

EUROPEAN INTEGRATION FROM POLAND'S VIEWPOINT. SELECTED ISSUES

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Abstract

It has been ten years since Poland joined the European Union in May 2004. Integration with the EU structures resulted in considerable economic, social and political advantages. On the other hand membership in the EU created new challenges for Poland, the Polish companies and the Polish citizens. The paper reviews selected issues of Poland's integration with the European Union with special focus on net financial effect of membership, competitiveness of Polish goods on single European market, participation in Common Regional Policy/New Cohesion Policy, as well as the development of migration tendencies. Additionally it presents the changes in the position of Poland in the enlarged European Union with respect to socio-economic development.

Key words: Poland, European Union, regional economic integration

1. INTRODUCTION

The association of Poland with the European Communities (ECs) should be seen as an important step towards integration with the European structures. Poland concluded Europe Agreement on December 16th, 1991. It came into force in February 1994 after a long and difficult ratification process. The association with the European Communities resulted in the creation of free trade area in industrial goods and non-agricultural raw materials between Poland and the ECs. It also meant stronger economic and cultural cooperation, political dialogue as well as technical and financial assistance for the Polish economy (Przyborowska-Klimczak & Skrydło-Tefelska 1996).

Poland officially applied for membership in the European Union (EU) in April 1994. The European Commission revealed its avis in 1997. The Commission's opinion on Poland and its application was positive, though there were some areas criticized by the Commission. The European Commission censured over-employment in agriculture in Poland (at that time 26% of labour force in Poland were employed in agricultural sector, while in EU-15 just 4-5%), neglected reform of coal-mining sector, environmental pollution, ineffective competition policy (too much state aid for public sector companies). Screening started in March 1998 and accession negotiation talks began in November 1998. The overall negotiation process was extremely difficult. It took over four years. The negotiations officially finished in December 2002 in Copenhagen. On the very last day of negotiations three important negotiation fields remained open and had to be negotiated under the time pressure, namely: agriculture, finance and budget, competition policy. The Accession Treaty concerning the so called Eastern enlargement of the EU was signed in April 2003 in Athens. Before its ratification referendum was organized in Poland. Poland's citizens expressed their willingness to join the EU in June 2003. On May 1st 2004 Poland became full member of the European Union (It took Poland 121 months to deal with the accession procedure). Since then Poland has been participating in most aspects of integration, including four freedoms of single European market, engagement in common policies, budgetary elements of integration, active work in EU institutions (obviously many transitional periods were introduced as a result of negotiations; some of them were initiated by Poland, others were suggested by the EU) (Belka 2013; Nowak & Milczarek 2006).

2014 marks the tenth anniversary of Poland's accession to the European Union. Therefore one should try to study and analyze economic, social and political effects of membership. The paper reviews selected issues of European integration from Poland's viewpoint with special focus on net financial effect of membership, competitiveness of Polish goods on single European market, participation in Common Regional Policy/New Cohesion Policy, as well as the development of migration tendencies. Additionally it presents the changes in the position of Poland in the enlarged European Union with respect to socio-economic development.

2. POLAND AS NET BENEFICIARY OF THE EUROPEAN UNION BUDGET

Financial aspects of the activity of the European Union get more and more important. It's because of the complexity of integration and a long list of policies undertaken on the European level. In the beginning of the 1970s the annual budget of the European Communities amounted to some ECU3.5 billion which means the ECs spent ECU19.0 per inhabitant per year. In the year 2000 the EU budget reached EUR93.0 billion (EUR250.00 per inhabitant per year). In 2013 it amounted to EUR130 billion (EUR260.00 per person per year). Contribution to the EU budget depends mostly on the economic strength and size of member economy. All member states can be divided into two groups according to net financial effect of their membership in the EU, i.e. net contributors and net beneficiaries. Poland has been one of net beneficiaries since the very first year in the EU structures. What's more, at present Poland should be perceived as the biggest net beneficiary of the EU budget. No other member state received such financial assistance. Net financial effect of Poland's membership in the EU looks as follows:

- from 2004 to 2006 – EUR 6.3 billion, i.e. EUR 2.1 billion per year on average;
- from 2007 to 2013 – EUR 65.0 billion, i.e. EUR 9.28 billion per year on average;
- from 2014 to 2020 – EUR 75.8 billion, i.e. EUR 10.83 billion per year on average (prospects).

There are some reasons for such a situation. First of all Poland is a big country with more than 38 million citizens. In addition to that Poland is a poor member state. In 2004 per capita GNI in Poland represented just 40% of EU-15 average. In 2012 it was around 60% of EU-27 average (according to PPP). All Polish NUTS-2 regions (voivodships) were considered poor ones with per capita GDP below 75% of EU average. Some of them can be found on the list of the poorest EU regions (podkarpackie, warminsko-mazurskie, podlaskie, lubelskie, swietokrzyskie – per capita GDP for those regions is lower than 50% of the EU average). For the current financial perspective of the EU only for mazowieckie voivodship per capita GDP is higher than 75% of EU average. In addition to that the economy of Poland is quite agricultural as for the EU standards. That means Poland is an important participant of Common Agricultural Policy.

3. COMPETITIVENESS OF POLISH GOODS ON SINGLE EUROPEAN MARKET

Integration with the European Union means true simplification of trade relations. In case of Poland it resulted in free access of both industrial goods, raw materials and farm produce to the market of the EU. The European Union is Poland's crucial partner in trade. Gravity of the EU is easily visible when one looks at the share of the EU in Poland's exports and imports. In 2004 79% of Poland's exports went to single European market and 68% of its imports came from the EU countries. In 2012 the share of the EU in Polish exports equaled over 75% and in its imports amounted to almost 70% (Central Statistical Office 2007).

