
Self-Governing Voivodeship as the Organizer of Regional Passenger Transport in Poland

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Abstract:

Purpose: The aim of the article is to analyze and assess the impact of the increasing role of voivodeship self-governments on the organization of regional rail transport in Poland.

Design/Methodology/Approach: The study used the desk research method in the field of statistical resources and the method of comparative analysis. The analysis included the assessment of selected indicators concerning the financial involvement in the organization of passenger transport and the impact on the mobility of the inhabitants of the region with the use of rail transport. The analysis covered in particular the years 2014-2020, although the year 2020 may not be reliable from the point of view of mobility. COVID 19 had a significant impact on the decrease in transport.

Findings: The research proves that the self-regulation of rail transport in Poland has had a positive impact on the development of this passenger transport sector. In addition to co-financing transport, the influence of provincial governments on the modernization of rolling stock, involvement in the development of railway transport infrastructure and impact on the timetable was also important. All this contributed to the increase in the mobility of the inhabitants of the region with the use of rail transport.

Practical Implications: The development of regional rail transport requires the involvement of voivodship self-governments. It is related to various spheres, including the organization and financing of transport. The presented statistical data clearly show that the increase in the competitiveness of rail transport is possible, but requires the active influence of the transport organizer. This is especially important if we want to look for alternatives to road transport, including passenger cars, which have such an unfavorable effect on the natural environment.

Originality/value: The research results are a contribution to the discussion on the assessment of the directions of development of regional public transport in the rail transport segment. The work of regulating the railways was also carried out in other countries, e.g. in Germany. Therefore, in the course of further research, a comparative analysis of the effects on a number of similar countries can be carried out.

Keywords: Regional Passenger Transport, Poland, Self-Governing Voivodeship.

JEL classification: L92, Q18, R41.

Paper Type: Case study.

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1. Introduction

Increasing the impact of self-governing voivodships on regional passenger transport by rail mainly concerns areas of organization and co-financing of services in this mode of transport. The literature describes this process as ‘self-governance’ of rail transport in Poland. Commitment is visible mainly within conclusion of contracts between the local government and railway carriers for the provision of public utility services consisting in passenger transport.

Poland provides services consisting in passenger transport in regional traffic, among others, by way of the company POLREGIO. In some regions, Poland also provides services via own railway entities established by individual self-governments. Nonetheless, there are no similar bus transport solutions. Commercial services still dominate regional transport. The apparent decrease in the number of passengers, additionally exacerbated by the COVID pandemic, results in a decrease in the number and length of regional bus lines in Poland.

This article aims to present transformations in the organization of regional rail transport in Poland and to demonstrate the role played by self-government voivodships in this process. It should be emphasized that both domestic and foreign literature lack valuable studies on these issues, which hinders discourse, especially of a theoretical nature. However, the considerations presented herein may prove valuable for other academics and constitute a contribution to further research.

2. Self-Governance of Regional Rail Transport in Poland

The inclusion of voivodship self-governments in the organization of regional rail transport was linked with the implementation of the objectives contained in the *Plan for Railway Transport in Poland until 2030* (Plan, 2007). This measure was correlated with the introduction of a new administrative division of the country (Act of 5 June, 2009) and the restructuring of PKP S.A. (Act of 8 September, 2001). There were also important legal acts related to the self-regulation of regional transport in Poland, i.e., *The Railway Transport Act (2003)* and *The Act on Local Government Revenue (2003)*.

Voivodship self-governments have assumed an active role in co-financing increasingly inefficient regional connections and the purchase of rail vehicles. Until 2004, funds for this purpose came from the central budget (The Railway Transport, 2003, Act of 28 March, 2003). After this period, the funds were reserved in the budgets of local governments, which was associated with their increased share in the income of voivodship self-governments from CIT and PIT. The actual self-governance of the regional railways in Poland took place at the turn of 2008 and 2009. It was related to the transfer of PKP PR shares from the PKP Group to self-government voivodships. The literature describes it as a *self-regulation of regional rail transport* (Engelhardt, 2014). The shares of individual self-government

voivodships varied (Table 1) they were defined by the Regulation of the Council of Ministers (Regulation of the Council, 2008) and resulted from (Górny, 2013):

1. Rail freight performance in individual regions,
2. Total surface area,
3. Population,
4. Overall length of railway lines in the region.

