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**ECONOMIC AND SOCIAL CONSEQUENCES
OF NATIONAL ECONOMIC RESTRUCTURING
ON EXAMPLES TAKEN FROM MIDDLE POMERANIA**

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INTRODUCTION

Political reforms undertaken in Poland at the beginning of the nineties have become a source of new phenomena in social and economic life, including also some local arrangements. The market transformations ruthlessly disclosed the real value of different resources and skills accumulated in the respective regions in the process of their structural adaptation to conditions of market competition, with a high level of openness of the Polish economy.

The actual development of the transformation process revealed some crisis - ridden economic structures, which for lack of various internal and external factors lead inevitably to economic and social degradation of the regions. But, on the other hand, the market transformations also revealed so called expansive economic structures, which create opportunities for an accelerated regional development on the basis of endogenous factors (Szlachta 1995). This process resulted in a clearly seen regional polarisation. On one hand you can observe a clear decrease of regions of average values similar to the mean national value, but on the other hand, groups of highly developed regions grow larger at their expense (Czyż 1996, Ziolo 1996, Marczyńska-Witczak, Michalski 1996). Reasons for the polarisation can be mostly found in a varied adaptation susceptibility of the regional structures to the conditions of the market economy.

The leaders of the economic transformations are predominantly regions linked with big urban areas, like: Warszawa, Poznań, Kraków, Łódź, Wrocław, Gdańsk or Szczecin, which are marked by relatively rich economic structures and people inclined towards adapting to the new conditions. A group of districts threatened with major economic and social problems rose such as: underdeveloped re-

gions of eastern and northeastern Poland and regions of high levels of unemployment in northern Poland (Koszalin and Słupsk districts).

In light of the presented assumptions, the aim of this study is an attempt to determine the economic and social consequences of economic transformations happening in Middle Pomerania. This means also to enrich the existing work in the area of regional studies with some empirical studies, related to the regional transformation in Poland.

The political reforms undertaken in Poland in the beginning of the nineties predominantly resulted, in Middle Pomerania, in an emergence of new phenomena, like:

- a substantial drop in employment in the national economy, which is linked up with a high level of unemployment, exceeding the average national level
- huge reductions of village people and small town dwellers commuting to work. The commuters accounted for approximately 18% of all employees in towns in 1988. A number of commuters, converted into 1,000 dwellers, was more than 150 people in many communes located in an area influenced by the regional centres, i.e. Koszalin and Słupsk, but also conveniently located along the transportation lines.
- deep transformations in agriculture, especially in the regions, which quite recently had a large share of the state-owned agriculture,
- regress in housing, down to the level of the sixties. A collapse of housing, which has been observed since the end of the eighties, caused a dramatic reduction of flats supplied by the government per 1,000 dwellers, from 5.8 in 1970-1988 down to 2.3 in 1989-1996,
- a clear reduction of people's migrations, including especially village people migrating to urban areas,
- a substantial rate of privatisation of manufacturing and service companies,
- an increased number of economic subjects linked with individual production and service activity, like in industry, trade, building trades and the like,
- a general increase of the dwellers' individual activity.

The economic consequences of these phenomena are many-sided. They can be predominantly seen as a substantial weakening of the role played by these especially small towns, like Kępcice, Bytów, Miastko, Darłowo and alike, as labour markets for the commuters from the villages, but also their functions regarding migrations. They are also a reason for the clear stagnation of numerous towns and a source of a secondary differentiation of their functional structure. Such phenomena can be also observed in other regions, which confirms previous studies performed by Górz and Rajman (1995).

