers and do not want to invest in new technological solutions, as this can cause the situation that someone from the family can lose the job. This fact causes another challenge to convince the owners to use the platforms and to present potential profits from using them. It should be also taken into account that *Company B* had about 30–40 different competitors in the German market.

Despite the challenges, the first years of activity of the company were successful, however, it was possible only to attract small partners, not the big ones. The subsidiary

did not have real autonomy, it was treated as a part of *Company B* International (Headquarter). In order to gain market share *Company B* (.de) became a member of industry associations of hotels, SPAs, resorts, etc., and received several awards. Since it was not possible to attract bigger partners (hotels and resorts), the company decided to exit the German market after 10 years of activity. The owners did not want to invest more money in finding new partners and decided to move all the activities from Germany to the subsidiary in the United Kingdom. The owners claimed that the German market is very interesting and attractive, but on the other hand – very specific and challenging (especially in the tourism and hotel industry), taking into account legitimacy building and gaining the market share.

Company C

Company C is a Polish manufacturer of public transport vehicles (buses, trolleybuses and streetcars). The company is exporting buses to 34 countries: Europe, Africa, Asia; more than 700 cities. The most remote sales market is the Department of Réunion in the Indian Ocean. Production facilities are located in Wielkopolska Region including: final assembly of buses and trolleybuses, welding plant for bus and trolleybus skeletons and streetcars, final assembly and additional distribution centre and warehouse, aimed at streamlining the order fulfilment process and raising the level of pre-sales customer service. The company's largest orders are for city bus operator E.THE.L Athens (Greece), Cotral Lazio (Italy), BVG Berlin (Germany), RTA Dubai, SWRT Wallonia (Belgium), MZA Warsaw (Poland), ATM Milan (Italy), EMT (Spain), Unibuss Oslo (Norway). *Company C* was the world's first manufacturer, which introduced a mass-produced hybrid bus to the European market.

The specificity of the bus market lies in its financing through public funds and involvement of urban transport companies and private entities as contractors. Consequently, effective management requires maintaining two distinct marketing departments to cater to these different stakeholder groups. Favourable conditions for trade development with Western Europe were facilitated by Poland's accession to the European Union and the fact that the initial owners of the company had resided in Germany for a decade, possessed German citizenship and had a profound understanding of the language, culture, and business mentality of their Western neighbours.

Company C was founded in 1994 by the later Chairmen, who had previously worked for the German company – the manufacturer of buses. A milestone in the company's history was its successful bid in 2004 for the supply of 260 buses to Berlin. At the turn of 1999 and 2000, the company's subsidiary in Germany was established, enabling international transactions. *Company C* directed its products from Poland to the German market, though financial documentation was issued by the German branch. The victory in the Berlin tender also had a positive impact on the company's public relations, leading to increased interest in *Company C* buses among transport companies in other German cities. Currently, the company's products not only compete in terms of quality but also in terms of the credibility of the country of origin, which, in comparison to Asian markets, makes Poland as more reliable choice.

In the German market, *Company C* faces significant competition from key players, including *Mercedes* (holding approximately 50% of the market share), MAN (maintaining a market share within the range of 20–30%), and *Company C* in Germany with approximately 10% of the market share. In comparison, in its home market of Poland, *Company C* has achieved dominance with a market share ranging from 50% to 60%. The highest market share in Germany for *Company C* was during the introduction of new technologies, particularly the introduction of electric buses. However, the competitive landscape has shifted with the development of new regulations and technological solutions within the European Union.

As of 2023, *Company C* has subsidiaries in 16 different markets, with *Company C* subsidiary in Germany serving as the largest subsidiary, responsible for distribution and service. In other markets, the company resorts to outsourcing. Local managers are responsible for export market operations and enjoy an autonomy in managing their business activities, though they are evaluated based on centrally coordinated information systems. The acquisition of *Company C* by *CAF Group* has not adversely affected the autonomy of its subsidiaries. Adapting *Company C*'s products to foreign markets involves customising the product to meet the specific requirements of each contractor. Consequently, vehicles may differ, for instance, in interior equipment or propulsion systems, depending on the buyer's preferences. The flexibility of production enables the establishment of new and the maintenance of long-standing trade relationships, which are founded on direct, personal contact with the customer.

