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WARSAW: DEVELOPMENT PROBLEMS AND STRATEGIES

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The undergoing transition from the "centrally-planned", quasi-communist system to a market economy and parliamentary democracy in East-Central Europe has already exerted some impact upon the growth of capital cities in the region.

The introducing of self-government at the local level in Poland in 1990 together with the disintegration of spatial socio-economic planning, have led to the emergence of a specific planning vacuum at the regional level. The gap is felt particularly strongly in the larger metropolitan areas which consist of a number of self-governmental local units, i.e. towns and townships. The region of Warsaw is a case in point. The new administrative division of Warsaw (from 19 June 1994) creates a political and legal structure for reintroducing an importance of metropolitan aspirations. The idea of creating a Central District, which will contain the whole complex of governmental administration, science and culture, as well as of national and international banking and management, has been implemented. This central unit has now much better chances for quicker revitalisation, modernisation, and for the fulfillment of the central function on national and international scale. The lifting of political and economical barriers in international context created a new challenge for Warsaw competing for a place in the emerging urban hierarchy of Europe. The outcome of this competition will determine the chances of Warsaw for prosperous development at the beginning of the next century. Also important is the question about the role of the national capital: will Warsaw continue to be the most important centre on a regional and national scale, will its central position gain strength, and will it tend to take on a new meaning in the near future?

The advanced version of the program on Warsaw XXI was released in May 1994. Its contents will focus on three critical development issues. These are represented in the following questions:

- (1) Should the current demographic stagnation of Warsaw be considered a major development barrier?
- (2) To what extent are the alternative development goals of transformation and conservation mutually conflicting?
- (3) Should the trans-national, rather than national-wide functions be emphasized in the long-range development program for Warsaw?

Key words: Transformation, Self-Government, Warsaw, Poland

Introduction

The undergoing transition from the "centrally-planned", quasi-communist system to a market economy and parliamentary democracy in East-Central Europe has already exerted some impact upon the growth of capital cities in the region. Their growth potential seems to be quite substantial, although the costs of transformation loom large as well. The anticipated increase in the role of tertiary and quaternary activities, and a shrinking of the manufacturing sector will undoubtedly favour the national capitals vis-à-vis other large urban centres, in particular those specialized in traditional branches of industry, such as iron and steel or textiles.

The centrally-planned economy provided a number of stimuli to the expansion of large cities, including the capital cities and regions. The very heavy emphasis which

was put on industrial development did not bypass the national capitals. Large industrial plants, including those in labour-intensive sectors, emerged in every single capital city of East-Central Europe between the 1950s and the 1970s.

The growth of capital cities under the "centrally-planned economy" was also affected by the symbiosis of political and economic decision making. They became the foci of the elaborate system of planning, management, research and control functions with its heavy bureaucratic apparatus anchored at state planning commissions, numerous branch ministries, industrial corporation offices as well as various central "cooperative" organizations. A lack of strong incentives to increase the productivity of labour further contributed to the labour market pull of the national capitals. However, the system was unable to ensure the level of housing construction and the growth of tertiary activities so as to match the demand generated by the expanding secondary and quaternary sectors in the urban areas in general, and in capital cities in particular. This imbalance prompted the introduction of growth limitation policies focusing mainly on industrial deconcentration and in-migration controls.

Hence, the expansion of capital cities and regions in East-Central Europe was propelled by general economic policies (of which industrial development policy was the main part), while it was at the same time curtailed by urban and regional planning measures. The interplay of these contradictory forces added to, rather than lessened the mismatch on the local labour and housing markets. It has also contributed to the observed fluctuations in the rates of urban growth during the last several decades. The growth limitation policies resulted in a specific selectivity of migrations to, and a virtual lack of out-migrations from, the capital cities. As a consequence, the process of aging of the population proceeded rapidly. For example, values of such demographic indicators as percentage of population 65 years and above, or the rate of decrease in the mean size of households, in the case of some East-European capital cities assumed values typical of large West European cities, during the 1970s (KORCELLI 1985).