Table 1. Share of voivodeship self-governments in PKP Przewozy Regionalne (baseline)

No	Voivodeship	Number of shares	In percent
1	Dolnośląskie	92 750	7,3
2	Kujawsko-pomorskie	73 691	5,8
3	Lubelskie	69 880	5,5
4	Lubuskie	45 739	3,6
5	Łódzkie	72 421	5,7
6	Małopolskie	81 315	6,4
7	Mazowieckie	171 523	13,5
8	Opolskie	43 198	3,4
9	Podkarpackie	62 257	4,9
10	Podlaskie	48 281	3,8
11	Pomorskie	90 208	7,1
12	Śląskie	116 890	9,2
13	Świętokrzyskie	38 116	3,0
14	Warmińsko-	67 339	5,3
15	Wielkopolskie	123 243	9,7
16	Zachodniopomorskie	73 691	5,8

Source: Own study based on Regulation of the Council of Ministers of 27 November 2008 on the number of shares of voivodeship self-governments in the share capital of PKP Przewozy Regionalne limited liability company, *Journal of Laws of 2008, No. 218, item 1393*.

The scope and duration of contracts is determined individually by voivodeship self-governments and branches spread across most voivodeships. It must be stressed that after 2003 there is a visible increase of the duration of contracts between self-government voivodships and regional rail transport operators, including the regional branches of POLREGIO. Initially, contracts were concluded for one year, which generally was not conducive to the development of regional rail transport operators. Important changes in this regard took place in 2020, when nine 10-year contracts for the provision of transport services were signed - until 2030 (Report on rail 2021).

This applies to the voivodeships: Dolnośląskie, Lubelskie, Lubuskie, Opolskie, Świętokrzyskie, Wielkopolskie, Zachodniopomorskie, Małopolskie, and Wielkopolskie. The remaining voivodships concluded contracts for a shorter period.

It is also worth emphasizing that the vast majority of these contracts were signed under the direct entrustment procedure (no-bid purchase). This approach results from the regulation of the 4th railway package - market package (Directive 2016/2370, Regulation 1370/2007), which provides for a maximum duration of contracts till mid-2030. These contracts, however, had to be concluded by the middle of 2020. After this date, contracts can only be concluded by tender.

3. Self-Government Voivodship as the Organizer of Regional Public Transport

The influence of voivodship self-governments on the organization and operation of regional rail transport is related to impact on:

1. Investments mainly in rolling stock (to a lesser extent in infrastructure).
2. Co-financing of operational work by voivodship self-governments.
3. Timetable.
4. Ticket offer and tariffs.
5. Directions of development for POREGIO in the regional dimension.

Self-governing voivodships play a vital role in the purchase/modernization and provision of new rolling stock. New means of transport (mostly railcars) are owned by the local authorities and leased to POLREGIO. It must be stressed that at the beginning of the 20th century, PKP, which handled regional transport, had no rolling stock adapted to operating the regional market of rail transport services in the field of passenger transport. Passenger trains were served by locomotives and 2-3 carriages. There was a shortage of light (introduced into use in Western Europe in the 1960s) railcars, which would allow servicing areas with low demand for transport services.

The modernization of rolling stock, in particular the purchase of railcars, as well as the safety of electric and diesel engines serving non-electrified railway lines, should be assessed in a positive light. The beneficial impact of replacing rolling stock with a new one is associated with greater comfort and safety of travel. Moreover, it brings measurable economic benefits. It is associated with a reduction in operating costs on railway lines, among others characterized by low demand for transport services (Górny, 2013a). This trend is confirmed by the financial reporting of enterprises. According to profit and loss accounts, in 2014-2018 the costs of materials and energy consumption at PR decreased by nearly 40 million and amounted to: 289 million (2014) 248 million (2018). This translates into a 14% decrease in PR's energy expenditure. In the following years, these costs increased to PLN 280-290 million (Przewozy Regionalne, 2015-2020).