Building legitimacy in the German market included several key elements. At *Company C* in Germany, the management team consists of local employees, who are Germans. The components of the vehicles are German products, indicating high quality in the market (e.g., the drivetrain system from ZF). The company actively collaborates with universities and public sector, conducting research and development activities in partnership with them. Furthermore, *Company C* maintains a presence in industry journals such as *Omnibus*, where the company's achievements are showcased.

Company C participates in international trade fairs and exhibitions, presenting new vehicles and automotive technologies, and often receives awards for its innovative products. Given the German culture, the company is not hesitant to compete with key players in the market by participating in independent comparative tests.

The subsidiary in Germany is not just one of the largest companies in *Company C*'s portfolio, as mentioned during interviews with company's employees, the first contact to Berlin proved to be a gateway to Europe. With its operations in the German market, the company began to develop not only in Europe, but in later years, around the world as a competitive player in the mass transportation industry.

Conclusions

The aim of this exploratory article was to review extant literature on legitimacy building in international markets and identify different streams which shed light on this

phenomenon. Subsequently, we reported some preliminary case study evidence from Polish firms possessing subsidiaries in Germany. Therefore, our contribution is twofold. By integrating different literature streams we contribute to the conceptualisation of legitimisation strategies in foreign markets by reaching out beyond legitimacy-focused research. In doing so, we contribute not only to literature on emerging market firms and their strategies in foreign markets, but legitimisation research in general. Additionally we exemplify how the general, broadly accepted and implemented legitimacy strategies may be translated to the peculiarity of a particular company. Doing that, we manifest that firms while trying to be recognised as legitimate businesses in foreign markets may take advantage from a broad spectrum of approaches within one particular legitimacy strategy. The explored case studies of Companies A, B and C highlight how particular factors – related to the firms and their environment – may contribute to the diversity of conceptually identified legitimacy strategies. Thus, the foreign market entry strategy may serve as the legitimacy-building strategy, but in real-life cases that strategy may differ depending on the size of the firm, its industrial background, time of market entry or even networks and relationships the entering firm poses.

Secondly, by providing novel empirical insights from our mixed-method study, we illustrate the pre-identified legitimisation strategies with examples from a post-transition firms' expansion into institutionally and economically more developed context, but we also draw attention to other forms of legitimisation, which deserve future research.

The critical, in-depth literature studies allowed us to develop a framework presenting the key legitimacy building strategies of firms. The conducted qualitative research with the use of the case study method provides insights on how those literature-based approaches work and if they are really visible among firms from post-transition countries. It turned out that the legitimacy strategies that emerge from the literature are reflected in the reality of the studied firms.

In this study, the authors tried to connect the results of the academic literature review with the reality of three post-transition country firms expanding on the German market. It is visible that the results of the previous research in the field of legitimacy-building strategies resonate with the reality of the studied firms. Establishing the right position in the network in a host market works as a legitimacy-building strategy for the studied firms.

The companies investing abroad try to get embedded in the host-market network, however, the type of cooperating partners and strength of links may be different across partners. Investing firms adjust the set of cooperating partners to their own priorities – whether it is innovativeness, quality or rather cost efficiency. Thus, it can be concluded that being embedded in the network in the host market helps, but the type of partners may differ. Acquisition strategies help the firm to establish itself in the market relatively quickly and easily. Efforts to build ties in host markets go in line often with efforts to adapt to foreign markets, since the ties become knowledge transfer channels and of cultural differences.

The more embedded a firm is in the host-market network, the smoother the communication with entities in that market, which contributes to the CSR efforts. And

the more familiar a company is with the host market, the more prone to lose the level of control over the foreign subsidiary. Knowing the institutional and cultural differences, a firm is open to staffing the top management positions with managers originating from the host market. It is visible among the studied companies. That staffing approach further contributes to the subsidiary's autonomy, which positively translates to host-market sensitivity and practically results often in the adaptation of the firm's products and services to the host markets. However, there are cases when investing companies knowing very little about the host market decide to staff the top management positions with host market managers to avoid the threats emerging from the knowledge gap in cultural differences.

