POLSKA AKADEMIA NAUK
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POLISH ACADEMY OF SCIENCES
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REGIONAL PATTERNS IN POLAND'S TRANSFORMATION: THE FIRST FIVE YEARS

Piotr Korcelli

Nr 34 1995

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REGIONALNY WYMIAR PROCESÓW TRANSFORMACJI W POLSCE: PIERWSZE PIĘCIOLECIE

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Abstract. The paper focuses on spatial aspects and consequences of the current socio-economic transformation in Poland. It also attempts to trace interactions between economic change and population trends at a regional level.

Key words: economic transformation, regional change, privatization, foreign investments, employment and unemployment, migration.

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NOTE FROM THE AUTHOR

The idea of this paper is to present to the non-Polish reader a concise, and possibly up-to-date picture of regional consequences of socioeconomic changes which Poland has been going through since 1989. An extended, German-language version of the study will appear as chapter in a monograph to be published by the Austrian Academy of Sciences.

INTRODUCTION:
OVERALL ECONOMIC AND DEMOGRAPHIC TRENDS

Poland is the country in which the so-called centrally-planned economy started to crumble the first, and where the signs of economic recovery have appeared the earliest and have been perhaps the strongest. Yet Poland is also the country in which basic questions concerning economic transformation have given rise to new sharp division lines both in the political community and in the society at large. Poland's recent transformation is generally considered to be quite advanced yet very unequal among sectors and regions, and also one that has earned a rather limited level of public acceptance. As Brooke Unger aptly summarizes this experience in his survey article published in The Economist (16th April, 1994): "Poland is one of Eastern Europe's most successful reformers - and one of its most reluctant".

Political and economic turns of the last decade have been accompanied by very substantial and often unexpected demographic change. In the 1970s, when the rates of natural population growth fell dramatically in most European countries, both West and East, Poland experienced increasing birth rates. Paradoxically, the already high rates of population growth went up even further during the early 1980s, which was a period of a general political and economic crisis in Poland. In an equally unexpected manner the birth rates began a slide down in 1984 so rapidly that the natural population change moved into a sub-replacement level by the early 1990s. These shifts have been accompanied by a very considerable decrease of internal migration - by approximately one-half since the late 1970s, and by a high wave of emigration - about 1 million departures in total during the 1980s.

The present paper which focuses on spatial aspects of the current economic transformation in Poland, will also attempt to trace interactions between economic and population change at a regional level. In the first section basic macroeconomic trends are outlined, in particular with reference to the years 1990-1993. The regional patterns of change which are discussed in the second section refer both to the ownership status and investments, the employment and unemployment, as well as to selected measures of income and consumption. The third section looks at those specific regional problem areas which are attributable to acute sectoral adjustment problems.

Following this discussion, a new regional typology is outlined in section four, and confronted with traditional regional economic patterns. Regional demographic change and recent internal migration trends are summarized in section five. Section six takes a look at recent trends and future prospects of international migration. In conclusions a brief assessment is presented of the current stage of socioeconomic transition in Poland, and of the related regional change.

1. THE ECONOMIC TRANSFORMATION: SELECTED COMPONENTS AND INDICATORS

The introduction, as of January 1, 1990, of the package of economic reforms known as the Balcerowicz Plan[1] was followed by a precipitous drop of the values of all basic economic indicators in 1990, including -11.6 percent change of GDP, -24.4 percent decline of industrial output, -3.6 percent change of total employment, -19.5 change of industrial labour productivity, and -24.4 decrease of real wages. During 1991 the process of contraction of the national economy was continuing, albeit at a slower pace, with - 9 percent change of GDP, -11.9 percent of industrial output, and - 4.9 percent change of labour productivity in industry. In the mean time real wages adjusted somewhat upward (by 0.8 percent), but total employment went down even more pronouncely than a year earlier (-5.5 percent).

These official figures have been challenged by those who were pointing at the sprawling "grey economy", and an "over-optimistic" nature of earlier economic statistics. Nonetheless, the economic decline as such was unquestioned reality, one to be seen with naked eye during the first two years of market reforms in Poland. Although the scale of decline was not incomparable to that experienced at the same time in Hungary and Czecho-Slovakia, it came, unlike in the two countries mentioned, in the form of a second wave of economic recession. Its first phase occurred namely in the early 1980s, and corresponded to the political crisis marked by the rise of Solidarity – led social protest in 1979–1980 and the subsequent counteraction of conservative forces marked by the imposition of martial law in December 1981. Actually, the early 1970s constituted the last prolonged period of vigorous economic growth in Poland. Between 1982–1989 the economy was virtually stagnating; in 1989 the

[1] Dr Leszek Balcerowicz, at that time a lecturer (now professor) at the Economics Academy in Warsaw, took the post of ministry of finance and deputy prime minister for economic affairs in the first Solidarity-based government established in 1989. The reforms included elimination of most subsidies to industries, elimination of most price controls, deregulation of foreign trade, and introduction of internal convertibility of the Polish currency (złoty). This "shock therapy", combined with privatization of the former socialist sector of economy and very liberal provisions concerning the establishment of new private firms, has received the broadest possible range of evaluations in Poland. At the same time, it provided a standard, against which economic policies and the modes of socioeconomic transformation throughout East-Central and Eastern Europe have been measured.

value was still 2 percentage points below the corresponding value for 1978 in absolute terms and about 6 percent lower per capita.

Following the sharp downturn in the first two years of market transformations during 1990–1991, the years 1992-1994 marked a change of trends pointing towards economic growth. The Gross Domestic Product increased by 1.5 percent in 1992 by, 4 percent in 1993, and 5.0 percent in 1994[2]. Total employment remained approximately constant. The value of industrial output (in constant prices) went up by 3.9 percent in 1992, 6.2 percent in 1993 and 11,9 percent in 1994. Labour productivity in industry improved during 1992–1994 by 10 percent, 8 percent and 14 percent, respectively. However, mean real wage in 1992 amounted to only 97.3 of the respective value in 1991, while in 1993 it represented 97.1 percent when compared to the 1992 level. Real wages have finally begun to move up in 1994, but their level was still considerably below (95.8 percent) the 1990 value.

Some other indicators, however, give evidence of a more consistent pattern of economic adjustment and transformation processes which Poland has been going through since 1990. Among positive developments is a graduate decrease of (still very high) inflation level. The consumer price index has declined from 640 percent in 1989 and 586 percent in 1990 to 70 percent in 1991, 43 percent in 1992, 35 percent in 1993, and 29.5 percent (on the annual basis) during 1994. Another positive phenomenon has been a radical broadening of the offer, and improving quality of goods and services delivered by domestic firms as a result of expanding market competition, introduction of the internal convertibility of the zloty, and the deregulation of foreign trade. These changes have altered the prevailing negative attitudes towards savings and have helped to reshape the banking and other financial services. The private sector has expanded vigorously. During the single year in 1993 its output grew by over 40 percent. Its share in the total employment (agriculture excluded) has grown from 13.2 percent in 1989 to 45.8 percent in 1993. In the latter year the respective share in industry was 42.7 percent, in construction 74.8 percent, in trade 93.5 percent, in agriculture 95.4 percent, although in transportation only 26.7 percent. With agriculture included, the private sector accounted in 1994 for over 60 percent of the total employment and for more than 55 percent of Poland's GDP.

The inflow of foreign investments, initially quite small, accelerated in 1992. By June 1995 the sums invested by major foreign firms totalled 5.4 billion US dollars which in this respect puts Poland behind Hungary and Russia but before all other countries in the region. Investments by domestic firms have also begun to grow since 1992-1993, after a sharp decline in 1989–1991. More outlays have been going into machinery and other technical equipment and less into buildings ("brick and mortar") and related arrangements.

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[2] In 1995 the GDP is forecasted to grow by more than 6 percent, and industrial output by at least 10 percent, according to mid-1995 estimates.

Owing to privatization of former state-owned and cooperative enterprizes, the formation of new private firms, and the reorganization of still existing public-sector firms, the size structure of enterprizes has undergone a dramatic change. This has brought as an effect a growing adaptability and flexibility of the whole economic system. The number of private-sector firms outside of agriculture (including one-person establishments) went up very quickly during 1990-1991, and was approximately 2 million at the end of 1994.

Intersectoral change has also been quite noticeable. The participation of industry with construction included in the GDP formation went down from 53.2 percent in 1990 to 47,6 percent in 1993, and of agriculture (incuding forestry and fishery) from 8.3 to 6.7 percent, respectively. The share of the tertiary sector grew accordingly, from 38.5 to 45.7 percent. A contraction of heavy industry (also in the former GDR, the source of most of the transboundary flows of pollutants) together with proecological measures taken during recent years, have resulted in a noticeable decrease of air pollution – by some 25 percent between 1988–1993.

Another important aspect of the current economic transition has been the reorientation of foreign trade. Between 1989–1995 the participation of the OECD countries in the total value of Poland's exports went up from 55 to 77 percent, and of the EU countries alone - from 48 to 71 percent. The share of the former COMECON countries decreased from 40 to 16 percent during the same period. Poland became an associate EU member in 1991 and in April 1994 (shortly after such a decision taken by Hungary) delivered the application for regular EU membership. Admission, however, is not expected before the year 2000. In the mean time, efforts at the revitalization of former trading links within East-Central Europe have resulted in the establishment of CEFTA (the Central European Free Trade Association which includes the Czech Republic, Hungary, Slovakia and Poland) with the assumption to abolish tariffs among its member countries by 1998.

The most pervasive negative development of the past several years has been the growth of unemployment – from 1.0 to 16.2 percent of the total labour force between January 1990 and June 1994. (Since that date the rate has been slowly decreasing, down to 14.7 percent by May, 1995.) It represents perhaps the most crucial aspects of the observed social and economic polarization of the Polish society, the society which learned to accept strongly egalitarian outlooks during the past several decades. Unemployment is especially concentrated in some regions and certain branches of the economy which makes problems on the local scale loom even larger. The unemployed are not the sole victims of market reforms. The broad social and economic groups that have lost relatively, if not in absolute terms during the recent years include the farmers (the terms of trade for agriculture products deteriorated during 1990–1993), the retired, as well as the wide category of public-sector employees. A major liability of the transformation period is also a drastic decline of the volume of housing construction – from 190 thousand to just 68 thousand new dwelling units built annually between 1988–1994.

Against these figures, and the falling real wages in particular, the data on the ownership of durable consumer goods provide a stark contrast. In three years, between 1989 and 1992 the number of private automobiles increased from 30.7 to 41.4 per 100 households, the number of colour tv sets from 50.7 to 91.4, video recorders from 4.7 to 53.4, and automatic washing machines from 59.1 to 69.7. The consumer spending spree recorded in 1993 has definitely helped to further improve these indicators. Such paradoxical trends may be related to a de facto appreciation of the złoty-earnings with regard to hard currencies and hence a relative decrease of the price of imports – by some 60–80 percent when confronted with mean zloty earnings between 1989–1993. Other realistic interpretations include mobilization of hidden savings and divertion of monetary resources from alternative spendings, such as now practically unavailable new housing[3].

A most viable explanation, however, is unreliability of official business and income statistics which fail to account for the sprawling shadow economy. According to recent estimates made by a research team from the Central Statistical Office and the Polish Academy of Sciences, nonregistered activities brought some 340 billion PZl (nearly 20 mld US dollars) in untaxed earnings in 1993 (see: A. Marszałek, 1994). About 30 percent of this value originated in unregistered economic units, while the remaining 70 percent was attributable to economic activities which were carried on by legally existing firms and companies, but have not been reported to financial authorities. Such activities, among others, included unregistered production, sales and services, illegal employment, and smuggling. The huge volume of traffic accross the quite permeable borders (215.2 million border crossings in 1994) made the latter trade a particularly widespread practice. As to illegal employment, it is estimated to involve one-third of the officially unemployed (i.e., close to one million), in addition to some 100–200 thousand foreign workers, most of them coming from the post-Soviet countries. Altogether, the informal sector, or the shadow economy is believed to represent an equivalent of about 20 percent of Poland's current Gross Domestic Product.

Although the informal sector of the economy has so far helped to boost domestic private consumption in spite of the fall of reported real wages, its overall role is evaluated negatively, in particular in so far as it represents unfair competition to tax-paying firms, undermines the state budget and generates criminality. No wonder that official economic plans, statements and forecasts assume a gradual containment, or at least a stabilization of this sphere of economic activity.

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[3] As a consequence of these changes, Poland has emerged as an important market for household durable consumption goods. In the sector of TV and audiovisual equipment alone, the total annual value of purchases amounted to 750-900 million USD during 1991-1994.

Most of the midterm forecasts concerning Polish economy drafted in 1994–1995 are moderately optimistic. This applies both to projections prepared by international financial institutions and by local groups of experts. Among the latter, perhaps the most widely known set of economic forecasts are those produced by a team of econometricians from the University of Łódź, led by Professor W. Welfe (see: W. Florczak, W Welfe, 1994, 1995). These forecasts provide for a growth of GDP at the annual rate of 4.0–5.3 percent between 1995–1999, a 1.5–3.5 percent annual increase in real wages, a decrease of inflation rate down to 9.6 percent and a gradual, albeit low decrease of unemployment rate to 12.5 percent in 1999.

Such a forecast is founded upon the assumed partial reorientation of macroeconomic policies from the so far prevailing emphasis on fiscal stabilization towards economic growth stimulation by promoting investments and exports (see also: G.Kołodko, 1994). Net investment outlays are expected to expand at the annual rate of 7.9–9.5 percent, and the value of exports - by 7.7–12.2 percent a year. This presupposes a continuation of economic recovery led by the growth of both exports and the domestic demand and, at the same time, an absence of new import restrictions in the EU countries.

However optimistic these forecasts may sound, they still indicate little progress in several crucial areas, in particular a continuation of high unemployment, relatively high inflation, as well as insufficient structural transformation, and limited technological progress in some major branches, including agriculture coal mining, and residential construction. The projections mentioned, however, take a rather cautious view with respect to the scale of the future inflow of foreign capital. On the other hand, the recent 50 percent reduction of Poland's debt to the governments represented by the Paris Club, together with the 45 percent cut of the value of debt owed to the banks in the London Club, make future prospects for large direct foreign investments more likely than ever before.

On the path towards market economy and development Poland encounters a number of hurdles, some of which expose a strong regional dimension. One of such obstacles is the almost total reliance on coal (both anthracite and lignite) as a prime source of electric energy and the overriding importance of coal mining in terms of employment, inter-industry linkages, as well as political power. Yet, a decline of the "coal monopoly" is one of the imperatives for the future. The process will be costly, socially painful, and will require decades for its completion.

Another traditional sector that requires a far-reaching restructuring is agriculture. Seen as a whole, it displays low technological level and produces at relatively high cost. Such characteristics are dominant throughout southern and eastern Poland at least, where small private farms, worked often on a part-time basis, constitute a great majority. In northern Poland, on the other hand, the numerous state farms have recently fallen victim of hasty conversion and liquidation. In total, agriculture, which only in west-central regions approaches West European standards, still absorbs some 25 percent of the labour force. Its modernization is conditioned upon investments in the development of services and infrastructure, while current policies put more emphasis upon subsidies and protection measures against imports.

The overgrown budgetary commitments represent another perennial problem that may impede economic growth while continuing to generate cleavages among different groups and strata in the society. Owing to the growing number of unemployed (from 1126 thousand to 2890 thousand between 1990–1993) and the quick expansion of the category of the receipients of retirement and disability pensions (from 7104 thousand to 8730 thousand between 1990–1993, the share of social welfare programmes in the total budgetary spendings has increased from 4 to 24 percent over the last several years. Jointly, members of the two categories listed are only about 30 percent less numerous than all the gainfully employed persons. The latter account for only 49.8 percent (as of February, 1995) of the total population 15 years of age and above. As a result, the social overhead now accounts for a very high percentage of the labour cost. In addition, large sectors such as public education and public health services are still to undergo fundamental reforms. In the mean time, public employees are by and large found among the losers of market transformations.

The proportions mentioned above result to a certain extent from the current age composition of the population which is characterized by a relatively low share (58.2 percent in 1994) of population in the working age, i.e. 18–64 (females – 18–59) years. This share, however, will increase quite steeply once the large cohort born during the high birth-rate period of 1975–1984 has moved into the adulthood. By the end of the 1990s the absolute number of persons in the category in question will expand by about 1.5 million. Additional 0.9 million will be added between 2001–2010. Such a large increase of the population in the working age constitutes a mixed blessing from the point of view of social and economic policies. At a time of economic growth it may provide a vehicle for further economic expansion, while during recession it tends to create additional pressure on the labour market and hence make the problems of unemployment particularly difficult to handle.