Some group lay-off carried out in the initial phase of the transformation covered the village commuters in the first place. This was the main cause for an increased number of people formally bound with farming and revealed suddenly the existence of substantial latent unemployment in the country. And because of that many country regions found themselves in a major economic depression. However, the mentioned phenomena substantially revived individual activity of the town and

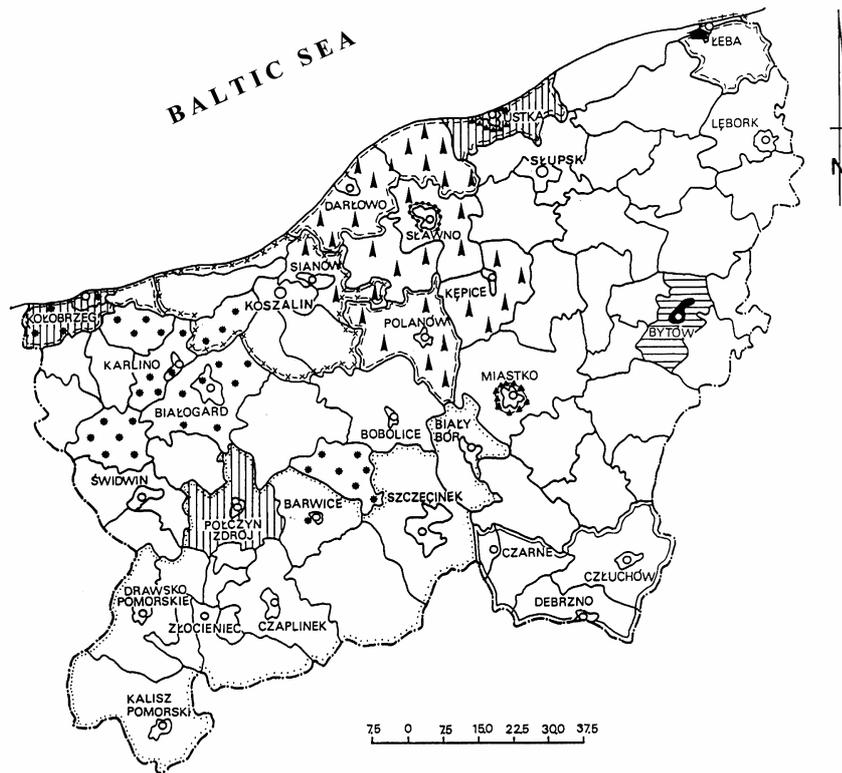
village dwellers, especially seen in business activity, sewerage and municipal services, and they initiated various forms of co-operation between people and institutions at the local level in the form of manufacturing and service ventures and town and commune unions established for specific reasons. Several good examples can be more and more active, on a translocal and even transregional level, unions of towns and communes (Fig. 1), like: The Union of Baltic Sea Towns, the main objective of which is to create a common economic and cultural policy based on an ecological development, utilising their attributes due to their coastal location. An association called the Association of Coastal Towns and Communes was initiated to fulfil Eugeniusz Kwiatkowski idea (Eugeniusz Kwiatkowski's - Deputy Prime Minister, Industry and Trade Minister, Minister of Treasury in Poland before World War II, and between 1945 and 1947 appointed the Government's plenipotentiary for the Restoration of the Coastal Regions, being responsible for the development of the potential of our sea economy, elaboration of the means to revive economic activity of the coastal regions' dwellers, especially and the development of industry based on traditional and local raw materials).

A new local initiative, related to the implementation of the local self-government principle, has been the dwellers' pursuit of the establishment of unions of several communes, for example The Union of Middle Pomeranian Communes, The Association of Drawsko Lake District Communes, The Association of Paręta Basin Towns and Communes, Association of Wieprza Towns and Communes. The objectives of these associations are generally to handle the waste-water and sewage problems and to take up joint undertakings regarding water, earth, air and landscape pollution. The Unions have also been involved actively in the promotion of farm tourism and the preparation of hiking trails.

MAIN TENDENCIES AND CONSEQUENCES OF ECONOMIC TRANSFORMATION

Among many transformations, which occurred in the economy and society as a result of the political transformation and conversion to market economy rules, changes to the labour market were especially strong.