Self-government voivodships in Poland are also involved in the reconstruction and development of transport infrastructure (Górny, 2016). This can be considered important since without it, passenger traffic on subsequent sections of railway lines

in Poland would be closed. Such measures (e.g., the Ulikowo – Kalisz Pomorski – Wałcz route in the West Pomeranian Voivodeship) allowed for the restoration of train traffic, or, in the case of building a new infrastructure, launching new destinations (e.g., access to the Szczecin-Goleniów Airport in the West Pomeranian Voivodeship). In addition to the linear infrastructure, also nodal infrastructure was modernized (new bus stop shelters, modernization of platforms, etc.).

Self-government voivodships play a substantial role in the functioning and development of regional rail transport. In addition to the rights related to co-financing of regional rail transport (discussed in detail in the further section), self-government voivodships received another important function, i.e., the organizer of transport. Such an obligation was imposed by the *Law on Local Self-Government (Act on Local, Art. 14.10)*. Assuming the role of the regional rail transport organizer enables voivodship self-governments to influence the shape of the transport service offer at the regional level.

To summarize, the basic tasks of voivodeship self-governments are related to modernization of rolling stock and railway transport infrastructure. The purchase and subsequently, transfer thereof to the transport company significantly affects the functioning of the enterprise (a modern, more economical, reliable rolling stock) and increases the comfort of travel. On the other hand, infrastructure modernization and development make it possible to maintain traffic on railway lines.

4. Co-Financing of Regional Rail Transport in Poland

Involvement of local governments in the functioning of regional transport is visible on the financial level. In Poland, the local government joined this process in 2003. Earlier in the years 2001-2003, transports were co-financed directly by the state budget (Górny, 2013a; 2013b). Nonetheless, it must be stressed that the support from 2003 was "symbolic" since on that same year, local governments transferred approximately PLN 17 million to POLREGIO. Since 2004, self-government voivodships began to allocate much more funds to the organization of regional transport. By way of example, this year's subsidy amounted to approximately PLN 420 million. The amount of co-financing for this enterprise was growing until 2011 (about PLN 930 million) but in the following years, it would drop to PLN 790 million – 2014 (*Annual reports*). The decreased financial support from self-government voivodships for POLREGIO, which has been visible since 2013, can be associated with the increasing organizational and financial involvement in the establishment of own railway companies by self-government voivodships. Currently, in some voivodeships, satisfying the transport needs of residents is provided both by their own local government companies² and by POLREGIO itself.

² *Railway companies established on the initiative of self-government voivodships are: Koleje Mazowieckie (established in 2004), Koleje Śląskie (2010/2011), Koleje Dolnośląskie*

Financial reports published by self-government voivodships constitute a valuable source of information concerning expenditure on regional passenger transport. Some local governments publish only aggregate data that include all operators functioning in a given regional market. Table 2 presents information on expenditure on regional rail transport based on reports (except for one voivodeship). Importantly, the data show (as opposed to the budget) the amounts actually spent by self-government voivodships. Taking account of the above drawbacks, the report can be considered a valuable (though imperfect) source of information.

Following 2014, subsidies of self-government voivodships for regional rail connections exhibited a growing tendency. In 2020, the total amount of subsidies to regional rail transport exceeded PLN 1.5 billion (in 2014, PLN 1.1 billion, which is an increase by approx. 38%). It is worth noting, nonetheless, that the highest increase in subsidies was recorded in 2018-2020; it was about 20%. Importantly, despite the COVID-19 pandemic and the smaller number of travelers, local government voivodeships decided to transfer the full subsidy planned for 2020 to POLREGIO.

A higher increase in subsidies is visible in those self-government voivodships that have no railway companies of their own. In the case of possessing own entities, some voivodeships exhibit a visible decrease in subsidies to POLREGIO. However, in the light of the absence of detailed statistical data on operational work at the level of individual voivodeships, it is difficult to deduce reasons for the lowered subsidies for PR. Probably voivodeships having their own entities transfer some of the tasks to "their own" enterprises.

According to the data presented in Table 2, POLREGIO received the greatest support from voivodship self-governments. This is due to their nationwide scale of operations. Over the course of six years, the outlays allocated to PR by voivodship self-governments increased by approx. 40% (686 million – 2014, PLN 954.1 million – 2020).

