The Image of Contemporary Polish SEZ – Spatial Aspects on the Selected Medium-Sized Cities

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Abstract. The genesis of the article is an attempt to present a contemporary image of the Polish Special Economic Zones in the selected aspects. The topics presented in this publication are aimed at highlighting the complexity of interactions that are observed in the field of privileged areas, how special economic zones have influenced and continue to affect changes in the Polish economy, labour market, social processes and spatial transformation of the cities and regions. The interdisciplinary nature of the article is a multi-directional attempt to highlight issues related to the functioning of SEZ in Poland. As a result of the analysis of various studies, the publication presents both positive and negative aspects of these zones, an objective summary that covers almost a quarter of a century of the existence of SEZ on the territory of Poland. Currently, SEZ have become one of the symbols of the Polish systemic transformation. They are not at the centre of our attention and yet have a significant impact on the Polish manufacturing industry. SEZ is also another form of the structure and a change of the existing configuration of industrial areas in the cities. The strategic task of the special economic zones was to introduce modern production plants with new production technologies to the Polish reality of the early nineties of the last century, and to change the quality of work, increasing its efficiency. Contemporary urban and suburban space undergoes transformation, changing the purpose of old buildings and establishing new ones, enforcing reconstruction of the existing transport systems, and directing workforce to new routes. It is also a new standard of work space organization: on the one hand, it is based on an old type production system, and on the other, it is closed and isolated. On its site, there are completely different rules and laws, including both tax reliefs for investors and the suspension of employee rights. The author looks at the selected regions of the cities, in which they are located, like Mielec, Świdnica, Oława, Dzierżoniów, Polkowice, Niepołomice or Legnica. The analysis covers both the regional dimension as well as the geographical and human one, on the local scale, referring to the spatial and social conditions.

1. Introduction
An attempt to elucidate the issues related to the functioning of SEZ in Poland in a multi-directional manner is the result of analyses of elaborations of various aspects of the impact of zones, such as space, economy or the labour market. The publication presents both positive and negative aspects that were observed as a result of these studies. This is an attempt to summarize covering almost a quarter century of the SEZ existence on the territory of Poland.

Special economic zones appeared in Poland as well as in other countries of the former Eastern Bloc along with systemic information. After withdrawing from the centrally planned economy and switching
to free market rules, the main selling markets in the countries of the bloc failed and problems that were unknown before appeared, such as related to unemployment, affecting whole areas of the country in a structural manner. This applied particularly to the heavily industrialized areas and large state-owned farms. In the original assumptions, the zones were to solve problems by attracting foreign investors. Thanks to this, they were to create jobs, introduce modern production technologies. Impact the unemployment and reduce the number of people living off social assistance and contribute to the development of areas, where zones were located. The creation of zones was related to legal regulations, the legislator predicted that Special Economic Zones in Poland will function for 25 years. During this quarter of a century, they have permanently embedded in the Polish landscape, and the latest economic policy concepts are even based on the role of the Special Economic Zones, which is expected to increase further on.

In the Responsible Development Strategy, adopted on February 14, 2017, the socially sensitive development, the increased use of human capital in the labour market, economy based on innovation and poverty reduction were to be one of the three main goals. In September 2017, the then Deputy Prime Minister Mateusz Morawiecki (current Prime Minister of the government) at the Economic Forum in Krynica announced that special rules operating so far in territorially separated economic zones are to be extended to the entire territory of Poland, and the special zones themselves are to become the basic idea for growth and economic development.

In the context of these activities, the view of zones as a part of shaping the labour market, economic and spatial aspects in Poland becomes particularly important. The emergence of a zone in a given area causes them to grow into economic, occupational and spatial structure of the terrain. They affect changes in social and economic life and the image of the space, in which they are located. The zones have a special impact on the labour market, which is the subject of research that is still not sufficiently explored by researchers. In view of the new government’s policy towards the zones, this requires looking at these elements, especially from the perspective of further impact on social relations and labour relations.

2. Special Economic Zones – the idea of creating
The genesis the concept of special economic zones dates back to the 1950s. It was connected with the observation that economic development in the Western European countries was not even at that time, and problems with “old” industries, such as energy, appeared. The crystallization of the concept of closed economic enclaves in the economic policy of states is a phenomenon known since the 1970s. In this respect, different names have been used, such as the Free Trade Zone, Export Processing Free Zone, Free Export Zone, and finally, the Special Economic Zone [1].