Three studied cases illustrate the significance of Germany as the host market for Polish firms. As stated in the introduction, according to the secondary statistical data, the role of Germany as the host market for Polish firms investing abroad is not to be overestimated. Thus, the legitimacy-building strategies of Polish companies establishing their subsidiaries in Germany create micro-economic foundations for further development and flourishing of Polish-German business relations. Since Poland and Germany are neighbouring countries, the position of Polish firms in the German market, their perception and reputation are very important. The geopolitical turbulence justifies even more the efforts of Polish companies to establish their legitimacy in Germany.

On the one hand, we contributed by conceptualising the literature stream of legitimisation strategies in foreign markets, simultaneously expanding literature on firms from emerging markets and general studies on legitimacy. On the other hand, we provided new empirical insights through the integration of research methods, simultaneously confirming that legitimisation strategies from the literature reflect in the reality of firms during expansion into the German market, where establishing the right position in the market network emerges as a key strategy. Taking into account future research avenues based on current findings, it will be advisable to investigate the impact of geopolitical changes on the legitimisation strategies of Polish firms in the German market. Additionally, it is also worth to analyse how legitimisation strategies vary among firms in different industries and identifying industry-specific characteristics influencing these strategies. From the perspective of long-term consequences, it will be good to explore the implementation of specific legitimisation strategies, both in terms of business success and their impact on inter-firm relationships. An interesting research avenue could be focused on assessing how the legitimisation strategies of Polish firms in Germany contribute to the microeconomic foundations for the development of business relations between Poland and Germany.

It should also be emphasised that the study presented in this article has some limitations. Firstly, this empirical research is based only on 3 case studies, and the obtained results should not be generalised to the entire population. It is certainly worth conducting more advanced quantitative research, which will allow, on a larger sample, to verify the legitimacy-building strategies undertaken by Polish subsidiaries in Germany at a more detailed level of analysis. Additionally, this study concerns Polish subsidiaries

on the German market, and this context is, on the one hand, very attractive in terms of research values, but on the other hand – it may provide limited certainty. It would certainly be worth extending the analysis to additional countries, which could constitute the basis for further comparative research verifying the strategies of legitimacy-building by companies from emerging markets in more advanced markets.

Piotr Trąpczyński – PhD, D.Sc., Associate Professor at the Poznań University of Economics and Business (Poland). Research interests: firm competitiveness, internationalisation performance and foreign market exits. He published his research outcomes in many prestigious journals, including: "Journal of World Business", "Journal of Business Research", "International Business Review", "European Management Journal", "European Journal of International Management".

Piotr Trąpczyński – dr hab., profesor uczelni na Uniwersytecie Ekonomicznym w Poznaniu. Zainteresowania badawcze: konkurencyjność przedsiębiorstw, wyniki ekonomiczne związane z międzynarodyzowaniem przedsiębiorstw i wyjściem z zagranicznych rynków. Publikował wyniki swoich badań w wielu prestiżowych czasopismach, w tym: "Journal of World Business", "Journal of Business Research", "International Business Review", "European Management Journal", "European Journal of International Management".

Barbara Jankowska – PhD, D.Sc., Full Professor at the Poznań University of Economics and Business (Poland). Research interests: competitiveness of firms and industries, internationalisation of firms and industries, business clusters and the fourth industrial revolution. She published her research outcomes in many prestigious journals, including: "International Business Review", "European Management Journal", "European Planning Studies", "Renewable and Sustainable Energy Reviews", and "Competitiveness Review".

Barbara Jankowska – prof. dr hab., profesor na Uniwersytecie Ekonomicznym w Poznaniu (Polska). Zainteresowania badawcze: konkurencyjność firm i branż, internacjonalizacja firm i branż, klastry biznesowe oraz czwarta rewolucja przemysłowa. Publikowała wyniki swoich badań w wielu prestiżowych czasopismach, w tym: "International Business Review", "European Management Journal", "European Planning Studies", "Renewable and Sustainable Energy Reviews", "Competitiveness Review".

