
The Problem of Division of the Mazowieckie Voivodship into NUTS Units and the Accessibility of EU Funds post 2020

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ABSTRACT

The article addresses crucial problem of territorial subdivision of Poland into NUTS. This problem is currently especially important since the next round of negotiations on revision of the classification of territorial units for statistics with EUROSTAT is approaching. The article presents the purpose and the scope of statistical division at NUTS 2 level. In the period of 2007-2013 Mazowieckie Voivodship was in the group of less developed regions, while in the next financial perspective 2014-2020 is classified as more developed regions. This is because its GDP per capita in the reference period amounted to over 90% of the EU average (region went straight to the top category omitting the category of transition regions). Statistical division of the region into two separate units NUTS 2 after 2020 would allow these regions to qualify for two different categories of wealth: better-developed region (Warsaw metropolitan area) and less developed region (the remaining part of the Mazowieckie Voivodship).

Discussion on the subject of separating Warsaw from the Mazowieckie Voivodship has a long history behind it, which began shortly after Poland's accession to the European Union in 2004. The issue basically was how Warsaw should be separated off, either as an individual administrative unit or merely as a separate statistical unit at NUTS 2 level. Many years have gone by, however, this issue still remains open, although it has very important connotations as regards financing regional development policy.

NUTS play a key role in planning, programming and monitoring financial projects from structural funds. The term NUTS is used in EU structural policy. Based on the NUTS classification EU structural funds are distributed between regions classed as peripheral or lagging in socio-economic development. Support entitlement from Structural Funds in order to achieve Objective 1 of EU regional policy (promoting development and structural adaptation of regions lagging in development), applies to regions defined according to the NUTS scale, whose GDP per capita (inhabitant) is under 75% of the average for the Community.

Efforts to create a new NUTS 2 division in the Mazowieckie Voivodship area were undertaken by the self-government of the voivodship from 2008, as it was anticipated that 75% of the EU average would be exceeded. In 2009 the Central Statistical Office and Ministry of Infrastructure and Development refused to commence the modification procedure and decided, that the Mazowieckie Voivodship would, as a transitory region, make use of the reduced pool. Furthermore, the GDP index, being the basis used to establish that a region belongs to a given cohesion policy objective, does not reflect in full all the aspects of regional development. In particular, in the case of voivodships with a very varied internal diversity or those, whose statistics are influenced by processes not taken into account in the calculation methodology, it is easy to lose track of the true regional development picture.

Mazowieckie Voivodship is characterised by considerable spatial diversity of the socio-economic development level. The proportion expressed by the level of GDP when converted to per capita (inhabitant) between Warsaw, and the poorest sub-regions of the voivodships, is 4: 1. Within the methodology of distribution of resources in the European Union cohesion policy, areas have been distinguished which require the most support, whose GDP per capita is expressed in a parity of purchasing power does not exceed 75% of the EU average. EUROSTAT data published for 2011 indicates that the average for Mazowieckie Voivodship was 106% of the EU average (in 2009 – 97%). According to data available for sub-regions for 2011 only Warsaw exceeded the threshold amount of 75% (197%), of the EU average. The remainder of the voivodships (according to the NUTS 3 division) did not exceed 75% of the EU average. Therefore, the proposed statistical division of the voivodship would seem apt, taking into account the various cohesion policy and regional policy objectives. It is due to this change that 67% of the population of the voivodship and 98% of its surface area would be included, after 2020, in Objective 1 of the EU regional policy.

A comparison just to illustrate the statistically justified changes in the NUTS hierarchy, would be, for example, the separation of the outer zone in London (Outer London) from its inner zone (Inner London). These “Measures” would demonstrate the socio-economic diversity between the centre and the boundaries of the metropolis. The GDP *per capita* (inhabitant) in Inner London exceeds 2,5-times this same index in Outer London.

Ireland is another example, where, towards the end of the 90s, a new division of the country was decided on the NUTS 2 level by separating its territory into two: east and west. This “Operation” heralded the beginning of the regional authorities involvement in creating regional policy (planning, investment, budget) and equipping it with better tools to conduct statistical and macro-economic analyses. This change was also of great significance because of the criteria involved in designating Structural Funds. In the past the whole of Ireland qualified under Objective 1 regional policy areas. Because of the dynamic socio-economic development of the country it has already exceeded the 75% GDP *per capita* level, and even the EU average (average GDP per inhabitant for the years 1996-1998: 102% of the average for the Community). This would deprive Ireland of the possibility to support the whole country in realizing Objective 1. Implementing a division of the country into two NUTS 2 units meant that the newly separated region Border, Midland and Western was acknowledged as a peripheral area and was included in the categories receiving support from structural funds and to the end of 2006 was able to benefit from structural funds in the Objective 1 mechanism from EFRR.

In the case of the Mazowieckie Voivodship, the statistical separation of Warsaw on the NUTS 2 level is the optimal solution. It is also an advantageous solution from the statistical and financial aspect. The city of Warsaw would receive the status of a unit within the NUTS 3 division and at the same time would gain the status of a NUTS 2 unit. The remaining NUTS 3 statistical units would create a second NUTS 2 region. Therefore, only the classification of specific areas would change, however, analyses of the indices would remain unaltered. Every other method used to define the NUTS 2 boundaries would require changes in the statistical

units on the lower NUTS 3, NUTS 4 and NUTS 5 levels. This would be an exceptionally complex task, time consuming, expensive and, economically unfounded.