The problems that had to be solved at the time related to the liquidation of unemployment, meeting competition, boosting economic development, the energy crisis at the time, and the restructuring of declining industries. The Great Britain and the Federal Republic of Germany faced the problem of restructuring entire sectors, some regions in other European countries required equal development opportunities (Italy), similarly, the poorly developed countries that wanted to join the highly developed countries. The intervention of the state was the only way, referring to the tradition of support through business facilities. This way, as Radosław Pastusiak [2] writes, special economic zones in two decades (sixties and seventies) have entered the economic landscape of all continents. However, this process did not include the countries of the Eastern Bloc. This changed after 1989, with the transformation, when the governments of the former Eastern Bloc countries sought to transform the centrally planned economy into a market one, and to this end, they imitated this solution [2]. Special Economic Zones in Poland are therefore separate areas in which different economic conditions have been defined than in the general economy of the country, or economic enclaves with different conditions, in which enterprises operate (mainly with foreign capital) conducting export production, benefiting from tax and financial privileges offered by the state [2].
3. The formation of Special Economic Zones in Poland.

In 1993, work was initiated on the law on the establishment of privileged areas in Poland, which will promote innovative industry and the development of new technologies in areas of economic decline. On October 20, 1994, the Seym of the Republic of Poland approved the Act on Special Economic Zones. Moreover, regulations of the Council of Ministers on the creation of individual zones, regulations of the zones themselves and development plans are also the basis for their creation.

Areas particularly eligible for such aid are primarily old industrial districts requiring deep restructuring (Upper Silesia Industrial District, Lodz, Sudetes and Old-Polish Industrial Regions), towns with industrial monoculture (e.g. Mielec, Walbrzych, Łódź), agricultural areas dominated by former PGRs (State Agricultural Farms) (the former provinces of Elblag, Koszalin, Olsztyn, Slupsk and Suwalki), areas threatened by recession and social degradation [3].

Currently, there are fourteen of them, which comprise a total of 282 subzones. In political discourse, ideas for further expansion of zones appear as opportunities for economic development, while critical analyses of their activities are very rare. One of such criticisms is represented by the research of Femtank reported here.

Special economic zones are enclaves in which Polish and foreign companies undertake activities that are exempt from taxes and other benefits, such as non-returnable subsidies, the possibility of buying land at a lower cost. They have a guaranteed area for construction of factories, sometimes they can use ready-made factory halls or the possibility of using buildings in old industrial centres. The costs related to the functioning of zones are borne in a large part by municipalities: the costs of developing the road infrastructure, water, sewage and electricity infrastructure, sometimes also the development of the public transport network is included. The production activity of zones is by definition temporary, although they temporarily unload the problems, especially of the local unemployment, they do not fit into the map of local business permanently – or at least until recently it was considered so. The periodic nature of the operation of the plants caused large fluctuations in the structure of the labour market and the lack of stability of employment. Uncertainty of income, high turnover of employees in workplaces destabilized the local market and the possibility of creating social policy.

Due to the amendment of the Act on Special Economic Zones, extending the period of their operation of the zones by 2026, the number of investors interested in investing capital in the zones increased. This will allow to fully utilize tax exemptions and raise the increase of investment outlays in all economic zones. This is particularly true for companies that, due to the global economic and financial crisis, could not develop enough for the benefits to exceed their investment costs in the zones. The validity period of the permits will vary depending on the regions. In practice, this means that in the so-called “Eastern wall” regions, the investor would obtain a permit to operate for a period of 20 years, while in other regions this period will amount to 15 years. The preferential support for the regions of Eastern Poland is aimed at overcoming the economic and social delay in these areas and the elimination of disproportions in the level of regional development in Poland. At the same time, it is consistent with the European Union’s cohesion policy, supporting the development of backward regions [4].
Figure 1. Intensity of the distribution of special economic zones in Poland by voivodeships, Source: Special Economic Zones in Poland – a flywheel of foreign investments, Economic news of the Treasury, [5]

4. The spatial-compositional conditions of the SEZ and the impact on the structure of medium-sized cities – the analysis of the selected examples.