2. THE REGIONAL CHANGE

In our discussion of regional economic trends the basic spatial reference units will be represented by voivodships. Since 1975 Poland has a two-tier spatial administrative structure, with 49 voivodships as the upper-level units and some 2000 townships (including towns and rural townships) which constitute the lower level. While voivodships continue to

Figure 1. The Division of Poland into Administrative Regions: The 49 Voivodships

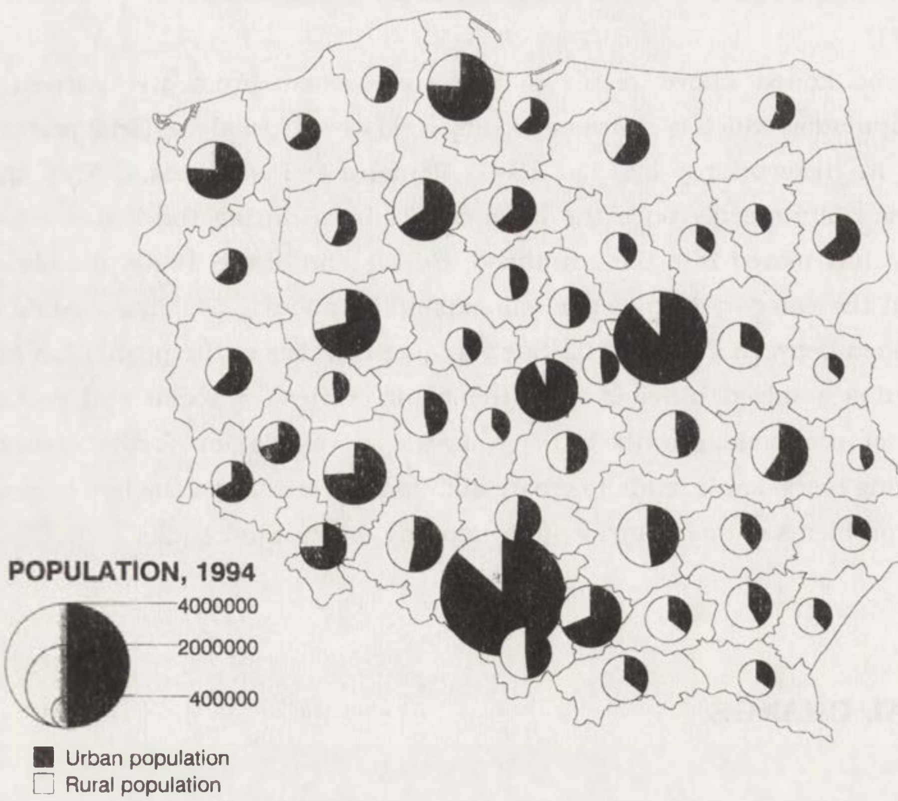

Figure 2. The Distribution of Population by Rural and Urban Status: 1993
Source: Główny Urząd Statystyczny (1994 B)

function as extentions of the state administration, the townships have received a self-governance status in 1989. Voivodships vary in size from 1523 sq.kms (Łódź voivodship) to 12327 sq. km (Olsztyn voivodship) and, in their population number, from 249 thousand (Chełm voivodship) to 3954 thousand (Katowice voivodship).

The voivodships vary also substantially in terms of urbanization level. Three among them, i.e. the voivodships of Warsaw, Łódź and Crocow are explicitly defined as city-voivodships. Katowice voivodship, containing the Upper Silesian conurbation, includes some 50 towns and cities which jointly account for more than 80 percent of the total population of the region. Other predominantly urban regions are the voivodships of Gdańsk, Poznań and Wrocław. The lowest percentage of urban population is found in the voivodship of Zamość: 30.3 (all data for 31 December, 1993). For the location of individual voivodships and of major urban centres, the general distribution of population, and the share of urban population see Figures 1 and 2, respectively.

(A) Ownership Transformations

As R. Frydman and A. Rapaczynski (1993) pointed out recently, the enthusiasm for privatization, as seen during the first years of market reforms in Eastern Europe, was somewhat surprising to many Western observers. The anti-communist opposition which derived to a large extent from worker movements, as in the case of Polish Solidarity, emphasized decentralization, and attributed only a marginal role to private property outside retail trade and the service sector. Yet, soon after the democratic transition, privatization became the word of the day, and many East European politicians turned into ardent proponents of the purest version of capitalism. Three years later, however, while privatization is still talked about, less of it is actually taking place.

In Poland some forms of privatization appeared in fact long before 1989. In 1956–1958, following the Polish October (a protest and reform movement of 1955–1956), a substantial percentage of collectivized farms were dissolved, and their land "reprivatized". In the housing sector, various privatization provisions, including the sale of state-owned and cooperative dwelling units to the occupants, as well as the sale of small (1–4 unit mostly) houses to private individuals became a common practice during the 1970s.

Privatization of industry (in the broader sense, i.e. both absolute and relative growth of the private sector), started in 1981 (see: S. Misztal, 1993). Its foundations were laid by the development of the so-call ed private industrial handicraft which had survived in Poland even during the Stalinist period in the early 1950s. Although private workshops were subject to varied discriminatory practices under the "centrally-planned economy", their mere presence, together with the accumulated know-how and capital resources have made the later ownership transition somewhat more fluent than it would have been under different circumstances. During 1981–1989 the number of small private industrial firms increased from 147 thousand to 288 thousand, and their share in the total industrial employment grew from 5.4 to 16.3 percent. 14.8 percent of all employment in small private industry (i.e., the "industrial handicraft") was concentrated in the capital voivodship of Warsaw, with the voivodships of Łódź, Katowice and Poznań each accounting for between 6–8 percent, and Gdańsk, Wrocław, Cracow, Częstochowa and Bielsko – each for between 3–3.5 percent of the total. The share of Warszawa was much higher than proportional when compared with the distribution of total industrial employment.

Privatization in the narrow sense, i.e. the ownership conversion of state-owned enterprises in both industry and other sectors has been made possible by the Parliamentary Act of 13 July 1990; other relevant legislation was added during 1991. The privatization programme approved by the Sejm (the Lower House of Parliament) on 23 February 1991 provided for ownership conversion of some fifty percent of all state-owned assets within three years time, and the achievement of the ownership structure typical of many West European countries by 1996 (see: B. Petz, 1993). Privatization is carried on following four basic procedures (or paths): purchase (capital privatization), liquidation, commercialization (conversion into stock companies with 100 percent state ownership), and mass (coupon) privatization.

Out of the total of 8441 state-owned enterprises as of early 1990, 4637 (i.e. 55 percent of the total) have been affected by the privatization programme by the end of 1994. The latter number includes 1635 enterprises (mainly state farms) which have been taken over by the Agency for Treasury-Owned Agricultural Property. Among the remaining 3002 enterprises 713 have been converted into state (Treasury) owned stock companies, 1248 have been liquidated (or have entered the liquidation procedure), while with respect to 1041 enterprises other forms of conversion (in three out of four cases – the so-called "employee leasing" or "employee privatization") have been advanced. Stock of 101 out of the 713 companies has been offered for sale by the date given above.

As an ownership conversion may entail a broad range of situations – from a profitable sale to bankruptcy – the regional distribution of enterprises that have been subjected to ownership change (or the distribution of their share within the total number of former state-owned enterprises) may give a misleading picture of the pattern of economic transformations over space. It is more relevant in fact to refer to the outcomes of individual types, or paths of privatization procedure.

Liquidation of state-owned enterprises resulting from their financial insolvency (based on Section 19 of the 1990 Law on Privatization of State-Owned Enterprises) is overrepresented in particular in less urbanized regions as well as in some industrialized regions characterized by a low diversification of economic functions in general. The highest shares of this type of "ownership conversion" are found in the peripheral regions in the southeast (Krosno, Przemyśl), the northwest regions (Koszalin, Piła, Słupsk, and the northeast (Elbląg, Olsztyn, Łomża). On the other hand, in all the main urban regions the respective shares are substantially lower than the national average (42.8 percent). Actually, the pattern described resembles to a certain degree the spatial differentiation of unemployment.

Out of the total of 713 former state-owned enterprises that have been converted into treasury-owned stock companies by December 31, 1994, 163 are situated in the broadly defined Upper Silesian Industrial District (the voivodships of Katowice, Bielsko and Opole), and further 206 in the other main urban regions (Warsaw, Gdańsk, Cracow, Łódź, Poznań, and Wrocław voivodships). As Figure 3 shows, such enterprises are found in almost all the administrative regions. Nevertheless, this type of ownership transformation, which basically applies to relatively "sound" enterprises, is the least frequent in the predominantly rural, peripheral regions.

Figure 3. The Distribution of Treasury – Owned Stock Companies (as of 31 March, 1994)
Source: Ministerstwo Przekształceń Własnościowych (1995)

The so-called commercialization, or conversion of state-owned enterprises into stock companies with 100 percent ownership by the Treasury is considered to be a step leading to their further transformations. Possible options include stock sale, or "capital privatization" as well as accession to the programme of "mass (or coupon) privatization". The latter has its legal base in the Law on National Investment Funds, approved in April, 1993. The number of enterprises committed to join the programme is approximately 500. Their spatial distribution displays a predominance of such units in southern Poland, and their weak representation in central Poland.

While the National Investment Funds, once established, are planned to enter the stock market in the future, the number of companies that are quoted on the Warsaw Stock Exchange is so far (July, 1995) only 53. Sixteen have their headquarters located in Warsaw, while the distribution of the remaining companies is somewhat haphazard (Figure 4). Nevertheless, they are found in basically every major region, including the northern and eastern Poland.

However important is the role played by the conversion of former state owned-enterprises in the process of ownership transformations in Poland, the biggest contribution to the growth in the share of the private sector has been made by the development of new private firms. Obviously, the spatial distribution of privately-owned firms is far from uniform. However, the scale of such variations is smaller than one might expect (see Figure 5). A number of voivodships are situated close to the national average which amounted to 46.3 one - person firms per 1000 population at the end of 1993. Differences between the large urban regions on the one hand and the predominantly rural regions on the other are relatively small (about 2:1), considering the fact that private agricultural farms are not included in those statistics. Warsaw ranks the first among all the voivodships in relative terms (though it is followed closely by Łódź, Poznań and Cracow), and second (after Katowice) in the absolute number of private firms.

A probably eve. more important measure of the ownership structure is the share of total (including agricultural) employment which is accounted for by the private sector In 1989, before the main phase of market reforms began, only the predominantly rural voivodships in eastern and central Poland were characterized by the respective shares exceeding 50 percent.

In the highly urbanized regions the private sector was relatively the smallest, accounting for between 15.3 percent (Katowice) and 30.7 percent (Cracow) of the total employment. Although the proportions between the two sectors have changed considerably over the last several years, the spatial pattern has generally remained stable (Figure 6). The rural voivodships are the only ones in which the private sector represented more than 70 percent of the total employment in 1994. The corresponding shares in the urbanized regions, while still

Figure 4. The Distribution of Companies quoted on Warsaw Stock Exchange (as of 31 July 1995)
Source: Giełda Papierów Wartościowych, Warszawa

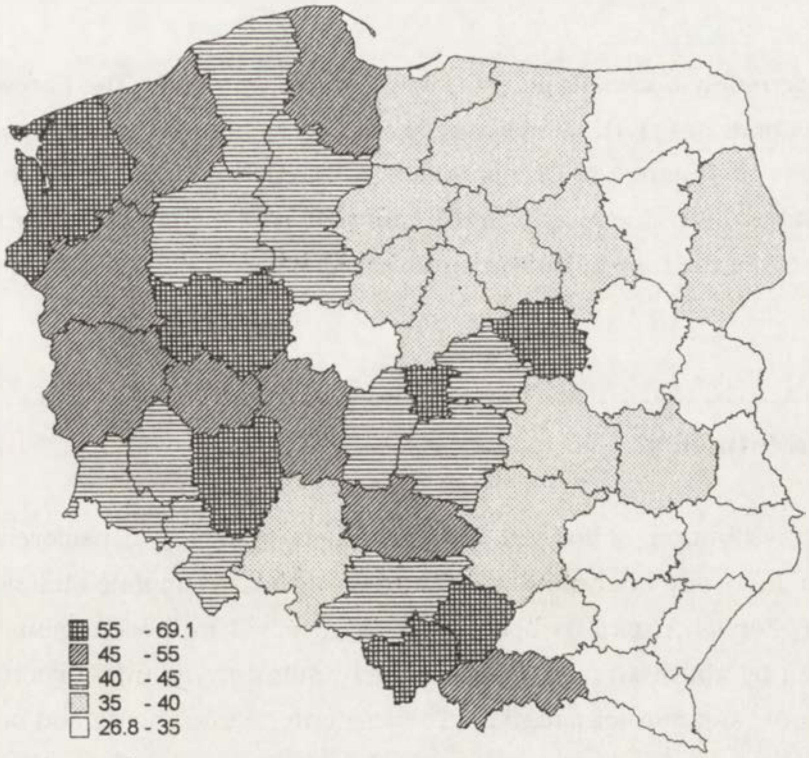

Figure 5. Number of Private Firms per 1000 Population: 1993
Source: Główny Urząd Statystyczny (1994 C)

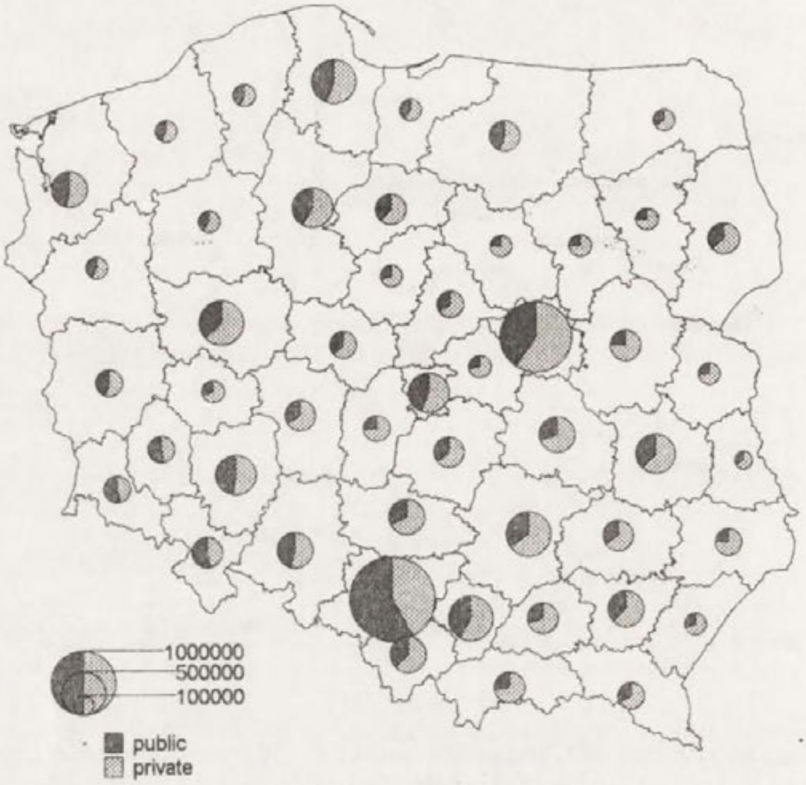

Figure 6. The Share of the Private Sector in the Total Employment: 1994
Source: Główny Urząd Statystyczny (1995 D)

the lowest, are generally above 50 percent, with the percentage for the Katowice region being persistently the smallest (41.1). However, it should be emphasized at this point that while in the urban regions the change in proportions can mainly be attributed to the growth of the private sector, it has been due mostly to the contraction of the public sector i.e. former state-owned enterprises, in the case of the agricultural regions.

(B) Foreign Investments

The spatial distribution of foreign investments is generally considered to be a major diagnostic variable in any analysis of present-day regional economic change in Central and Eastern Europe. Foreign capital is believed to be attracted to those regions primarily which are characterized by above-average values of such indicators as infrastructure development, skill level of labour, and market potential. To these criteria one should add one more, namely, the proximity to centres of economic and political decision making. Since the establishment of foreign investments contributes in turn to the growth of local incomes and stimulates the expansion of the local private firms, it is seen as a factor adding to the increase of interregional disparities, at least in the early stages of market transformations.

First attempts to attract foreign capital go back to 1976 when the so-called Polonia firms (small enterprises owned wholly or partly by foreign citizens of Polish descent) were encouraged to settle in Poland. In 1982 a law was passed which expanded the provisions to include all foreign subjects, although limitations on the scale of operations were still applicable. By 1988 there were 651 such firms, with the total employment of 73.6 thousand, and a notable concentration in the Warsaw voivodship which accounted for some 30 percent of all firms and over 15 percent of the total employment. By 1990 the broadly delineated region of Warsaw (including the voivodships of Ciechanów, Radom, Siedlce and Skierniewice) was responsible for one-third of all jobs in foreign industrial firms operating at that time in Poland. Other clusters were found in the voivodships of Poznań, Łódź and Bielsko, which were accounting respectively for 8.6, 6.5 and 5.6 percent of the total employment (S. Misztal, 1993).

First legal regulations pertaining to joint ventures date from 1986, but the basic law concerning such firms was passed late in 1988. The number of established joint ventures increased from 1645 in 1990 to 4796 in 1991, 10131 in 1992, and 15157 by the end of 1993. The total value of major allocated investments was estimated at 5.4 billion US dollars in mid - 1995[4]. Further investment commitments amount to another 5.1 billion USD. The main sectors in to which foreign capital enters include, in descending order: manufacturing (mainly electric machinery, transportation equipment, food processing, wood and paper, and cement industry), banking and insurance, construction, and trade. Investments by U.S. firms have been the largest, and are followed by investment of international corporations, then by German Italian, Dutch, British, French, Austrian, Swedish and Swiss investments.