Łukasz Puślecki – PhD, Assistant Professor at the Department of International Management, Institute of International Business and Economics, Poznań University of Economics and Business (Poland). He is the Chair and Co-founder of the Academy of International Business (AIB) Central and Eastern Europe Chapter (AIB-CEE). Research interests: R&D cooperation and partnerships, innovation cooperation, innovation performance, innovation cooperation performance, and technological competitiveness.

Łukasz Puślecki – dr, adiunkt w Katedrze Zarządzania Międzynarodowego (Instytut Gospodarki Międzynarodowej, Uniwersytet Ekonomiczny w Poznaniu). Jest przewodniczącym i współzałożycielem

celem Oddziału Europy Środkowo-Wschodniej (AIB-CEE) Akademii Biznesu Międzynarodowego (AIB). Zainteresowania badawcze: współpraca i partnerstwa badawczo-rozwojowe, współpraca innowacyjna, wyniki w zakresie innowacji, wyniki współpracy w zakresie innowacji i konkurencyjność technologiczna.

Zuzanna Maleszewska – M.Sc., PhD candidate at the at the Department of International Competitiveness, Institute of International Business and Economics, Poznań University of Economics and Business. Research interests: firm competitiveness, internationalisation, international business.

Zuzanna Maleszewska – mgr, doktorantka w Katedrze Konkurencyjności Międzynarodowej (Instytut Gospodarki Międzynarodowej, Uniwersytet Ekonomiczny w Poznaniu). Zainteresowania badawcze: konkurencyjność firm, internacjonalizacja, biznes międzynarodowy.

Melanie Franke – M.Sc., MBA, Research Assistant at the University of Regensburg (Germany). She received her M.Sc. from the University of Regensburg and her MBA from the Murray State University (Kentucky, United States of America). Research interests: business legitimacy, knowledge transfer in MNEs and transition economies, with emphasis on Central and Eastern Europe.

Melanie Franke – mgr, MBA, asystent naukowy na Uniwersytecie w Ratyzbnie (Niemcy). Uzyskała tytuł magistra na Uniwersytecie w Ratyzbnie oraz tytuł MBA na Murray State University (Kentucky, Stany Zjednoczone). Zainteresowania badawcze: legitymizacja biznesu, transfer wiedzy w przedsiębiorstwach wielonarodowych i gospodarkach w okresie przejściowym, ze szczególnym uwzględnieniem Europy Środkowo-Wschodniej.

Thomas Steger – Full Professor of Leadership and Organisation at the University of Regensburg. He has graduated from the University of Fribourg (Switzerland) and received his doctoral degree as well as his habilitation from the Chemnitz University of Technology. Research interests: corporate governance (especially boards of directors) and employee-owned companies. Particular emphasis is placed on the transforming countries of Central and Eastern Europe.

Thomas Steger – profesor na Uniwersytecie w Ratyzbnie. Jest absolwentem Uniwersytetu we Fryburgu (Szwajcaria), później uzyskał stopień doktora oraz habilitację na Politechnice w Chemnitz. Zainteresowania badawcze: ład korporacyjny (w szczególności zarządy) i spółki pracownicze. Szczególny nacisk położony jest na transformujące się kraje Europy Środkowo-Wschodniej.

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Book review:
A.A. Ambroziak (ed.) (2023),
Poland in the European Union. Report 2023,
SGH Publishing House, Warsaw, 160 pages

Joanna Bednarz, University of Gdansk (Gdansk, Poland)

E-mail: joanna.bednarz@ug.edu.pl

<https://www.orcid.org/0000-0003-4695-0258>

The monograph entitled *Poland in the European Union. Report 2023* is a collectively written study prepared by researchers of the Department of European Integration and Legal Studies, Collegium of World Economy, SGH Warsaw School of Economics, under the scientific editorship of Adam A. Ambroziak. This is the third edition of the cyclical report, in which the authors continue the discussion about economic and legal problems and the future of Poland in the European Union. This year the report is devoted to the important macro- and mesoeconomic (sectoral and regional) problems related to Poland's presence in the European Union (EU), as well as the integration within the EU itself. Significant advantage of this book is the discussion on current topics such as the situation in Ukraine, immigration to Poland, carbon dioxide (CO₂) emissions, and public aid in Poland, including the COVID-19 pandemic. The book consists of 8 chapters. It is preceded by the *Introduction*, in which the authors present the purpose, concept, thematic scope, and content of each part.