Self-Government Reform Consequences

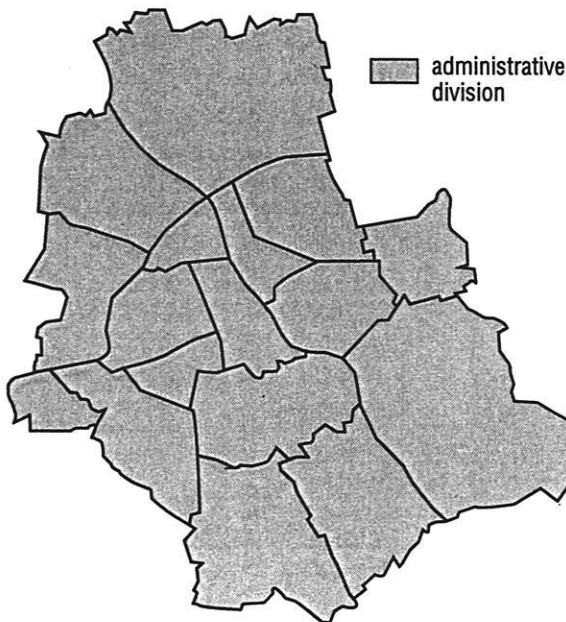
The introducing of self-government at the local level in Poland in 1990 together with the disintegration of spatial socio-economic planning, have led to the emergence of a specific planning vacuum at the regional level. The gap is felt particularly strongly in the larger metropolitan areas which consist of a number of self-governmental local units, i.e. towns and townships. The region of Warsaw is a case in point. In 1990 the City of Warsaw became subdivided into federation of seven (since 1993 - eight) independent townships (communes), along the borders of the former administrative districts. According to special legal provisions, the townships entered into an obligatory union, although the competence of its bodies remained relatively restricted.

This system has proved to be largely inefficient and conflict generating. It was subject to diverse criticism and, subsequently, became modified in 1994. A negative result was a further territorial disintegration. Warsaw - its importance and economic power has been differentiated; from a relatively wealthy central district (Śródmieście) to poorer peripheral districts. The attention of new self-government has been turned to the local interest and struggle with the inherited poor infrastructure and every day issues. The strategic development of the whole city has been partly neglected.

The new pattern consists of eleven townships, out of which the central township (Warszawa-Centrum) corresponds approximately to the prewar territory of the city of Warsaw.

The new administrative division of Warsaw (from 19 June 1994) creates a political and legal structure for reintroducing the metropolitan aspirations (Figure 1). The idea of creating a Central District, which will contain the complex of governmental administration, science and culture, the complex of national and international banking and management, has been implemented. This central township has now much better chances for quicker revitalisation and modernisation, and fulfillment of the central function at the national and the international scale.

Figure 1 New administrative division of Warsaw (from 19 June 1994)



The main rationale for the political reform of 1994 was to safeguard national-wide interests which required the improvement in the administration and the day-by day functioning of the capital city. In practice, the reform involves a provision, according

to which the mayor of Warszawa-Centrum can be dismissed (and nominated) by the Prime Minister. Such a decision, in fact, seems to be a rather unhappy development, considering the present oversensitiveness concerning the dominant role played by democratic institutions in Poland.

The rapid shift of control over space from central to local scale created at the beginning a lot of problems. The new self-government has not been prepared to deal with the emergence of numerous "new" actors, mostly from private sector, competing for space. The recent developments indicate the gradual limitation of the prevailing shift of power over space from central and public to private actors.

The new political division of Warsaw brings also a number of dangers. One of these is a great distortion of the balance of potential and power between the central township which accounts for more than two-thirds of the total population of Warsaw, and over ninety per cent of its tax base, and the remaining ten peripheral, mainly residential and partly industrial townships. It is still to be seen whether the new system will be conducive to urban policy being made on the level of the city and of the urban region.