In relation to the period 2014–2020 EU cohesion policy was again redefined, and its aim was to exert a maximum influence on economic growth and creation of jobs. In the period 2014-2020 the EU is to invest 351 billion EUR in European regions. All regions continue to be included in investments, but reforms in policy were adopted changing the levels of support in accordance with newly defined classifications for regions:

- poorly developed regions (GDP < 75 % average for UE-27);
- regions undergoing transition (GDP 75 % – 90 % average for UE-27); and
- more developed regions (GDP > 90 % average for UE-27).

The function of the EU regional policy is to assist all regions in making use of their full potential by improving competitiveness and raising the level of the quality of life in the poorest regions closer to the EU average. The regional economic policy aims to stimulate natural investment in the regions, and by improving availability, assure good quality services and protection of the natural environment, thereby encouraging innovation and entrepreneurship and creation of new jobs whilst at the same time countering inequality, which may manifest itself as social deprivation, bad housing conditions, low educational and health care standards, higher unemployment or inappropriate infrastructure.

The Mazowieckie Voivodship in the EU budgetary period, i.e. in the years 2014-2020, was classed as a more developed region. In view of the actual development situation of the Mazowieckie Voivodship against the national background of the country, with the greatest diversity in development in this voivodship and at the same time a considerable development potential of the Warsaw metropolis, the government of the Polish Republic decided, under art. 93 of the framework Ordinance, to minimize negative consequences in classing this region with the more developed regions by increasing its allocation by a whole 3%.

The basic allocation of structural funds to which the Mazowieckie Voivodship was entitled for the years 2014-2020 is 60% of the theoretical allocation falling to this region in the 2007-2013 programming period. After the increase of funds by 3%, the allocation to which Mazowieckie voivodship was entitled is 3,8 billion EUR. Funds totalling 2,1 billion EUR will be managed directly by the self-government of the voivodship within the *Regional Operational Program for Mazowieckie Voivodship*. The remaining 1,7 billion EUR designated for this Voivodship, was destined for national programs within the EFRR and EFS.

In February 2013, the Central Statistical Office and Ministry for Regional Development put forward a proposal to EUROSTAT by separate procedure for the division of Mazowieckie Voivodship into two NUTS 2 statistical units i.e. Warsaw and the remaining part of Mazowieckie Voivodship (non-administrative division). The proposed changes were to be binding post 2020 and related to new legal regulations, at EU level: Regulation (EC) no. 1059/2003 of the European Parliament and Council of 26 May 2003 as amended, on the establishment of common classification of territorial units for statistical purposes, and national: Ordinance of the Council of Ministers establishing terminology for territorial units for statistical purposes (NTS) (Journal of Laws 2007 No 214, item 1573 as amended.).

After negotiations, the European Commission and EUROSTAT took a negative stance in the matter of a new statistical division in the Mazowieckie Voivodship area, justifying its decision by the need to maintain a statistical division in line with the administrative division in Poland into voivodships or to make a new division in voivodships for units not exceeding 3 million inhabitants (in Poland this applies to 4 out of 16 voivodships). At the same time Eurostat stated that another round of reassessments classifying territorial units for statistical purposes would commence in 2015. It should be stressed that the process of creating and any modifying NUTS classification in individual member states should take place with consultation and agreement between EUROSTAT and representatives of Poland. The NUTS Scheme in a given member state is on each occasion defined based on a bilateral understanding with the European Commission.

Currently works are in progress in the Ministry of Infrastructure and Development to identify the conditions and consequences of modification of the statistical division of Poland on the NUTS 2 level. Representatives of the self-government of the Mazowieckie Voivodship and Province Governor of Mazovia are taking part in these works. The works aim to evaluate the justification for changes in classification and formulating an optimal system for NUTS 2 units.

Translation: Krystyna Kisiel

Problem podziału województwa mazowieckiego na jednostki NUTS a dostępność środków unijnych po 2020 roku

STRESZCZENIE

Zbliża się kolejna runda negocjacji rewizji klasyfikacji jednostek terytorialnych do celów statystycznych z EUROSTAT. W artykule przedstawiono cel i zakres podziału statystycznego na poziomie NUTS 2. Województwo mazowieckie w perspektywie programowania 2007-2013 znajdowało się w regionów słabiej rozwiniętych, natomiast w kolejnej perspektywie 2014-2020 zostało zakwalifikowane do regionów lepiej rozwiniętych, ponieważ jego PKB na mieszkańca w okresie referencyjnym wyniósł powyżej 90% średniej UE (region przeszedł więc od razu do najwyższej kategorii z pominięciem kategorii regionów przejściowych). Statystyczny podział województwa na dwie odrębne jednostki na poziomie NUTS 2 po roku 2020 pozwoliłyby na zakwalifikowanie tych regionów do dwóch różnych kategorii zamożności: regionu lepiej rozwiniętego (Obszaru Metropolitalnego Warszawy) i regionu słabiej rozwiniętego (poza stałą część Mazowsza).

mgr Krzysztof Kacperski – Graduate of the Main School of Economics in Warsaw; employee of the Mazovian Office for Regional Planning. Expert in the field of regional and local governments finances; also works on issues related statistical division of the region (NUTS) / absolwent Szkoły Głównej Handlowej w Warszawie (przez pewien czas SGPiS), pracownik Mazowieckiego Biura Planowania Regionalnego w Warszawie, ekspert biura do spraw związanych z dochodami samorządów (województwskiego). Zajmuje się również między innymi pracami związanymi z propozycjami podziału statystycznego województwa (NUTS).