

CITY AFTER TRANSFORMATION IN POLAND

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Introduction

The special issue is the de-industrialisation process, which is related to the political change, economic decline. After 1989 majority of the big state-owned companies were liquidated. Poland's industries have been undergoing massive restructuring for some years. The restructuring of traditional sectors is accompanied by necessary ownership changes, which makes the process more difficult. The feature of restructuring of the economy was its asymmetry with the dominance of job losses over job creation. New jobs have been created mainly in the private sector and services. Without work creation in other sectors to compensate for the job decline in industry it has negative effects such as a dramatic growth in unemployment.

The growth of social disparities is the most visible social phenomenon related to economic transformation in post-socialist countries. The economic transformation has shared unequally regions, cities and also social groups within cities. The unemployment is the most crucial problem in Polish cities, which the rate raised from zero in 1989 to 14,9% in 2006. This is the main factor, which causes the growth in levels of poverty and social exclusion.

Evidently the poverty area has existed all the time in urban space even under communism. However the poverty has been partly the hidden phenomenon. All people had guaranteed employment and regular pensions from the state in the communist period. Besides there were persons living in poverty. Nevertheless the group of poor has been marginal. Thus the state has been able to deal with them. Currently those who have been poor tend toward to be "the new poor". The new poverty areas have appeared beside already existing poverty areas. The poverty involves unemployed, unskilled workers, rural population and even part of the lower level intelligentsia. Among the jobless the dominant group are the long term unemployed (*Węclawowicz, 2006*).

The poverty has grown among those who have been already poor. But the economic changes have also pushed many other people into poverty. There is mismatch between various definitions of poverty and these who live in very low quality housing. These people are part of group so called "the new poor" as well. Their incomes have declined to the point where they cannot afford to meet daily needs but they often live in housing of adequate quality. Unlike "the old poor", "the new poor" do not live in easily recognizable neighbourhoods or enclaves. They can be

found in any neighbourhood or apartment block. This issue is very common in any parts of world like for instance South America as well (*Minujin*, 1995).

Therefore the housing is social problem too. Intra-urban differentiation in housing quality is growing during the transformation period. On the one hand it is due to lack of rehabilitation of "old" public buildings. On the other hand it is due to improvement of quality of estates, which were built after 1990. The rent has increased in dwellings and the state subsidies have decreased because of the rent reform. Another problem is the lack of clear legislation. Also shortage of a model of good practice for cooperation between private and public sector. Consequently many households are in arrears with rent (*Węclawowicz*, 2005).

Poverty as evident social problem

So-called "real existing socialism" has contributed to an image of Poland as a country devoid of such social problems as poverty, social inequality. The aims of the Communism has included bringing social injustice to an end, removing inequalities in society, and promoting upward mobility among the lower classes too.

At present the poverty can be seen everywhere. It became visible phenomenon in public places. So the homeless occupying railway stations and the number of beggars increasing as well. The elderly roaming the streets trying to find anything usable in trash containers (*Tarkowska*, 1999).

There are many approaches to defining and identifying poverty in the literature. The author of this paper refers to recipients of social assistance because the public support establishes poverty as a social phenomenon of exclusion. Only individuals assisted by special assistance programmes are considered the poor. However identification of the poor with social assistance has some strong limitations. The problem of using this method is connected with the difficulty of comparisons over time due to reforms in social assistance systems. The income threshold entitling to social assistance allowances has been explicitly defined in the law on social assistance since 1996.

Poverty was often related to family dysfunction, serious illness and old age in the communism period. Poverty has not appeared among employees, which have guaranteed subsistence, however modest and uniform. Certain social groups have appeared to be disproportionately affected soon after the emergence of open unemployment in Poland. They included young people, unskilled workers and residents of small towns and villages. The problem of youth unemployment is more intensive in Poland because the labour supply inflows are very high. Generally the young is the segment most exposed to the risk of unemployment. Women are the second group strongly affected by unemployment, in spite of their higher level of education. These people can live working in a niche in the informal sector of the

economy. The poverty contributes substantially to a growth in spatial polarisation and has impact on spatial segregation (*Węclawowicz, 2004*).