As to spatial pattern of foreign investments, Warsaw continues to be the unquestionable leader, accounting in 1994 for 35 percent of all joint ventures and 41 percent of the total foreign capital. In this respect the share of the region has actually been increasing over the last few years. In terms of employment, however, the participation of the Warsaw voivodship has somewhat decreased: from 18 to 13 percent between 1990–1992. This suggests that Warsaw attracts first of all the head offices of firms with foreign capital while their actual production or service operations are often carried on at other places. In fact, the two largest single foreign investments in Poland have each been placed at distant (in relation to Warsaw) locations, namely: at Kwidzyn near Gdańsk (International Paper Company) and Bielsko-Biała (Fiat). (see Table 1)

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[4] The data cover these firms only that invested sums above, or equal to one million USD. There have been 300 such investment projects, among them 30 are of "green field" type.

Table 1. List of 50 Largest Foreign Investors in Poland (as of June, 1995)

No	Investor	Eguity & loans in million USD	Country of Origin	Sector, Activity	Location: room, voivodship
1.	IPC	275	USA	paper products	Kwidzyń (Elbląg)
2.	FIAT	260	Italy	motor vehicles	Tychy (Bielsko–Biała)
3.	Polish–American Enterprise Fund	250	USA	portfolio investments	multilocational
4.	Coca–Cola	235	USA	beverages	multilocational
5.	EBRD	222	multinational	banking, manufacturing	multilocational
6.	International Finance Corporation	218	multinational	portfolio investments	multilocational
7.	Pilkington	166	UK	glass mfg	Sandomierz (Tarnobrzeg)
8.	ABB	166	multinational	electric engines	multilocational
9.	Thomson Consumer Electronics	147	France	TV tubes and sets	Piaseczno (Warszawa)
10.	ING Group	140	Netherlands	banking	multilocational
11.	Procter & Gamble	113	USA	diapers mfg	Warszawa
12.	Curtis	100	USA	electronics, construction	Mława (Ciechanów)
13.	Unilever	98	multinational	chemicals, food processing	Bydgoszcz
14.	Epstein	90	USA	construction, foof processing	multilocational
15.	Philips	74	Netherlands	electric appliances	Piła (and others)
16.	D. Chase Enterprises	65	USA	banking, mass–media	Gdańsk
17.	IAEG/WIBEBA	60	Austria	construction	Katowice
18.	Nestle	60	Switzerland	food products	Poznań, Słupsk
19.	Pepsico	55	USA	food products, catering	Warszawa and others
20.	Fortrade Financing	55	Italy	construction	multilocational
21.	Cimenteries CBR	54	multinational	cement industry	Górażdże, Strzelce (Opole)
22.	Mars Inc.	50	USA	food and feeds mfg	Sochaczew (Skierniewice)
23.	Cadbury's Schweppes	50	UK	chocolate mfg	Wrocław
24.	Continental Can Europe	47	Germany	beverage packaging	Radomsko (Piotrków)
25.	Ameritech	45	USA	telecommunication	multilocational
26.	France Telecom	45	France	telecommunication	multilocational
27.	Schoeller	43	Germany	food processing	Namysłów (Opole)
28.	SHV Europa B.V.	42	Netherlands	wholesale trade	multilocational
29.	Alcatel	43	Spain	telecommunication	Warszawa
30.	RJ Reynolds	40	USA	tabacco industry	Warszawa, Piaseczno
31.	Ringnes	40	Norway	beverage distribution	Bydgoszcz, Warszawa, Lublin
32.	Trebruk	40	Sweden	pulp and paper	Kostrzyń (Gorzów)
33.	BTS Baukeramik	39	Germany	building materials	multilocational
34.	Siemens	39	Germany	telecommunication	Warszawa, Wrocław
35.	Henkel KGaA	37	Germany	chemicals, cosmetics	Racibórz (Katowice)
36.	Farm Frites	35	multinational	food products	Lębork (Słupsk)
37.	Commerzbank	35	Germany	banking	Warszawa
38.	Solco Basel	35	Switzerland	pharmaceuticals	Warszawa
39.	Lucchini Group	35	Italy	metallurgy	Warszawa
40.	AT&T	43	Netherlands	telecommunication	Bydgoszcz
41.	Daewoo	33	South Korea	household electronics	Pruszków (Warszawa)
42.	Ilbau GmbH	33	Austria	construction	Warszawa, Szczecin
43.	Kraft Jacobs Suchard AG	31	multinational	food processing	Cieszyn (Bielsko), Chorzele (Ostrołęka)
44.	Ford Motor Comp.	30	USA	motor vehicles	Płońsk (Ciechanów)
45.	Mc Donald's	30	USA	catering	multilocational
46.	Recheio	30	multinational	wholesale trade	multilocational
47.	United Biscuits	29	UK	food processing	Jarosław (Przemyśl)
48.	IKEA	29	Sweden	furniture mfg and trade	multilocational
49.	Guang Dong Light	25	China	wholesale	Wólka Kosowska (Warszawa)
50.	Brau AG	25	Austria	beverages, trade	Łódź

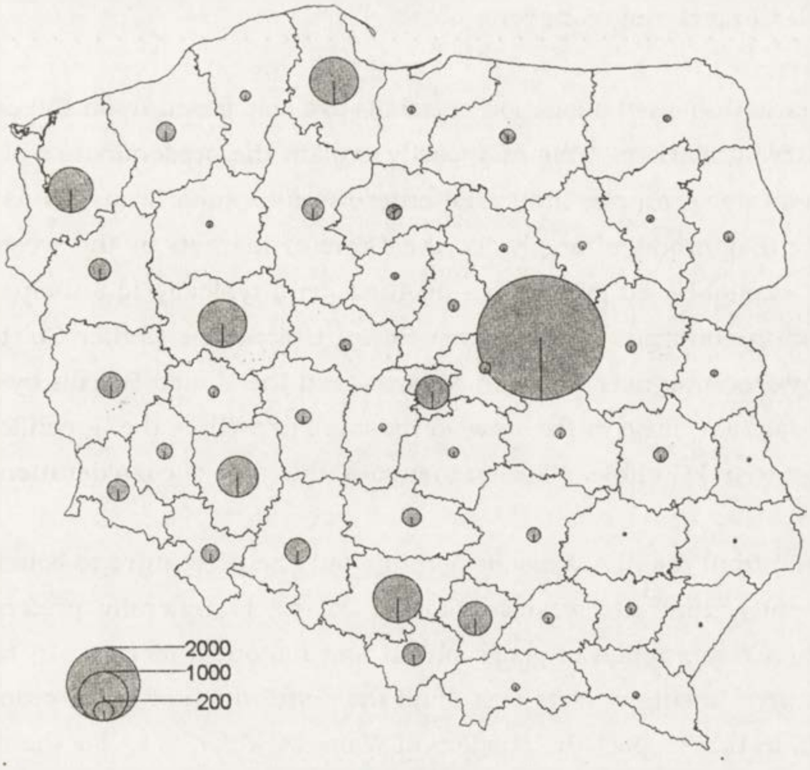

Figure 7. The Distribution of Join-Ventures: 1993
Source: Główny Urząd Statystyczny (1994 C)

Generally, however, the spatial distribution of foreign investments is very unequal (see: Figure 7). In both absolute and per capita terms, the values of invested foreign capital are the biggest in the voivodships of Warsaw and Bielsko-Biała. Notable clusters of joint ventures are also found in the other major urban regions, including the voivodships of Gdańsk, Katowice, Cracow, Wrocław, Łódź, Poznań, Szczecin and Katowice. At the other extreme are the predominantly rural regions in eastern and central Poland where only relatively few joint ventures have so far been established.

In the earlier years of market transformations i.e. during 1989–1992, capital allocation decisions made by foreign investors seem to be based mainly upon two factors, namely, the profit generation potential of specific privatized enterprises and the estimated market potential at specific locations. Strategy based upon the former factor is illustrated by the pattern of ABB investments i.e. the entry into exisiting, relatively technologically advanced industrial establishments in Elbląg, Wrocław and Łódź. The market orientation is clearly represented by the spatial allocation of investments in the main urban agglomerations by the Coca-Cola Company. More recently other locational factors have come to the fore, namely: the size of the domestic market in Poland, the still low labour cost, and the high qualifications of Polish labour, both workers and managers.

A number of market-oriented allocation decisions are also based upon the consideration of accessibility to external markets. This may partly explain the predominance of joint ventures with German capital (for example, industrial enterprises in such branches as furniture and building materials that produce largely for the German market) in the western regions of Poland. American capital-based enterprises, in turn, tend typically to anticipate their future markets to expand in countries of the former Soviet Union. The Gerber Co. takeover of the largest Polish baby-food producer Alima in Rzeszów and the United Biscuit by-out of the San biscuit factory in Jarosław (also in Rzeszów voivodship), as well as the "greenfield" investment in Warsaw by Procter and Gamble, all seem to involve this type of considerations.

As it can be seen from the above discussion, it would be premature to conclude, though it is done so frequently, that the western half of Poland is generally preferred by foreign investors owing to a combination of geographical and historical factors. In fact, the spatial pattern of foreign investments reflects first of all the distribution of major cities and of major industrial centres. In this respect the position of Warsaw, which is by far the most important magnet, should be interpreted with reference to its twin role: of the national capital, and of the only large city in the eastern part of Poland.

(C) Labour Markets: The Patterns of Employment and Unemployment

The onset of market economy in Poland has coincided with a substantial decrease of economic activity rates – from 65.3 (per 100 persons 15 years of age and above) in 1988 to 61.0 in 1993–1994, and 58.4 in February, 1995 (see: Główny Urząd Statystyczny, 1995A). The decrease has resulted mainly from the implementation of early-retirement schemes and, to a lesser extent, from an enlargement of college enrollment. For the age category of 60/65 (females/males) years and above, the activity rate has dropped from 26.3 to 12.2 between 1988–1995, and for the age category of 18–24 years – from 64.4 to 53.4, respectively. Hence, the labour force has become relatively concentrated in the age brackets of 25–59 years within which the age-specific activity rates have remained virtually unchanged.

The decrease of activity rates has been virtually gender- neutral but noticeably higher in rural than in urban areas (11.9 versus 3.7 percentage points, from 1988 to 1995). In fact, early retirement and other means of exit from the labour force (including entry into the informal sector of economy) have been frequently used as an alternative to otherwise imminent unemployment. Still, activity rates continue to be higher in rural (59.9) than in urban (57.5) areas; as to the latter, the rates tend to diminish with city size.

Employment rates have gone down even more considerably than the activity rates have: from 65.3 in 1988 to 52.3 in 1993, 51.2 in 1994 and 49.5 in February, 1995. This decline represents the summary effect of the decrease in activity rates and of growing (from officially none in 1988 to some 16 percent in 1994) unemployment rates. The female employment rate in 1995 represents just 75 percent of the corresponding value for 1988; in the case of males the proportion in somewhat higher: 77 percent. In the rural areas the employment rate remains higher than in the urban areas (51.8 vs. 48.6 in 1995), although the difference has become smaller in comparison to its level observed in 1988. In the case of urban areas the employment rate in 1995 (48.6 per 1000) represented 0.796 of the corresponding index in 1988. In the case of rural areas the respective proportion was lower - 0.721, although the absolute value (51.8) remained at a higher level. Regional variations of employment rates have been mainly reflecting the differentiation of the urbanization level.

The absolute size of employment has shrunk from 17,558.0 thousand in 1989 to 15,861.2 thousand in 1991 and 14.820.0 thousand by the end of 1992: a drop by 15.6 percent over a three year period. A slower decrease has continued since then: down to 14.438,0 thousand in February, 1995. This decline represents a joint outcome of often conflicting trends, such as a rationalization of (formerly oversized) employment in some sectors as well as decreasing competitiveness and performance of other sectors[5] . As Table 2 indicates, and in accord with general expectations, the employment in industry (which includes mining in the statistical classification used so far) has decreased most pronouncely: by over one million between 1989–1993, which translated into a four percentage point drop of its share in the total employment. Although this decline has largely been due to plant closures and job losses, some of it actually reflects job reclassification, as industrial enterprises, in the process of undergoing privatization and restructuring, tend to shed their services-providing units (which typically range from transportation depots to vacation centres) along the way.

Another feature of intersectoral employment shifts has been a relative decrease in the share of agriculture. This has been the case on the national scale. In some regions however, especially in the predominantly rural eastern voivodships, employment in agriculture has actually increased in the absolute sense during 1989–1993. Agriculture has namely served as (probably temporary) "depository" for some of the labour made redundant in the local industrial and construction enterprises. This applies in particular to part-time farmers, many of whom used to commute to work in urban centers, while relying on factory-subsidized

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[5] This trend also mirrors the growth of the informal sector of economy which, according to various estimates, employs not less than 1 million, and perhaps 2–3 million persons.

Table 2. The Employment Structure in Poland: 1989 and 1993

No	Sectors of national economy	EMPLOYMENT IN 1989 AND 1993						Structure of employment in general	
		in general		public sector *		private sector			
		1989	1993	1989	1993	1989	1993	1989	1993
		thousands						%	
1	Total	17558.0	14761.2	11709.4	6060.2	5848.6	8700.9	100.0	100.0
2	Industry	4971.7	3603.7	4147.1	2065.3	824.6	1538.4	28.3	24.4
3	Construction	1229.3	852.9	819.6	214.8	409.7	638.1	7.0	5.8
4	Agriculture	4990.8	3904.9	922.3	180.5	4068.5	3723.9	28.4	26.4
5	Forestry	133.5	83.8	133.5	72.0	–	11.8	0.8	0.6
6	Transportation	795.9	563.1	744.8	412.5	51.1	150.6	4.5	3.8
7	Communications	172.9	175.7	172.8	171.2	0.1	4.5	1.0	1.2
8	Trade	1449.0	2048.2	1308.4	132.6	140.6	1915.6	8.3	13.9
9	Other sectors of material production	164.9	97.3	110.8	18.9	54.1	78.5	0.9	0.7
10	Municipal economy	442.0	334.3	322.8	246.1	119.2	88.2	2.5	2.3
11	Housing & utilities	207.7	164.2	206.0	74.9	1.7	89.3	1.2	1.1
12	Science & technology	115.4	68.7	115.4	65.6	–	3.1	0.7	0.5
13	Education	1087.0	1077.9	1085.9	1049.0	1.1	28.9	6.2	7.3
14	Culture & Art	129.8	99.0	116.7	76.3	13.1	22.6	0.7	0.7
15	Health & Welfare	858.7	830.9	854.1	773.7	4.6	57.2	4.9	5.6
16	Sports, tourism & recreation	132.5	83.2	113.4	32.2	19.1	51.0	0.8	0.6
17	Other nonmaterial services	255.9	181.7	160.3	14.8	95.6	166.9	1.4	1.2
18	State Administration & jurisdiction	227.1	316.7	226.9	306.4	0.2	10.3	1.3	2.1
19	Finance & insourance	148.9	229.3	148.6	153.3	0.3	75.9	0.8	1.5
20	Political organization, Trade Unions & etc.	45.0	46.2	–	–	(45.0)	46.2	0.3	0.3

* in 1989 socialist sector

Source: Główny Urząd Statystyczny (1994 a)

transportation. Such subsidies have often fallen victim of cost rationalization efforts, which has put the commuting workers in a generally disadvantaged position on the labour market.

As data in Table 3 demonstrate, the spatial pattern of industrial employment has not changed dramatically over the last years. The number of jobs in industry has gone down in all the 49 voivodships, both in those regions that coincide with large urban agglomerations and in the predominantly rural regions. This latter phenomenon should be of particular concern to public policy, as it suggests a de-industrialization of economically less developed regions. For example, the joint share of industry and construction in the total employment went down from 22.0 to 17.8 percent in the Ostrołęka voivodship and from 15.4 to 11.6 percent in the Łomża voivodship (both regions located in the north-eastern part of Poland) between 1989-1992.

According to Central Planning Office (Centralny Urząd Planowania, 1994-1995) the spatial concentration of industrial production in Poland increased during 1989-1994. Production became more clustered in the main urbanizad regions[6] , including the Katowice voivodship, which increased its regional share from 15.5 to 17.2 percent, as well as in the voivodships of Warszawa (7.8 to 10.4 percent), Gdańsk (3.8 to 4.7 percent) and Poznań (3.7 to 4.4 percent).

[6] In fact, the year 1994 witnessed a spatial deconcentration of industrial production. The share of twelve leading voivodships which increased from 58.0 to 64.1 percent between 1989–1993, went down to 63.1 percent in 1994 (Centralny Urząd Planowania, 1995).