Table 2. Expenditure of self-government voivodships on organizing and subsidizing regional rail passenger transport in 2014-2020 (in millions)

Voivodeship	2014	2016	2018	2020
Dolnośląskie	132,6	101,8	121,9	132,0
of which				
Koleje Dolnośląskie	47,5	49,2	84,2	86,1
Przewozy Regionalne	75,1	52,6	37,7	45,8
Kujawsko-pomorskie (PR+Arriva)	106,5	95,2	93,7	118,2
Lubelskie	62,0	61,6	68,1	77,9

(2007/2008) Koleje Wielkopolskie (2009/2011), Koleje Małopolskie (2013/2014), and Łódzka Kolej Aglomeracyjna (2010/2014).

Lubuskie	39,3	45,0	45,6	55,4
Łódzkie	72,0	93,4	94,6	109,8
of which				
Łódzka Kolej Aglomeracyjna	5,6	38,0	40,1	53,7
Przewozy Regionalne	66,4	55,4	54,5	48,3
Małopolskie	79,6	94,1	126,0	160,3
of which				
Koleje Małopolskie	0	13,6	46,1	59,1
Koleje Śląskie	0	0,2	0,6	0,9
Przewozy Regionalne	79,6	80,3	79,3	100,3
Opolskie	41,2	38,2	41,3	43,8
Podkarpackie	51,0	40,0	61,2	75,3
Podlaskie	15,5	16,0	23,2	29,7
Pomorskie	82,8	101,1	94,6	130,1
of which				
PKP SKM	22,6	33,9	47,4 ³	30,3
Arriva	2,5	0	0,1	-
Przewozy Regionalne	57,5	66,2	47,1	73,6
Śląskie	177,6	178,3	181,0	198,2
of which				
Koleje Śląskie	149,9	143,1	140,5	161,1
Przewozy Regionalne	27,7	35,2	40,5	37,0
Świętokrzyskie (PR, Koleje Małopolskie)	23,5	25,9	33,8	38,9
Warmińsko-Mazurskie	58,0	50,6	73,3	100,5
Wielkopolskie	126,7	135,0	170,0	225,2
of which				
Koleje Wielkopolskie	53,6	59,6	75,9	95,0
Przewozy Regionalne	73,0	76,8	95,2	117,4
Poznańska Kolej Metropolitarna	-	-	-	11,8
Zachodniopomorskie	79,7	82,1	90,3	92,5
Total	1148,0	1158,3	1318,6	1587,8

Source: Own study based on Reports on the implementation of the budgets of local governments in 2014, 2016, 2018 and 2020.

5. The Degree of Utilization of Regional Rail Transport by Inhabitants

Diversified co-financing of regional rail transport by individual voivodeship self-governments results from their specificity. This is explained by the overall population and the degree of economic development of the voivodeship. It has an impact on the region's population mobility index (the average number of trips by one resident in the region). Table 3 presents statistical data on the number of trips per capita in individual regions of Poland.

³ with PKM.

Table 3. Railway transport use rate in Polish regions (number of trips per capita)

Voivodship	2012	2013	2014	2015	2016	2017	2018	2019	2020
Dolnośląskie	4,9	5,1	5,8	6,6	7,7	8,6	9,4	11,2	6,6
Kujawsko-pomorskie	3,9	3,7	3,7	3,7	3,8	3,9	4,0	4,3	2,8
Lubelskie	3,0	2,8	2,7	2,6	2,3	2,2	1,9	1,9	1,4
Lubuskie	3,3	3,0	3,0	3,0	3,1	3,3	3,4	3,6	2,3
Łódzkie	4,3	4,1	3,5	3,6	3,9	5,2	5,7	6,4	4,0
Małopolskie	3,9	2,0	2,7	3,1	4,6	4,9	4,8	4,7	2,9
Mazowieckie	17,1	18,5	18,8	19,2	18,9	19,1	18,2	19,4	12,4
Opolskie	7,1	6,6	5,4	5,3	5,1	5,3	5,5	5,4	3,1
Podkarpackie	1,9	1,7	1,5	1,5	1,6	1,7	2,0	2,3	1,3
Podlaskie	2,2	1,8	1,6	1,2	1,5	1,8	1,9	2,1	1,3
Pomorskie	21,4	20,1	19,9	21,9	23,3	24,0	24,8	26,1	15,9
Śląskie	4,5	4,2	4,3	4,4	4,3	4,5	4,9	5,9	3,6
Świętokrzyskie	2,8	2,4	2,0	1,9	1,8	2,2	2,5	2,5	1,8
Warmińsko-mazurskie	3,7	3,3	3,2	3,1	3,1	3,4	3,4	3,5	2,3
Wielkopolskie	7,2	7,2	7,3	7,7	8,2	7,8	8,4	9,1	5,4
Zachodniopomorskie	5,8	5,5	5,4	5,3	5,3	5,4	5,6	5,8	3,7