Patterns of Population Development

Since World War II Warsaw has experienced two decades of accelerated growth and two decades of relatively slow growth. The annual rates of population change show a more regular pattern by forming two successive growth cycles with the dividing point around the year 1970 (KORCELLI 1987a).

The war left only 162 thousand out of Warsaw's 1.3 million inhabitants. By the end of the first cycle the city reached its pre-war number of inhabitants, although the population was distributed at much lower densities than before the war (over 446 km² as compared to 123 km² in 1939). During the second cycle, the number of inhabitants of Warsaw increased by some 340 thousand, while 39 km² were added to the city area. The main boundary extension took place in 1951 and involved a three-fold increase in the city area as well as an addition of 156 thousand inhabitants to the population of the city. Subsequently, the townships of Rembertow and Kaweczyn, with a total population of 25 thousand, were annexed to Warsaw in 1957, and the town of Ursus, with its 68 thousand inhabitants, in 1977.

Very high rates of population growth predominated during the 1950s, when the main phase of reconstruction of the city after the widespread war damages took place. It was accompanied by an extensive industrialization program. The 1960s, especially the second part of that decade, were characterized by the so-called deglomeration policies, aiming at deconcentration of some of Warsaw industries to smaller towns within the region, and, at slowing-down of population in-migration to the capital. These policies were relatively successful in achieving their primary goal, as both the industrial employment growth and in-migration fell down visibly during the 1960s. However, the deglomeration policies created a number of adverse secondary

effects, including the ever-large shortage of manpower in the tertiary sector (employment growth controls were still more permeable to the industrial sector), a rapid aging of the population of Warsaw, and a large influx of rural migrants to its peripheral zone.

Economic policies of the 1970s brought about a new wave of industrial investments (expansion of the existing, and siting of a number of new plants) and a large extension of housing construction programs (including the Ursynow project for some 100 thousand inhabitants). These trends were reversed during the crisis decade of the 1980s which witnessed a sharp drop in the volume of dwelling units built, a decrease in in-migration to Warsaw, and a stabilization of the total employment number.

The rates of population change for the region of Warsaw (which is here identified with the capital voivodship - one of 49 administrative regions of Poland), reveal somewhat smaller temporal variability than in the case of the corresponding rates for the city of Warsaw. During periods of rapid population growth (i.e. the 1950s and the 1970s) these rates tend to be higher for the city, while converse is true during the slow-growth periods. This suggests that population concentration on the regional scale has been characteristic of the former, while population deconcentration has prevailed during the latter periods.

Intra-regional population deconcentration during the late 1960s was a product of the deglomeration policies. However, its scale may be overestimated by the official statistics. In-migration control policies have namely produced an underestimation of the population of Warsaw, to which the policies applied. Some of its de facto residents were maintaining their official domicile in smaller, urban and rural communities situated beyond city administrative boundaries. When considering the whole 1950-1990 period, the basic proportions between the city and the rest of the region (i.e. the metropolitan ring) have virtually remained constant. The share of the ring within the total population of the region has decreased nominally, from 0.33 in 1950 to 0.32 in 1990.

Of the two basic components of population change, i.e. migration and natural increase, the former played a more important role during the early 1950s (the highest level of birth rates, 16 per thousand population, was registered in 1955), the early 1960s, as well as during the whole decade of 1970s, and, most recently, the late 1980s. For example, in-migration contributed 72 percent to the population increase in Warsaw in 1978, and 50 percent in 1985. Generally, a gradual contraction of the natural increase has been accompanied by fluctuations of diminishing amplitude, with respect to the migration component (KORCELLI 1987a). Exceptions to these trends were noted during the early 1970s and the early 1980s, when birth rates actually went up. These rates have been declining sharply since 1984; since 1989 the natural increase was negative both in the case of the city of Warsaw and the urban region.