Table 3. Employment in Industry by Voivodships: 1989–1993

No	Voivodship	EMPLOYMENT IN INDUSTRY			
		%		Ranks	
		1989	1993	1989	1993
1	POLAND	100.00	100.00		
2	Warszawa	6.39	6.37	2	2
3	Biała Podlaska	0.40	0.38	48.5	47.5
4	Białystok	1.39	1.26	26	27
5	Bielsko–Biała	3.36	3.02	4	7
6	Bydgoszcz	2.92	3.30	10	6
7	Chełm	0.40	0.38	48.5	47.5
8	Ciechanów	0.68	0.58	44	44.5
9	Częstochowa	2.50	2.22	13	14
10	Elbląg	0.98	0.93	35	36
11	Gdańsk	3.23	3.34	5	5
12	Gorzów	1.05	1.10	33	33
13	Jelenia Góra	1.85	1.56	20	23.5
14	Kalisz	1.86	2.06	19	17
15	Katowice	16.50	17.95	1	1
16	Kielce	2.83	2.65	11	11
17	Konin	1.11	1.16	32	30
18	Koszalin	0.85	1.00	39	35
19	Kraków	2.94	2.72	8.5	9
20	Krosno	1.26	1.18	28	29
21	Legnica	1.62	1.70	22	21
22	Leszno	0.75	0.90	41	37
23	Lublin	2.14	2.09	14	15.5
24	Łomża	0.44	0.38	47	47.5
25	Łódź	4.57	4.34	3	3
26	Nowy Sącz	1.21	1.22	29	28
27	Olsztyn	1.30	1.34	27	26
28	Opole	3.03	2.66	7	10
29	Ostrołęka	0.68	0.58	44	44.5
30	Piła	0.93	1.06	36	34
31	Piotrków Tryb.	2.04	2.09	15	15.5
32	Płock	1.14	1.12	31	32
33	Poznań	3.22	3.50	6	4
34	Przemyśl	0.70	0.69	42	42
35	Radom	2.03	1.78	16.5	20
36	Rzeszów	1.91	1.80	18	18.5
37	Siedlce	1.19	1.14	30	31
38	Sieradz	0.86	0.84	38	39
39	Skierniewice	0.99	0.83	34	40.5
40	Słupsk	0.87	0.89	37	38
41	Suwałki	0.68	0.65	44	43
42	Szczecin	2.03	2.24	16.5	13
43	Tarnobrzeg	1.51	1.45	24.5	25
44	Tarnów	1.51	1.56	24.5	23.5
45	Toruń	1.52	1.62	23	22
46	Wałbrzych	2.70	2.35	12	12
47	Włocławek	0.84	0.83	40	40.5
48	Wrocław	2.94	2.84	8.5	8
49	Zamość	0.63	0.55	46	46
50	Zielona Góra	1.73	1.80	21	18.5

Source: Główny Urząd Statystczny (1994 c)

In this category of major urban regions only the voivodships of Łódź and Wrocław have lost relatively (from 4.4 to 3.0 and from 3.4 to 2.5 percent, respectively).

Going back to intersectoral employment proportions one may conclude that the 1989–1994 period has brought a tendency towards spatial polarization. In the highly urbanized regions a decrease in the share of secondary activities (industry and construction) has been compensated for by an increase in the share of the tertiary as well as quartenary sector employment. In the less urbanized regions, on the other hand, a decline of the share of the secondary sector has been accompanied by a substantial growth of the share of agriculture together with a rather small increase in the share of the service sector. The Central Planning Office study referred to above defines the latter trend as an emergence of a duality in the evolution of intersectoral employment proportions. This leads us directly to the discussion of unemployment patterns which, as it will be shown below, tend to be at the same time both strongly region – as well as sector-specific.

Unemployment in Poland (see: Główny Urząd Statystyczny, 1995B, 1995C) increased very sharply during the first two years of market reforms, i.e. in 1990–1991, and has continued to grow, albeit at a much slower pace during 1992–1993. From December 1989 to December 1990 the number of registered unemployed went up from 10 thousand to 1126 thousand,i.e from 0.1 to 6.1 percent of the labour force; in December 1991 it reached 2156 thousand (11.5 percent). At the end of 1992 the respective absolute figure was 2509 thousand (the unemployment rate of 13.6 percent), in December 1993 – 2890 thousand (15.7 percent). During 1994 the registrered unemployment decreased by 52 thousand: down to 2838 thousand, although the unemployment rate went up to 16.0 percent. A more noticeable decline of unemployment has occured in early 1995: down to 2754 thousand, or 15.4 percent of civilian labour force in March, 1995. In the last two years the unemployment has been increasing mostly at the beginning of the first and the third quarter, while during the second and the fourth quarter it has been stagnant, or falling.

Unemployment constitutes perhaps the biggest liability of market reforms in Poland, the gravest social and economic problem as well as a dangerous political issue. Its particularly high dynamics and the massive scale can be interpreted in terms of a cumulation of three basic unemployment categories which have been superimposed one upon the other. These include: the structural unemployment, the business-cycle related unemployment, and the frictional unemployment (J. Parysek, 1993). The first type of unemployment represents directly a product of market reforms and of the economic restructuring; the second category originates from, and is to a large extent a delayed effect of the economic recession which started as early as 1979–1980 and has continued uninterruptedly until the beginning of the 1990s. Finally, the frictional unemployment which is a general feature of market economies even during the upswings of the business cycle, seems to be especially high in Poland owing to low population mobility which is explained in turn by such factors as housing shortage (and high cost of housing) in urban areas as well as low wage levels combined with a relatively straightforward access to unemployment benefits by the potential job seekers.

Regional pattern of unemployment is well readable. It was established early, and has been rather stable over time (see Figures 8–11). The highest unemployment rates (above 25 percent in 1994) are found in the belt of northern voivodships, from Koszalin in the west to Suwałki in the east. This is the area in which a high incidence of industrial plant closures coincides with the massive collapse of (there dominating) state agricultural farms. Most of the central and western Poland exhibits high unemployment rates as well. The relatively low total unemployment rates are found in the eastern, predominantly rural voivodships dominated by private farms, and, in particular, in the highly urbanized voivodships of Warsaw, Poznań, Cracow and the Upper Silesia (the Katowice and Bielsko-Biała voivodships). Urbanization level, however, is not a definite correlate of the level of unemployment. The old industrial regions of Łódź and Wałbrzych belong in fact to those with very acute unemployment. The Upper Silesia, on the other hand, is believed to represent a case of an industrial region with delayed economic, technological, as well as ownership – related restructuring, and hence with a high risk of a potential widespread unemployment in the future.

Although some of the rural regions display moderate rather than high rates of total unemployment, they are generally characterized by higher-than-average unemployment in the non-agricultural sectors of the economy. Such an erosion of the local labour markets has been the deepest in the north-eastern regions (the voivodships of Łomża, Ciechanów, Suwałki), where the jobless rates in occupations other than farming are particularly high. In the south eastern regions characterized by high percentage of small farms and widespread part-time agriculture, the incidence of hidden unemployment among the rural population is very much noticeable (Centralny Urząd Planowania, 1995).

As a number of studies indicate (E. Kryńska, 1993; C. Gałka et al., 1994), the risk of unemployment varies systematically with the level of education. For persons with higher education the risk is three times lower than the average. Among the jobless college graduates, about 25 percent are able to find a job within three months, while in the case of persons with primary education the corresponding proportion is only 8 percent. Age represents another relevant correlate of unemployment. Among those, 45 years and above, the proportion of unemployed is 50 percent lower than within the total labour force. At the other extreme are young persons between 20–24 years who are by almost three times overrepresented among the unemployed. Needless to say, education and age are among those population characteristics that vary substantially between regions, and, in particular, between urban and rural areas.

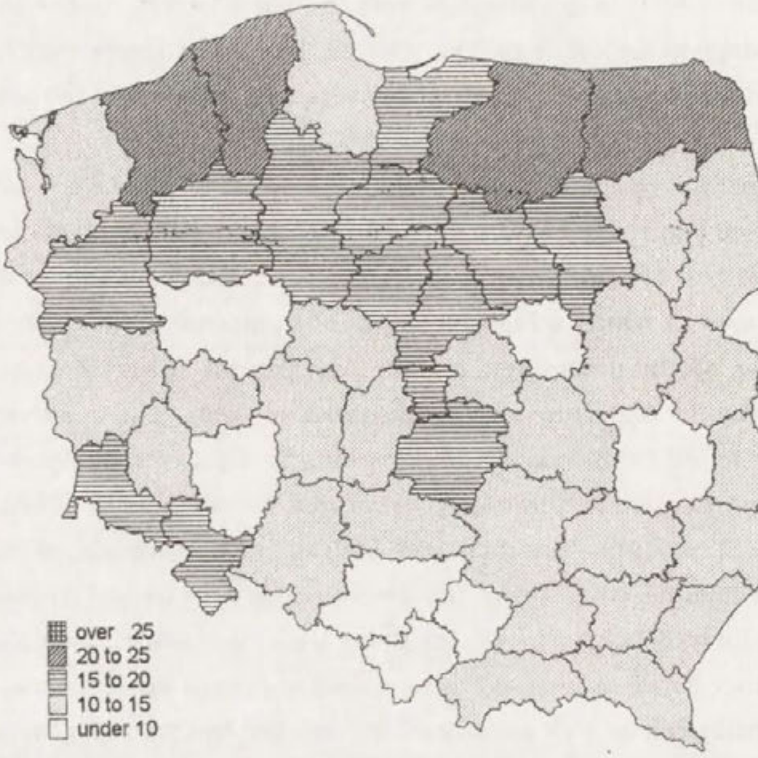

Figure 8. Unemployment Rate by Voivodship: March 1992
In percent of economically active, civilian population.
Source: Główny Urząd Statystyczny (1995 B)

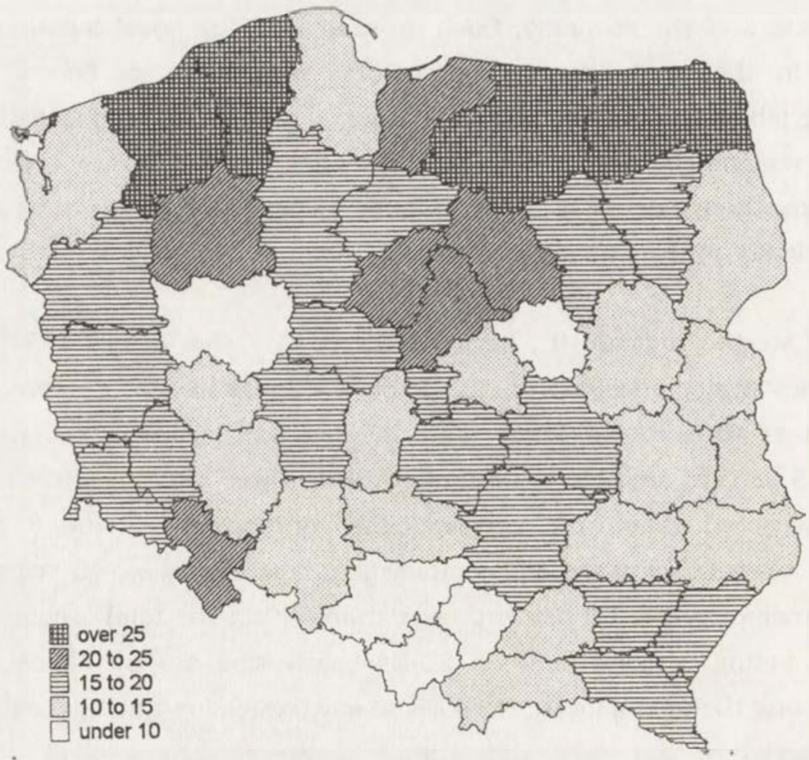

Figure 9. Unemployment Rate by Voivodships: March 1993
In percent of economically active, civilian population.
Source: Główny Urząd Statystyczny (1995 B)

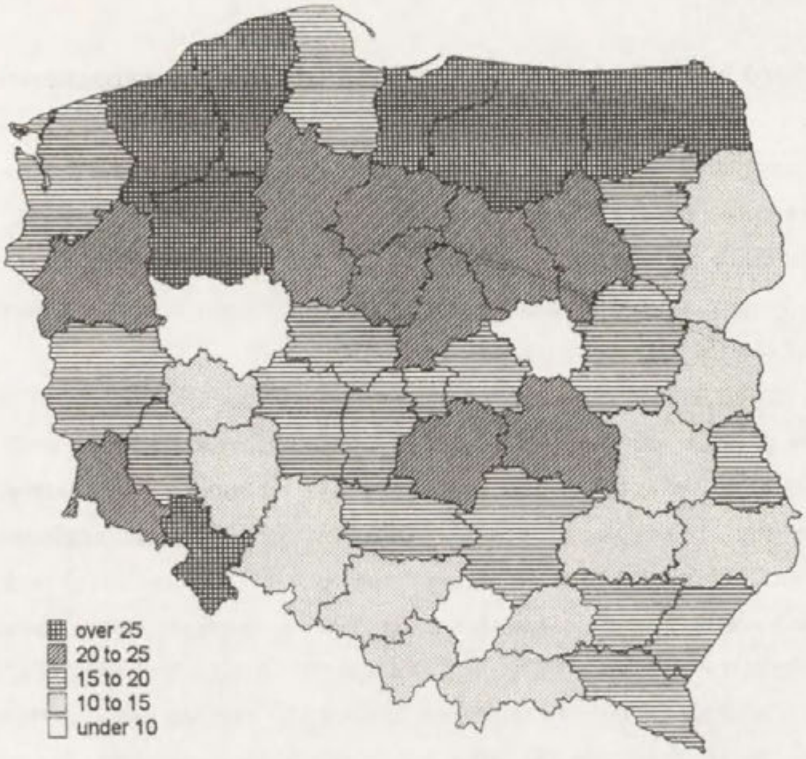

Figure 10. Unemployment Rate by Voivodship: March 1994
In percent of economically active, civilian population.
Source: Główny Urząd Statystyczny (1995 B)

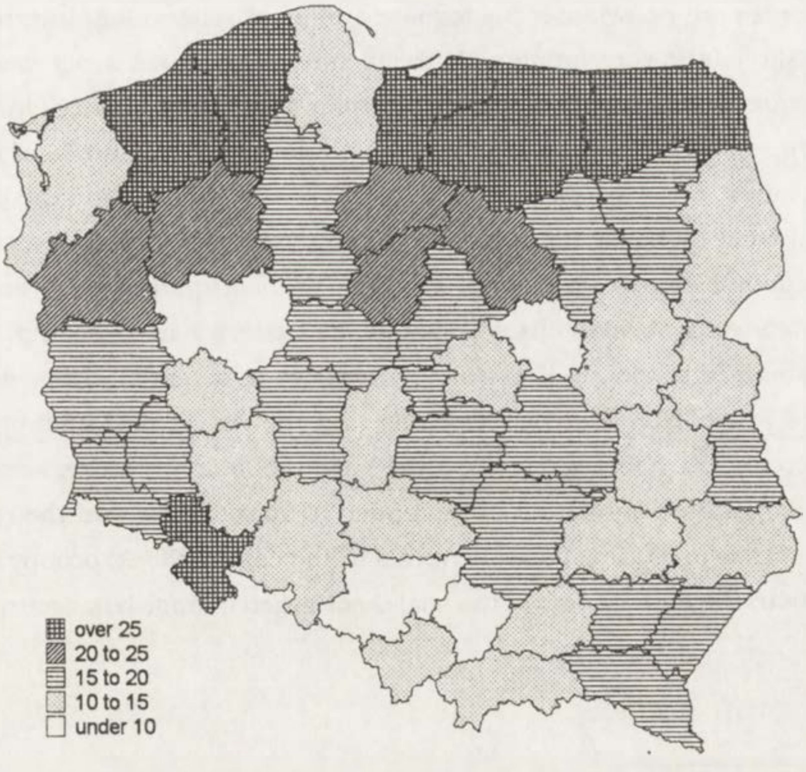

Figure 11. Unemployment Rate by Voivodships: March 1995
In percent of economically active, civilian population.
Source: Główny Urząd Statystyczny (1995 C)

(D) The Standard of Living: Incomes, Consumption, Environmental Quality

Growing interregional variations in living standards may be expected to represent one of the clearly discernible effects of recent market transformations in Poland. So far, however, insufficient data exist to test such a hypothesis. Some of the indices that were used in the past may be no longer adequate, while some of the potentially relevant information has so far been missing, or seems to be very partial.

On the basis of data for the mid-1980s, Z.Chojnicki and T.Czyż (1992) found the living standard in Poland to vary: (a) on the national scale – between the western and the eastern regions, (b) on the interregional scale – between large urban agglomerations and the surrounding areas, (c) on the regional scale – between urban and rural regions. Although no comparable analysis is available for the early 1990s, there is every indication that these general dimensions are still valid. The scale of spatial variations has probably increased and some shifts on the scale of living standards among the regions have certainly occurred. We shall try to identify such trends by referring to two proxy variables: (a) the mean monthly wages, (b) the number of automobiles per 1000 population (see Table 4). These will be confronted with data on the volume of emission of dusts and gases per sq.km.

