

SDG 10, reduced inequalities:

Reducing Regional Inequality in Poland. A case study on ESG Goal 10 implementation between ‘Poland A’ and ‘Poland B’

This case study analyses Poland’s progress towards Sustainable Development Goal (SDG) 10: Reduced Inequalities, with a focus on internal disparities between so-called ‘Poland A’ (the more affluent western and central regions) and ‘Poland B’ (the less developed eastern and northeastern regions). The time horizon of the analysis spans from Poland’s accession to the European Union in 2004 through to 2024, with consideration of future strategies planned up to 2030.

According to Eurostat (2023), regional GDP per capita in Poland illustrates one of the widest disparities in the EU: the Mazowieckie voivodeship reached 160% of the EU average, while Podkarpackie remained at just 54%. These internal divisions are more pronounced than in many other EU countries, such as Italy or Spain, despite strong national-level economic growth. This case study assesses whether targeted regional policies, EU structural funding, and decentralised programmes have successfully addressed these inequalities, and what can be learned from Poland’s approach.

Background

Poland’s regional inequalities have historical roots in partition-era development and post-socialist economic restructuring. While ‘Poland A’ includes regions with proximity to Germany, strong FDI inflows,¹ and better infrastructure (e.g. Mazowieckie, Wielkopolskie), ‘Poland B’ encompasses voivodeships like Podlaskie, Lubelskie, and Podkarpackie – areas that have struggled with deindustrialisation, rural decline, and weak institutional capacity. Key inequality indicators include:

¹ Foreign Direct Investment inflows represent the amount of capital entering a country from foreign investors who seek to establish or expand operations in that country. This includes investments such as: buying or building factories, opening branch offices or subsidiaries, and acquiring shares with management control. FDI inflows are crucial indicators of economic openness and regional attractiveness for international business. In regional development contexts (like the divide between ‘Poland A’ and ‘Poland B’) high levels of FDI are often associated with job creation, productivity growth, and infrastructure investment in receiving regions.



- Income & employment: in 2022, the average gross monthly wages in Warsaw were over 7,600 PLN, while in Lubelskie, they remained below 5,000 PLN (GUS 2023). Unemployment in Podlaskie was 7.3%, compared to just 2.5% in Wielkopolskie;
- Education access: students from eastern regions have lower university entrance rates and weaker national exam scores (CBOS 2023);
- Healthcare gaps: the number of physicians per 10,000 inhabitants is almost twice as high in urban vs. rural regions (OECD 2023);
- Digital infrastructure: in 2022, broadband internet coverage was 91% in urban zones but only 69% in rural areas (UKE 2023);
- Outmigration: Eastern regions experience chronic youth outmigration, accelerating demographic ageing and labour shortages (World Bank 2023).

These disparities not only inhibit inclusive growth but also generate political, social, and economic fragmentation.

Policy Measures and Programmes

Poland has pursued a mix of national and EU-supported strategies to mitigate regional inequality. Key initiatives include the following funds and programs.

- EU Structural and Cohesion Funds. Between 2014 and 2020, Poland received over €80 billion in cohesion funding, followed by another €76 billion for 2021–2027. These funds are channelled into regional operational programmes targeting transport, education, digital access, and entrepreneurship. This money is used for: building roads and railways, improving schools and universities, expanding internet access, helping small businesses, and creating jobs (European Commission 2023).
- Programme for Eastern Poland (POPW).² This flagship policy targets five voivodeships with special investments in innovation clusters, smart infrastructure, and green energy. Projects include R&D centres in Lublin and business accelerators for youth (MRiT 2023), a science and technology park in Białystok (a regional innovation centre designed to support cooperation between university researchers and SMEs in biotechnology, IT, and creative industries), municipal innovation hubs in Olsztyn,

² The Programme for Eastern Poland (POPW) is a dedicated operational programme launched by the Polish government and co-financed by the European Union's structural funds. It aims to stimulate economic development and reduce regional disparities in five of Poland's least-developed voivodeships: Lubelskie, Podkarpackie, Podlaskie, Świętokrzyskie, and Warmińsko-Mazurskie.



Rzeszów, Kielce and Kielce’s smart ecosystem (populated by local authorities and educational institutions, these hubs are part of the Area of Strategic Intervention (ASI) model, focusing on developing smart, tech-based urban ecosystems), research units and enterprise partnerships, and Lubelskie Voivodeship Smart Specialisation (a regional innovation strategy supported by two key funding streams totalling approximately PLN 392 million, focused on enhancing R&D commercialisation, internationalisation and SME innovation).

- **Digital Poland Programme.** This national initiative has expanded broadband access to over 3 million households since 2016. It also funds digital literacy programmes and e-services in smaller municipalities. (Ministry of Digital Affairs 2023).
- **Local Development Programme (LP).** A pilot initiative that covers 54 smaller towns and municipalities. It promotes bottom-up strategies combining infrastructure, education, and social inclusion; namely, it helps local governments create and carry out their own development plans on infrastructure (e.g., roads, lighting), education and job training, and social inclusion (e.g., help for the elderly, disabled, or youth). It is supported by Norway Grants and the EU.
- **Village Fund & Participatory Budgeting.** Launched in 2018, this civic mechanism lets communities allocate municipal resources to local priorities, e.g. public Wi-Fi, sports fields, and libraries, strengthening local agency and trust (CBOS 2023). The tool lets ordinary citizens decide how part of the municipal budget is spent. Residents vote on small projects like playgrounds, public Wi-Fi, or sports fields. This increases trust and transparency in local governments. People feel more connected and empowered when they have a real say in how their community is shaped.

