Management of the Kraków Functional Urban Area, in Poland, using a European Union Instrument: Integrated Territorial Investments

Abstract

The objective of this paper is to analyse the ways in which one of the European Union’s Cohesion Policy instrument, i.e. the Integrated Territorial Investment (the ITI), can be used, with specific reference to the example of the Kraków Functional Urban Area (the KFUA). ITI is an instrument of EU policy and was introduced during the 2014–2020 program period. It was designed to promote the development of functional areas, especially on a metropolitan scale, and to strengthen the co-operation ability of local entities.

Research design: The reasoning utilised in this article uses participant observation as the primary research method. The complimentary analytical methods are desk research of documents, written questionnaires and individual direct interviews. It is important to underline the direct involvement of the author in the preparation of the ITI Strategy for the KFUA, participative workshops concerning the introduction of ITIs, and expert reports commissioned by the Kraków Metropolis Association (the KMA).

The findings enable one to clarify mechanisms disclosed in the national scale with specific features also present in the KFUA. The first part of this paper includes a brief review of the literature concerning the nature of the metropolitan scale, management of the development of functional urban areas, and deliberation procedures. In the second part, the author presents the results of his qualitative research revealing the way an instrument of ITI is implemented by the KMA. Tools used by the KMA, taking into consideration juridical and cultural conditioning, demonstrate how the ITI instrument can become, beyond financial support for communities, a real creator of a co-operative ecosystem of entities. The added value is to show that the ITI instrument, despite some bureaucratic sluggishness, can be, thanks to understanding the essence of “metropolitan governance”, an approach which builds real territorial co-operation.

Article classification: research and conceptual article

Keywords: metropolitan governance, metropolitan scale, functional urban area, EU cohesion policy, integrated territorial investments, Poland, Kraków

JEL classification: D04, R11, R58

Introduction

Functional urban areas (FUAs) are entities composed of core cities and peri-urban interfaces (Allen, 2003; McGregor et al., 2006). They are identified on the metropolitan scale with its all complex determinants of economic, spatial and political nature (d’Albergo & Lefèvre, 2018; Fricke...
& Gualini, 2018). Pro-development interventions in such a scale have to take into consideration assumptions resulting from the reflection on the efficient management systems (Davoudi et al., 2008; Noworól, 2018a; Parks & Oakerson, 2000) as well as broader factors related to social and political constraints (d’Albergo & Lefèvre, 2018; Gorzelak, 2012). The EU Cohesion Policy then brings an essential stimulus in that context in the form of the Integrated Territorial Investments, ITIs (CSF, 2012; PA, 2014, 2017). The spotlight on problems of the FUA of the city of Kraków (the Kraków Functional Urban Area, the KFUA) can be described based on the author’s own experiences. Those practices include direct participation in the building of the ITI Strategy, research work on Polish ITIs, being a part of the analysis of territorial instruments of the Polish State’s development policy, and, finally, consulting services provided for the Kraków Metropolis Association (Noworól et al., 2018; Noworól, 2018b).

**Management on the metropolitan scale**

The accurate reflection on the management on the metropolitan scale has been deepened by various approaches undertaken during the last 20 or so years. During that period, we observe consideration for two significant perspectives of understanding the dichotomy of “metropolitan government” vs “metropolitan governance” (Kaczmarek & Kociuba 2017; Lefèvre, 2009; Parks & Oakerson, 2000; Pyka, 2016). If we observe the evolution of public management models (Hausner, 2006 and 2019; Izdebski, 2007; Mazur, 2015; Pollitt & Bouchaert, 2011), that dichotomy was well identified by the reflection on the New Regionalism (Savitch & Vogel, 2000). In that concept, government “…is an elaborate machine that operates through hierarchical layers of political authority and accountability” while governance “conveys the notion that existing institutions can be harnessed in new ways, that cooperation can be carried out on a fluid and voluntary basis among localities, and that people can best regulate themselves through horizontally linked organizations” (Savitch & Vogel, 2000, p. 161). The reflection on metropolitan government/governance has to raise the question of the metropolitan scale. There is a rich set of references in that respect. Recently, a comprehensive study has been presented by d’Albergo and Lefèvre (2018). Against a backdrop of the review of definitions, theories, and research questions, d’Albergo and Lefèvre construct their “perspective on metropolitan development processes as understood through the economic, spatial and political dimensions of the metropolitan scale”. They underline three approaches. The first approach is based on policy networks as inter-organizational governance structures. The second attitude refers to the theories of growth coalitions and urban regimes (mostly public–private interactions). The third represents the constructionist approach focusing on the discursive construction of scale, “the collective construction of meanings” (d’Albergo & Lefèvre, 2018, pp. 152–154).