Data on incomes are notoriously inadequate and often misleading. Interregional variations in wage levels show little correlation with the volume of retail sales, for example. The latter data, however, are perhaps even less reliable than the former. Hence, instead of trying to capture the range of variation it is more appropriate to refer to the ranks of individual regions and their shifts over time. The pattern as of 1980 reveals at that time the privileged position of regions dominated by heavy industry and mining (Katowice, Legnica) as well as of the sea port agglomerations (Gdańsk, Szczecin). Ranks in the last quintile were occupied mainly by the predominantly rural voivodships situated in the eastern part of Poland. That pattern was more or less stable throughout the 1980s; the more substantial shifts during the decade included the decline of the Gdańsk voivodship and the rise of new mining (lignite, sulphur) regions of Konin and Tarnobrzeg. By 1993 the polyfunctional urban regions (with Warsaw in the first rank) constituted only 4 out of the upper 10 voivodships, and the regions specialized in primary industries (including petrochemicals in the case of Płock) occupy the remaining six upper ranks. As to the bottom part of the scale, not much change has occurred since 1980[7].

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[7] This pattern comes closely to the pattern of interregional disaggregation of Gross National Product per capita, as estimated in the recent study by Professor Leszek Zienkowski, leader of joint research project of the Central Statistical Office and the Polish Academy of Sciences. According to his results, among nine regions characterized by index values considerably exceeding the national average, there were four voivodships with the dominance of extractive industries (Płock, Legnica, Piotrków, Katowice), and six highly urbanized voivodships (with Warsaw in the first rank). The urban regions, however, clearly lead in terms of household income per capita (L. Zienkowski, 1994).

Table 4. Selected Standard of Living Indicators. The Ranking by Voivodships: 1980–1993

No	Voivodship	Mean monthly wages				Automobile ownership per 1000 population			
		1980	1989	1992	1993	1980	1989	1992	1993
1	Warszawa	5	3	1	1	1	1	1	1
2	Biała Podlaska	44	48	42	29	46	46	39	41.5
3	Białystok	35	25	23	23	22	28	37	45.5
4	Bielsko–Biała	16	22	21	17	21	10	4	7
5	Bydgoszcz	26	15	24	14	8	12	17	12
6	Chełm	40	45	36	34	44	49	44	39.5
7	Ciechanów	39	41	35	36	32	32	26	29
8	Częstochowa	11	16	39	40	15	8	15	18
9	Elbląg	18	21	15	13	34	36	30	35
10	Gdańsk	3	7	3	7	5	14	19	16
11	Gorzów	22	19	28	25	27	31	25	25.5
12	Jelenia Góra	22	13	17	12	24	23	33	31
13	Kalisz	36	40	44	41	13	9	6	3
14	Katowice	1	1	2	2	7	4	8	9
15	Kielce	27	42	32	28	39	44	33	28
16	Konin	15	6	6	4	29	19	11	15
17	Koszalin	10	27	25	27	17	25	27	30
18	Kraków	6	19	10	10	6	5	9	6
19	Krosno	37	36	29	39	43	40	33	27
20	Legnica	2	2	4	3	14	11	20	22
21	Leszno	20	23	38	46	9	3	3	4
22	Lublin	25	23	16	16	19	21	30	34
23	Łomża	49	43	41	33	33	22	45	43.5
24	Łódź	13	10	13	21	4	7	10	25.5
25	Nowy Sącz	47	47	48	49	45	47	49	49
26	Olsztyn	29	34	19	20	16	35	36	43.5
27	Opole	12	11	14	15	11	13	17	17
28	Ostrołęka	48	29	12	18	35	38	7	13.5
29	Piła	24	18	31	35	18	18	13	10
30	Piotrków Tryb.	17	14	11	9	36	37	33	32
31	Płock	28	17	7	6	23	17	12	8
32	Poznań	9	12	8	8	2	2	2	2
33	Przemyśl	42	49	47	37	48	48	40	37
34	Radom	32	26	40	43	37	45	48	48
35	Rzeszów	30	44	46	30	31	16	16	11
36	Siedlce	45	35	26	24	42	42	21	21
37	Sieradz	41	31	43	45	41	33	27	24
38	Skierniewice	34	37	33	38	30	15	14	13.5
39	Słupsk	21	28	30	47	25	26	42	47
40	Suwałki	46	37	27	31	26	29	45	39.5
41	Szczecin	4	5	5	5	12	20	22	19
42	Tarnobrzeg	14	8	22	22	49	39	47	45.5
43	Tarnów	33	39	34	44	40	43	42	41.5
44	Toruń	31	33	37	32	10	24	22	20
45	Wałbrzych	7	4	18	10	28	27	38	38
46	Włocławek	43	32	45	42	38	30	30	33
47	Wrocław	8	9	9	11	3	6	5	5
48	Zamość	38	46	49	48	47	41	41	36
49	Zielona Góra	19	30	20	26	20	34	24	23

Source: Główny Urząd Statystyczny (1994 c)

With regard to automobile ownership, the large urban regions were traditionally the leaders. Their position has been largely maintained over the years except in the case of Gdańsk and Szczecin which have gradually fallen into the middle ranks among the 49 voivodships. The region of Warsaw, with its 328 automobiles per 1000 inhabitants in 1993, almost twice as high as the national average of 176, has on the other hand become even more dominant than earlier. Bielsko-Biała, the home of Polski Fiat, has quickly moved up the scale A reverse shift is visible in the case of Łódź. Atypical cases are the largely rural voivodships of Leszno and Kalisz, both situated in the west-central part of Poland. Here the discrepances between the wage and income levels and the car ownership index are the greatest. This points again to the very partial nature of the so far available income statistics.

Environmental quality, another fundamental component of the living standard, reveals a specific spatial pattern which is neither a reverse nor a replication of the interregional variations in wage levels and the availability of durable consumer goods. Figure 12 presents one measure of air pollution which abstracts from transregional, as well as transnational flow of pollutants[8] . Although pollution levels have decreased considerably since 1989 (owing both

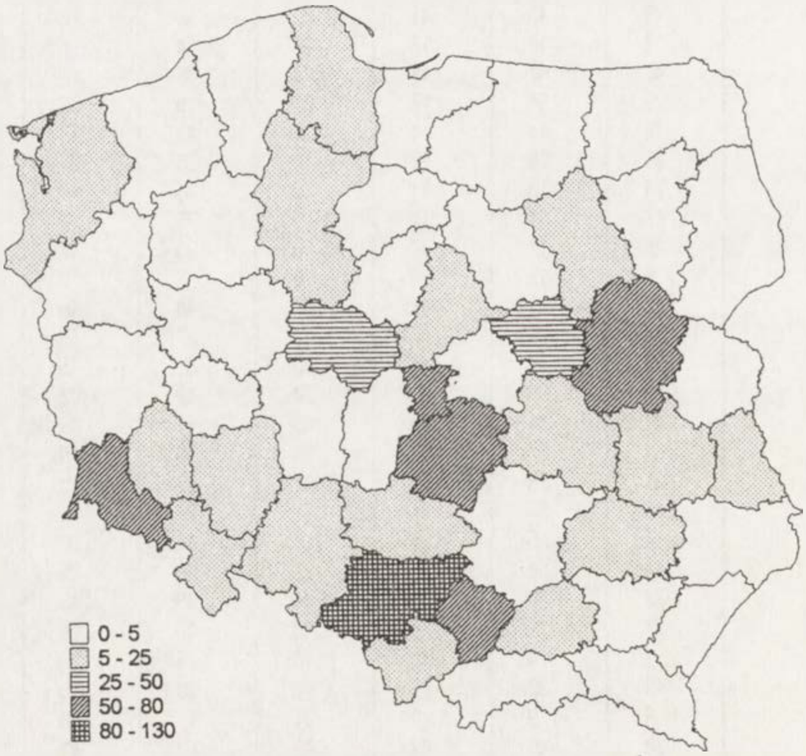

Figure 12. The Distribution of Air Pollution (Dust and Gases) in 1993 (in tons per 1 sq. km)
Source: Główny Urząd Statystyczny (1994 C)

[8] It should be noted at this point that with regard to sulphur dioxide and nitrogen oxides, the transboundary flows, mainly from sources in Germany and Czech Republic, contribute up to 40 percent of the total volume of air pollution in Poland.

to the contraction of industrial production and the implementation of pollution controls), they remain quite high in the urbanized regions. In the Upper Silesia (the Katowice voivodship) the level is 10 times higher, and in the Cracow voivodship – 7 times higher than the national average. Against a general improvement of air quality (in Warsaw by some 20 percent over the last four years in spite of the growing motor traffic and congestion), the regional variations in environmental standards have changed little since 1989.

3. SPECIFIC SECTORAL PROBLEMS AND THEIR REGIONAL DIMENSION

In the discussion presented so far, regional patterns of the present socioeconomic transformation in Poland were found to correlate with the urban/rural division in general, and with the distribution of large cities and urban agglomerations in particular. The present chapter introduces another important dimension of regional change, namely, the specialization of regional economies. It is a well known fact that some economic sectors were to a greater, and other to a lesser degree affected by the transformation process, both by its positive and negative aspects. At a micro level, the negative consequences may be particularly felt by those enterprises, that belong to vulnerable sectors and/or have low effectiveness owing to an inappropriate location in space. As various types of economic activity tend to form spatial clusters, owing to the role of economic locational factors and/or the historical incidence, such a sectoral differentiation in space is clearly reflected in the observed patterns of regional economic change.

In this paper, three specific sectors are briefly looked at, each displaying a high degree of regional concentration and, at the same time, characterized by very serious, long-term adjustment problems. These sectors include: the state-owned agriculture, the coal mining, and the textile and clothing industry. While all the three sectors share the evidence of crisis (in this respect the list is representative rather than exhaustive), they represent quite different stories in terms of the speed of decline, the nature of policy response (or its absence), as well as prospects for the future.

(A) The State–owned Agriculture

Unlike most other former East-block countries, Poland was able to maintain the dominance of the private ownership of farmland throughout the socialist period. Since the late 1950s the share of land, as well as of agricultural output held by the private sector have amounted to aproximately 70 percent of the total. Within the remaining 30 percent, the proportion between state farms and cooperative farms was abount 3 to 1.

The territorial distribution of state farms was very uneven (see Figure 13). While practically absent in the southeastern half of Poland, they clustered in the northern and the northwestern regions. In some voivodships, such as Słupsk, Koszalin and Elbląg, the state farms covered between 50 and 60 percent of the total agricultural land.

In 1991-1993 most of the state farms fell victim of financial insolvency precipitated by the new economic policies (which involved, inter aliae, elimination of a number of direct, as well as indirect subsidies granted in the past to all enterprises that belonged to the state and cooperative sectors), and by the so-called debt-trap (a sudden increase, in 1990, of interest rates on current as well as past capital loans). Even more importantly, privatization of state farms became an explicit policy goal, one supported by the respective legislation. By May, 1995, the State Treasury Agency for Agricultural Property has taken over the total of 4.3 million hectares of land formerly held by state farms. At the time of conversion, the average debt per hectare of land exceeded by over 50 percent the value of current assets (the working

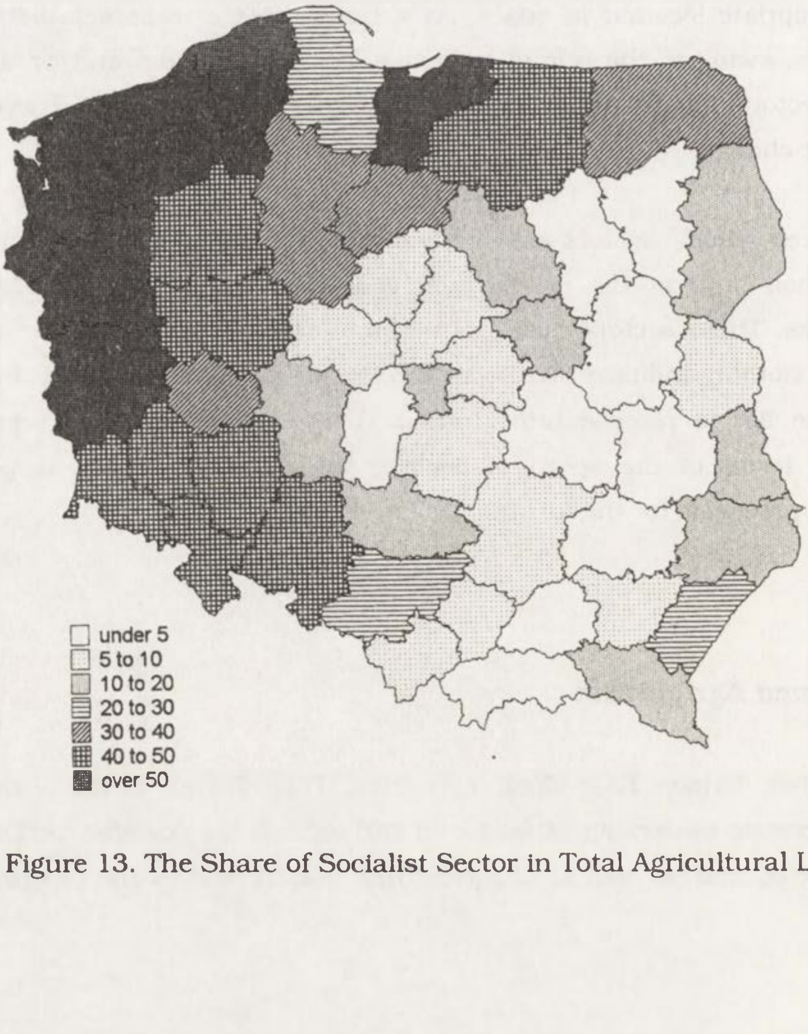

Figure 13. The Share of Socialist Sector in Total Agricultural Land: 1988

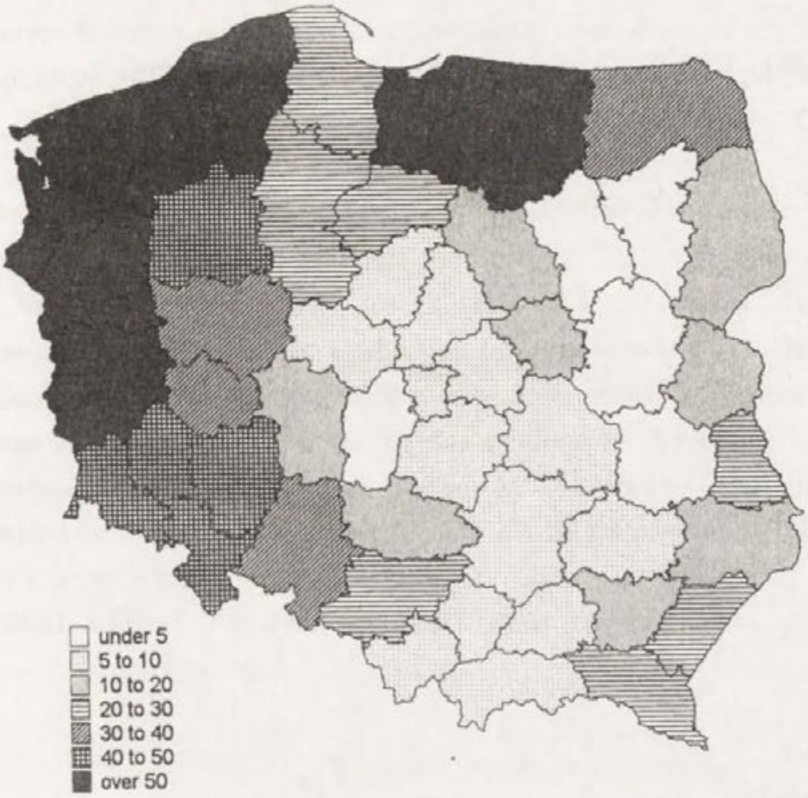

Figure 14. The Share of Public Sector in Total Agricultural Land: 1992

capital); it also represented no more than 27 percent of the value of fixed assets. Attempts to re-sale and to rent the property of former state farms have so far been very unsatisfactory. Only 173 thousand hectares have found new owners, while 2.2 million hectars have been leased. The remaining part (a large fraction -idle) is held in the provisional administration of the Agency. In the northeast the privatization has been generally less successful than elsewhere (Figure 14). It is estimated that out of the total of 193 thousand employees of former state farms, at least 80 thousand were unemployed at the end of 1993.

The process of liquidation of state farms, which is now generally evaluated as misguided and faulty, has involved a wastage of capital as well as human resources on a massive scale. The ensuing problems are well illustrated by the case of the Agricultural Combine of Lyna, located in Nidzica (Olsztyn voivodship). The combine, one of the largest of that type in Poland in the 1980s, was covering the total of 30 thousand hectares of land, and employing 2800 farm workers, technicians and administrators. The value of fixed assets was estimatad at 50 million US dollars. Over the last three years, as many as 23 of its 30 basic enterprises (individual state farms) have become liquidated, the buildings and specialist equipment largely devastated, and 2300 former employees have become unemployed. Owing to the lack of alternative employment opportunities within the region, the former state farm workers are found increasingly dependent upon social welfare, with all the negative social and economic consequences for the local area. Only less than one-than half of the farmland is now under cultivation (see: J.Trusewicz, 1994).

The downfall of the state farm sector has had a very visible, painful effects upon the socioeconomic situation of northern and north-western regions of Poland. It is to a considerable extent responsible for the high and persisting unemployment, as well as the overall stagnation of regional and local economies in large parts of those regions. Such negative consequences are exacerbated by a very low spatial and occupational mobility of the former state farm employees. Particularly affected are the voivodships of Koszalin, Słupsk and Olsztyn, where the local private agriculture is quite weak, and hence unable to generate an effective demand for the vacated farmland and the farm equipment, and where the crisis of local industry and construction adds to the concentration of the evidences of social and economic decline (see: W. Toczyski, 1993; J. Kołodziejski and T. Parteka, 1993).