Each initiative focuses on a different level of governance and a different type of need:

Programme	Level of action	Focus area
EU Structural Funds	national/regional	big infrastructure, job creation
Programme for Eastern Poland	regional	innovation, smart development
Digital Poland	national	digital access, e-services
Local Development Programme	local	customised town-level strategies
Village Fund & Participatory Budgeting	local/civic	community empowerment



Together, these tools represent a multi-level governance model that blends EU solidarity, national strategy, and local initiative: top-down investments provide major infrastructure and funding, bottom-up tools engage citizens and local leaders, digital and social initiatives close the gap between rural and urban life. This combined approach ensures that economic growth is matched with social inclusion, digital readiness, and local agency, making regional development fairer and more sustainable.

Results and Effectiveness

Outcomes across programmes suggest measurable but uneven progress:

- Transport & infrastructure: over 12,000 km of roads and 1,700 km of rail lines were modernised in Poland B from 2014 to 2022 (Ministry of Infrastructure 2023).
- Digital inclusion: 95% of schools now have access to broadband; rural household coverage has increased by over 20% since 2015 (UKE 2023).
- Labour market: regional unemployment in eastern Poland has dropped by an average of 4 percentage points. Self-employment and microenterprise registrations have risen by 12% in targeted counties (GUS 2023).
- Education outcomes: exam pass rates have improved in rural schools receiving ICT and teaching support (World Bank 2023).
- Civic engagement: in municipalities applying participatory budgeting, voter turnout has increased by 6–8% in local elections, and trust in institutions has improved (CBOS 2023).

Yet disparities persist – especially in income and healthcare access – and some benefits appear concentrated in urban pockets within poorer regions. Despite the visible gains, several barriers hinder full convergence:

- Administrative fragmentation: many municipalities lack the capacity to design for and absorb complex development funds (NIK 2022);
- Inefficient coordination: The European Court of Auditors (2022) found overlapping project mandates and limited cross-sector integration;
- Youth outmigration: brain drain remains a structural problem. Temporary improvements in employment or infrastructure do not reverse demographic decline;
- Access inequality: wealthier municipalities are better equipped to apply for funding, potentially exacerbating internal disparities within regions;



- Political instability: shifts in national policy, disputes over EU rule-of-law mechanisms, and polarisation can delay funding and erode cohesion;
- Sustainability concerns: more than 50% of public investment in Poland is EU-funded. Long-term resilience requires domestic resource mobilisation (OECD 2023);
- Digital divide persists: elderly and low-income groups risk being excluded from digital services, despite infrastructure gains.

Conclusions

The Polish experience with implementing SDG 10 illustrates both the promise and complexity of reducing internal inequalities through multilevel governance and strategic investment. Based on the findings, several policy recommendations emerge.

Development strategies must be tailored to the unique assets and needs of each region. Rather than applying uniform policies, future programmes should support place-based innovation ecosystems by empowering local authorities and community organisations. Building on the success of smart specialisation strategies, regions can align investment with local economic clusters, cultural heritage, or geographic advantages.

Targeted technical assistance is needed for under-resourced local governments, particularly in Poland B. EU cohesion policy post-2027 should include a dedicated component for administrative capacity-building, ensuring that municipalities can absorb, manage, and sustain complex projects.

Addressing inequality requires more than economic growth – it demands inclusive social policy. Future ESF+ programmes should combine training with wraparound services such as childcare, housing support, and psychological counselling to ensure equal access to opportunity, especially for vulnerable groups like women, elderly, and youth NEETs.

To counter depopulation, regions must be made attractive to young people. This includes not only job opportunities but also quality education, cultural infrastructure, and affordable housing. Incentive schemes, such as startup grants for returnees or remote work hubs, can encourage migration back to rural and small-town areas.

Reducing the dependence on EU transfers requires empowering regions to generate and retain more local revenue. Fiscal decentralisation, combined with investment in green economy sectors (e.g., renewable energy, circular economy), can promote self-sustaining growth and climate-resilient development.



Programmes such as village funds and participatory budgeting have shown that civic engagement enhances the quality and legitimacy of regional development. Future strategies should institutionalise citizen participation mechanisms and ensure transparency in fund allocation to reduce social polarisation and increase accountability.

Given the geographic location of many underdeveloped regions near the EU's external borders, greater cross-border cooperation (e.g., via Interreg programmes) with Ukraine, could open up new avenues for trade, cultural exchange, and joint infrastructure.

Questions

1. How can Poland design more inclusive regional policies that account for both the economic and social dimensions of inequality? (Think about the integration of economic growth with access to services like healthcare, education, and housing.)
2. What are the long-term risks of relying on EU structural funds for regional development? (Consider the sustainability of funding and explore alternatives, including local taxation, public-private partnerships, and/or green bonds.)
3. In what ways can regional governance be restructured to better involve local communities in planning and monitoring development projects? (Discuss participatory budgeting, civic councils, and co-governance models.)
4. How might Poland adapt successful regional development practices from other EU countries, such as Spain or Italy, while considering its own political and demographic context? (Present a comparative analysis and the transferability of international best practices.)
5. What role can digitalisation play in bridging spatial inequalities, and how can digital exclusion be mitigated in rural areas? (Explore smart villages, e-learning, and universal broadband access alongside strategies for digital inclusion.)

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