Table 1 presents value of trade turnover between Poland and the EU from 2004 to 2012. In 2004 Polish exports to the EU amounted to EUR 47.2 billion and its imports from the EU equaled EUR48.7 billion; deficit in Poland's trade with the EU of some EUR1.4 billion was observed. In 2005 Poland exported EUR55.1 billion worth of goods to the EU and imported EUR 53.2 billion worth of goods from the EU. Trade surplus of some EUR 1.9 billion was noted. An upward tendency was observed from 2005 to 2008 in case of both exports and imports. In 2008 Polish exports to the EU amounted to EUR90.5 billion and its imports from the EU reached EUR 88.2 billion. Global crisis and instability resulted in considerable fall in Polish-EU trade turnover in 2009. The value of Polish goods exported to the EU fell to EUR 78 billion and the value of goods imported from the EU dropped to EUR 66.5 billion. Due to a much stronger fall in imports one could observe huge surplus in Poland's trade with the EU amounting to EUR 11.8 billion. From 2010 to 2012 increase in both exports to the EU and imports from the EU was observed. Again exports dynamics was higher than imports one which means further rise in surplus in Polish trade with the EU (in 2012 it was as high as EUR 20.5 billion).

Table. 1. Trade relations between Poland and the EU from 2004 to 2012 (million EUR)

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Exports to EU	47231.7	55136.0	68079.0	80316.0	90457.0	78288.0	95286.0	106620.0	109080.0
Imports from EU	48669.1	53200.0	63697.0	77240.0	88171.0	66531.0	79849.0	91043.0	88581.0
Trade balance	-1437.0	1936.0	4382.0	3076.0	2286.0	11757.0	15437.0	15577.0	20499.0

Source: *Yearbook of Foreign Trade Statistics of Poland 2007*, Central Statistical Office, Warsaw 2007, *Yearbook of Foreign Trade Statistics of Poland 2008*, Central Statistical Office, Warsaw 2008, *Yearbook of Foreign Trade Statistics of Poland 2009*, Central Statistical Office, Warsaw 2009, *Yearbook of Foreign Trade Statistics of Poland 2010*, Central Statistical Office, Warsaw 2010, *Yearbook of Foreign Trade Statistics of Poland 2011*, Central Statistical Office, Warsaw 2011, *Yearbook of Foreign Trade Statistics of Poland 2012*, Central Statistical Office, Warsaw 2012, *Yearbook of Foreign Trade Statistics of Poland 2013*, Central Statistical Office, Warsaw 2013.

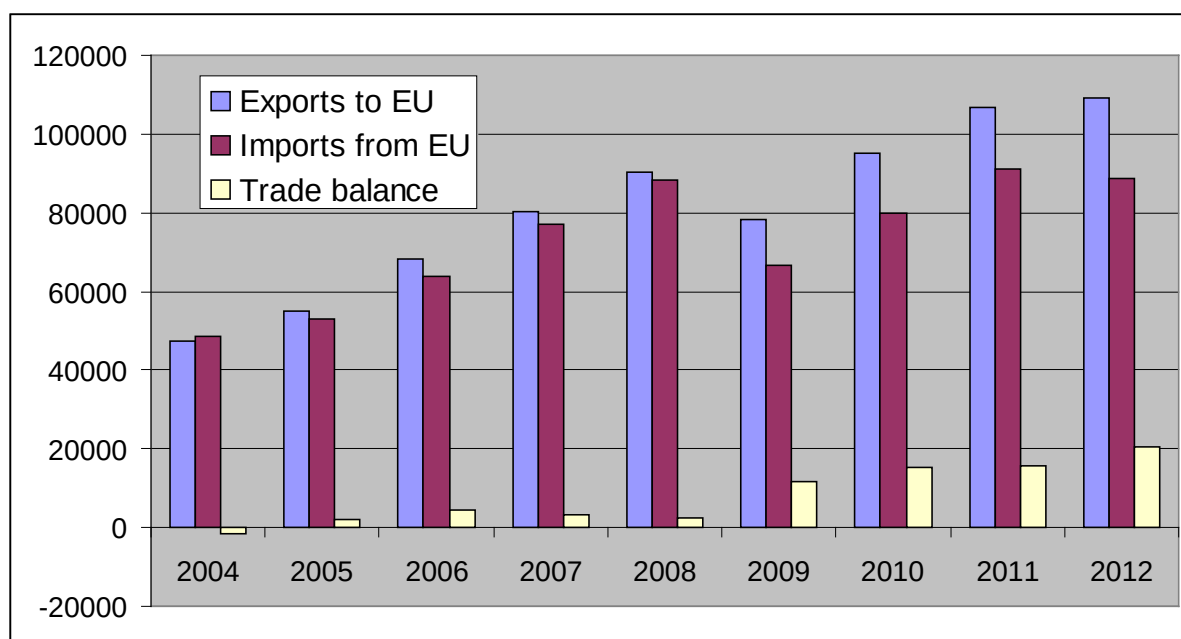


Figure. 1. Trade relations between Poland and the EU from 2004 to 2012 (million EUR)

Table 2. Commodity structure of Polish exports to the EU from 2005 to 2012 according to CN sections (%)

CN Section	2005	2006	2007	2008	2009	2010	2011	2012
I	3.86	3.92	3.83	3.77	4.03	3.83	3.75	4.09
II	1.93	1.73	1.93	1.92	2.16	1.87	1.77	2.25
III	0.17	0.24	0.30	0.33	0.32	0.33	0.34	0.37
IV	3.68	3.78	4.07	4.46	5.42	5.21	5.32	5.91

V	6.20	5.25	4.55	4.81	3.44	4.64	5.42	5.52
VI	4.14	4.16	4.44	5.19	5.05	5.70	6.14	6.26
VII	5.49	6.14	6.32	6.21	6.15	6.70	7.33	7.39
VIII	0.65	0.46	0.42	0.38	0.37	0.42	0.40	0.38
IX	3.02	2.79	2.76	2.38	2.30	2.28	2.18	2.17
X	2.71	2.48	2.57	2.49	2.81	2.84	2.88	2.64
XI	4.71	3.89	3.56	3.57	3.73	3.56	3.51	3.32
XII	0.38	0.30	0.27	0.28	0.32	0.32	0.32	0.37
XIII	1.91	2.01	2.11	1.90	1.87	1.81	1.85	1.86
XIV	0.42	0.66	0.59	0.54	0.61	0.63	0.94	1.49
XV	12.02	13.07	13.26	13.10	9.83	11.27	12.29	12.18
XVI	23.51	24.53	25.66	25.06	26.23	26.38	23.61	23.14
XVII	16.42	16.52	15.69	16.26	18.03	15.18	14.75	13.28
XVIII	0.89	0.83	0.79	0.83	0.85	0.92	0.98	0.92
XIX	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.01
XX	7.89	7.18	6.86	6.51	6.46	6.04	6.13	6.37
XXI	0.01	0.01	0.01	0.02	0.02	0.05	0.09	0.09
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