(B) The Coal Mining

Poland has traditionally ranked among world's leading producers of coal, which still constitutes the country's by far the most important primary energy source (together with lignite, the respective share is 97 percent). In the future, however, the role and extent of coal mining is doomed to decline as a result of environmental protection, the competition of bituminous minerals, and the rationalization of energy use (energy consumption per unit of GDP is in Poland twice as high as in West European countries on the average).

Actually, a contraction of coal production has already begun; its output has gone down from 190 million tons in 1989 to 133 million tons in 1994. The current domestic demand is around 90 million tons; the balance being represented by exports.

Over 97 percent of the total coal output (and 45 percent of the total production of coke) originates in the Katowice voivodship in the Upper Silesia. The coal and energy sector accounts for over 50 percent of the total industrial employment in the region, i.e. more than 499 thousand in 1993. Together with the associated engineering, construction and transportation activities, it constitutes the overwhelming share of the region's economy (its second most important industrial branch beeing steel manufacturing).

In the past, the steadily growing demand for coal and energy, and the higher-than-average wages earned in the mining sector, were responsible for the relative prosperity of the region. This situation, however, has changed in the last few years. Subsidies to coal production have been cut back, while about 20 out of the total of 83 coal mines now produce at a loss. The sector as a whole generated a net finacial loss of 15 billion PLZ (1.5 mld NZL) in 1993, and 3.1 billion PZL (300 mln NZL) in 1994. Export prices are considerably lower than those on the domestic market. Governmental programmes assume the closure of several inefficient mines in the next four years, especially those with largely depleted coal deposits, as well as gradual reduction (mostly by means of regular and early retirement schemes) of the number of employees. This process has already begun. Employment in coal mining has also been diminishing; in 1994 it was 283.2 thousand – a decrease of 21.9 thousand compared to 1993. Currently, the labour cost represents about 50 percent of the total cost of coal extraction.

The main phase of the restructuring of the coal (and steel as well) sector is still to come. It has been shifted in time owing to both economic and political reasons. So far, the Katowice voivodship ranks among regions characterized by relatively low unemployment level. It is generally assumed, however, than in the long run the Upper Silesian region will be particularly affected by the process of economic restructuring which Poland has entered in 1989. Structural unemployment, resulting from the imminent contraction of coal mining and steel manufacturing (a reduction in employment in the two sectors by 30 percent would imply the net loss of 150 thousand jobs), together with the very serious environmental degradation constitute the main, in fact mutually interdependent problems. Therefore, the present state of development, in the case of the Upper Silesia, is considered as a transitional one. It is not yet a crisis situation, although an avertion of a crisis in the future seems an insurmountable task. Its depth and extent will depend upon, but at the same time will exert a serious impact upon the future performance of the national economy as a whole (see: A. Klasik and F. Kuźnik, 1993; A. Klasik and Z. Mikołajewicz, eds. 1993).

(C) The Textile Industry

Textile and clothing manufacturing, another major, and to a large extent export-oriented industrial sector in Poland, was hit hard already at the very beginning of the present economic reforms. One of the main, immediate reasons was the collapse of the former USSR markets which constituted traditional outlets for textiles and clothing made in Poland. This change coincided with the liberalization of international trade and the massive importation to Poland of inexpensive products from the Far East. At the same time, prices of imported cotton (from the former USRR) and other material inputs went up dramatically. In turn, Polish quality products became pushed off the domestic markets by West European imports. During 1989–1992 the production of woolen fabrics in Poland decreased by 66 percent. and of cotton fabrics – by 68 percent.

The city and the region of Łódź – one of the largest textile and clothing manufacturing centres in Europe, has been particularly affected by those negative developments. Some evidence of the approaching crisis appeared in fact already in the 1980s -the decade of overall economic stagnation, when domestic market demand for textile goods and ready-made clothing was falling down both due to decreasing purchasing power of the population, and owing to the massive inflow of second-hand clothing from Western countries, including that brought within the framework of various relief programmes. Investments into modernization of industry, generally very low during the 1980s, were kept even lower in the labour-consuming textile and clothing manufacturing, with its low wage levels. Some of the state-owned enterprises in Łódź were in fact "hoarding" de facto redundant labour in anticipation of future increases in the demand and output (E. Marczyńska-Witczak, 1993).

Taking all these factors into account it is not surprising that the evidence of the economic slump of the early 1990s came to Łódź the first, and have reached disasterous dimensions. The downfall of the textile manufacturing has namely brought about a decline of other, complementary industries, in particular the production of textile machinery and equipment, of synthetic fibers, as well as of related chemical and mechanical branches.

First lay-offs of labour in the Łódź industry took place already at the end of 1989; by the mid-1990 the phenomenon affected 180 enterprises and involved nearly 30 thousand workers.

The contraction of employment in industry, however, was initially much slower than the decrease of the output sold. In 1990 the corresponding rates were: -10.3 and -34.8 percent; in 1991: -15.1 and -19.8 percent. It was not before 1992 that the relation became reverse: -11.0 and -0.6 percent, respectively. Gross profits, however, kept negative throughout 1989–1992 (A. Jewtuchowicz, 1993). Total unemployment rate in Łódź went up from 6 percent in early 1991 to 15 percent in 1992, and 20 percent in early 1994.

In spite of this gloom picture, there are some indications suggesting that in the case of the Łódź region the worst is already behind us. Unemployment has stabilized and has even somewhat decreased during 1994 (to 17.2 percent by March, 1995). Although a number of large, state-owned enterprises have either collapsed, or are in various stages of the liquidation process, some (in particular those in the clothing manufacturing) have become successfully privatized, have been able to regain substantial segments of the domestic markets, and have also acquired long-term jobbing export contracts. The new private sector has been expanding very vigorously, which is reflected in growing investments in machinery and other equipment.

The informal (shadow) sector in the Łódź industry is believed to be especially large. In spite of persisting high official jobless rates, skilled textile and clothing workers are not easy to hire.

A big share of the partly nonregistered, cross-boundary trade with textiles and clothing is based upon production originating in Łódź and the smaller towns in the region. Busy wholesale depots in the vicinity of Łódź offer a direct evidence of this activity. Altogether, this major urban and industrial area is showing signs of adjustment to market economy and in this regard it seems to be in a much more advanced stage of transformation, when compared to the Upper Silesian Industrial District.

4. EMERGING REGIONAL PATTERNS

(A) The Traditional Pattern of Regional Disparities

Basic socioeconomic differences between individual regions in Poland can be traced back to the 19th century (1772–1918) partitions, when Polish territories were divided among the three neighbouring powers: Russia, Prussia, and Austria. Attempts at economic integration and regional development, undertaken during the interwar period, were only piecemal, although in some cases they yielded conspicuous results, such as the construction of interregional railway lines; the development of COP – the Central Industrial District in the area between the Vistula and San rivers; the building of the new city and the seaport of Gdynia. New interregional division lines appeared in the aftermath of the Second World War, as a result of large-scale shifts of national boundaries and migrations, and of war destructions.

During the "socialist" period the reduction of interregional disparities constituted one of the basic development goals. The efficiency of spatial concentration was not really recognized by the "socialist" economic theory which emphasized instead the necessity to utilize all available, human and material resources, and generated the concept of "a uniform spatial distribution of production forces". Only as late as in the 1970s the role of agglomeration economics was "reinvented", and spatial policies in Poland were designed according to a principle of "moderate polycentric concentration". During the earlier periods, however, the then dominant industrialization policies aimed at an extensive, horizontal development. Even more important in this respect were some of the inherent mechanisms of the centrally-planned system, which involved huge financial transfers from thre reacher to the poorer regions via such instruments as uniform (loco market) prices for consumer goods and standard wage levels within individual economic sectors, industrial branches and occupations.

These policies have probably contributed to the overall slow pace of economic development of Poland during 1945-1989, although they have brought at the same time a substantial diminution of interregional disparities (see: OECD, 1993). In fact, the former socialist countries in general are characterized by smaller socioeconomic disparities on an interregional scale when compared to market economy countries with a similar GDP per capita level (J. Szlachta, 1993).

The persisting interregional differences, in the case of Poland at least, were mainly related to the level of urbanization and the distribution of centres of heavy industry. On all the relevant scales and in all typologies displaying the level of wellbeing and development, the top ranks were occupied by the Upper Silesian Industrial District and Warsaw. These two regions were followed by the remaining large-city regions, and some of the new industrial regions, in particular the mining districts (such as the copper-mining area of Legnica-Głogów, and the lignite strip mining district of Bełchatów in Piotrków voivodship). The lowest levels of most welfare indicators were traditionally found in the north-eastern, the eastern, and the north-western regions, as well as well as in some of the regions in central Poland, those situated between Warsaw and Łódź in the north, and Cracow and Katowice in the south.

(B) New Regional Typologies

What is the new economic geography of Poland after nearly five years of market transformations? Many of its elements have been discussed in previous sections of this report; at this point an attempt is made to present a summary picture. Among others, the following questions will be addressed: Have the new, clearly distinguishable dimensions been established that considerably modify the pre-1990 patterns? Have the interregional disparities increased very pronouncely, the way they were expected to?

Owing to the short time interval that has elapsed since the introduction of comprehensive market reforms, and due to a partial character of the available statistical data, only few broader studies have so far been completed, and a limited number of generalizations attempted that focus on interregional patterns of the present-day economic change in Poland.

One of such studies, sponsored by Polski Bank Rozwoju (Polish Development Bank) has been carried on by the Institute for Reseach on Market Economy (J. A. Dąbrowski et al., 1994A). The project has generated "a map of investment risk" - an inter-voivodship differentiation of the values of an index of locational attractiveness which is based upon variables pertaining to local market potential, the degree of advancement of ownership transformations, quality of the "business environment", natural environmental qualities, the labour market conditions, the quality of technical infrastructure, the availability of business services. Official statistical data, expert opinions, and some questionaire results were used to estimate the values of individual variables. The resulting regional pattern demonstrates the ascendency of the major urban regions which occupy eight top ranks among the 49 voivodships. The index value for the voivodship of Warsaw is nearly twice the value for the second-ranking Katowice voivodship. In the bottom ranks one finds the predominantly rural, eastern regions, along with some of the moderately urbanized and industrialized voivodships in central part of Poland (including: Włocławek, Sieradz, Piotrków and Radom).

A more recent version of the same study (J. A. Dąbrowski, 1994B, 1995) focusses on measures of "investment climate" (rather than, a more narrow notion of the "investment risk") by including, along with the previously listed variables, more information concerning local incentives offered to prospective investors, business promotion campaigns, new infrastructural projects, as well as tourist values. This later ranking (Figure 15) also points

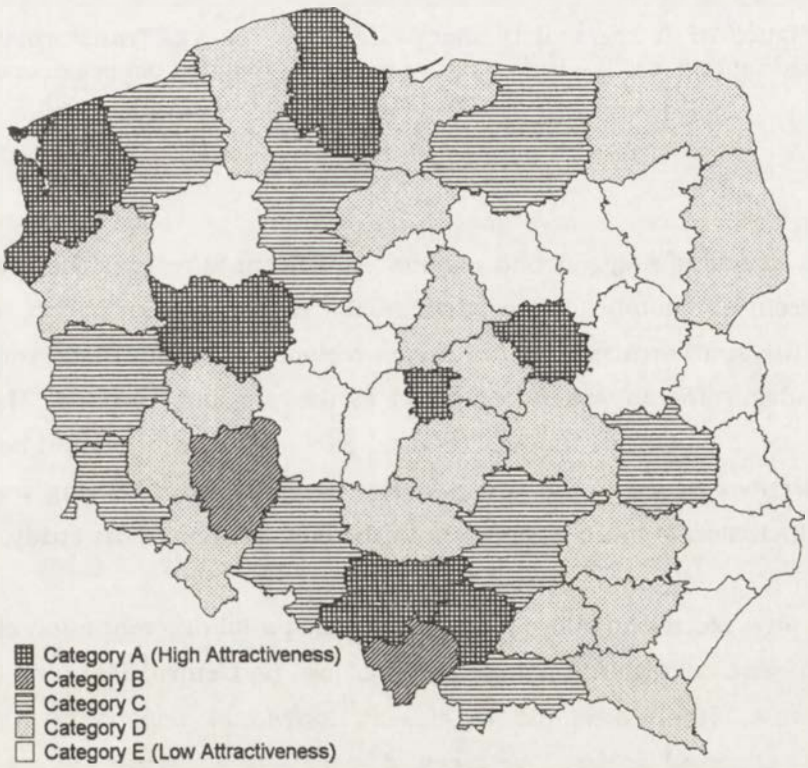

Figure 15. A Map of Investment Attractivesness
Source: J.M.Dąbrowski et al. (1995)

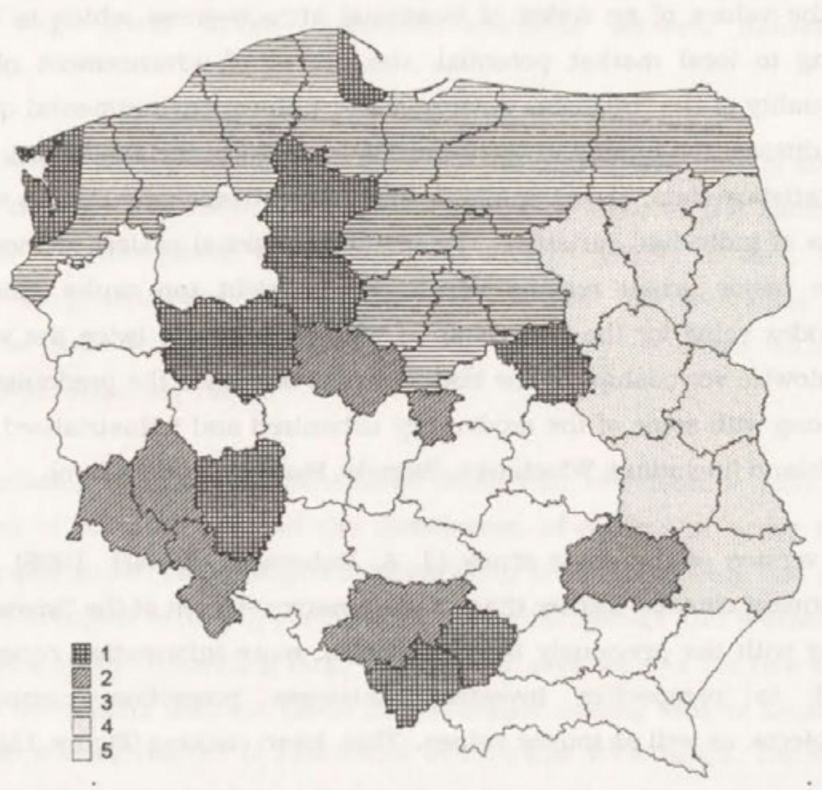

Figure 16. A Regional Typology After Four Years of Transformation
1 – The leading regions; 2 – Industrial regions; 3 – Regions of socioeconomic decline;
4 – Less-developed regions; 5 – Other regions.
Source: Centralny Urząd Planowania (1994)

out to the leading role of major urban regions. Among these regions the positions of Cracow, Łódź and Szczecin are notably higher than in the earlier pattern. Also, within the upper-middle ranks, the southernmost, mountainous regions of Bielsko-Biała and Nowy Sącz have made strong advancements, when compared to the previous ranking. The least attractive regions seem now to cluster in the northcentral part of Poland. It should be emphasized that the main differences between the two patterns originate from varying methodology rather than from the inclusion of more recent data in the later version of the study.

While the study referred to above focusses on the spatial differentiation of the development potential, the report on regional policy, prepared by the Central Planning Office, (Centralny Urząd Planowania, 1994) attempts to classify individual regions on the basis of their performance as observed so far. Five types of regions (see: Figure 16) are identified by the authors of the report, namely:

(1) Regions that are leaders in the transformation processes. These include those voivodships that contain the large, multifunctional urban agglomerations of Warsaw, Poznań,

Cracow and Wrocław, the seaports-oriented agglomerations of Gdańsk and Szczecin, as well as the voivodships of Bydgoszcz and Bielsko-Biała. Regions in this category are characterized by dense networks of contacts with the outer world; by well educated labour representing a variety of skills; by the enterpreneurial spirit; the technical and institutional environment that is generally adequate for carrying the economic activity; by sizeable local markets for consumers goods and services; well-developed research and higher education functions. Owing to a differentiated and functionally balanced economy those regions have been able to adjust reasonably well to the conditions of market economy. They have been the first to attract offices of foreign companies which start their activities in Poland and have successfully become locations for a large part of direct foreign investments. This is accompanied, and in part interrelated with a dynamic growth of domestic private sector represented first of all by new, small and medium sized private firms. Hence, the local and regional labour markets in those regions offer a variety of jobs and prospective carieers, while the registered unemployment rates are relatively low.