The two phases of Warsaw's rapid population growth, i.e. those of the 1950s and the 1970s, occurred both when in-migration waves coincided with peaks in the rates

of the natural increase. This was a product of a temporal correspondence between spatial policy and national demographic trends, since periods of industrialization-led urban expansion coincided with times of vigorous demographic growth. The early 1980s marked a divergence of the two trends; with high birth rates prevailing until 1984, the number of in-migrants went down precipitously. The two trends converged again in the early 1990s, producing a nearly zero-population growth both in the city and the urban region of Warsaw.

The demographic situation of Warsaw and most of its region can be described as stagnation. The migration pressure on Warsaw, limited during most of the communist period by administrative restrictions, since 1975 has start to decrease. Even lifting the administrative constrains in 1984 has not changed the general tendencies. As a consequence of that, and of the low natural increase, the number of Warsaw's population has been gradually declining. The last increase occurred in 1990, (by 4500 people) and in 1991, for the first time since the Second World War the population of Warsaw has decreased. The phenomenon occurred similarly in the whole region.

One of the feature of the demographic situation is the increasing share of the elderly population. Partly, it is the "natural" process, but together with declining in-migration it could have a negative impact on the economic situation of the region.

The age structure of the population is a prime determinant of the natural population increase, as well as of its mobility potential. Large cities are typically characterized by a high share of young adults. This is an accumulated effect of past migration flows towards urban areas. In the case of the European cities it is also the elderly group that tends to be "overrepresented" among the total population. Warsaw is not an exception to these rules. The age category of 20-59 years accounts for almost 60 percent of its population (59.3 percent in 1985), as compared to 54.6 percent of the total population of Poland, and 53.0 percent of the total urban population of Poland. Similarly, the share of the elderly category, i.e. 60 years and above, is considerably higher in Warsaw than in Poland as a whole (POTRYKOWSKA 1992, 1993).

These proportions imply a below-average percentage of children and youth among the population of Warsaw. The share of 24.1 percent of the city's total population falling within the age brackets of 0-19 years (1985), is indeed considerably lower than the national total of 32.0 percent, and also when compared with the respective share for the total urban population of Poland (30.0 percent).

Thus, one may conclude, the process of population aging is quite noticeable in the case of Warsaw, despite its substantial in-migration gains during the past decades.

The Socio-Spatial Polarisation

The increase in social differentiation is one of the most frequently described phenomenon of the market transformation not only in the case of Warsaw but in all former communist countries.

The formation of the social structure of the city - the new social groups including the new middle class - is the result of privatisation and the development of the private sector. The increase of the self employed and diminution of the working class group are two opposite social tendencies.

The widening of the poverty strata in Warsaw has been very evident. The large share of people employed in the administration or dependent on the state budget is generally poorly paid. Warsaw became slowly very expensive to live for an increasing share of citizens. They still can survive having often a niche in the informal sector of economy. This phenomenon contributes substantially to the increase of social polarisation which has its impact on spatial segregation.

The quickest formation of a new socio- spatial structure occurred in the central part of the city. The new elite enclaves are formed in redeveloped areas inside or next to deteriorating neighborhoods inhabited by the poor and elderly. The increasing scale of social and wealth contrasts in spatial proximity creates a sort of dual city where the poor and the rich will live in the same areas. However, they use a different space: luxury shops versus street bazaars; public transport versus private cars; different places of work and services.

For several years, together with the lifting of administrative restriction for settlement, Warsaw became an open city, but has remained economically closed. For numerous citizens it is too expensive to live in; there is no chance to move due to shortage of housing and unemployment. The new poor immigrants are marginalised and restricted to poorly paid jobs and poor housing in emerging slum areas. Parallel to this, the inflow of wealthy population additionally creates a new polarisation.

The contemporary situation of Warsaw has been inherited from the previous system. It is the result of an imposed ideology, different cultural traditions and an accumulated outcome of underdevelopment. The existence of false priorities in economic policy under communism (for example the forced and extensive industrialisation of the city and the region) should be stressed. As a result of this there is a concentration of numerous disproportion in the development of Warsaw, which can only be overcome in a longer time period. However, some components of the former structure will now work in favour of future development (for example the dispersed development and existence of extensive green areas).