I – Live animals, animal products

II – Vegetable products

III – Fats and oils
thereof

IV – Prepared foodstuffs

V – Mineral products

VI – Products of the chemical industry

VII – Plastics and rubber and articles thereof
instruments

VIII – Raw hides and skins, articles thereof

IX – Wood and articles of wood
(toys)

X – Pulp of wood, paper, paperboard and articles thereof

XI – Textiles and textile articles

XII – Footwear, headwear and articles thereof

XIII – Articles of stone, ceramic products, glass

XIV – Pearls, precious stones and metals, articles

XV – Base metals and articles thereof

XVI – Machinery and mechanical appliances, elect.
electron. equipment

XVII – Transport equipment

XVIII – Optical, photographic, measuring, checking

XIX – Arms and ammunition

XX – Miscellaneous manufactured articles (furniture,
toys)

XXI – works of art, collectors pieces and antiques

Source: Own calculations

Tables 2 and 3 present commodity structure of Polish exports to the EU and its imports from the EU from 2005 to the 2012 according to CN sections. On the exports side the following three sections play the most important role: XVI - Machinery and mechanical appliances, electrical and electronic

equipment, XVII – Transport equipment and XV – Base metals and articles thereof. Altogether they constituted over 52% of Poland's exports to the EU in 2005 and 48.5% in 2012. Additionally the following sections are quite significant in Polish exports to the EU: IV – Prepared foodstuffs, V – Mineral products, VI – Products of the chemical industry, VII – Plastics and rubber and articles thereof and XX – Miscellaneous manufactured articles (furniture, toys). In 2012 the above mentioned eight sections accounted for 80% of Polish exports to the EU market.

Table 3. Commodity structure of Polish imports from the EU from 2005 to 2012 according to CN sections (%)

CN Section	2005	2006	2007	2008	2009	2010	2011	2012
I	1.38	1.25	1.44	2.08	2.78	2.58	2.65	3.09
II	1.95	1.98	2.34	2.43	2.56	2.45	2.61	2.68
III	0.42	0.40	0.36	0.49	0.49	0.51	0.66	0.72
IV	2.79	2.78	2.91	3.16	3.94	3.85	3.77	3.99
V	3.65	3.80	4.47	5.01	4.25	3.85	4.36	3.56
VI	12.00	11.67	10.92	11.82	13.20	13.29	12.63	12.57
VII	9.91	9.96	9.57	8.97	9.51	10.04	10.41	10.47
VIII	0.96	0.82	0.66	0.53	0.48	0.53	0.54	0.57
IX	1.16	1.14	1.14	1.12	0.96	0.96	0.98	0.90
X	4.28	4.09	3.80	3.55	4.07	4.13	4.01	3.92
XI	4.90	4.36	3.87	3.41	3.65	3.32	3.12	3.13
XII	0.24	0.23	0.24	0.24	0.26	0.25	0.29	0.37
XIII	0.95	1.67	1.76	1.69	1.60	1.57	1.52	1.43
XIV	0.16	0.20	0.26	0.24	0.24	0.19	0.21	0.27
XV	13.31	14.43	14.71	13.79	12.39	13.78	13.99	13.91
XVI	25.55	25.04	24.14	23.50	23.55	22.44	21.72	21.90
XVII	11.91	12.54	13.70	14.06	11.81	12.38	12.53	12.28
XVIII	1.84	1.73	1.71	1.75	2.03	1.98	1.89	1.77
XIX	0.04	0.03	0.05	0.06	0.04	0.03	0.07	0.10
XX	1.85	1.67	1.63	1.73	1.76	1.52	1.46	1.60
XXI	0.01	0.22	0.31	0.35	0.45	0.37	0.58	0.76
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: Own calculations.

In case of Poland's imports from the EU five sections are prevailing: XVI - Machinery and mechanical appliances, electrical and electronic equipment, XV – Base metals and articles thereof and XVII – Transport equipment, VI – Products of the chemical industry and VII – Plastics, rubber and articles thereof. They accounted for around 72% in the analyzed period of time.

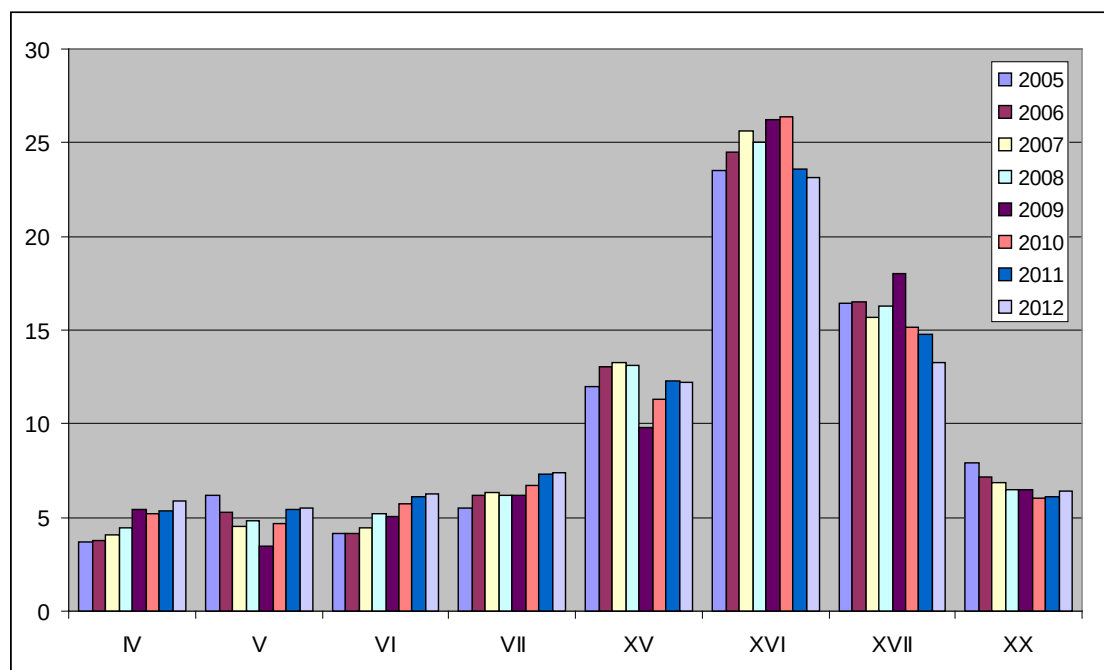


Figure 1. Crucial commodity sections in Poland's exports to the EU (%)

Source: Own presentation.