(2) The old industrial regions, in particular the voivodships of Katowice (the Upper Silesian Industrial District), Łódź, and Wałbrzych (in the Sudets Mountains). These regions, along with the dominance of mining and manufacturing industries, feature an underdevelopment of the tertiary sector. The industrial structure is generally one-sided, with a large share of traditional, resource-oriented industries. This is accompanied by a high level of environmental degradation. Prospects for a rapid transformation of the local economy are limited. The voivodships of Łódź and Wałbrzych have been early affected by large-scale, both structural and recession-generated unemployment. Several other regions, including the voivodships of Jelenia Góra, Konin, Legnica and Tarnobrzeg possess a number of similar characteristics (i.e. the dominance of traditional and mineral resource extraction-oriented industrial branches; environmental pollution), although the scale of the problems here is considerably smaller than in the case of the three regions referred to earlier.

(3) Regions of socioeconomic decline. These include the northern belt of voivodships: Elbląg, Koszalin, Olsztyn, Słupsk, Suwałki, as well as peripheral parts of the voivodships of Gdańsk and Szczecin. This part of Poland suffers from a deep economic crisis, in fact, a shrinking of the local economy. The most pronounced problem there is the demise of the state-owned farming sector and the resulting very high rural unemployment. The industrial base of local towns and cities has also been seriously eroded, although there are also cases of successful restructuring and expansion of individual large enterprises. This zone of general economic decline tends to expand towards the central part of Poland, so as to embrace the neighbouring voivodships of Toruń, Włocławek, Piła and Ciechanów.

(4) Traditional less-developed regions of Eastern and Norteastern Poland. These are predominantly agricultural regions characterized by low socioeconomic development levels,

insufficient technical as well as social infrastructure, and relatively low skills of the local labour. The new private sector in this region is rather weak and unstable. The inflow of foreign investments has so far been insignificant. The biggest local asset – a very attractive and unpolluted natural environment – is yet to be utilized as a potential factor of economic growth.

(5) The remaining regions, in which economic transformations have been moving ahead, even with a number of difficulties. These are typically moderately urbanized regions situated in southern and western parts of Poland, characterized by differentiated local economy (including a broad range of industries, but also a strong presence of private agriculture), although lacking modern services as well as some infrastructure. The future of these regions (to a greater extent than in the case of the other types of regions) may be tied to the general success, or failure, of the economic transformation of Poland as a whole.

As it can be seen from this brief review, the main point of dispute is the placing on the new economic map of Poland of the two old, industrial regions of Łódź and Upper Silesia. Although plagued by a number of deep, structural problems, these large conurbations are by no means discarded by prospective investors, and are often believed to be able to adjust to the challenges of market economy in a longer term. Such, for example are conclusions of the recent OECD (1993) report, which makes reference to the rich human resources of the two regions – the skilled labour and the enterpreneurial talent. If interpreted in this way, the new economic map of Poland may even more strongly point to the interdependence between urbanization and development, by emphasizing the growing spatial polarization between large urban regions, undergoing economic and social transformation, and the less urbanized, peripheral regions, typically monofunctional and poorly equipped with technical infrastructure and modern services.

Referring back to the questions listed at the beginning of this section one may definitely conclude that the observed processes of transition towards the market economy have brought a considerable increase in regional disparities in Poland. Their magnitude, perhaps still lower than in some other, relatively less developed European countries, has been estimated to equal 1:4 in terms of such indicators as unemployment and the development of the private sector, and as 1 : 2.5 in terms of GDP per capita. (J. Szlachta, 1993).

On the other hand, market transformations have not so far resulted in a turnaround of the previous interregional socioeconomic patterns. Instead, the urban (in fact – large urban) – rural dychotomy seems to have become reinforced. The two major changes that have taken place over the last few years include the drop in the position of the Upper Silesian region (from that of the unquestionably strongest economic region to a lower-middle rank among the main urban regions)[9] , as well as the overall economic decline in most of the northern and north=central regions of Poland, which in the past featured close-to-average, if not above-average development levels.

Some of the conventional wisdom concerning those regions that are believed to lead the transformation processes, or even to represent the (potential) "engines of growth", needs to be critically evaluated. First of all, the role of Warsaw and its ascendency over other regions seems generally overemphasized. It is yet to be proven whether the city's large market potential originates primarily from the efficiency of the local economy or whether it reflects to a considerable extent the financial transfers from other regions, as well as the specific pattern of distribution of centrally allocated resources. Warsaw industries have in fact adjusted rather poorly to the market conditions, and a large part of manufacturing jobs were lost in the process. Another factor that suggests a certain vulnerability of Warsaw as the pole of economic development at the national level is the situation of the city amidst less developed regions, characterized by low rates of economic transformation and a high unemployment.

Secondly, contrary to widely shared opinions, there is no evidence of the emergence of an west-east development gradient in Poland, analogous to the one observed in Hungary (Z. Csefalvay, M. Fassmann and W. Rohn, 1993). The peripheral regions in western Poland fare not much better than their counterparts in the eastern part of the country. The pattern of economic development and market transformations is spatially discontinous, and mosaic-like.

Islands of growth tend to be distributed along the central axis running in the north-south direction, from Gdańsk-Gdynia in the north to Poznań and Warsaw in the center, and, further on, to Cracow, Opole and Bielsko-Biała in the south.

5. DEMOGRAPHIC ASPECTS OF REGIONAL CHANGE

(A) National Population Trends

Demographic trends are among the main factors of social and economic change at both the national and regional scale. Values of basic economic parameters referring to the labour force and household formation are to a large extent determined by the rate of population change and the population age structure. The demand for housing, school facilities and medical services, the rate of entry into the labour market and into retirement, the propensity to save

[9] Z. Rykiel (1995) attributes the observed shift of Poland's economic core, from the Upper-Silesian – Cracow region to the capital region of Warsaw, to the diminishing importance of heavy industry and the growing role of proximity to the centres of decision-making during the transition to market economy.

and the formation and allocation of old-age pension funds, are all related to past, current and future patterns of population development. Some of these relations are in fact reciprocal. Also, demographic trends represent a major correlate of internal migration; along with political and economic factors, they allow us to interprete the magnitude and direction of international migration.

Poland has experienced large fluctuations in the rates of population change during the last four decades. The decline in birth rates during the 1960s, after the post-war, compensatory baby-boom of the 1950s, was followed, unlike in most other countries in Europe, by another period of high natural increase during the 1970s and the early 1980s. During the 1970s the evolution of the population age composition worked in favour of accelerated demographic growth. The large cohort born in the 1950s became the parent cohort in the 1970s, which resulted in the increase of birth rates, as well as in the rates of internal migration. Hence, urban growth received a new momentum.

The rather unexpected peak in birth rates which occurred in the early 1980s has been followed by their dramatic decline since 1984. The number of life birth registered in 1994 was 475.0 thousand (down from 720.8 thousand in 1983) – the smallest figure registered since 1946. Since the level of mortality has remained stable (and rather high – 10.2 per thousand population), the natural increase amounted to just 65.0 thousand, or 1.7 per 1000 in 1994

The observed downward trend of the natural increase rates in the recent years is related to the evolution of the population age composition (which explains about one-third of the variance), but primarily, by a decline in fertility level. Since 1989 the Net Reproduction Rate for the total population of Poland has been less than 1.0 (0.878 in 1993) which indicates a long-term population decline. In the case of the urban population, the NNR values have actually fallen below 1.0 already in the early 1960s; by 1993 the respective value was 0.755 - a level similar to the corresponding indicators in most European countries. Nevertheless, for the rural population the NNR still exceeds 1.0 (1.081 in 1993), though by a rather small, and gradually shrinking margin.

The variations in birth rates and fertility levels, and the highly irregular age composition of the population, make the task of calculating demographic projections for Poland very difficult indeed. For example, results of the newest projections differ considerably from those, prepared in the mid-1980s. Only in one, out of the series of five alternative population projections prepared by the Committee on Demographic Sciences (J. Z. Holzer, 1990), a rapid contraction of fertility rates was assumed to take place in the near future, down to the level that was around the mean for West European countries in the 1980s. Conversely, a few scenarios provided for a continuation of the NNR values at above 1.0. The projected total population figures for the year 2000 ranged from 39.7 million to 40.2 million, compared to the 1988 observed population of 37.9 million.

According to a more recent projection by the Central Statistical Office (Główny Urząd Statystyczny 1992), the total population of Poland will reach only 39.5 million in 2000, and 41.0 million in the year 2010. This implies the mean annual growth of 0.3 percent during the 1990s, as compared to 0.6 percent in the 1980s. However, such a rate of increase requires that birth rates in the mid- and late 1990s are actually higher than those observed in 1991-1994. Hence, one may assume that the next round of official demographic projections will scale down the expected population total for the year 2000 to perhaps 39.1-39.2 million.

The population accounting system on which demographic projections are based, is generally hampered by the inadequacy of data on international migration. The Committee on Demographic Sciences projections were assuming an annual net migration loss of 20 thousand, and the more recent Central Statistical Office projections - the net international migration loss of 30 thousand a year. Both figures are irrealistically low. The 1988 Population Census includes data on some 0.5 million persons who were staying abroad at the time of the Census. A large proportion turned out eventually to be emigrants. Therefore, once international migration is considered explicitly, the total size of the resident population of Poland needs to be adjusted accordingly. In 1988 and 1989 net foreign migration loss exceeded the natural population increase. It is possible that the total population number has remained approximately constant since the mid-1980s.

One may conclude at this point that Poland is still characterized by demographic growth in the sense of a continuing, though rapidly diminishing excess of births over deaths. Such a level of growth seems barely sufficient to offset the negative international migration balance, as observed in the recent years. Although another rise in birth rates is still conceivable, even if it does occur, it is likely to be a short term phenomenon. These conclusions have important implications with regard to labour and migration policies in the long run. In a perspective of one or two decades however, a more relevant question pertains to the evolution of the age composition of the population.

At present (1993), the proportion of children (age category 0-14) in the total population of Poland is relatively high (23.7 percent), while the share of the elderly (65 years plus) - still relatively small (10.7 percent). For comparison, the corresponding numbers for Germany are about 16 percent and 15 percent, respectively. The problems of population ageing will become critical in Poland around the year 2010, when the post-war baby-boom generation will begin to move into the aged population category.

Until 2005, according to the Central Statistical Office (Główny Urząd Statystyczny 1991) forecast, the share of the 0-14 age category within the total population of Poland will decrease to 21.4 percent, while the share of the 65 years plus group will remain approximately at the 1992 level. Major shifts will occur within the 15-59 years category, which will expand to 68 percent of the total.

Today, the population in the working age, which is defined in Polish labour statistics as between 18-59 for females and 18-64 for males, is composed of those born between 1931 and 1977. This category includes both the very small cohorts born during the Second World War, as well as the very large, baby-boom generation of the 1950s. Over the next years, the increasingly large cohorts born in the late 1970s will be moving into the working age category (see: Figure 17). By the year 2005, the two waves, reflecting the two periods of high population growth: in the 1950s, and in the late 1970s to the early 1980s, will both have been contained in this category.

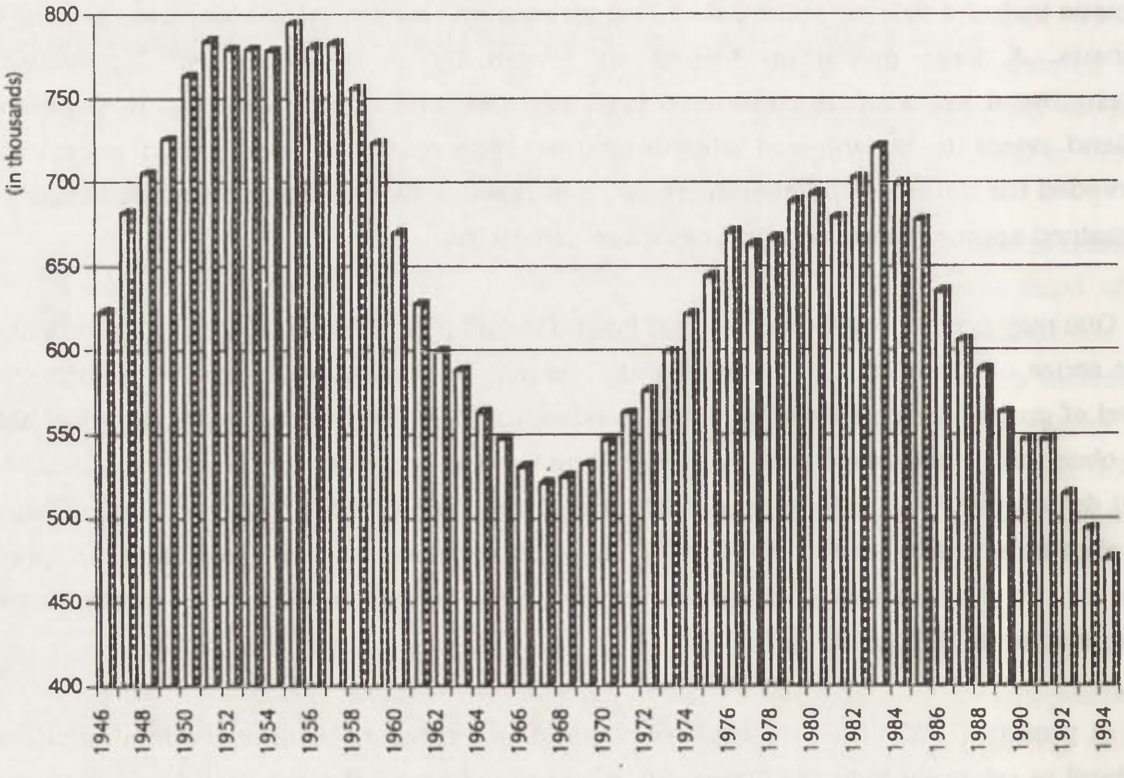

Figure 17. The Number of Births in Poland: 1946-1994
Source: Główny Urząd Statystyczny (1994 B)

Such a situation, i.e. a high proportion of the total population found in the working age group, described in terms of a low population dependency rate, is very favourable at the time of economic expansion and a high demand for manpower. A reverse situation, even though it puts a heavy pressure on public expenditures (both the school and medical services as well as old age pensions), is generally preferred during periods of economic recession and big unemployment. Both of these aspects, and in particular the latter one, are of critical importance in Poland today, and may remain so in the near future.

However, the demographic trends for the next decades are quite firmly established, as long as the already-born population cohorts are dealt with. The population in the working age will namely increase by 1.5 milli on (to 23.5 million) by the year 2000, (when compared to the status in 1990), and by another 0.9 million between 2000-2005. From 2005 to 2010 the size of this population category will stagnate, and after the year 2010 it will begin to contract, both in relative and in absolute terms. Much sooner, however, namely in the late 1990s, the large population cohort, now in the age brackets of 8-18 years, will start to appear on the labour market in Poland, challenging the already strained social and economic policies, creating additional demand for employment opportunities, tertiary education, and housing. This will certainly be accompanied by an increase in spatial population mobility.

(B) Interregional Demographic Patterns

However meaningful the values of individual demographic parameters at a national level may be, they tend to conceal internal variations in population structure and dynamics which are of great relevance to the path of transformation and economic change over space.

The highest rates of natural population growth in Poland are found in the southeastern and the northeastern regions, and also in the northwest; in the latter case as a consequence of the favourable age composition of the population, rather than a high fertility. Regions with the lowest birth indicators are situated in central Poland. These regions, in particular the belt of voivodships extending from Warsaw and Łódź to the Upper Silesia, display the highest death rates, a consequence of both the relatively advanced population ageing (which reflects heavy outmigration that had taken place in the past), and of grave environmental problems. The city-voivodships of Warsaw and Łódź are the only two regions in Poland characterized by an excess of deaths over births in the early 1990s.

Differences in fertility levels between rural and urban areas which were traditionally very considerable, have been diminishing over time. For illustration, in 1980 the values of the Net

Reproduction Rate for the urban population (0.910),represented 66.5 percent of the rural population's NRR (1.368), while in 1993 the corresponding proportion was 69.8 percent (0.784 and 1.140 respectively). Since the rural population accounts for a diminishing fraction of the total (41.5 percent in 1980, 38.1 percent in 1993) this trend towards a convergence of fertility indicators suggests a further, sustained reduction of natural population growth in Poland in the future.

Internal migration, with the predominant directions of movement taking place from rural to urban areas, has had an effect of counterbalancing the observed regional variations in the rates of natural population increase. During the 1970s, the intensity of interregional flows was high enough (25-30 per 1000 per year) to produce a trend towards spatial population concentration. The rapid decrease of internal migration during the 1980s and the early 1990s (down to 11.9 per 1000 in 1993) has resulted in population deconcentration at the intervoivodship level: flows from the less urbanized regions to the major urban and industrial agglomerations are now no longer sufficient to compensate for the former regions' higher rates of natural population increase.