The first chapter, written by Elżbieta Kawecka-Wyrzykowska, concerns an important issue, which is the impact of the situation in Ukraine on the progress of energy transformation in Poland. The main research issue in this chapter is formulated in the form of three questions regarding: (1) the manner and consequences of the situation in Ukraine on the energy transformation in Poland, (2) the costs and sources of financing of decarbonisation, (3) and the impact of the war on the justification for slowing down the energy transformation in Poland. The author emphasises the importance of deliberating on this topic by stating that the energy crisis caused by the situation in Ukraine has threatened the implementation of the current EU plan, assuming a 55% reduction in greenhouse

gas emissions by 2030 and achieving climate neutrality by 2050. Poland is a country that maintains provisions preventing the expansion of renewable energy capacity and does not participate in the EU economy decarbonisation plan as part of the package *Fit for 55* providing for climate neutrality by 2050. The author discusses in this chapter the structure of fuel consumption in Poland compared to the EU average and the actions taken to mitigate the negative effects of the situation in Ukraine on energy suppliers and consumers. Important element of this part of the study is an attempt to estimate the costs of energy transformation in Poland and the EU financial support that can be obtained. A list of arguments for and against the energy transformation was also prepared, taking into account the situation in Poland.

The topic of energy transformation in Poland is continued in the next chapter. Marzena Błaszczuk-Zawiła successfully introduces problems in terms of emissions of the main greenhouse gas – CO₂. The Polish energy system is still dominated by centralised energy production based on coal. In 2020, Poland was one of the five largest greenhouse gas emitters of all EU Member States. Due to the high level of emissions, the Polish energy sector is a burden on the implementation of the EU's climate policy, the primary goal of which is to eliminate greenhouse gas emissions wherever possible. Achieving climate neutrality in Poland by 2050, the deadline approved by the European Council, will be a challenge. Implementing changes in the energy sector will require important political decisions and the involvement of significant financial resources. In this chapter, the author discusses in detail the amount of greenhouse gas emissions in Poland over 30 years (1990–2020). Interesting conclusions come from the comparison of changes in greenhouse gas emission levels in EU Member States in 1990–2020 and the share of individual EU-28 countries in the total EU greenhouse gas emissions in 2020. Then, the key sources of the high level of CO₂ emissions in Poland are discussed, pointing out the main causes generated by the energy and transport sectors, energy consumption for heating, cooling and lighting of buildings, as well as electricity consumed by household appliances. Both the description and presentation of data in charts and tables are noteworthy.

The next important issue covered in the Report is immigration to Poland during the years 2020–2022. Chapter three of the Report is written by Michał Schwabe. The author considers immigration to Poland, taking into account three events that shocked the market and brought a general sense of uncertainty and threat. The first is the COVID-19 pandemic and the accompanying periodic lockdowns, restrictions, and difficulties in crossing borders between countries. The second is the crisis on the Poland–Belarus border and the immigration of refugees from the Middle East to Poland. The third one is the situation in Ukraine, which forced millions of Ukrainians to leave their country, the vast majority of whom crossed the Polish border. All three factors are still relevant, and a thoughtful discussion is warranted. The author emphasises that they cause particular constraints and problems, primarily in terms of access to the Polish labour market, as well as free health and educational services. The problems are deepened by the influx of mainly women with children, poor knowledge of the Polish language making their assimilation difficult, and the desire to return to Ukraine after the end of the war.

The change in the level of research from macroeconomic to regional takes place in the fourth chapter. Adam A. Ambroziak analyses regional public aid in Poland after accession to the EU. This chapter's aim is to identify changes in the identification of regions, intensity, and geographical distribution of public aid in Poland. I highly value the decision to discuss this issue in the Report, because regional public aid in Poland is still the main instrument of public intervention at the voivodeship level. Firstly, the author presents the evolution of area classification and the intensity of admissible regional state aid in Poland. For this purpose, he conducts a detailed comparative analysis of the European Commission's guidelines on regional public aid and regional aid maps in Poland covering the years 2004–2027. Then, the geographical directions of regional aid in Poland are presented. Finally, the criteria for identifying regions are critically assessed, and the consequences of the applicable regulations are demonstrated. In conclusion, the author states that GDP per capita, as the only indicator, is not sufficient to properly identify regions and differentiate the intensity of support offered. The presentation of data on colourful maps and charts and the accompanying description enable quick and precise understanding of the situation in particular periods and drawing conclusions. The graphic side of the chapter should be considered as a distinctive element.