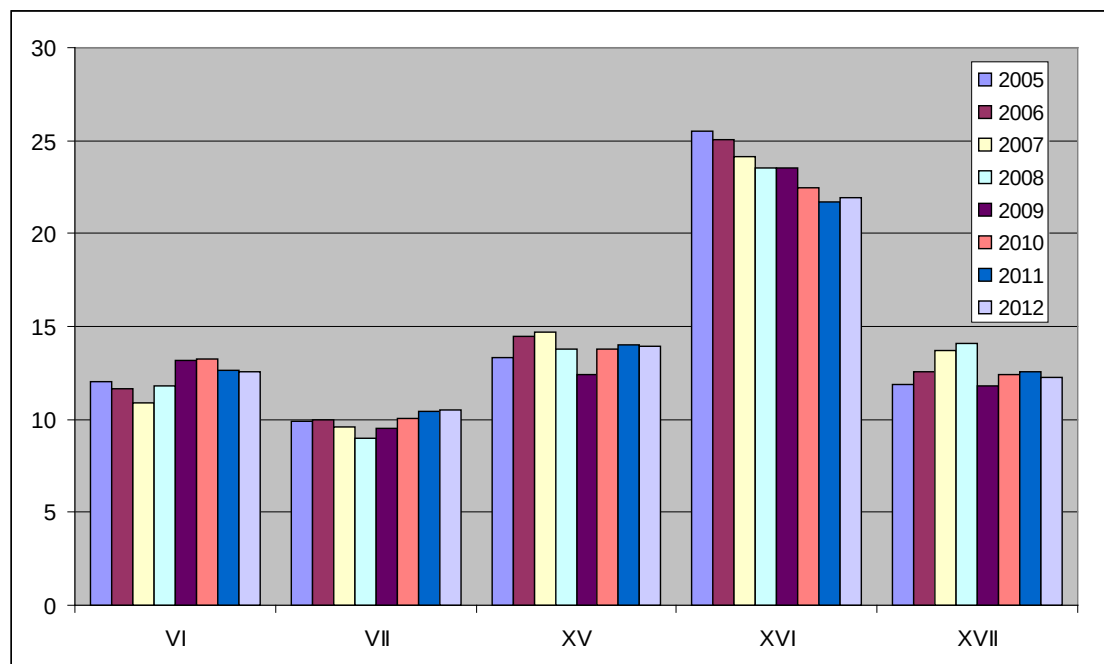


Figure 2. Crucial commodity sections in Poland's imports from the EU (%)

Source: Own presentation.

In order to determine the areas of revealed comparative advantage in Poland's trade with the EU B.Balassa's formula was used:

$$RCA_{iy} = \frac{\frac{Ex_{iy}}{\sum Ex_{iy}}}{\frac{Im_{iy}}{\sum Im_{iy}}},$$

where: i – commodity section, y – trade partner, Ex – exports, Im – imports.

If RCA is higher than one, one may assume that the analyzed country achieves comparative advantage in trade with y trade partner in case of commodity section i . (Budzowski & Wydymus 1999)

Table 4. Revealed comparative advantage of Poland in trade with the EU

CN Section	2005	2006	2007	2008	2009	2010	2011	2012
I	2.79	3.14	2.65	1.82	1.45	1.48	1.42	1.32
II	0.99	0.87	0.82	0.79	0.84	0.76	0.68	0.84
III	0.41	0.60	0.84	0.67	0.66	0.65	0.51	0.50
IV	1.32	1.36	1.40	1.41	1.38	1.36	1.41	1.48
V	1.70	1.38	1.02	0.96	0.81	1.21	1.24	1.55
VI	0.35	0.36	0.41	0.44	0.38	0.43	0.49	0.50
VII	0.55	0.62	0.66	0.69	0.65	0.67	0.70	0.71
VIII	0.68	0.56	0.63	0.72	0.77	0.80	0.73	0.67
IX	2.62	2.44	2.42	2.12	2.40	2.38	2.23	2.41
X	0.63	0.61	0.68	0.70	0.69	0.69	0.72	0.67
XI	0.96	0.89	0.92	1.05	1.02	1.07	1.13	1.06
XII	1.54	1.33	1.13	1.13	1.22	1.28	1.10	1.00
XIII	2.01	1.20	1.20	1.12	1.17	1.15	1.22	1.30
XIV	2.67	3.27	2.31	2.20	2.58	3.29	4.46	5.48
XV	0.90	0.91	0.90	0.95	0.79	0.82	0.88	0.88
XVI	0.92	0.98	1.06	1.07	1.11	1.18	1.09	1.06
XVII	1.38	1.32	1.14	1.16	1.53	1.23	1.18	1.08
XVIII	0.48	0.48	0.46	0.47	0.42	0.47	0.52	0.52
XIX	0.05	0.06	0.02	0.02	0.09	0.25	0.10	0.10
XX	4.26	4.29	4.20	3.77	3.67	3.97	4.19	3.98
XXI	1.93	0.07	0.04	0.04	0.04	0.13	0.15	0.12

Source: Own calculations.

The results of calculations were presented in table 4. From 2005 to 2012 Poland gained comparative advantage in trade with EU economies in the following commodity sections: I – Live animals, animal products, IV – Prepared foodstuffs, V – Mineral products, IX – Wood and articles of wood, XII – Footwear, headwear and articles thereof, XIII – Articles of stone, ceramic products, glass, XIV – Pearls, precious stones and metals, articles thereof, XVII – Transport equipment, XX – Miscellaneous

manufactured articles (furniture, toys). Since 2007 there has also been comparative advantage in case of commodity section XVI - Machinery and mechanical appliances, electrical and electronic equipment; in addition to that since 2008 Poland has gained comparative advantage in trade with the EU in section XI –Textiles and textile articles. Unfortunately competitiveness can be observed mostly in case of raw materials intensive goods (transport equipment and machinery and mechanical appliances, electrical and electronic equipment are two exceptions here).