E. d’Albergo and Ch. Lefèvre evoke the concept of rescaling of local governments or policy networks in which multiple actors exercise different levels of authority, and action to determine the organisations or leaders to make decisions in a selected context (see also: Brenner, 2003 and 2004; Mansfield, 2005; Reed & Bruyneel, 2010). In the management context, the duality of “government” and “governance” takes the shape of the opposition between the Neo-Weberian concept (Kattel, 2015; Lemay-Hébert, 2013; Mazur & Kopyciński, 2017; Pollitt & Bouchaert, 2011) and the many ways of understanding “governance” (Blackmond Larnell, 2018; Pollitt & Bouchaert, 2011; Reed & Bruyneel, 2010; Sroka, 2009). The meaning of “governance” or “good governance” reflects multiple references through such tools as networks, joining-up, partnerships, multi-level relationships, etc. (Chrabąszcz & Zawicki, 2016). It is associated with the way a public administration acts in a political, social and technological environment supported by information and communication technologies. Pluralistic and
multi-level relationships of organisations from different levels of authorities and different sectors of stakeholders represent a broad understanding of activities on a metropolitan scale. In that context emerges the notion of “territorial governance”. In a broad understanding it is “the process of territorial organisation of the multiplicity of relations that characterize interactions among actors and different, but non-conflictual, interests” (Davoudi et al., 2008, p. 37). Research proves that municipal leaders treat cities as ecosystems which are structured and managed/governed “either as “extended enterprises” where inputs from specialized organizations are coordinated and integrated into the final service or as “platform markets” where direct interactions between third-party service providers and citizens are facilitated by the city leaders” (Visnjic et al., 2016, p. 109). Municipal governments are then understood as ecosystem managers that are involved in managing local activities and delivering services. The real challenge of management on the metropolitan scale consists then of the ability to erect and to maintain a network of entities able to move development processes in different dimensions of territorial activities. The metropolitan governance thus relies on negotiations and on balancing interests. It is therefore necessary to ensure that all parties come to consent in the correct way. In effect, the deliberation procedure should be the tool essential for the successful goal achievement in the ITI partnership. Cohen (1997) uses the notion “deliberation” to describe a public process of communication oriented towards searching for appropriate arguments advocating specific evaluations and solutions in the issues under discussion. Sroka (2009), taking into consideration various theoretical approaches, presents a set of postulates of deliberation procedures. He picks out following features (inter alia): the argumentative character of deliberation, inclusiveness and accessibility to the discussion, liberating debates from internal and external pressures, and a rule that problems can be regulated in the equal interest of everyone (Sroka, 2009).

### Integrated Territorial Investments in EU Cohesion Policy 2014–2020 and the introduction thereof in Poland

Rationale, general concept and legal framework

The European Union has given significant support to rescaling processes. It is related to the concept of what is known as “a place-based policy” expressed for the European Commission authorities in the Barca report concerning “a place-based approach” (Barca, 2009). That report emphasized the functional linkages and flows in the territorial scale non-compatible with the administrative boundaries of local communities. Skipping the historical aspects of the introducing the territorial dimension to the EU Cohesion Policy (Europe 2020 Strategy, 2010; Territorial Agenda of the European Union 2020, 2011; Treaty of Lisbon, 2007; Urban Agenda for the EU, 2016), it is worth noting that the concept of relevant activities took legal and binding form in the Common Strategic Framework (the CSF, 2012). That document depicts the new Cohesion Policy instrument called the Integrated Territorial Investment (ITI), dedicated to Functional Urban Areas (FUA).