Changes in Employment Structure

Political change that occurred in 1989 initiated a transition of ownership and organizational structure of the national economy. Evolution of the sectoral

composition of employment represents the most widely accepted measure of economic structural change. Nevertheless, many employment indicators refer to social and demographic change, to such matters as activity rates, female

labour participation, mean age of entry into the labour market, the share of the "labour-force", i.e. 20-59 years category within the total population.

The total employment in the region of Warsaw (the capital voivodship) reached a peak in 1975-1977, when it exceeded one million. Since then employment in the socialized sector has been decreasing, first rather slowly until 1988, and then quite dramatically. The private sector employment has been increasing, although not rapidly enough to compensate for the total loss. Unemployment became a noticeable category in 1990.

At the end of 1993 the public sector accounts for 60.7% of the total employment in the region. The share of the private sector employment has been increasing steadily, although these developments are not fully reflected in the available statistics.

The decrease in the total employment in the region of Warsaw since the late 1970s has been accompanied by a steady, albeit slow increase in the number of inhabitants. The divergence between the two trends is explained by the evolution of the population age composition (higher percentage of children in particular), as well as a decrease in activity rates. The latter phenomenon was partly caused by the introduction of paid child-care leaves and early retirement schemes at the beginning of the 1980s.

In a quasi-socialist economy, a large share of industry in the total employment was considered as sign of economic viability, and an indicator of a relatively high purchasing power of the local population. In the period of transition to a market economy, the oversized industry came to be regarded as a liability rather than an asset, a potential source of local unemployment, and perhaps of social unrest. This applies in particular to situations when large industrial plants dominate the local economy. Warsaw's position in this respect can be evaluated as intermediate. Being big in numerical terms (some 200 thousand employees in 1991), its industry constitutes only about a quarter of the total employment, which is a smaller proportion than in other large cities in Poland, and in some other European capitals as well.

Over the next few years the employment in industry in the Warsaw region will probably be subject to further contraction. The important economic challenge, specific not only for Warsaw, is caused by the decline of industrial production in the state sector. Warsaw has a unique position in this respect compared to other regions of Poland, for it has zero growth or even a small increase. Employment however, has been substantially diminishing for several years and particularly since 1989.

The reduction of industrial jobs and increased efficiency of industry in the city have brought an improvement in the ecological situation. Industry, however, remains important for the city and national economy. It needs modernisation in order to be competitive under conditions of market economy.

Industry in Warsaw has a bigger chance than in other region. Most important factor is the existence of large local market, skilled labour together with relatively better access to modern science and technologies. The basic problem is the lack of capital. Because the chances for modernisation are evident, the position of industry in the city's economy will be probably re-established, though on a lower level than before.

In the Warsaw voivodship the influence of the private sector was - even under communist regime - relatively strong. In the late seventies it represents over 5% of employment and in late eighties jumped to over 20%. Additionally, very intensive and commercialized suburban agriculture causing that private enterprising attitude was present and had tradition in the region, even though it was constrained to marginal branches of the economy. The removal of these constrains resulted in the mushroom-like increase of the private activity which still lasts.

Foreign Firms: Privatization Process

There are several forms in which private, including foreign capital enters the region's economy. One of those are direct capital investments in the existing enterprises, in either by purchasing shares or by establishing joint ventures. Among all sectors, private firms accounted for 87 percent of the total

(10268 out of 11734) number in the region in 1991; 714 firms are wholly or partly based upon foreign capital.

The ownership transformation was the biggest economic phenomenon. The number of economic units in private sector in Warsaw jumped between 1991 - 1994 from 32 thousand to over 141 thousand, and the share of employment in June 1994 reached over 44 percent.