4. THE IMPLEMENTATION OF EU POLICY OF SOCIAL AND ECONOMIC COHESION IN POLAND

Poland is eligible for support from both structural funds and Cohesion Fund. Cohesion policy of the EU helps modernize and develop the Polish economy and reduce the gap in socio-economic development.

Table 5. Operational Programmes 2004-2006 (EUR million)

Programme	EU assistance	Source of assistance
SOP Improvement of the competitiveness of enterprises	1 300.0	ERDF
SOP Human Resources Development	1 270.4	ESF
SOP Transport	627.2	ERDF
SOP Restructuring and modernisation of food sector and rural development	1 055.0	EAGGF – Guidance Section
SOP Fisheries and fish processing	178.6	FIFG
Integrated Regional Operational Programme	2 869.5	ERDF, ESF
Technical assistance operational programme	20.0	ERDF

ERDF – European Regional Development Fund

ESF – European Social Fund

EAGGF – European Agricultural Guidance and Guarantee Fund

FIFG – Financial Instrument for Fisheries Guidance

Source: *Poland. National Development Plan 2004-2006, Adapted by The Council of Ministries on the 14th of January 2003, Council of Ministers, Warsaw 2003, p. 94.*

From 2004 to 2006 regional policy of the EU was implemented in Poland through seven operational programmes. Five of them were sectoral operational programmes: SOP Improvement of the competitiveness of enterprises, SOP Human Resources Development, SOP Transport, SOP Restructuring and modernisation of the food sector and rural development. All sectoral programmes were mono-funded (single-funded) ones. Additionally Integrated Regional Operational Programme (IROP) was implemented; this programme was multi-funded. IROP was managed on national level, but implemented in a decentralised system on the level of voivodships. Technical assistance operational programme was supposed to create better conditions for the implementation of other programmes thanks to investment in the field of administration and necessary technical infrastructure (see table 5). Additionally assistance from Cohesion Fund was used for the development of transport infrastructure and investment in the field of environmental protection. The total EU funds allocated for Poland for years 2004 to 2006 amounted to EUR12.81 billion at current prices, including EUR8.27

billion from the structural funds, EUR4.18 billion from Cohesion Fund and the remaining EUR355 million from Community Initiatives (INTERREG and EQUAL).

Table 6. Operational Programmes 2007-2013 (EUR million)

Programme	EU assistance	Source of assistance
16 Regional Operational Programmes	16 556	ERDF
OP Infrastructure and Environment	27 913	ERDF, CF
OP Human Capital	9 707	ESF
OP Innovative Economy	8 255	ERDF
OP Development of Eastern Poland	2 274	ERDF
OP of European Territorial Co-operation	731	ERDF
OP Technical Assistance	517	ERDF
Reserves	1 331	ERDF
Total	67 284	

Source: *Polska. Narodowe Strategiczne Ramy Odniesienia 2007-2013 wspierające wzrost gospodarczy i zatrudnienie. Narodowa Strategia Spójności*, Ministry of Regional Development, Warsaw 2007, pp. 122-123.

Within the next multiannual financial framework of the EU, i.e. MFF 2007-2013 Poland was granted EUR67.3 billion for the implementation of New Cohesion Policy. Table 6 presents operational programmes, the allocation of funds and respective EU funds for all the programmes. The majority of operational programmes were mono-funded ones. OP Infrastructure and Environment was the only exception here (both Cohesion Fund and European Regional Development Fund were used as financial sources). This time all Polish regions (voivodships) prepared their own regional programmes (Integrated Regional Operational Programme was no longer in operation). Regional operational programmes were created in strong correlation with the current situation in each and every voivodship. OP Infrastructure and Environment was the biggest one (EU assistance amounted to EUR27.9 billion). One should stress the importance of OP Human Capital (aiming at promoting activity and employment and fighting unemployment), OP Innovative Economy (which aimed at promoting innovative development and modernisation of the economy).

According to data presented by Ministry of Infrastructure and Development since the start of the above listed programmes until March 2nd 2014, 290700 applications (correct from the formal point of view) were submitted for the global amount of co-financing (both Community and national funds) of PLN593.1 billion. During the same period 95846 contracts for co-financing were signed with beneficiaries, for the amount of PLN393.5 billion (EUR93.0 billion) amount of co-funding on the part of the EU of PLN272.0 billion, which constitutes 96 percent of allocation for the 2007-2013 period. The value of beneficiaries' expenditure recognised as eligible, resulting from submitted payment claims was PLN263 billion (EUR62.1 billion), and in the part of EU co-financing – PLN186.3 billion (Ministry of Infrastructure and Development, 2014).

The current stage of EU Cohesion Policy implementation is connected with the Strategy Europe 2020. It focuses on: smart growth, sustainable growth and inclusive growth. Key priorities include: innovation and research, the digital agenda, support for small and medium-sized businesses, the shift to a low-carbon economy, Trans-European transport links, promoting training, education and life-long learning, social inclusion.

Table. 7. Operational Programmes 2014-2020 (EUR million) – proposal of the Polish government,

Programme	EU assistance	Source of assistance
OP for innovation, research and its links with the sphere of business	27 513.9	ERDF
OP for the low-carbon economy, environmental protection, prevention of and adaptation to climate change, transport and energy security	8 614.1	ERDF, CF
OP for the development of competencies and skills, and good governance	4 419.3	ESF
OP for the digital development	2 255.6	ERDF
OP for rural development	l.d.	EAFRD
OP or the development of marine and fishing	l.d.	EMFF
OP of technical assistance	700.0	ERDF
OP for the Eastern Poland	2 117.2	ERDF
European Territorial Cooperation Programmes	l.d.	ERDF
Regional Operational Programmes	31 246.9	ERDF, CF
Total	82 500.0	

Source: *Fundusze Europejskie 2014-2020 - informacje ogólne*, Ministry of Infrastructure and Development, http://www.mir.gov.pl/fundusze/fundusze_europejskie_2014_2020/strony/start.aspx, viewed 7 March 2014.

