

Poland

Key facts and issues

Poland is a unitary country with a population of 38.5 million. It is the 16th most decentralised country in the OECD with regards to public spending, as subnational governments are responsible for 32% of public expenditure. Poland is in the lower half of the OECD in terms of urbanisation, as only 28% of its population live in predominantly urban regions. It is in the middle range of countries (17th) in terms of administrative fragmentation, with the average number of municipalities per 100 000 persons at 6.4.

Poland's GDP per capita of around USD 25 800 is two-thirds of the OECD average, ranking 30th among OECD countries. At the regional level, Poland has the 13th largest GDP per capita disparities in the OECD between its top and bottom 20% regions and the difference in GDP per capita between the top and bottom 20% regions has increased by 5% between 2008 and 2013 widening the gap further. Gaps also exist in unemployment rates among regions, the worst performing region has a rate 60% higher than the best performing region. These disparities are the 16th highest in the OECD. Poland under-performs compared to the OECD average in terms of unemployment. While Poland has lower labour productivity levels than most of the OECD, it is characterised by high growth and strong catching-up dynamics by its regions. Most of the country is outpacing the frontier in terms of labour productivity growth, and only one region is losing ground.

Poland: regional, urban and rural development policies

Policy Area	Enabling Document, Strategy, or Framework	Strategic Objectives and Means	Lead Ministry, Agency or Committee
Regional	National Strategy for Regional Development 2010-2020	Focus on competitiveness, territorial cohesion and capacity building; special economic zones are an important instrument as well as infrastructure investments tied to innovation	Ministry of Development
Urban	The National Urban Policy 2023 National Spatial Development Concept 2030 (2012)	Infrastructure and housing, with a focus on urban forms, social cohesion and institutional reforms	Ministry of Development
Rural	National Strategy of Regional Development 2010-2020	Building upon the economic complementarity with the urban, sustainability of agricultural production, heritage (cultural amenity preservation)	Ministry of Agriculture and Rural Development

General policy approach

The National Strategy of Regional Development 2010-2020: Regions, Cities, Rural Areas (NSRD) sets out the objectives of regional policy in reference to individual territories of the country, covering urban and rural areas. There are also 16 regional development strategies. Objectives of the NSRD include: support for the competitive growth of the regions; support for territorial cohesion and prevention of the marginalisation of problem areas (including Eastern Poland, revitalisation and border areas); and ensuring conditions for efficient, effective and partnership implementation of development measures targeted at territories. Within this over-arching strategy, there are nine Integrated Development Strategies. EU policy is a significant co-financer of regional policy efforts in the country. The National Urban Policy 2023 was launched in 2015. The concept of spatial development of the country (National Spatial Development Concept 2030) represents the spatial framework for development.

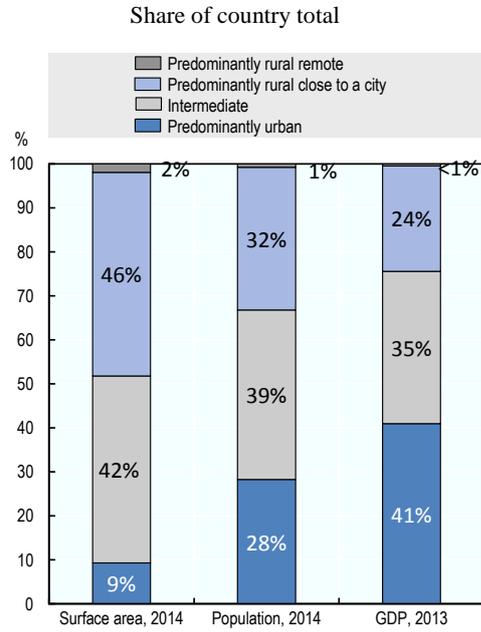
Recent policy changes

- National level ministerial changes related to regional development include the following: departments related to transport separated from the Ministry of Infrastructure to create the Ministry of Transport in 2013; departments related to EU Funds and Cohesion Policy were merged with the departments of the Ministry of Economy and created together the Ministry of Development in 2015.
- The National Urban Policy 2023 was issued in 2015 and is a territorially-oriented policy for sustainable development of cities and their functional areas. The policy is addressed (directly) to the ministries and other government institutions and (indirectly) to regions, cities, citizens, NGOs and experts. Actions will be funded by different levels of government, including through ESIF funds.
- An Act on urban revitalisation was also recently passed. Local governments will be responsible for preparation of their own local revitalisation programmes to support implementation.
- The latest Rural Development Programme 2014-2020 was issued, building on a three-stage process of public consultations.