Source: Own study based on Report on the functioning of the rail transport market in 2018 and 2020, Office of Rail Transport, Warsaw 2018, 2020.

The highest level of use of regional rail transport by the inhabitants can be observed in the Pomorskie and Mazowieckie voivodships. This fact is influenced by a large population (2.3 and 5.4 million, respectively), the role of agglomeration transport in these regions and, in the case of the Pomorskie Voivodship, geographical specificity. The fact that PKP SKM uses a separated infrastructure also seems important. This favors the possibility of ensuring a high frequency of trains.

Positive changes consisting in the increased use of rail transport in passenger transport are visible in Dolnośląskie and Łódzkie voivodships. Undoubtedly, this tendency is influenced by the development of the regional railway transport system (the establishment of own governmental companies by voivodships). It should be emphasized, however, that such symptoms were not observed in the Śląskie and Wielkopolskie voivodships, which have also established their own governmental entities. Nonetheless, this may be related to the intensive modernization works of the railway infrastructure carried out in these areas. Signs of relevant improvement may appear within a few years from their completion.

The use of rail transport in regional transport in 2020 significantly differs from previous years. This was conditioned by the pandemic, which involved the introduction of remote work and learning, and during which consumption needs decreased. This has shaped the decline in the use of regional transport by local residents.

6. Conclusion

The establishment of self-government voivodships in 1999 made it possible to assume the role of the body responsible for the organization of regional rail transport in Poland. Crucially, however, during the first decade of the existence of voivodeship self-governments, their influence on the enterprise and thus on the organization of transport was minor. The situation changed after 2008, when voivodship self-governments became co-owners of POLREGIO.

The involvement of local governments in the development of regional passenger transport can be analyzed on a number of levels. The first is related to assuming the role of the regional transport organizer. One sign of that is outsourcing rail transport services to railway undertakings and influencing timetables. Organization also involves co-financing of rail services by voivodship self-governments for PR and other entities providing services in regional traffic. This applies to self-government companies established by some local governments. We can generally observe the increasing involvement of local governments through the growing level of subsidies or modernization of rolling stock.

In addition to the organization and co-financing of regional transport services, voivodship self-governments eagerly joined other spheres of activity related to rail transport. In this context we should stress issues related to the development of rail transport infrastructure. In recent years, self-governmental voivodships have been actively supporting modernization works in transport infrastructure. In this way, they contribute to maintaining/restoring railway traffic as well as enhancing the comfort and quality of travel. Such activities promote shortening travel time, resulting in boosting the competitiveness of rail transport in relation to other modes of travel.

One positive point is the improving financial situation of PR and the purchase/modernization of rolling stock. A modern fleet enables satisfying transport needs for less mobile people, for example those who require easier access to the means of transport. The inclusion of (an own) flat rate for the transport of bicycles and prams should also be assessed beneficially.

New or modernized rolling stock allows for enhancing the comfort of travel. This is related to the fact that more and more trains are fit with air conditioning, facilities for people with limited mobility or areas for transporting bicycles. For the most part, new means of transport offer access to an electrical outlet and a wireless network, which is increasingly important for travelers.

It was not entirely possible to develop valuable organizational solutions in Poland that would improve the attractiveness of transport. One such *good practice* could be introducing the rhythmicity of regional transport (taking into account the volume of demand) and tools related to integration: an offer (e.g., tariff) and an infrastructure (e.g., nodal).

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