In case of Poland and its participation in Cohesion Policy the prospects for the years 2014-2020 are really optimistic. Poland is to receive EUR82.5 billion of assistance from the EU funds designed for cohesion policy. Table 7 presents the proposal of the operational programmes and the division of funds.

Poland is the biggest recipient of structural funds and Cohesion Fund in the history of EU Cohesion Policy. The way Poland uses this opportunity will impact the future of the country. It seems the years 2014-2020 will determine the position of the Polish economy in the European Union and in a globalised world economy.

5. MIGRATION TENDENCIES AFTER POLAND'S ACCESSION TO THE EUROPEAN UNION

According to the Accession Treaty a seven-year transitional period was introduced for the right of workers from Poland to freely move to EU-15 Member States to work. It aimed at allowing EU-15 Member States to gradually introduce free movement step-by-step during this period, to avoid labour market disturbances by a sudden inflow of workers following Eastern enlargement. Three EU-15 Member States opened their labour markets for the Polish citizens in 2004: the United Kingdom, Sweden and Ireland. In 2006 Greece, Spain, Portugal, Finland and Italy cancelled the restrictions for workers from Poland. In 2007 labour markets of the Netherlands and Luxembourg were opened. France did the same in 2008. Belgium and Denmark ended restrictions and opened their markets of labour in May 2009. Germany and Austria continued to apply restrictions on labour market access till the end of April 2011. Since May 2011 workers from Poland have had free access to the market of labour in other EU Member States (European Commission 2011, A).

Table 8. Emigration from Poland from 2004 to 2012 (number of emigrants, thousands)

Destination country	NSP 2002 (b)	2004	2005	2006	2007	2008	2009	2010	NSP 2011	2011	2012
Total	786	1000	1450	1950	2270	2210	2100	2000	2017	2060	2130
Europe	461	770	1200	1610	1925	1887	1765	1685	1693	1754	1816
EU-27 (d)	451	750	1170	1550	1860	1820	1690	1607	1622	1670	1720
Austria	11	15	25	34	39	40	36	29	24	25	28
Belgium	14	13	21	28	31	33	34	45	47	47	48
Cyprus	.	.	.	.	4	4	3	3	3	3	2
Denmark	.	.	.	.	17	19	20	19	18	21	23
Finland	0,3	0,4	0,7	3	4	4	3	3	2	2	2
France	21	30	44	49	55	56	60	60	62	62	63
Greece	10	13	17	20	20	20	16	16	17	15	14
Netherlands	10	23	43	55	98	108	98	92	92	95	97
Spain	14	26	37	44	80	83	84	48	45	40	37
Ireland	2	15	76	120	200	180	140	133	131	120	118
Germany	294	385	430	450	490	490	465	440	437	470	500
Portugal	0,3	0,5	0,6	1	1	1	1	1	1	1	1
Czech Rep.	.	.	.	.	8	10	9	7	7	7	8
Sweden	6	11	17	25	27	29	31	33	34	36	38
United Kingdom	24	150	340	580	690	650	595	580	601	625	637
Italy	39	59	70	85	87	88	88	92	94	94	97
Non-EU countries	10	20	30	60	65	67	75	78	71	85	96
Norway	.	.	.	.	36	38	45	50	43	56	65

(d) up to 2006 – 25 countries

Source: Central Statistical Office data, *GUS: 2,13 mln Polaków przebywało na emigracji na koniec 2012*, <http://forsal.pl/artykuly/737548,gus-2-13-mln-polakow-przebywalo-na-emigracji-na-koniec-2012.html>, viewed 5 March, 2014.

Free movement of workers was considered an important element of EU integration because of the situation on the Polish labour market at the time of accession. In 2004 unemployment rate in Poland exceeded 20%. Table 8 presents emigration tendencies from 2004 to 2012 as well as data for the year 2002 for comparison. Total number of emigrants increased from 786 thousand in 2002 to 1 million in 2004, almost 1.5 million in 2005 and over 2 million from 2007 onwards. One should stress the fact that the number of emigrants from Poland was the highest in 2007 (just before the beginning of global financial crisis) when it amounted to 2.3 million. Later it was a bit reduced to some 2.0 million in 2010 but from 2011 to 2012 it grew to 2.1 million. The majority of Poles chose one of EU-27 countries as a destination one. 1.7 million emigrants from Poland stayed in one of EU-27 countries in 2012. From among EU member states the United Kingdom is the number one destination. It was chosen by almost 400 thousand Polish emigrants in 2004 and as many as 637 thousand in 2012. Germany is the second choice. In 2012 0.5 million emigrants from Poland stayed in Germany (in 2004 – 385 thousand).

Emigration from Poland to Ireland started just after Poland's accession to the EU. In 2002 just 2 thousand emigrants from Poland stayed in Ireland, in 2005 their number was close to 80 thousand, a year later it exceeded 120 thousand and in 2007 it reached 200 thousand. Later, because of the financial and economic crisis and worsening the situation on the Irish labour market, the number of Poles staying in Ireland started falling and in 2012 it amounted to 118 thousand. Two more Member States should be mentioned here as quite important destinations for emigration of the Poles: the Netherlands and Italy; in 2012 almost 100 thousand Polish citizens stayed in each of those countries (see figure 3).