Poland: Main regional, urban and rural development policy tools

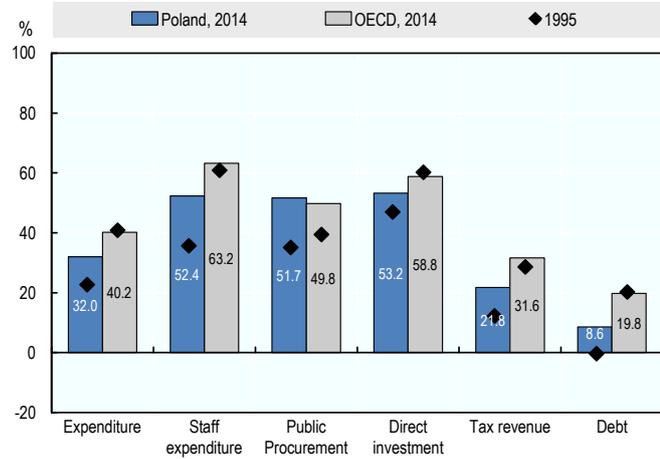
Policy Instrument	✓	Examples
Transport Infrastructure investments and systems of cities	✓	National Road Construction Programme ; National Railway Development Programme ; National Programme for Reconstruction of Local Roads ; Polish Investments for Development ; Operational Programme Infrastructure and Environment (2014-2020) ; as well as regional Operational Programmes <i>Rural: RDP 2014-2020</i>
Other Infrastructure investments	✓	Polish Investments for Development ; Operational Programme: Infrastructure and Environment 2014-2020 ; Operational Programme Smart Growth 2014-2020 ; as well as regional Operational Programmes, Operational Programme Digital Poland <i>Rural: RDP 2014-2020</i>
Service delivery (subsidies for public services)	✓	Operational Programme Knowledge, Education, Development (2014-2020) <i>Rural: RDP 2014-2020</i>
Business development/ innovation support	✓	Innovation loans, loan funds, guarantee funds for enterprises: Polish Agency for Enterprise Development , Operational Programme Smart Growth 2014-2020
Urban renewal		
Urban form and land use	✓	<i>Rural: RDP 2014-2020</i>
Sustainability policies	✓	<i>Rural: RDP 2014-2020</i>
Rural-urban linkages		Integrated territorial investments in <i>voivodeship</i> capitals
Clusters/technology platforms/ centres of expertise	✓	The National Centre for Research and Development conducts numerous national programmes supporting applied research, R&D, commercialization and knowledge transfer, as well as young academics. NCBiR is also involved in managing parts of respective EU co-funded programmes in Poland. Operational Programme Smart Growth 2014-2020
Special economic zones	✓	Polish SEZs are based on a mix of financial support (tax incentives mainly targeted at investment expenditure), non-financial support (the regulatory environment is business friendly) and investment in public infrastructure, which aims at attracting investors and businesses with a focus on specific sectors
Rural landscape preservation	✓	<i>Rural: RDP 2014-2020</i>
Skills/training programmes	✓	Operational Programme Knowledge, Education, Development (2014-2020) , as well as regional operational programmes
Capacity building for subnational governments	✓	Operational Programme Technical Assistance 2014-2020 , Regional Territorial Observatories <i>Rural: RDP 2014-2020</i>