While the FUA represents an urban area on the metropolitan scale, with all its economic, social and political determinants, the ITI tool gives national authorities an opportunity to support an integrated approach involving investments under more than one priority axis of one or more operational programmes (all in terms of the Cohesion Policy). Article 99 of the Common Strategic Framework indicates that Member States “may designate one or more intermediate bodies, including local authorities, regional development bodies or non-governmental organisations, to carry out the management and implementation of an ITI” (CSF, 2012, p. 99). On 23 May 2014, the European Commission and the Government of Poland adopted a partnership agreement (the PA), which is a crucial document defining...
the strategy of interventions of European funds within the framework of EU policies, including the Cohesion Policy, in Poland in the years 2014–2020 (PA, 2014–2017). The PA emphasises the territorial dimension of the intervention, which should be introduced by inter alia, applying ITIs. Integrated Territorial Investments are dedicated mostly to FUAs of the major Polish cities, i.e. capitals of voivodships (regions). “In total at the level of all Regional Operation Programs, the allocation earmarked for this purpose in relation to the total allocation of particular funds for Poland is at least 5.2% of ERDF allocation and 2.4% ESF allocation” (PA, 2014, p. 214). The PA specifies the following three goals of the use of the ITI instrument in Poland, i.e.:

– the promotion of a partnership model of co-operation between various administrative units in FUAs;
– the increased effectiveness of the interventions made via the introduction of integrated projects responding to the needs and problems of cities and areas comprehensively having functional ties with them;
– the increased influence of units within FUAs on the shape and manner of execution of actions supported in their territory under the cohesion policy.

The PA sets conditions for ITI introduction, specifying an institutionalised form of partnership (the establishing of an ITI union or association) and the preparation of an ITI Strategy. ITI associations will play the role of joint representation of public authorities of the FUA. This means that the PA restricts the co-operation to the relevant local governmental units (gminas or/and poviat). The Polish government has published the mandatory guidelines defining the way in which ITI strategies have to be prepared (Principles…, 2013). Respecting the EU requirements, the national, overly precise, instructions, brought ITI strategies to something nearer to an action plan, concentrated on using European Funds. In order to ensure the compliance of the activities of ITI beneficiaries (the proceedings of initiators of the projects executed under the ITI model of intervention) with the relevant EU regulations, and the relevant PA, ITI unions/associations were entrusted the role of administrative controllers known as “intermediate bodies” (IB). That decision empowers ITI unions, but at the same time burdens them with a significant number of managerial tasks of minor importance with respect to each ITI strategy’s goals (Implementation Act, 2014, Article 30).

Current phase of the introduction of ITIs in Poland

The introduction of instruments of the EU Cohesion Policy has been associated in Poland with a relevant scientific reflection. It also involves the case of the ITI or intervention on a metropolitan scale, analysed in various contexts: policymaking in regional scale (Gorzelak, 2012; Szafrańek, 2014, 2015; Śleszyński, 2013); territorial management/governance (Kaczmarek & Kociuba, 2017; Kociuba, 2017; Noworól, 2018a); and overall results for a region (Kociuba, 2018; Noworól et. al., 2018; Smętkowski et al., 2018; Wolański et al., 2018).

As ITIs have been introduced in practice since 2015, several reports and scientific papers summarised in 2018 the state and on-going status of their introduction in Poland. Analyses cover the allocation of ITIs in voivodships, dilemmas with regard to the delimitation of FUAs, types of intercommunity co-operation as the basis for the establishing of ITI unions/associations, and, finally, problems identified during execution of tasks. Researchers study the projects of ITIs and correlate them with the EU Cohesion Policy goals. Relevant findings bring forward a set of conclusions concerning the overly detailed policy guidelines created by the Polish government, a certain short-sightedness of local governments in the preparation of ITI strategies (selection of projects), and the relatively successful process of structuring partnership co-operation (Kociuba, 2018; Noworól, 2018a).
Important conclusions arise from the evaluation analyses of the ITI instrument, contracted by the National Government, i.e.:

– “Evaluation of the system of implementation of ITI in the 2014–2020 program period” (Wolański et al., 2018, p. 147–150),
– “Analysis of the effectiveness and efficiency of territorial instruments implemented on the national, regional and local levels in the framework of the Cohesion Policy – recommendations for the system of implementation of NSRD 2030” (Noworól et al., 2018).