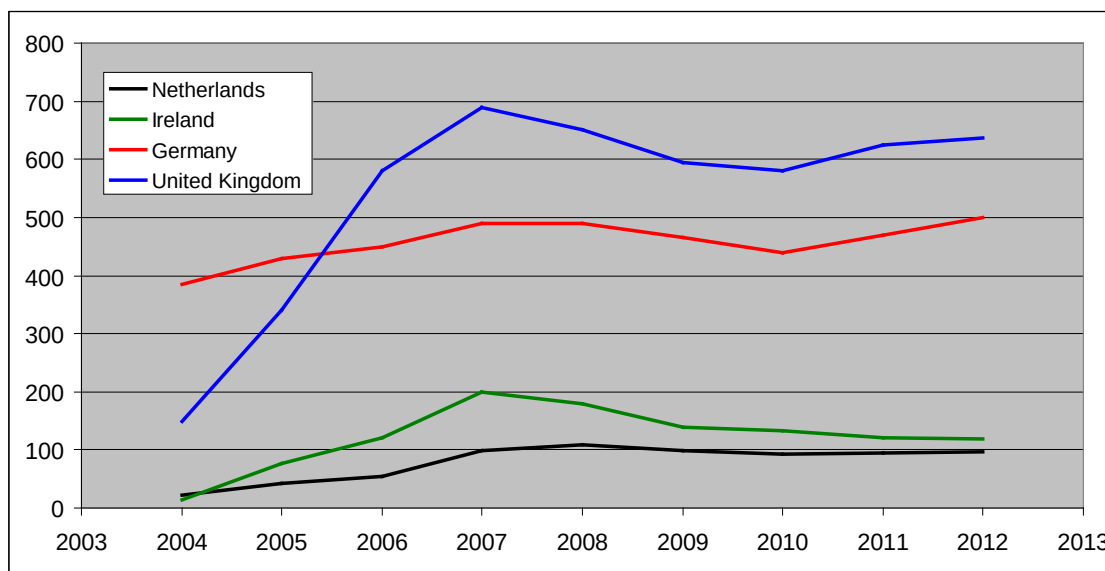


Figure 3. Crucial destination countries for Poles emigration from 2004 to 2012 (thousand)

Source: Own elaboration.

6. THE POSITION OF POLAND IN THE ENLARGED EUROPEAN UNION REGARDING ITS SOCIO-ECONOMIC DEVELOPMENT

In order to analyze the position of Poland in the enlarged European Union according to socio-economic development (EU-27), a chosen method of taxonomic analysis was used (Z.Hellwig's taxonomic measure of development). The following variables were taken into account:

- X1 – infant deaths (per 1000 live births),
- X2 – natural increase (per 1000 population),
- X3 – employment rate, age group 20-64 (%),
- X4 – unemployment rate (%),
- X5 – tertiary educational attainment, age group 30-34 (% of population aged 30-34),
- X6 – employed persons in agriculture (% of total),
- X7 – inflation rate (%),
- X8 – GDP per capita (PPP),
- X9 – share of service sector in GDP creation (%),
- X10 – public debt as % GDP,
- X11 – public finance sector as % GDP (-) deficit, (+) surplus,

X12 – real GDP growth (%),

X13 – exports per capita,

X14 – mobile cellular telephone subscriptions per 100 population,

X16 – number of Internet users per 100 population,

X16 – gross domestic expenditure on research-development activity (% of GDP).

Most of them were considered stimuli. Just five variables were treated as destimuli, namely: infant deaths, unemployment rate, employed persons in agriculture, inflation rate and public debt. The analysis was undertaken for the year 2004 and 2012. Figures 4 and 5 present the results of the analysis.

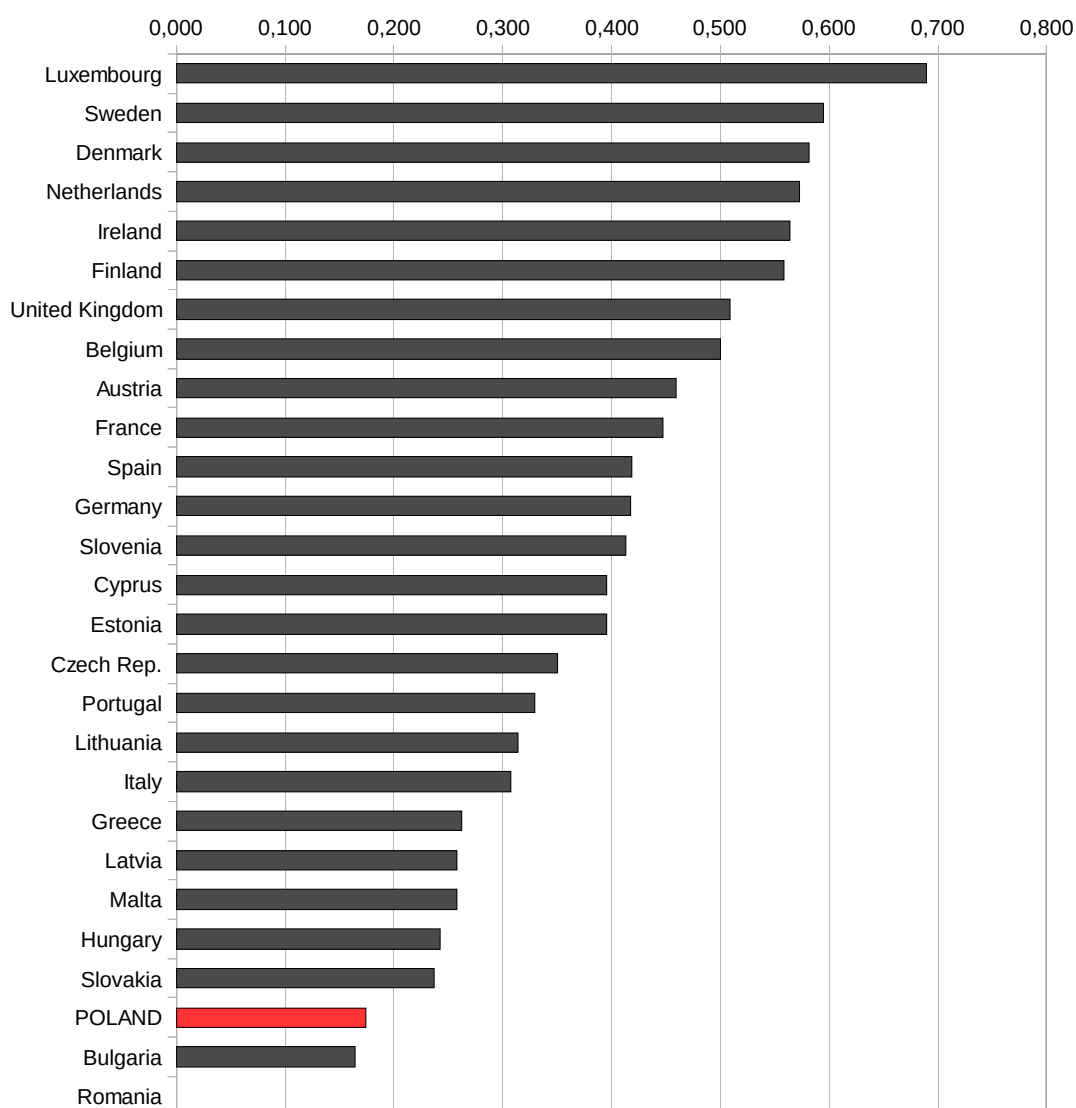


Figure 4. Poland against the background of other EU-27 Member States according to synthetic measure of socio-economic development. Year 2004

Source: Own calculations, own elaboration.