Land, population and economy in rural and urban regions



Subnational government role in public finance

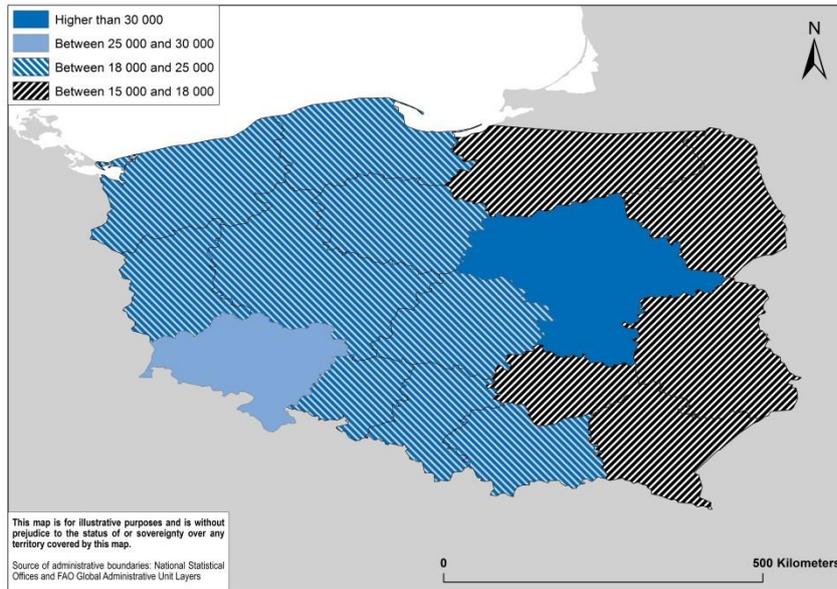
Share of general government



Number of subnational governments

Municipal level	Intermediary level	Regional or state level	Total
2 478	380	16	2 874

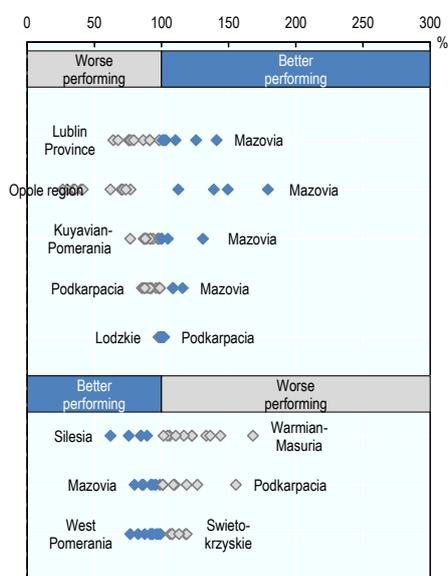
Regional differences in GDP per capita levels, 2013



Note: GDP per capita in constant prices and constant USD PPP (base year 2010).

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Inter-regional disparities (as a % of the country average)



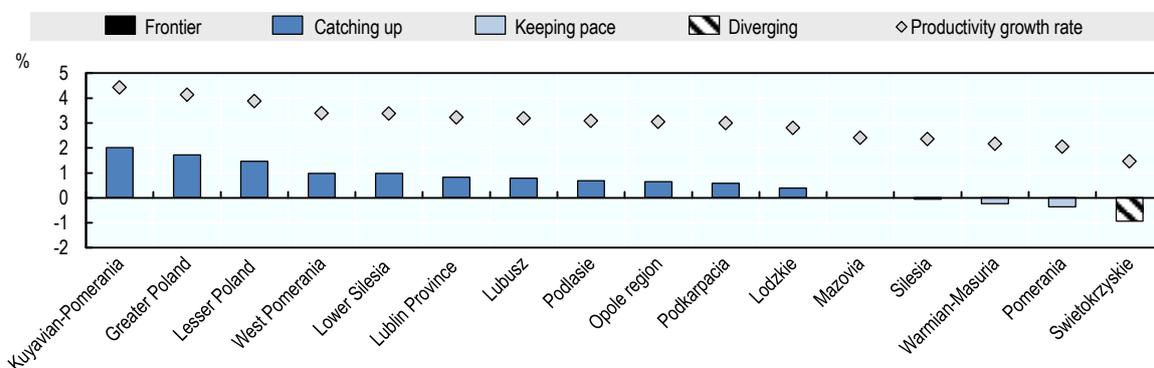
Variable	Min.	Max.	Country Avg.	OECD Avg.	Disparities up or down since 2001
GDP per worker (2013)	35 493	78 130	55 368	74 520	down
R&D expenditure as a % of GDP (2013)	0.23	1.56	0.87	2.4	down
Share of labour force with tertiary education	23.8	40.6	31	32.3	up
Disposable household income (2011)	16 857	22 807	19 710	34 866	n.a.
Life expectancy (2013)	75.4	78.5	77.1	80	up (2002)
Share of workforce with only primary education	4.1	11.1	6.6	25.2	up
Unemployment rate	7.2	14	9	7.3	up
Gender gap in participation rate	-11.4	-16.4	-13.8	-15.9	down