Special Economic zones in Poland are an unquestionable example of a program that has resulted in reconstruction in many urban centres. The changes that have emerged in the more than 25 years of functioning of the privileged areas in our country concern many issues. These studies focused, in particular, on the spatial aspects of the functioning of SEZs in urban areas. How they affect cities and suburban areas, what are the links between the city and SEZ, and what roles they play in space and how they fit into the structure of urban areas. Currently, there are fourteen Special Economic Zones in Poland. They are located throughout the country in various saturation. Due to a very large research area, an initial characterization of cities and the intensity of SEZ impact on urbanized areas was carried out. As a result of the analysis of the location of special economic zones along with their sub-zones, it can be stated that southern Poland is definitely more intensely filled with this type of areas.

The reconstruction of urban areas in which SEZ are located is associated with the globalization processes of European cities. Polish cities are part of the national heritage on a European scale. The “Leipzig Charter for sustainable development of European cities”1 is an up-to-date document that outlines the main principles and assumptions of the European urban policy. It contains a catalogue of

1 The Leipzig Charter adopted in Leipzig on May 24-25, 2007 on the occasion of informal ministers on urban development and territorial cohesion.
the proportions of solutions that form the basis of the contemporary understanding of urban policy. The document declares that European cities are engines of socio-economic development, but at the same time are places of unique value. The above-mentioned document pays great attention to the quality of public spaces as one of the factors of city development. It promotes the development of collective and alternative transport, which is an element necessary to protect the environment of cities and its surroundings.

The Leipzig Charter pays special attention to shaping the compact settlement structure of the city and revitalization of degraded post-industrial areas, areas neglected in order to use their economic potential. On the basis of this document, dedicated programs aimed at strengthening the role of cities as well as the EU and national documents defining the principles of urban policy were created. The main goals of spatial policy in the assumptions of national urban policy in 2020 are:

- increasing the competitiveness of major urban centres and their functional integration
- improving internal cohesion, promoting the functional integration, creating the conditions for using the internal potential
- shaping the spatial structure that supports the achievements and maintenance of high quality of the natural environment and the removal of development barriers
- restoration and consolidation of spatial order
- using the potential of cities in regional development processes and removing development barriers

The aspect of the impact and effects of urban development as a result of the functioning of the privileged areas in their structure has been analysed based on the above-mentioned assumptions. In the original assumptions of the Act on Special Economic Zones in Poland, this instrument was to support the reconstruction of the degraded areas and those affected by the economic downturn, [6]. Unfortunately, as a result of the ages of subsequent amendments to the Act, there has been a significant multiplication of areas visible in this space of functioning. This was caused by the internal competition between the zones and the development of areas of high attractiveness.

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2 Documents of the European Union – Europe 2020 Strategy – a vision of a market economy for the XXI century Europe. Expressed in 3 priorities
- development of intelligence
- balance
- favourable social changes

3 National documents:
- National Development Strategy 2020 – defines the strategic goals of the country’s development
- National Strategy of Regional Development 2010-2020: Regions, Cities, Rural Areas, supporting City Centres
- Concept of Spatial Development of the Country 2030 – directions of transformations of the settlement system and functional connections of small towns
- Regional Documents – a development strategy for the Lesser Poland province until 2020 – to effectively use the regional opportunity for potential development
Cities were selected for the survey, which according to the Polish typology are considered to be medium-sized. This is a range based on the population between 10 thousand and 100 thousand of residents. Another factor that was considered decisive for the scope of research was the communication accessibility. Based on this characteristic, the research area has been narrowed down to medium-sized cities located in the A4 motorway access area. Cities in the range from 10 thousand to 100 thousand are the most widely represented cities in Poland and the areas, in which they are most valuable to changes in the urban structure.

The new investments, and areas reserved for the operation of SEZ, have largely changed the landscape of many of them. In many cases, the location of the privileged area was a catalyst for further changes. The transformations of the character of the city and its original function into a new one were observed.
The occurrence of special economic zones in urban systems consists essentially of two solutions, as a single element in the urban structure or several complexes differently located in the area of one city. This is the basic division of the occurrence of SEZ areas in the cities. Depending on the proportion of the surface area of the zone to the city’s surface, it is possible to notice the different impact of social economic zones on the urban structure. The studies carried out indicate that the size and location of the zone and the way it is managed have an impact on the form of the transformation of the spatial structure of the city.