Three fundamental directions of economic reforms have influenced employment processes in recent years. Firstly, there were the reforms creating a basis of the market mechanism, by replacing central management. Secondly, the reforms covered the development of economic policy rules, which mainly consisted in identification of some regularities of the labour market and correcting the consequences of the market mechanism outside companies. This generally referred to the state's withdrawal from employment and salary management and the introduction of basic salary negotiations, resolving of labour disputes, creation of minimum salaries, adjustment of income taxation to the requirements of the market economy, the creation of the labour market institutional system, the labour exchange, information on the labour market, welfare benefits for the unemployed, etc. And finally the third



-  ASSOCIATION OF THE CITIES AND COMMUNITIES OF THE PARĘTA RIVER BASIN
-  ASSOCIATION OF THE CITIES AND COMMUNITIES OF THE WIEPZA RIVER BASIN
-  ASSOCIATION OF THE COMMUNITIES OF THE SPA RESORT AREAS
-  TURIST ASSOCIATION "KASZUBY"
-  BALTIC ORGANIZATION OF THE PORTS
-  ASSOCIATION OF THE CITIES OF BALTIC
-  UNION OF THE SMALL TOWNS
-  ASSOCIATION OF THE COASTAL CITIES AND COMMUNITIES
-  ASSOCIATION OF THE CITIES AND COMMUNITIES OF THE LAND OF CZŁÓCHÓW
-  POLISH ASSOCIATION "GOTHIC CASTLES"
-  ASSOCIATION OF THE COMMUNITIES OF THE DRAWSKO LAKE DISTRICT
-  ASSOCIATION OF THE CITIES OF POLAND
-  UNION OF THE COMMUNITIES OF CENTRAL POMERANIA

Fig. 1. Commune associations of towns and communes of Middle Pomerania in 1997

direction of reforms was privatisation, which was to positively influence the allocation of resources and their economical management, and then an economical labour management system.

The employment consequences of the economic system reforms, which happened between 1989 and 1997, resulted in a very serious decrease of the number of employed working people by approximately 50,000, which is equivalent to 13.5% (Table 1) in Middle Pomerania. The total number of inhabitants of the said area increased by more than 5.4% during the same period, but the number of inhabitants of working age increased by as many as 9.1%. The population increase of working age was an additional burden on the regional labour markets, i.e. the Koszalin and Słupsk districts.

The numbers regarding a non-migration forecast option up till the year 2010 show that there will still be a relatively high influence of natural movements exerted on the population growth rate (Fig. 2). For the fifteen coming years (1996-2010) the number of inhabitants in this group is going to increase by almost 71,000 (22.5%), including approximately 67,000 inhabitants in the years 1996-2005 in Middle Pomerania. It should be mentioned that the population growth rate of working age is going to be definitely higher in the country, and mainly among the group of exfarmers.

The employment drop, which occurred between 1990 and 1996, related mainly to the class of material production and was around 42,000 people, that means around 24.0% of the total employed in this class in 1990, whereas the number of people employed in activities beyond material production was reduced only by 3.7% (by about 8,000 individuals). You can then assume that the public sector was, in a way, favourable to employment stabilization.

The employment reduction affected all sectors material production. However, in absolute figures the largest drop occurred in farming (39.0%), and then in housing (23.0%) and industry (7.0%).

The employment decrease outside the material production sector covered mainly people working in the areas of physical culture and rest, culture and art and health care.

The transformation process, which has been going on for nine years in the Middle Pomeranian economy now, has caused, similarly to what has happened all over Poland, significant changes in the department and branch structure of employment (Table 2 and Fig. 3). An analysis of the three-sector structure of people working in 1990 and 1996 shows that a number of people working in sector I (farming and forest management) decreased substantially by 9 percentage points. A substantial decrease of the people employed took place in sector II (industry and housing) by 15,000, i.e. by 14.4%, which resulted in an impoverishment of the quite weak extraagricultural labour market in Middle Pomerania.