Note: Each diamond represents a TL2 region. Unless specified, all data are for 2014. Disparity is measured as the difference between the top and bottom region in the country.

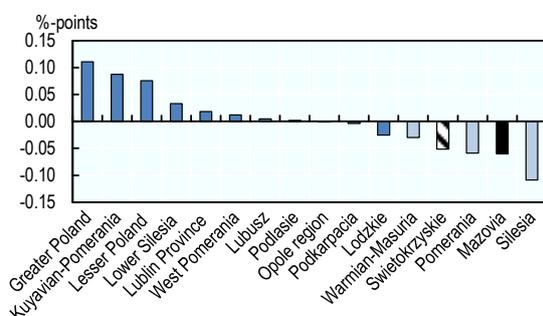
Productivity and catching-up trends among regions

Average annual labour productivity (GDP per worker) growth rate [diamonds] and deviation from the growth rate of the country's productivity frontier [bars], 2000-2013

See country page notes for classification of regions

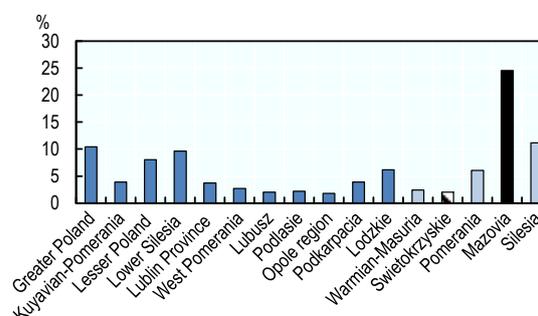


Contribution to labour productivity growth, 2000-13



Note: Difference between national labour productivity growth as calculated with and without the indicated region.

Percentage contribution to national GDP growth, 2000-13



Note: The contribution is the product of a region's GDP growth rate by its initial share of GDP.