It should be underlined that the results of all the cited papers and studies firmly support the concept of the introduction of ITIs based on intergovernmental co-operation. On the one hand, that concept is near to the idea of “metropolitan governance”, as a way in which independent local governments co-operate in the sake of development of the functional urban area. However, we should stress that the process of mobilisation of local and regional actors on a metropolitan scale is almost entirely limited to public authorities. NGOs and companies are not sufficiently included in such a type of territorial management. The organisational culture of Polish society can explain this “administrative” orientation of the activities of ITI unions/associations. According to published comparative studies, the organisational culture in Poland is not favourable to participative and deliberative attitudes (ESS, 2016). In many cases, a bureaucratic schematism overwhelms the activities of all the governmental levels. The ITI instrument has an essential meaning in that respect.

**Introduction of the ITI Instrument in the Kraków Functional Urban Area**

The Kraków Functional Urban Area

The Kraków Functional Urban Area (the KFUA) is located in the south of Poland, around the city of Kraków, the second Polish city in terms of the number of inhabitants, approximately 770,000 (Kraków Metropolitan Area, 2016), and in terms of the share of the national GDP, 3.3% (op. cit.). The Kraków FUA, with the population over 1 million inhabitants, covers the area of 15 local gminas, including the city of Kraków, the towns of Skawina, Wieliczka, Niepołomice and Świątniki-Górne, and seven village-type localities in the peri-urban zone. The delimitation of the KFUA was set by regional authorities in the process of the preparation of the Regional Operational Program of Malopolska for the 2014–2020 program period (RPO MV, 2014). This delimitation was an arbitrary administrative decision, approved mostly to facilitate the introduction of the ITI instrument.

**Kraków Metropolis Association and its roles**

In 2014 local communities in the Kraków FUA formed a partnership/union in the form an association of gminas. That was one of the conditions determined in the PA for participation in the ITI instrument and for obtaining support from the EU Cohesion Policy. The Kraków Metropolis Association (KMA) voted upon the ITI Strategy for Kraków FUA, satisfying the second necessary condition of “ITI eligibility”. The national Government also assigned the Association as the intermediate body (the IB) with regard to the process of ITI implementation. The agreement between the KMA and the regional authority designates a set of purely administrative activities in that respect.

The ITI Strategy for the Kraków Urban Functional Area was adopted in 2015. The document was prepared by a consulting company, with significant participation of the KMA. The strategy had to follow the national guidelines (Principles…, 2013). Without going into details, it is important to note that the Kraków FUA ITI Strategy has gone beyond strictly following the EU and national exigencies, linked to the goals of the EU Funds. So, taking into consideration the vision statement “Kraków and the Kraków Functional Urban Area—the metropolis of the national and the international...
“rank”, the strategy indicates three following goals (the following are synthesized): (1) a high level of competitiveness of the sub-regional economy; (2) a high quality of living of the inhabitants of the FUA; and (3) integrated management of the Kraków FUA.

Summarising above observations, the Association plays two primary roles in the introduction of the ITI. On the one hand, it satisfies the goals of the ITI Strategy, designed more widely than it is expected, according to regional and national documents. On the other hand, the KMA comes down to the role of “a mini-office” administrating, through the execution of projects, the allocation of the EU Funds, as designated in the Regional Operational Program.

Procedures and Co-operation Tools used in the Association

The analysis of selected management systems of the Association was conducted in terms of the ability to participate in a flexible, participatory co-creation of the developmental potential of the Kraków FUA.