Both in 2004 and 2012 Luxembourg was the leader of socio-economic development while Romania was located on the very last position. In 2004 Sweden, Denmark, the Netherlands and Ireland were

classified among the top EU economies; Poland took the 25th position, just above Bulgaria and Romania. The picture for the year 2012 is a bit different. One will no longer find Ireland among the leaders of socio-economic development (Ireland was classified on the 12th place). The top five economies include: Luxembourg, Sweden, the Netherlands, Finland and Denmark. It is worth mentioning that Greece took the 26th position in 2012, while in 2004 it was classified on the 19th place. Relatively good condition of the Polish economy at the time of global crisis and instability resulted in the improvement of its position in the group of EU-27 economies. In 2012 Poland took the 18th position.

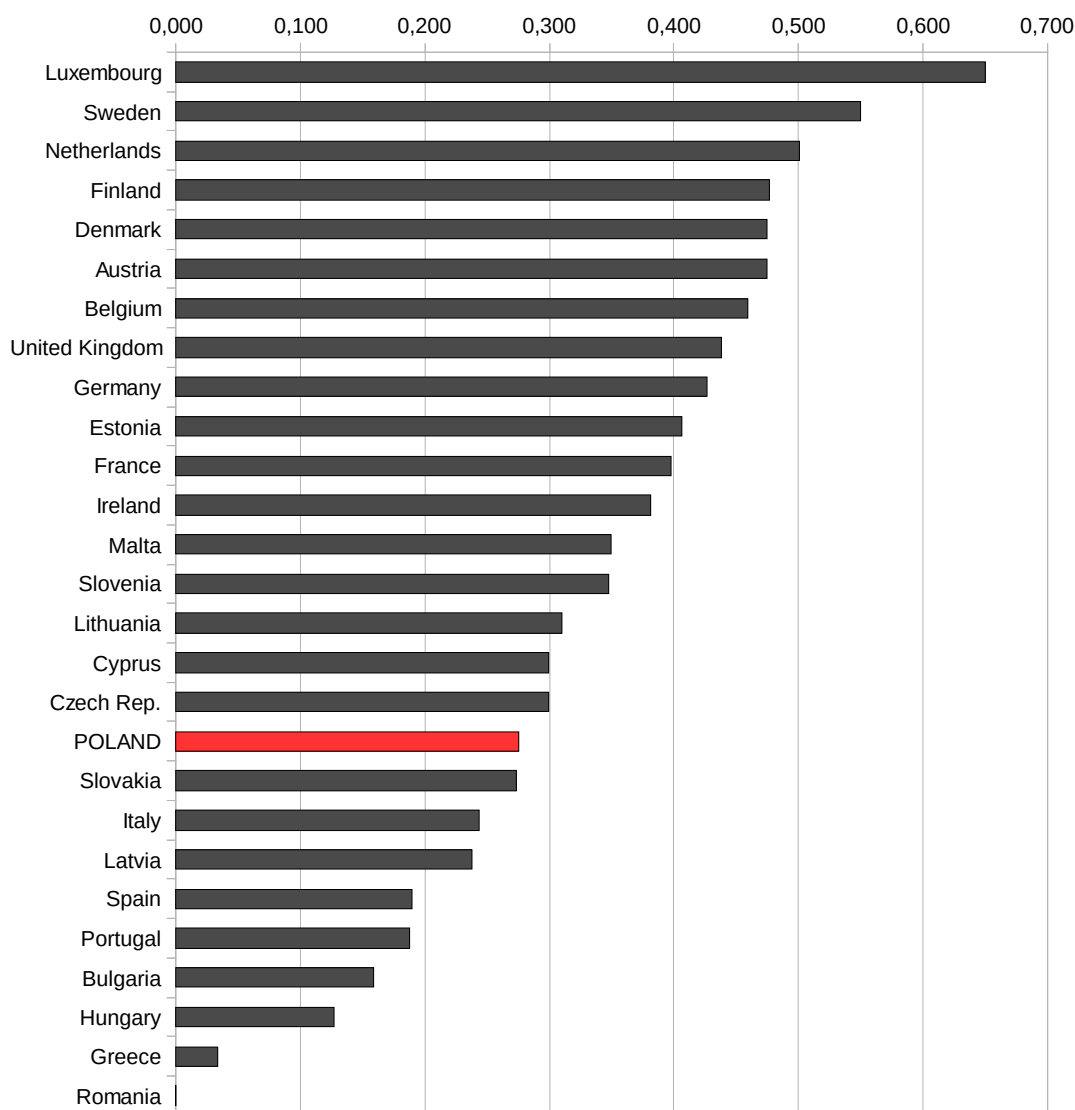


Figure 4. Poland against the background of other EU-27 Member States according to synthetic measure of socio-economic development. Year 2012

Source: Own calculations, own elaboration.

8. CONCLUSION

Accession to the European Union changed the Polish economy. It created better conditions for trade in goods and services, as well as transfer of capital. Polish goods are sold on single European market and the positive balance of trade proves their competitiveness. Poland is the biggest beneficiary of EU budget. Net effect of its integration with the EU amounted to EUR6.3 billion for the first three years,

and EUR65.0 billion for the period 2007-2013. Prospects for the years 2014-2020 look even better: Poland is to receive EUR75.8 billion. Structural funds and Cohesion Fund help modernize the Polish economy, create favourable conditions for small and medium enterprises, fight unemployment, promote economic activity, reduce environmental pollution, stimulate R&D activity and innovation. Free movement of labour resulted in a new wave of emigration. In 2012 more than 1.7 million Poles stayed in EU-27 countries. The United Kingdom and Germany are most popular destination countries among Polish emigrants. The multivariate analysis was undertaken in order to determine relative position of Poland against the background of other EU-27 economies with respect to socio-economic development. The survey proved considerable improvement of Poland's position: in 2004 Poland was classified on the 25th place, in 2012 it was located on the 18th position.

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