As mentioned earlier, the level of unemployment in the region of Warsaw has so far been rather low. In fact, there is a continuous labour shortage in lower paying categories of manual occupations. Whatever unemployment exists, it pertains primarily to semi-skilled clerical jobs. The labour market is highly segmented, with certain skills, such as law and business administration being at premium, especially when accompanied by the knowledge of English or German. Income disparities between the state-owned and private enterprises still persist, although in some sub-sectors they tend to flatten.

Since industry is expected to lay off more workers (as well as clerical personnel) in 1995-1996, the total unemployment in the region may rise in the near future. It might, however, be absorbed by the now rather slim construction sector. At this point further speculations have to refer to national economic prospects and policies. In any case, the region of Warsaw is expected to undergo a more rapid transition to market economy than Poland as a whole.

The Unemployment

On a regional scale, the unemployment pattern is an indication of spatial polarisation. Relatively good situation on the labour market in Warsaw has no direct impact on the surrounding voivodships, particularly not on the northern sector. In Poland Warsaw and its voivodship is one of the regions less affected by unemployment. In August 1993 the unemployment figure for Warsaw was 5.8%, when the national figure was 15.4%. For March 1994 the corresponding figures were 6.6% and 16.0%. Warsaw and the surrounding townships have relatively low unemployment rates. In the adjacent townships the unemployment rate increases to the 7.0% and 9.0% while in the neighboring voivodship in the north it reaches over 20.0%.

In Warsaw the majority of unemployed are manual workers with basic or only vocational education. The increasing share of young unemployed and people permanently (more than one year) without employment could create more serious problems of poverty.

Warsaw Versus Other Large Cities in Poland and East-Central Europe

Warsaw occupies the top hierarchical level in the Polish urban system, but its primacy is smaller than of many other European capitals. The second tier in the urban hierarchy is represented by five cities: Łódź, Cracow, Gdańsk, Poznań, and Wrocław, the combined population of which is more than twice as large as that of Warsaw. Also, the Upper Silesian conurbation, with its main centre of Katowice is a larger and more populous (3.5 million inhabitants) urban area when compared with the region of Warsaw.

Therefore, it is no wonder that with the advent of democracy and decentralized economic decision making, the major regional centres may express their aspirations to intercept some of the capital functions if not to supersede the dominant position of Warsaw. This applies in particular to Gdańsk which sees its future role as that of a political, trade, and financial centre of national and international (especially with respect to the Baltic region) importance, and to Cracow which emphasizes its ascendancy over Warsaw in the domain of cultural heritage, public life, and the quality of scientific institutions. Conversely, public leaders in Poznań and Katowice attach more importance to the future role of these cities within the respective regions (Greater Poland, Upper Silesia), especially as the new administrative reform, planned for the late 1990s, create a smaller number of large voivodships, empowered with regional self- government.

The lifting of the political and economic barriers in international context created the new challenge for Warsaw - the competition for a place in the emerging urban hierarchy of Europe. The outcome of this competition will determine the chance of Warsaw for prosperous development at the beginning of the next century. Also

important is the question about the role of the national capital: will Warsaw continue to be the most important centre on a regional and national scale?, will its central position gain strength, and will it tend to take on a new meaning in the near future?

A gradual decline in the role of Warsaw on the national scale is also possible an outcome. Warsaw is located in one of the underdeveloped regions of Poland, so one of the basic conditions for Warsaw's development in the future is the reduction of existing economic imbalance between the city and the surrounding region. Warsaw, as a big economic centre and a capital, has substantial influence on the diffusion of the modernisation process in the eastern part of the country. This influence has substantially increased due to the quick development of the private sector. However, the spatial concentration of some economic activities may also contribute to the increase of regional disparities.

The future integration of the settlement system of Poland and of Warsaw with the West European system is inevitable. Analyzing, however the relationship between former communist cities and Western European cities, one can see that the former cities may fulfil lower order functions (for example Bratislava as a suburb of Vienna). A similar situation could developed in case of Poznań, Szczecin and Wrocław in relation to Berlin. European integration, and decentralisation of national administration, will lead to the establishment of new links. For example Gdańsk may become a partner of Copenhagen; Wrocław a partner of Prague; Cracow will establish closer ties with Vienna and Budapest. So the challenge for Warsaw and for regional policy of Poland is to organize the city more attractive for other big Polish cities. An alternative future for Warsaw, is that it becomes only a "capital" of eastern Poland.