It should be emphasized that at the stage of developing the ITI Strategy and during current activities, the Association applies in practice the principles described above as a deliberative procedure. The processes of decisions in the Association are the result of debates between the heads of the gminas in the ITI. Never in the history of the KMA has there been a need to use voting to make decisions. When pursuing the objectives and tasks of the ITI instrument, participants are free from external coercion and are entirely sovereign. There have been no problems in the work of the KMA that were not able to be regulated in the equal interest of all members. Despite the considerable differences in terms of economic and financial potential between the city of Kraków and other members of the Association, internal debates are free of internal coercion, i.e. everyone has the same chances of being heard, being criticised, etc. All of the members of the KMA are provided with equal access to the mechanisms of social communication.

The activities of the Association go far beyond obligatory tasks. The KMA office has the will and the ability to strengthen the co-operation between the gminas around critical themes for the functioning of the peri-urban zone of Kraków. The manifestation of this is the implementation of metropolitan co-operation procedures in the form of what are known as forums. Despite the lack of formalisation, the forums constitute an effective mechanism of collaboration, covering in each case all of the members of the Association. The activity of the forums focuses on the areas of the KMA’s operations which require more intensive involvement of the ITI communities than in the case of the execution of projects carried out by individual members. Three forums have been established:

- The Clean Air Forum of the Kraków Metropolis sets its goals and tasks concerning improving air quality. The related activities aim at unifying the policies of municipalities, in the scope of removal of coal boilers, in five areas: 1) inventory, 2) management, 3) finalisation, 4) control, and 5) information and promotion;
- The Forum for Integrated Transport of the Kraków Metropolis is oriented towards facilitating co-operation with regard to the development of bicycle infrastructure in the Kraków FUA, integration of public transport of gminas and strengthening co-operation within the framework of integrated agglomeration public transport;
- The Forum for Public Procurement in the Kraków Metropolis improves the competences of municipalities’ officials.

It is worth underlining that the subject matter of the above-mentioned forums is at the heart of KFUA’s needs. It is not only about the execution of the projects submitted and agreed at the introduction stage of the ITI Strategy. A much more difficult challenge is creating a climate of mutual understanding of gminas and co-ordinating activities the time-horizons and
needs of which, in terms of resources involved, go beyond the current EU program period. Co-operation forums are a unique platform for dialogue, enabling one to believe that the ITI becomes a lesson in the co-ordination of significant area-related socio-economic activities.

Challenges with regard to networking between ITI gminas

An essential aspect of the functioning of the KMA is the position of the Association with regard to other entities affecting the introduction of the ITI instrument, and in the future metropolitan co-operation in the Kraków Functional Area. Many factors disclosed in the current practice should be considered here. The experience of the KMA Office indicates two aspirations. On the one hand, there is a conviction in the KMA that the real challenge is “a shared vision of the metropolitan idea”, which is a fulfilment of the process of grassroots integration of communities living in individual gminas/municipalities. The organising of the forums described above, and the mode of determining the areas of metropolitan collaboration testify to this. Also, the Directorate of the KMA Office emphasises the logic of establishing closer managerial links between the Associations and the voivodship as well as the ITI governance systems of the gminas. This is related to the fact that, at present, the Kraków Metropolis Association functions outside the formal system of gminas, and makes it difficult to identify the metropolitan contexts of certain investments and tasks, and ultimately to formulate proposals for actions. The challenge for the KMA management is to reconcile these requirements with the Association’s intentions to become a “metropolis of a network of contacts, a metropolis of standards understood as an agreed way of responding to a given problem” (Noworól, 2018b).

It seems that a vital aspect of the functioning of the KMA is determining the status of the Association with regard to crucial entities that are stakeholders of the ITI instrument. Useful here may be theories concerning multi-level governance (MLG), especially in the aspect of revealing the causes and mechanisms of co-operation between entities from various levels of governance/management. At the same time, it is worth looking at the Association as an organisation with a limited amount of real power and influence on the ITI gminas, while also an entity dependent on regional and national authorities.