Generally, the service sector has been playing a more important role (by 9.4 percentage points) in the two districts as far as the structure of the people employed is concerned. This phenomenon should be considered as favourable, as services at the current level constitute a dynamic factor in the development of settlement aran-

Table I

Changes of the employability level of the inhabitants of Middle Pomerania
between 1988-1997

Specification	1988			1997		
	Middle Pomerania	Provinces		Middle Pomerania	Provinces	
		Koszalin	Ślupsk		Koszalin	Ślupsk
Population – total	905 505	498 978	406 527	954 475	525 969	428 506
Productive age population	523 550	291 450	232 100	571 435	317 005	254 430
Productive age population in total population in%	57.0	58.4	57.8	59.9	60.3	59.4
The employed	365 010	202 610	162 400	316 133	172 701	143 432
The employed in total population of productive age in %	69.7	69.5	69.9	55.3	54.4	56.4
The employable among popula- tion in the age of 15 and older in % ^{a/}	69.2	65.8	74.4	58.2	57.9	58.7
men	79.1	74.1	82.7	65.0	64.5	65.5
women	59.8	57.4	64.5	51.9	51.7	52.4
Employability of urban popula- tion in % ^{b/}	64.3	64.9	63.9	56.0	56.1	56.1
men	72.7	72.9	72.4	61.7	61.4	62.2
women	57.0	57.6	56.0	51.0	51.4	50.7
Employability of rural population in %	64.5	64.7	64.2	63.6	62.4	63.2
men	75.8	76.1	75.4	70.0	70.1	69.5
women	54.8	54.3	55.5	53.7	52.5	54.8

a/ the employable population data includes 1995 instead of 1997

b/ the employable per 100 people in the age of 15 and older

The source: Demographic and social-vocational structure of population. Poland. Resources and statistic data NSP 1988. GUS. Warsaw 1990. Statistic annual set of provinces 1991. GUS. Warszawa 1991.

thou. inhabitants

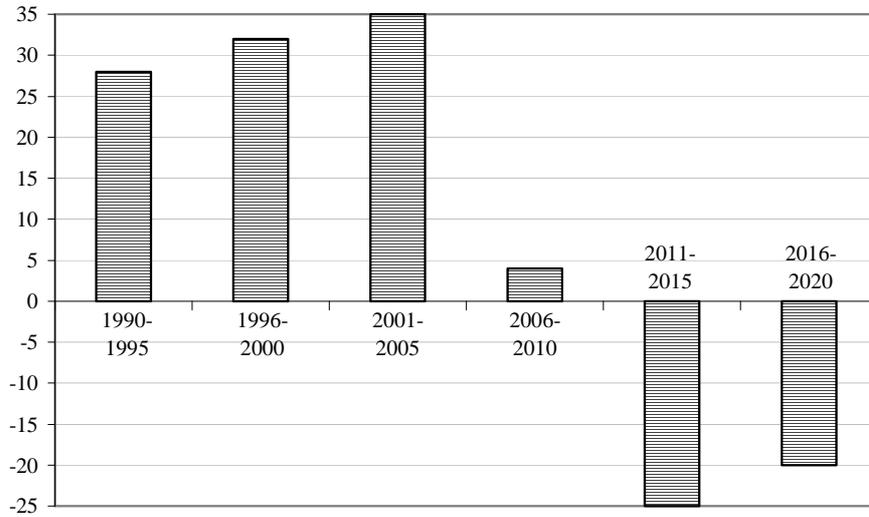


Fig. 2. Increase of population of working age in Middle Pomerania between 1995 and 2020

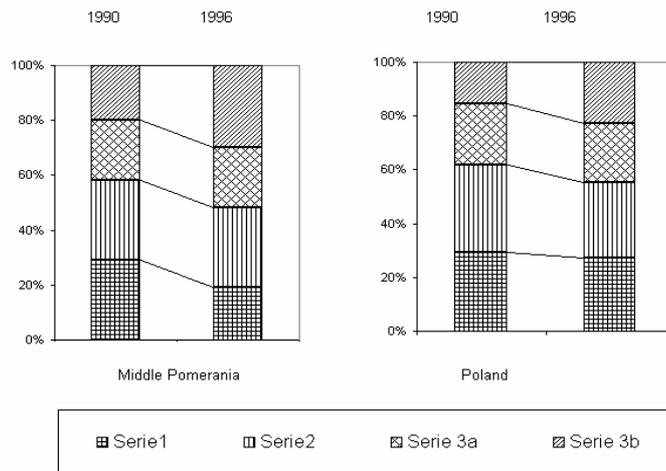


Fig 3. Changes in the employment structure, split into the economic sectors:

1. Sector I - people employed in agriculture, forest management and fishing
2. Sector II - people employed in manufacturing and building industry
3. Sector III – people rendering services: a) material; b) immaterial

Table II

Tendencies of changes in structure of the employed according to economic sectors of the national economy between 1990-1996

Specification	The employed total	Sector I		Sector II		Sector III			
		in absolute numbers	in %	in absolute numbers	in %	in absolute numbers	in %		
Poland	1990	4 844 000	29,4	5 495 100	33,4	6 134 931	37,2	2 608 600	15,8
	1996	4 358 756	28,1	4 286 907	27,7	6 841 775	44,2	3 921 314	25,3
Pomerania	1990	104 590	28,7	103 360	28,3	157 060	43,0	70 820	19,4
	1996	60 957	19,4	88 542	28,2	164 633	52,4	89 120	28,4
Province of Koszalin	1990	56 890	28,0	54 000	26,6	91 720	45,4	43 120	20,7
	1996	31 712	18,5	45 785	26,7	94 134	54,8	49 404	28,8
Province of Shupsk	1990	47 700	29,4	49 360	30,4	65 340	40,2	27 700	17,1
	1996	29 245	20,5	42 757	30,0	70 499	49,5	39 716	27,9

The source: Statistic annual set of provinces 1991. GUS. Warsaw 1991. The employed in the national economy in 1996. Information and statistic data. GUS. Warsaw 1997.

gements. And undoubtedly, they are the main chains of the social and economic structure transformations.

An assessment of changes to the structure of people working in Middle Pomerania as opposed to the average values for the whole country shows that some definitely greater changes have happened. They mainly refer to a decrease of the number of people working in sector I and an increase in sector III. Such dissimilarity is principally related to a downfall of state owned agriculture and a development of services. This specific flow of shares from sector I and II to sector III should be considered as a symptom of changes in the desired direction, especially where transformations are accompanied by high unemployment.

One of the clearly seen results of the changes in the economic system has been the creation of new forms of ownership and equivalent new employment categories.

This pending political transformation has caused, like in the whole country, a creation of numerous and new economic subjects as far as quantity and quality are concerned (Table 3). An important phenomenon is an extremely large increase of the private sector, resulting both from a creation of new private companies, as well as a process of privatization of the state sector.

Another positive phenomenon is an increase of contacts with foreign countries, expressed in an increase of the number of joint-venture companies. But a disadvantage is that foreign capital is basically concentrated in bigger cities, almost completely passing over the areas being in a major recession.

A phenomenon, drawing one's attention, is a sharp increase of the number of people employed in the private sector (Table 4 and Fig. 3). If the people employed in the public sector predominated at the end of 1990, their share decreased by 20 percentage points in favour of the private sector after six years. A similar situation occurred both in the Koszalin and in the Słupsk district.

The fact of a rapidly shrinking public sector was a reason why the private sector plays more and more of an important role in the process of the labour force absorption, concentrating approximately 64.0% of the working people. A development, especially of small manufacturing business, has reached in many fields a level comparable with well developed regions, like Poznań, Szczecin or Gdańsk. The people working in the private sector accounted for almost 60.0% of all employed in the industry in 1996, around 87.0% in the building industry, more than 90.0% in farming, hunting and forest management and close to 93.0% in trade¹⁾.

The economic and social trends observed in Middle Pomerania since 1989 have also remarkably influenced a change in the level of people's trading activity. Not only a relative but also an absolute fall of trade activity has been observed among the people of the said region (Table 1). If additionally one more fact is taken into account, that professionals are also unemployed, and not only looking for a job but ready to take it, so a dramatic deterioration of the ratio between the number of people working and those not working can be observed. This means an increasing burden on employed people exerted by the unemployed, who are professionally passive, and by people too young to work. This phenomenon adversely affects

Table III
Chosen companies between 1990-1997^{a/} in the area of coastal provinces

Specification	Companies		Trade Code companies			Co-operatives		Private ownership companies
	state	municipal ^{b/}	State Treasury	State treasury share	limited liability	foreign capital share		
Macroregions North	1 067	113	19	194	5 104	262	2 093	121 382
	347	33	56	743	16 750	4 545	2 502	235 064
Middle Pomerania	297	3	4	43	760	41	601	29 741
	96	2	11	90	2 362	743	756	54 606
Province of Koszalin	147	2	3	25	401	21	400	16 827
	65	1	6	49	1 418	464	523	31 395
Province of Stupsk	123	1	1	18	359	20	201	12 914
	31	1	5	41	944	279	233	23 211

a/ concerns conditions on 30.09.1997.

b/ concerns conditions on 31.12.1991.