The topic discussed by Michat Kulpiński in chapter five is the European Union's trade in goods with African countries. In my opinion, this research area differs from the concept of the book, although the author focuses on the position of the EU and Poland in trade with Africa. In the introduction, the author emphasises the purposefulness of choosing the topic. He explains that for many years African countries were perceived mainly as a source of raw materials and agricultural products. Only since 2020 the EU has introduced the "partnership of equals" approach. Moreover, in recent years, much attention has been paid to the role that African countries play in the modern world, becoming an area of fierce competition between China, the USA, and Russia. Adopting Poland's point of view, the author discussed in detail Poland's trade relations with African countries and the commodity structure of trade flows between Poland, the EU, and the African continent. Interesting conclusions can be drawn from the analysis of the importance of trade with Africa for EU Member States. Similarly, the part regarding Poland's comparative advantage in European exports to Africa is cognitively valuable. The advantage of this chapter is the clear way of discussing the content, interpretation of data, and the way of drawing conclusions. These interesting descriptions are accompanied by well-thought-out graphics.

The book also includes the analysis of Poland's settlements with the EU budget after 18 years (from 1 May 2004 to 31 December 2022) and the funds available in 2021–2027. Elżbieta Kawecka-Wyrzykowska, in the sixth chapter, presents the results of the study on settlements in absolute terms, compared to other countries, and also in terms of the generic structure of transfers and payments to the EU budget. Then, the amount of funds available to Poland under the current budget of the so-called Multiannual Financial Framework for 2021–2027 is presented. The attention is focused on discussing funds available for Poland under the cohesion policy and EU Common Agricultural Policy.

This is an exceptionally valuable study covering long research perspective. Moreover, the summary of the chapter is of great cognitive value, in which the author carefully discusses not only the most important aspects, but also refers to the considerations carried out in the previous chapters of the Report.

The last two chapters by Adam A. Ambroziak update previously published research results. The seventh chapter concerns public aid granted to Poland in the light of changes taking place in other EU Member States. The author demonstrates changes in the value, intensity, and direction of public aid on the annual basis until 2020. Very interesting conclusions come especially from the charts presenting changes in the structure of public aid in Poland compared to the EU in 2004–2020. The way the research is conducted also deserves recognition. The author uses his own calculations based on standard data and indicators calculated by the European Commission and also developed his own, non-standard Revealed State Aid Index and Similarity State Aid Index, which more accurately reflect the importance and targeting of the aid provided.

The last chapter is a continuation of the previous section of the Report. Adam A. Ambroziak presents current data on the value, intensity, and directions of public aid granted to Poland in connection with the COVID-19 pandemic in 2020–2022. To carry out the analysis, the author used data published by the Polish Office of Competition and Consumer Protection, and the European Commission. The author analyses the distribution of public aid related to COVID-19 in EU Member States, with particular emphasis on Poland. The conclusions drawn in the last two chapters of the Report are interesting and valuable from a cognitive point of view. The presentation of data in various types of charts and tables greatly increases the readability of both fragments of the Report.

The book does not contain a summary. This may seem to be a shortcoming in the concept of the study, but it should be emphasised that each chapter includes extensive conclusions, which sometimes can be considered as summaries of the presented content. Chapters are also accompanied by reference lists.

The reviewed book presents the most important problems related to Poland's presence in the EU in original and creative way. It provides a scientific interpretation of occurring phenomena, allows drawing conclusions, and indicates possible scenarios. This is what makes this book particularly interesting. The main goal was formulated in the *Introduction* of the Report and the authors followed it in their considerations. To achieve the objectives defined in all chapters, appropriate research methods were correctly selected, the use of which is an asset of the Report. It is worth adding that in some chapters, the authors presented the results of their own research and calculations, accompanied by expert commentary resulting from their extensive knowledge and experience. The exceptional logic of the arguments should be emphasised. Furthermore, the graphical presentation of data ought to be noted. Numerous, refined tables and charts woven into the content increase readability and further facilitate the reception of the presented content. Additionally, it is worth highlighting that extensive literature on the subject was used to prepare the study.