A vast amount of literature attempts to classify the theories of MLG (Rhodes, 1997; Sørensen & Torfing, 2005 and 2007). Essentialising various approaches, Sroka (2009) indicates four groups of these theories. Two groups reflect rivalry and calculation as the principle of creating multi-level networks. They are theories of interdependency – the exchange of resources – and governability, which consists of a kind of manipulation to regain an ability to govern. The second group of theories is built on references to the anthropological discourse, in which culture plays a key role. Sroka indicates the concept of governmentality in which the government influences the people’s imaginations through media and the theory of integration, relying on building a network based on reconciling different goals and strategies on organisational fields, created by various entities (Olsen, 2007; Sroka, 2009, pp. 47–48).

In practice, the activities of organisations are a melange of the approaches mentioned above. In the case of the KMA, we can confirm the relevance of two of those approaches. There can be no doubt that joining the introduction of the ITI instrument resulted primarily from the efforts to obtain EU funds dedicated to this tool. So, the first step is – following the theory of interdependence – exchange of resources. The gminas decide to co-operate in exchange for an opportunity to obtain external funds. It is undoubtedly the starting position for building a co-operation network, a standpoint based on calculation and a stern look at what is happening in each gmina. And the Association must somehow “rule it”, in the sense of co-ordination and mediation.

The key – for the essence of the ITI Instrument – methods of networking co-operation are related
to the developing of a culture of collaboration. Integration theories accentuate the importance of what are known as “organisational fields” produced by co-operating bodies. It is inside these fields that the process of negotiated adaptation of the actions of many actors takes place. This means conducting specific activities in the areas of mutual interest of each organisation interested in integration. Within organisational fields, specific ways and styles of the gminas’ activities are reconciled, enhancing the process of reciprocal adaptation. If understanding and mutual benefits accompany this, authentic network logic should emerge, reinforced by knowledge, symbols and “good practices”. The experience of the Association confirms the legitimacy of continuing this form of its activity.

Conclusions

Conclusion of this paper can be formulated in theoretical and practical contexts. The crucial observation of the performed research concerns the organisational aspects of intervention on a metropolitan scale. It is worth noting that territorial strategies are not strategies of administration offices, but development plans of the entire community/communities living in a given area. This means that the management of development must go beyond the domain of public administration. Effective introduction of the territorial strategy should refer to what is happening in the local economy, to social and cultural activities carried out by entities from all sectors. The challenge consists then of influencing a complex and hybrid institutional ecosystem of differentiated bodies.

The critical challenge is capability with regard to the ‘animation’ of intersectoral co-operation, to networking and stimulating pro-development activities of organisations, public, business and non-governmental, operating in a specific geographical area.

With reference to the two models of development management in functional areas (“metropolitan government” vs “metropolitan governance”), this author is clearly in favour of accepting the latter. The complexity of existing organisational ecosystems including entities from public, private and social spheres require with regard to metropolitan management the bottom-up mobilisation of potentials of local actors.

Taking into consideration the experiences of the KMA in building a co-operative environment/ecosystem of ITI implementation, this author is of the opinion that instead of administering the ITI Strategy projects, the KMA should act more in the “metropolitan governance” formula. The real challenge facing Polish communities with regard to European Union standards of governance is broadening and developing managerial skills to co-operate through identifying common themes, platforms for exchanging information and knowledge, good practices, etc. The main task of the Association should be working on another co-operation strategy: developing a vision of the KFUA. That should be done regardless of whether there will be EU support via the ITI instrument or not. For the KMA, this results in the need to include entities from outside the public sphere in the work of the Association. It is reasonable to use the Association’s experience and delineate – at the beginning – a limited circle of operation, so that, over time, this circle will expand, including further entities and residents.

The main observation in terms of the introduction of the EU Cohesion Policy in Poland consists of a demonstration of the benign role of the Integrated Territorial Investments on a metropolitan scale. The well-programmed organisation responsible for the introduction can bring added value in excess of the results of ITI projects. This overall benefit signifies the building of a co-operative ecosystem of entities, hopefully, ready to act together independently from external financial support. The EU Cohesion Policy becomes a guide of future action and not only a source of funds.
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