The expectations held by regional leaders as to the future expansion of their main urban centres at the cost of the national capital, may however be ill-founded. Warsaw holds a number of assets vis-à-vis other major cities of Poland. These include, among others : 1) more balanced economic base and employment structure; 2) the location on the main European West-East transportation axis; 3) the only full-scale international airport, with a modern terminal in operation since late 1992 ; the first Euro-City train connections (to Berlin, Vienna and Prague). 4) more vacant land suitable for commercial and residential use at relatively close distance from the city centre; 5) larger field of potential migration, extending over the still predominantly rural, eastern part of Poland.

Also, the improvement of Warsaw's international images is the constant challenge for now and the near future. This could attract direct foreign investments and create opportunity for economic growth.

The factors listed above give the capital city a comparative advantage over the regional centres in the process of competition for new activities. The latter may represent a variety of functions, including:

Firstly, the production and distribution of information, including that of political and scientific character. After the Second World War it was London, Paris or Munich where a number of independent Polish institutions and publishers found their home.

Warsaw, and to a certain extent Cracow are now regaining some of the cultural functions they could not perform before 1989.

Secondly, the decision-making functions that used to rest in the domain of Moscow, as in the case of COMECON and the Warsaw Pact. Thus Warsaw is regaining some of the attributes of the first-order national capital, although skeptics point out that, these may soon be lost again, in this case to Brussels.

In order to realize its potential for future growth, several critical barriers to Warsaw's development have to be overcome rather soon. One of these obstacles is of political nature and relates to the city fragmentation. Under current territorial division, as well as the division of power, it is very difficult to reach consensus matching the interests of each of the eleven townships of which the city of Warsaw is composed, with the interests of the city, and of the urban region as a whole.

Interrelated with the previous issue is the urgent need to plan for the revitalization of the downtown area, so that it becomes an attractive location for private and public investments, both domestic and foreign. Another crucial barrier is the current state of the underground technical infrastructure, in particular the central heating system. Also, any increase in the volume of traffic is almost unthinkable without the completion of at least the first metro line (due to put in operation early 1995), connecting residential districts in the south with the city centre. Finally, the current, very low niveau and high cost of residential construction precludes the development of a housing market in Warsaw that would allow for the adjustment of housing consumption patterns to both housing needs and income levels, as well as for immigration of persons with skills demanded on the local labour market.

The city and the region need effective strategies of development to adapt to the new economic and political situation. Unfortunately, there is a lack of a widely accepted vision for the continued development and evolution of the city. There is no clear idea of what to do with the city, and no explicit urban policies have been formed.

We can however observe an evolution and creation of a new type of the city. Whether Warsaw become a "Capitalist City" is the question of the future.

Warsaw starts to release itself from the principal features of the "Socialist City" (WECLAWOWICZ 1993). The most important trends are listed as follow (WECLAWOWICZ 1993, 1994): - the return of the importance of land rent and the increased number of actors competing for space,

- the return of self-government; the shift of absolute control over space from central to local,

- the increase of social and spatial differentiation and changing the rules of spatial allocation of people from the political criterion to the economic one,

- the transformation of employment structure from the domination of industry to the domination of service sector,

- the substantial transformation of urban landscape and architecture,

- the transformation of values and symbols mostly by replacing numerous politically symbolic names and functions with other functions and recently viable symbols.

Those phenomenon are not unique for Warsaw, nor for the most recent transformations. For example, the evolution of the labour market in Warsaw and privatisation had started already before 1989. The socio-spatial polarisation did exist under communism; and national, Catholic values and symbols were present all the time in the urban space. Also, the demographic trends have a much longer term character.

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