This change is reflected in the results of a series of multiregional population projections based upon observed data for: 1978, 1983, and 1988, respectively (P. Korcelli, 1992). For example, projected population totals until the year 2003 for the Katowice voivodship (the region with the highest net internal migration gain), diminished from 4945 thousand (1978-based projection) to 4736 thousand (1983-based projection), and 4452 thousand (1988-based projection). In the case of the Warsaw voivodship - the second largest migration receiving area, the respective figures were: 2814 thousand, 2614 thousand, and 2512 thousand. While the difference between the 1983-based and 1988-based projections reflected both a migration decrease and a drop in the rates of natural increase, the lower estimates for 1983, when compared to those based upon the 1978 data, were solely attributable to the rapidly falling rates of internal migration.

In the most recent regional population projections (Główny Urząd Statystyczny, 1991) a further, albeit small contraction of the population movement from rural to urban areas is assumed in the future. The results (Figure 18) yield a pattern of spatial population deconcentration. The major urbanized regions of the Upper Silesia, Cracow, Warsaw and Łódź, all show relative (if not absolute) population losses by the year 2005. On the other hand, some of the traditional outmigration regions in the periphery are characterized by the highest projected rates of population growth at the national scale.

While Figure 18 displays future implications of observed, well-established interregional demographic change in Poland, it should not be interpreted as a comprehensive population

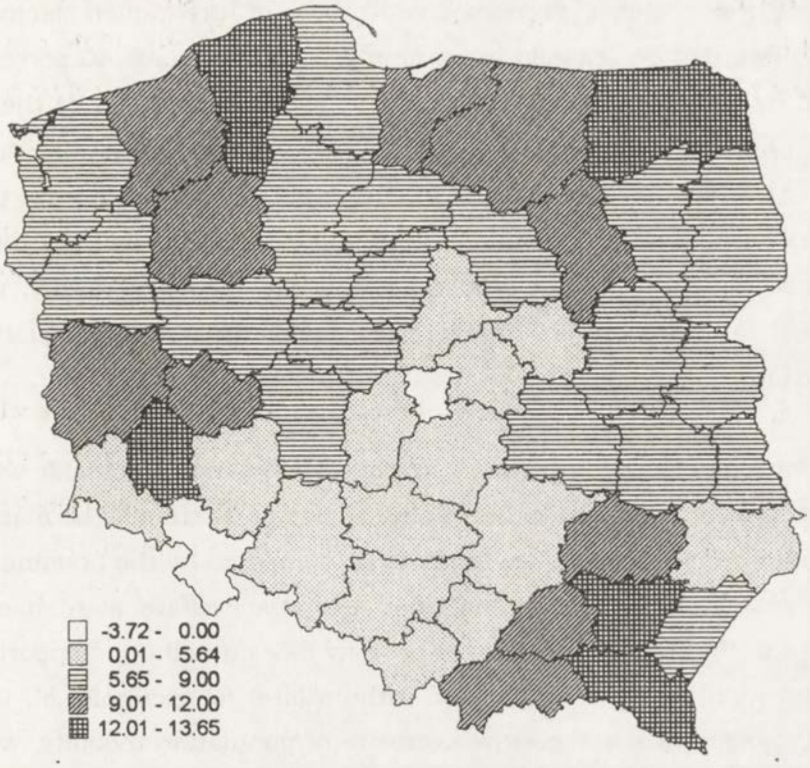

Figure 18. A Forecast of Population Change by Voivodships: 1990-2005
Source: Główny Urząd Statystyczny (1991)

forecast. There are multiple reasons to expect a turnaround point, in terms of a renewed growth of spatial population mobility, to occur in the late 1990s.

The contraction of internal migration rates, which was observed during the 1980s could be attributed to both demographic and economic factors. The propensity to move is a strongly age-dependent variable, with its highest values corresponding to the age category of 20-29 years. Hence, the process of population ageing typically involves a decrease in the volume and the rate of migration. In the 1980s, the size of the 20-29 population age group in Poland was relatively small, as it reflected the low-births period in the 1960s. Conversely, the late 1990s will witness the entry into the labour market of the large cohort born in the late 1970s and the early 1980s. This will most likely generate a migration wave, first to be seen in 1995-1996. In other words, the fertility bulge which occerred in Poland during 1975-1985, will most probably find a reflection in a spatial mobility bulge during 1995-2005.

When considering the role of economic factors of internal migration, one can also anticipate an upward mobility trend to appear in the future. The relatively large migration flows during the 1970s were a consequence of large-scale investments in heavy industry and mineral resource-based sectors in general. This was accompanied by an extensive, in fact a wasteful (typical of the socialist economy) utilization of production factors, including manpower. The subsequent decrease in internal migration – by some 40 percent during the 1980s, was caused by the general socioeconomic and political crisis. While the first years of market transformations have brought about a further decrease in spatial mobility of the population, this trend should discontinue in the near future owing to the imminent restructuring of the farming sector (which employs still above 20 percent of the total labour force), and, as a consequence of some adjustments in the urban hierarchy, related to the shrinkage of industrial functions in many cities, and the pending reform of spatial administrative divisions.

Generally, the pattern of future migration gains and losses should coincide with the spatial pattern of economic growth and decline. In practice, however, there may be many exemptions to this rule. Inmigration to the large cities tends to be hampered by the housing shortage and the high housing cost at potential destinations. Also, the welfare state has an effect of retaining people in certain areas even though they may face quite limited opportunities there. As it has been demonstrated by a number of authors (see, for example, M. Cordey-Hayes, 1975), high unemployment is not a positive correlate of population mobility, which tends to respond to high GDP rates of growth instead.

Taking these restrictions into account, one can still expect a thinning-out of the rural population in most parts of Poland over the next ten years or so, but in particular in the eastern regions. This trend would imply a growth in the inmigration potential of some local towns, but especially of the major cities in the eastern half of Poland, including Warsaw, Cracow, Lublin and Białystok. In the case of small and medium-sized towns throughout the country, the likely development is a polarization into the categories of gainers and losers. Those urban places that have been heavily dependent upon single, large industrial establishments, will definitely be overrepresented in the latter category. When taken as a whole, cities at intermediate levels of the urban hierarchy will probably be losing migrants vis-a-vis the large cities and urban agglomerations. The future administrative reform, depending upon its scope, may even accelerate this process. Such would be probably consequences of the introduction of a small number (10–14), of large voivodships, to replace the present, 49 upper-level administrative regions. The reform could create additional growth impulses for a limited number of regional capitals. The smaller, subregional centres might lose some of their professional and intellectual elites for the large cities.

Unlike in the past, however, the large size of a city or an urban region will no longer assure its positive migration balance. The most notable case in this respect is the Upper Silesian conurbation which has traditionally attracted the biggest numbers of migrants from all over the country. Due to the persistent economic as well as environmental problems, the area in question may experience a considerable net migration loss before the end of the

1990s. The situation of the city of Łódź may be similar, especially as, its traditional migration hinterland in central Poland has already become largely depopulated.

6. INTERNATIONAL MIGRATION: RECENT TRENDS AND FUTURE PROSPECTS

Poland experienced a major emigration wave during the 1980s. Its peak occurred in 1988–1989, after the full liberalization of passport policies. It is estimated that more than one million people emigrated during that decade, mainly to Germany (some 60 percent), the United States (15–20 percent) and Canada. Although political factors were usually quoted as the main reason to emigrate, some authors strongly argued that the mainstream movement was economic in nature, at least at the individual level. Those who have left Poland during that period were disproportionately drawn from the educated, middle-income groups.

Their decisions represented an "upward mobility" behaviour, rather than a "survival" behaviour.

The emigration wave of the 1980s coincided with, and in fact epitomized the terminal phase of the crisis of the "centrally-planned" economy, as well as the "socialist" society. Investments, industrial employment, and housing construction were following a downward trend. So were (as noted earlier) internal migration rates. One could claim that emigration substituted to a certain degree for non-accomplished, rural-urban and inter-urban migration (see: P. Korcelli, 1994). This, however, might be considered as just one factor, since the largest streams of emigrants had their origins in the main urban agglomerations.

Since 1990 emigration from Poland has substantially decreased and has also changed its character. Owing to greater freedom of movement (visa-free agreements have been entered with all West European countries), as well as discontinuation of central registers of entries and exits, few facts are known concerning the present character and magnitude of international migration. Trends that are relatively well documented, (even though they may be based upon scattered evedence) include the following:

Firstly, while the main migration origins in the 1980s were spatially concentrated (with Silesia accounting for a big share of the total), the early 1990s saw a spatial diffusion of the process towards central and eastern Poland. Secondly, migrants have been increasingly drawn from small towns and rural areas rather than large urban centres. Thirdly, migration has increased among semi=skilled and non-skilled persons, while the share of students and college graduates among the migrants has gone down. Fourthly, migration has changed from intended to be primarily permanent (i.e. definite), to primarily temporary and circulatory.

Owing to historical factors, various regions of Poland are linked to specific countries (and cities) of migration destination The most characteristic cases are: migration from the Upper Silesia and the Opole region, almost totally directed towards Western Germany; migration from the Podhale region (at the foothills of the Tatra Mountains) wholly oriented to the United States (Chicago in particular); migration from the Białystok region, aimed mainly at Belgium and Italy.

In the early 1990s Poland has also experienced some immigration, mainly from countries of the former Soviet Union, and from South-East Asia. The numbers involved are rather small (20-30 thousand), but the magnitude of temporary and circulatory movement from the Russian-speaking countries in particular but also Vietnam, is very high. While foreign "trading tourists" are commonplace, illegal foreign workers are now a notable phenomenon as well. These, in fact, may be first signs of the approaching problems. Another potential issue is the prospective repatriation of Poles, and of people of Polish ethnic background, from countries of the former Soviet Union. Recent attempts at resettlement by the Polish community in Kazakhstan (estimated at 100 thousand) have disclosed the lack of proper legislation, as well as a certain political vacuum surrounding these questions.

Going back to the issue of potential emigration from Poland in the future, one has to emphasize once more the role of demographic factors. The entry into the labour market by some 2.3 million young people during the next fifteen years will have an effect of aggravating many of the employment-related problems. These young individuals, potentially quite mobile, will be confronted with limited local job opportunities, and with some - available especially in those urban centres and regions, where the economic restructuring becomes successful. The attracting force of these places and areas will be partly offset by the lagging housing construction, and the high housing rental cost.

For those, prepared to undertake a move, migration abroad, of a short or long duration, will continue to represent a viable alternative. This pertains in particular to the semi-skilled, typically - persons with secondary vocational education, who often (and mainly due to the contraction of industry) fail to find jobs matching their qualifications. In case of the highly skilled and professionals the labour market situation in Poland may be relatively more advantageous. Unlike in the past, they might be willing to accept work abroad only as long as it does not fall much below their skills level, and readily enough - when it implies a career advancement.

Such trends and aspirations have to be confronted with expected future demand for foreign labour in Western Europe, with political underpinnings of labour-related policies in these countries, as well as with potential competition, on the Western labour markets, by migrants from lower-income countries. Taking all these factors and limitations into account, one can not look at migration (short- or long-term, including that, covered by official bilateral agreements), as a panaceum for Poland's present and future employment problems. The latter have to be dealt with primarily by promoting investments and job creation within Poland.

From the perspective of the labour-receiving countries. Poland should be no means be viewed as a country with growing demographic momentum and an unlimited supply of potential migrants. The peak of emigration from Poland is definitely behind us. Migration does continue, and may even increase in the near future, reflecting the bulge in the share as well as the absolute number of the population in the young labour age categories. This bulge, however, and some of the associated problems, will be over by the year 2005, approximately.

The total population of Poland is still growing, although at a rapidly decreasing rate. According to recent projections, this growth will continue until around the year 2015, when the total number of inhabitants may reach 41-42 million (compared to the current 38.5 million), and will subsequently begin to contract. By that time the economy in Poland may already face a shortage of labour.

Before this takes place, migration abroad will certainly continue to represent an important aspect of life, and a direct experience to large segments of the Polish society. However, the nature of this movement will evolve; the balance between the outflow and the inflow will become more equal. One should hope that internal migration opportunities will expand, so as to absorb the bigger part of the mobility potential of the large generation of the 1970s.

Concluding Remarks

Five years following the political turnaround and the introduction of market reforms, Poland is now on the road towards economic development. A vigorous expansion of the private sector, raising exports, domestic demand and investments, have generated sizeable rates of GDP growth since 1993. Inflation and unemployment, though still very high, have been decreasing recently.

The political, social and economic transformation has been accompanied by increasing interregional and intraregional disparities. Large, multifunctional urban regions have been the first to find adjustments to the new market conditions. Conversely, the demise of state-owned farming and the acute crisis in certain branches of industry (the case of textiles) have been responsible for the emergence of new problem regions in northern Poland, as well as in areas such as the region of Łódź, and the Sudets foothills. Also, a number of middle-sized and small towns throughout the country have faced a decline of their local industries and hence an erosion of their economic base. In a longer time perspective, the Upper Silesia with its high concentration of coal and steel industries, as well as the southeastern and eastern regions, mainly rural and dominated by small farm holdings, represent the most difficult challenge to national and regional economic and social policies.

Still, one should not foresee radical interregional shifts to occur in the future. Internal migration will certainly increase in the late 1990s, owing to both economic and demographic factors, but it is not likely to reach a massive scale. International migration will continue to be an important phenomenon, although the emigration will become increasingly balanced by immigration. The settlement system of Poland will most probably retain its basic properties, such as polycentricity and a fair degree of spatial balance.

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REGIONALNY WYMIAR PROCESÓW TRANSFORMACJI W POLSCE: PIERWSZE PIĘCIOLECIE

Streszczenie

Praca ta, której celem jest przedstawienie zwięzłego opisu, interpretacji i oceny regionalnych efektów procesów transformacji występujących w Polsce od 1989 roku, jest adresowana do czytelnika nie mającego bezpośredniego kontaktu z obszerną literaturą I dokumentacją dostępną w języku polskim. Obok niniejszej wersji pracy przewidziane jest opublikowanie wersji w języku niemieckim, w tomie poświęconym przemianom zachodzącym w krajach Europy Środkowo-Wschodniej, przygotowywanym przez Austriacką Akademię Nauk.

Oprócz charakterystyki przestrzennego wymiaru współczesnych przemian gospodarki Polski, praca podejmuje zagadnienia współzależności procesów ekonomicznych oraz procesów demograficznych na poziomie międzyregionalnym (głównie w układzie województw). Pierwszy rozdział zawiera charakterystykę zmian gospodarki Polski jako całości w latach 1989–1994. Przemiany regionalne, omawiane w rozdziale drugim, odnoszone są do czterech zagadnień, a mianowicie zmian własnościowych, inwestycji zagranicznych, rynków zatrudnienia oraz poziomu życia ludności.

Rozdział trzeci podejmuje problematykę regionów szczególnie wrażliwych na kryzys, który dotknął niektóre dziedziny gospodarki, a mianowicie: państwowy sektor w rolnictwie, górnictwo węgla kamiennego oraz przemysł włókienniczy. W rozdziale czwartym przedstawione są tzw. nowe typologie regionalne, zawarte w kilku znanych raportach planistycznych i ekspertyzach. Rozdział piąty jest poświęcony współczesnym przemianom demograficznym, w tym migracjom wewnętrznym w układzie międzyregionalnym. W rozdziale szóstym podjęto charakterystykę konsekwencji migracji międzynarodowych oraz próby określenia zmian w tej dziedzinie w przyszłości. We wnioskach przedstawiono ogólne perspektywy dalszych przekształceń struktury regionalnej oraz systemu osadniczego Polski.

Wymagania techniczne
stawiane pracom składanym do druku w „Zeszytach IGiPZ PAN"

Teksty na dyskietkach muszą spełniać następujące warunki:

1. Zapis w kodach ASCII (większość edytorów ma możliwość eksportu do ASCII; wykluczamy edytor Chi-Writer dla tekstów polskich) z rozszerzeniem TXT, np. BAZA.TXT.
2. Pojedyncza interlinia.
3. Bez wcięć akapitowych, przenoszenia wyrazów, wyrównywania prawego marginesu.
4. Paragrafy (akapity) rozdzielone jedną linią wolną.
5. Tekst gładki, bez wyróżnień (tj. pogrubień, podkreśleń, subskryptów itp.).
6. Podanie jedynie podpisów rysunków i tabel.
7. Miejsca, w których występują wzory, zaznaczyć w nawiasach; same wzory osobno na wydruku lub na kartce.
8. Tabele oraz rysunki przygotowane za pomocą innych programów (np. LOTUS) należy umieścić w osobnym pliku o stosownym rozszerzeniu (np. KOŁO.PIC dla rysunków z LOTUSA).

Wydruk dołączony do dyskietki powinien być wydrukowany z podwójną interlinią oraz zawierać wymiary rycin i tabel.

Uwaga!

Do pracy należy dołączyć streszczenie (maksymalnie do 5 stron), spis rycin i tabel oraz abstrakt (3-4 zdania) i słowa kluczowe (3-4) w wersji polskiej i angielskiej.

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Bieżące numery publikacji IGiPZ PAN rozprowadza ORWN, Pałac Kultury i Nauki, Warszawa.
Numery wcześniejsze są do nabycia w Dziale Wymiany Biblioteki IG i PZ PAN, Krakowskie Przedmieście 30, 00-927 Warszawa, w godz. od 9 do 15.

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PL - ISSN 0867-6836
WYDAWNICTWA IGiPZ PAN, WARSZAWA