It can be concluded that the monograph *Poland in the European Union. Report 2023*, written by a team of researchers under the scientific editorship of Adam A. Ambroziak, should be highly valued. It is a mature and interesting scientific, analytical, and research study presenting the most important problems related to Poland's presence in the European Union. This Report significantly enriches the Polish and the European Union's publishing markets. The scientific study is characterised by a high level of subject knowledge and conducted analyses, as well as up-to-date data.

Joanna Bednarz – PhD, D.Sc., Associate Professor at the Faculty of Economics, University of Gdansk. She is the head of the Department of International Business. Research interests: international business, new trends in consumption, the behaviour of young consumers, brand and product management. She is the author of numerous publications related to these subjects. She is also involved in the activities of scientific associations: the University of Gdansk Publishing House, the Polish Economic Society in Gdansk, and the IESE Business School Alumni Association University of Navarra.

Joanna Bednarz – dr hab., profesor nadzwyczajny na Wydziale Ekonomicznym Uniwersytetu Gdańskiego. Jest kierownikiem Katedry Biznesu Międzynarodowego. Zainteresowania naukowo-badawcze: biznes międzynarodowy, nowe trendy w konsumpcji, zachowania młodych konsumentów, zarządzanie marką i produktem. Jest autorką wielu publikacji o tej tematyce. Angażuje się w działalność towarzystw naukowych: Wydawnictwa Uniwersytetu Gdańskiego, Polskiego Towarzystwa Ekonomicznego Oddział w Gdańsku, Stowarzyszenia Absolwentów IESE Business School University of Navarra.

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The perspective for the research of local transport problems in the EU Member States

Zarys badania problemów transportu lokalnego w państwach członkowskich UE

Jane Riccarda Weber, *Bratislava University of Economics and Management (Bratislava, Slovakia)*

E-mail: jane_weber@gmx.de

<https://www.orcid.org/0009-0004-4732-718X>

The constant evolution of public transportation in European Union Member States requires a deep understanding of the needs, preferences and dynamics of the carpool. In this context, the analysis of the transport market is becoming increasingly important. Such surveys not only reflect the pulse of current mobility developments, but also provide insights into the interactions between innovation usage, customer satisfaction and pricing in public transportation. In the course of such study, qualitative and quantitative research methods can be combined in order to draw a comprehensive picture of market realities. The analysis follows the economic principle of supply and demand and aims not only to address current challenges, but also to develop future-oriented strategies for efficient and customer-oriented local public transport.

In this research note, I would like to propose the perspective for studying local transport problems in the EU Member States.

Research component

The topic of proposed research is derived from the broad spectrum of offers on the transport market and concerns, in particular, local public transport and combinable mobility offers that can be transported in accordance with the regulations. Furthermore, the research topic is related to the effects of disruptive innovations in the transport industry on local public transport. It looks at developments in demand due to climate targets,

national law (such as the German Climate Protection Act) and funding programmes for electromobility, innovations in the automotive industry and political initiatives influencing local public transport. The coronavirus pandemic, home office phases and the sustainability trend are leading to changes in mobility behaviour.

The study also examines capacity utilisation in public transport. The research problem comprises the adaptation of local public transport to innovations and increasing demand. It looks at the interaction between sustainable products, the growing need for convenience and the impact on individual transportation.

The study's aim is to identify efficient innovations for rapid transport transition and to explore consumer needs in connection with ticket purchases. Problems such as forecasting usage and utilisation in public transport are addressed through qualitative and quantitative research parts to develop a holistic market analysis approach.