Cities with individual locations constitute the majority of the analysed examples. In this case, we are dealing with three sub-groups. The areas isolated from urban space occur as open areas outside the spatial structure of the city in moderate view relations. Polkowice is an example among such analysed cities. The area of the zone is located outside the city. It is related to the urban system only in terms of communication. Industrial areas are insulated in view of the rest of the city.

The second sub-group includes the areas that are in contact with the city’s structure, in closer or further spatial relations. Among them, Niepolomice and Mielec belong to the group of the studied towns. In both cases, the SEZ areas are a clear and large industrial complex in the city structure. Clear spatial relationships and strong impacts on the communication system, as well as strongly defined scenic relations take place here. Niepolomice are such an example of cities with strong cultural conditions and a high tourist attractiveness. Under the influence of the location of a large area of SEZ in the city and the metropolitan influence of Krakow, the spatial structure of the city has changed significantly. Large volumes of industrial halls and production infrastructure strongly influence the rest of the city. At present, it can be stated that this is an industrial city with medium-quality of public spaces. Niepolomice is a special case where a large Economic Zone is located along with new areas designated for the industry. This area has dominated the entire city with its size and scale. At the same time, it limited the possibility of city development in this direction and the existing conditions constitute a barrier to development in other directions.
The last sub-group in the city with a single zone location refers to the location in which the zone was located in the urban structure or it was rebuilt over time, such a station is located in Legnica. Originally, the location of the zone was isolated from the city structure. As a result of the extension of the housing tissue, the areas between the city and the zone were built up. Legnica is a large city and the zone’s impact is not as strong as in the smaller cities. The establishment of a special economic zone changed the situation of the previously existing industrial spaces within the city.

5. Conclusions
In the difficult time of transformation, SEZs were the only basic instrument for supporting regional development for municipalities threatened with particularly high structural unemployment. The course of the current operation of special economic zones in Poland reveals that despite the novel, original, accurate concept of saving the endangered areas from economic decline, they quickly became the subject of tenders for various interest groups. The constant changes of this instrument of regional development were the effect of purely political actions. The significant drawbacks of the program include the poor quality of space, which is created in medium-sized cities in areas, where the SEZ has been located. Too little attention is paid to the appropriate location of these areas in the city and shaping the space of these areas, as well as the form of facilities found there.

Based on the analysis of the selected examples, two main forms of privileged areas in the form of SEZ in the city’s medium-sized structure were found. When a privileged area is one complex in the city, they are often very large areas located in post-industrial areas or in open areas in close proximity to the industrial areas of the city. The second form of the prevalence of privileged areas as SEZ in the city is the principle of several complexes most often located in various areas of the city. There are both large and small areas. Their location in the city is accidental in nature. Sometimes they appear in the vicinity of industrial and post-industrial areas, but also in areas open to the outside or at some distance from the built-up space. There are few cases of SEZ situated in the post-industrial areas. A common phenomenon is the investors’ reluctance to organize and develop post-industrial and post-military areas. In places where adaptation of post-industrial space takes place, reconstruction and modernization of urbanized tissue can be seen (Mielec).

In most cases, the privileged area was located on the border or some distance from the built-up areas of the city. In the case of the initial location of the zone away from the urban development, currently the rapid development of the areas between the zone and the city can be observed, and even its surrounding with residential buildings.

However, the attempts to locate the industrial areas in the vicinity of complexes of high greenery, both existing and introduced, have been assessed. This way makes the large, monotonous cubic volumes hidden and do not dominate the landscape. As a result of detailed analyses, it turned out that it is rather unintentional, but accidental, because due to the fact that for some private areas no investors have been found so far, they have been afforested.

In the city, the areas located in its immediate vicinity or inside the built-up structure are best accessible. In the case of locations implemented far away from the city, there are inconveniences related to the possibility of quick access to the zone, because it is not always possible to provide easy and direct transport accessibility. Hence, there are still examples of high wheeled transport of downtown spaces.

The biggest changes took place in the smallest cities with proportionately very large zones. Today, the reserves of large areas for housing needs introduced in various planning documents are observed in many cities. This applies in particular to smaller cities, which may also result from the fact that they are located in metropolitan areas, and therefore functioning of other areas of the increased economic activity in their vicinity.

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