Social problems remain related to the structural backwardness of the economy in Poland. The restructuring process of the economy has intensified in the second half of the 1990s. It has brought many difficulties in living conditions, especially for these groups most strongly hit by the changes. A large number of threats, potentially affecting young people, emerged on the labour market at the same time.

Polish poverty is characterised by different features. The first one is connected with the lack of jobs. Also it is the most important challenge facing economic and social policy. The second feature results from the lack of effectively operating social policy towards families with children. The third trait is formed by marginalised individuals and groups. This requires plenty of work to bring them back into work and social life (*Beblo–Golinowska et al. 2002*).

The case of Radom

Urban population is vulnerable to market conditions. This is the main reason why, as a group, they have been hit by the process of transformation. The labour status is the crucial factor for explaining social problems in a city (*Amis, 1995*).

Radom is special case. Forces of communism have slowed economic growth down the city. The revolutionary labour class has concentrated in Radom. Therefore the riots have taken place there in 1970s and 1980s. Consistently the city has been punished by communist authority. Radom is located in the Mazovia Region. The city has around 230,000 inhabitants. It has been a typical industrial city. Currently Radom suffering the effects of closure of state plants. The city has been the poorest city in the category of big cities (larger than 200,000 inhabitants) during the post-war period.

The high rate of unemployment is continued from the first years of transformation. Thus development of the city is the particularly worrying. The official unemployment rate have attained 25.3% in November 2006 (11.8% in Mazovia Region and for the country as a whole 14,8%). High unemployment entails many negative social phenomena such as poverty, homelessness, crime, violence, and social tensions. The dominant group among the jobless are the long-term unemployed, who have lost entitlement to unemployment allowance (around 83.8% of all unemployed have not any allowance entitlement). Persons, which are out of work for more than 12 months, make up 71% of the unemployed. The low level of education is characteristic of the unemployed. Also the lack of qualifications makes finding work more difficult.

The pauperisation of city inhabitants causes increasing of social problems. A lot of people cannot manage basic needs and daily problems. Therefore the number of

customers of the Municipal Social Assistance Centre has increased regularly. The main title to assistance is due to unemployment (71.1% of the people receiving aid).

The number of people receiving benefits has amounted to 29,921 persons or close to 13% of the city population in 2005. All the time the demand for social assistance allowances is very high in Radom. The size of social assistance has grown steadily between 1998 and 2006. The legislative changes have shifted some of the allowances from the social assistance to the system of family benefits in 2004. Therefore the number of social assistance benefits has declined by more than 1700 persons or some 14% in 2004 (Wóycicka, 2004). As a result the areas of poverty have appeared in the inner-city (Figure 1).

Figure 1

Poor areas in Radom



Source: Węclawowicz, 2001.

Conclusion

The crucial issue is increase of social problems during the market transformation. The changes on the labour market have brought the drastic growth in poverty, primarily because of joblessness. So the high unemployment is the result of restructuring processes in state-owned enterprises. The losers can be classified into “the old poor” or “the new poor”. The poverty have concerned almost all social class. Thus the unemployed, some unskilled workers, and the elderly people live in poverty. There are two reasons for poverty: namely, system error or personality trait. The first reason especially influences the elderly. Whereas the second one influences the unemployed and underpaid employees.

Cities have become too expensive to live for many people. This situation contributes to a growth in social polarisation. It brings about creation of poverty areas. Currently socio-spatial structure of the city is not only the result of the last years. But it is an effect of the communism period as well. On one hand economic changes have brought out existing areas of poverty in the inner city. On the other hand the new areas of poverty are forming in the urban periphery (Węclawowicz, 2001).

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