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Country page notes

Main indicators

OECD average	represents the weighted average of OECD country/region values for the given year or closest year available.
OECD Regional Well-being framework	considers a combination of individual characteristics and local conditions in eleven dimensions that shape people's material conditions (income, jobs and housing) and their quality of life (health, education, access to services, environment, safety, civic engagement and governance, community, and life satisfaction).
Gross domestic product (GDP); GDP per capita; and labour productivity (GDP per worker)	is the standard measure of the value of the production activity (goods and services) of resident producer units. Regional GDP is measured according to the definition of the System of National Accounts (SNA 2008). To make comparisons over time and across countries, it is expressed at constant prices (year 2010), using the OECD deflator and then it is converted into USD using purchasing power parities (PPPs). For regional labour productivity, GDP (gross value added for Turkey) is divided by the number of workers (at place of work) or, for GDP per capita, the number of residents. For comparisons of current (per capita) GDP across countries, GDP for 2015 is converted to USD using PPPs for 2015.
Subnational government role in public finance	is mainly derived from the OECD National Accounts, harmonised according to the new standards of the System of National Accounts (SNA 2008), with the exception of Chile, Japan and Turkey, which are still under SNA 1993. General government includes four sub-sectors: central/federal government and related public entities; federated government ("states") and related public entities; local government i.e. regional and local governments and related public entities, and social security funds. Subnational governments are local (regional and local) governments and state governments (in countries with a federal or quasi-federal government system).
Gini index (regional income inequality)	The Gini index is a measure of inequality in terms of GDP per capita among all regions of a given country, with equal weight for each region. The index takes on values between 0 and 1, with zero interpreted as no disparity.
R&D expenditure	is the total gross domestic expenditure on research and development by the government, higher education, business, and private non-profit sectors.
Household disposable income and poverty rate	is the income generated directly from market transactions, adding all current transfers from the government, except social transfers in kind, and subtracting current transfers, such as income or regular wealth taxes and social contributions. It is expressed in USD Purchasing Power Parities (PPP) at constant prices (year 2010) and using a standard equivalised size for households across the OECD. Due to a lack of data, the indicator is expressed in per capita terms for the Czech Republic, Estonia, Hungary and New Zealand. The poverty rate is here taken as the percentage of people with disposable household income per capita of less than half the country median.
Participation rate, unemployment rate, youth unemployment and NEETs	The (labour force) participation rate is the ratio of the labour force (employed and unemployed) aged 15+ to the population (15+). The gender gap is the difference between the participation rates for women and men. Unemployed persons are defined as those who are without work, are available for work, and have taken active steps to find work in the last four weeks. The unemployment rate is defined as the ratio of unemployed persons to the labour force. Youth unemployment considers the unemployed and the labour force aged between 15 and 24. "NEETs" refers to 18-24 year-olds who are neither in employment nor in education and training (as a percentage of the population of 18-24 year-olds).
Primary and tertiary education	Primary education includes primary education, pre-primary education and lower secondary education (ISCED 0-2). Tertiary education includes both university qualifications and advanced professional programmes (ISCED 5-8). Shares are defined with respect to the labour force aged 15 and over.
Elderly	are those aged 65+. The elderly dependency rate is the ratio of the elderly to the working age population (15-64).
Air pollution	is the 1km ² grid cell population weighted average of satellite-based estimates of small particulate matter (PM _{2.5}).
Life expectancy	measures the number of years a newborn can expect to live, if death rates in each age group remain constant.

Typology of regions with respect to productivity

Frontier	is the region leading its country in terms of labour productivity, measured by the real gross domestic product per employee. In some countries the leading region accounts for a small percentage of the total workforce. Where this is the case, the frontier is the weighted average of regions with the highest labour productivity levels accounting for 10% of the country's total employment.
Catching-up regions, diverging regions and regions keeping pace	is a classification of regions based on their labour productivity growth relative to the frontier. It is based on the growth in labour productivity between 2000 and 2013 (or closest year available). Regions where labour productivity grew/dropped by at least 5 percentage points more/less than in the frontier over the period are classified as catching-up/diverging regions (about 0.4 percentage points annually), with regions that are keeping pace falling within the +/- 5 percentage points band.

Typologies of regions with respect to population or other functions

Regions (TL2 and TL3)	are classified by the OECD into two territorial levels that reflect the administrative organisation of countries. OECD's large regions (TL2) represent the first administrative tier of subnational government. OECD small (TL3) regions are contained within a TL2 region. Reference to the 20% richest/top or poorest/bottom regions, indicates the top/bottom-performing regions according to the indicator accounting for 20% of the (relevant) population.
TL3 typology (urban, intermediate, rural)	TL3 regions have been classified as: predominantly urban (PU), intermediate (IN) and predominantly rural (PR) based on the percentage of regional population living in rural communities, combined with the existence of urban centres where at least one-quarter of the regional population resides. The terms "urban", "intermediate" and "rural" refer to these categories.
Metropolitan area	is a functional urban area with 500 000 or more inhabitants defined by population density and commuting flows.

Further details and information: OECD (2016) *OECD Regions at a Glance 2016*, http://dx.doi.org/10.1787/reg_glance-2016-en.