The research task is a comprehensive evaluation of innovations in local public transportation in order to identify opportunities and risks. Potential offers are categorised on the basis of defined criteria that are suitable for both technological analysis and customer analysis. The evaluation considers positive factors as opportunities and identifies potential risks. The multidisciplinary analysis leads to recommendations for action to make local public transport fit for the future and maximise social benefits. The research objective is to find the options to compensate for demand needs through innovative solutions, such as sustainable and efficient mobility in urban areas, in order to identify opportunities for innovative, effective and sustainable mobility.

Qualitative and quantitative methods of empirical research can be utilised to investigate the research topic, supplemented by literature research. A mix of methods is used to answer the research questions in order to gain a comprehensive understanding of the impact of disruptive innovations on local public transport. It is important to identify the opportunities and risks of the innovations deemed to be most suitable from the expert perspective. Market acceptance is examined through quantitative analysis, in particular customer satisfaction, and both methods are summarised as opportunities and risks.

Research section – quantitative demand

In quantitative research, the focus is on the demand side, in particular the analysis of aspects such as acceptance, needs and wishes of the population. The quantitative research aims to test the qualitative research results with the help of hypotheses. This is done by analysing the data sets described below. The data from the market survey is used to answer research questions relating to current mobility developments. The survey can be conducted every six months and contains both basic and variable questions. The 10–15 minute interview survey aims to generate data on satisfaction with local public transport, fares, means of transport and distribution channels. The question of innovation use in relation to customer satisfaction is explored, based on the increasing level of digitalisation and politically initiated measures to increase the use of public transport. The analysis also refers to the impact of value for money on user satisfaction, as well

as the use of car sharing, rental bikes (bike sharing) and their influence on customer satisfaction in local public transport.

The quantitative research questions, such as the influence of the availability of promotional tickets on customer satisfaction or the development of the use of digital ticketing systems and their impact on customer satisfaction, combine innovations in local public transport, customer satisfaction and price. The annual comparison enables conclusions to be drawn about customer satisfaction in the event of price changes.

Economic aspects of supply and demand: This market survey and its analysis are in line with the fundamental economic principles of supply and demand. These principles are central for understanding how markets is functioning in economy.

Supply and demand in economic context: The supply and demand model describes how the price and quantity of a good or service are determined on a market. On the supply side, the survey analyses the quantity of local public transport services provided by transport companies. The demand side reflects the preferences, needs and wishes of the respondents regarding these services.

Balance of supply and demand: The aim of the survey is to obtain information on how well the local public transport services meet the needs of the population. The analysis of customer satisfaction, innovation usage and price influence helps to understand the balance between supply and demand. If customer satisfaction is high, this indicates a well-coordinated offer.

Pricing and use of innovation: The supply and demand model suggests that high demand combined with limited supply can lead to higher prices. With regard to local public transport, the analysis demonstrates how innovations influence supply and pricing. Increased use of innovation could influence demand and affect the balance between supply and demand.

Relevance of market research data: Market research data is important to quantifying and understanding supply and demand. It provides insights into consumer preferences and needs, allowing providers to customise their services accordingly. By analysing customer satisfaction, innovation usage and price impact, the data can be used to help market players optimise their offers and meet consumer demands. This not only contributes to the efficiency of the market, but also promotes sustainable and satisfactory use of public transport services.

Conclusion

The market survey embedded in the economic model of supply and demand will provide a crucial insight into the dynamics of public transport. The analysis of customer satisfaction, innovation usage and price influence allows to assess the balance between the provided services and the needs of the population. The results of this survey not only provide valuable insights for transport companies, but also help to optimise the service and adapt to changing consumer preferences. The economic principles of supply and demand underline the importance of these findings for the creation of efficient and

satisfactory public transportation. The comprehensive analysis of quantitative research data provides not only answers to current questions, but also creates a basis for future strategic decisions in public transportation. By linking innovation, customer satisfaction and pricing, the market can better respond to the needs of the population and ensure sustainable and effective mobility.

Jane Riccarda Weber – PhD student of the Bratislava University of Economics and Management. Research interests: sustainable mobility, digital transformation, innovation management and corporate strategy.

Jane Riccarda Weber – doktorantka Wyższej Szkoły Ekonomii i Zarządzania w Bratysławie. Zainteresowania badawcze: zrównoważona mobilność, transformacja cyfrowa, zarządzanie innowacjami i strategia korporacyjna.

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