The source: Structural changes of companies in 1991, GUS, 1992.
Structural changes of national companies in 1997.
Information and statistic data, GUS, Warsaw 1998.

Table IV

The employed in Middle Pomerania according to ownership form
in 1990 and 1996

Specification	Number of people			Structure		
	Middle Pomera- nia	provinces		Middle Pomera- nia	provinces	
		Koszalin	Słupsk		Koszalin	Słupsk
1990						
Total	365 110	202 610	162 520	100,0	100,0	100,0
public sector	204 900	116 500	88 400	56,1	57,5	54,4
private sector	160 220	86 100	74 120	43,9	42,5	45,6
including property owned by: private investors	115 000	61 200	53 800	31,5	30,2	33,1
1996						
Total	314 072	171 631	142 501	100,0	100,0	100,0
public sector	113 339	62 918	50 481	36,1	36,7	35,4
private sector	200 733	108 713	92 020	63,9	63,3	64,5
including property owned by: private investors	185 005	100 219	84 786	58,9	58,3	59,5
foreign investors	7 900	3 798	4 102	2,5	2,2	2,9
mixed	7 828	4 696	3 132	2,5	2,7	2,2

The source: Statistic annual set of provinces 1990. GUS. Warsaw 1991.
The employed in the national economy in 1996.
Information and statistic data. GUS. Warsaw 1997.

mainly the policy of people's incomes. This results in a high share of welfare benefits in increasing proportion to incomes and, consequently, an increase of overhead on the state budget due to the welfare benefits.

The main factors, causing a real reduction of a professional activity of all groups of people, is a too small quantity of workplaces and increasing unemployment. Unemployment, as a massive and dynamic and extremely dangerous phenomenon appeared suddenly and on a great scale.

At the end of the first year of the introduction of the market economy approximately 40,000 unemployed were registered in Middle Pomerania (Fig. 4).

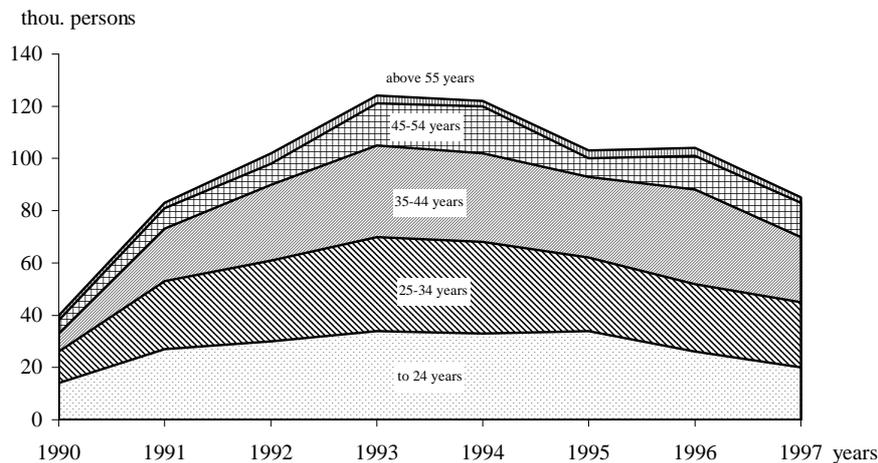


Fig. 4. Number of unemployed and their structure by age in Middle Pomerania

The next year the number of unemployed doubled, reaching already 84,000 at the end of 1991 (a 2.2 increase versus December 1990). The following years of the economic reforms brought a certain decrease in the dynamics in the increase of the number of people without jobs, but that increase was well above the national average figure (Kordiasz 1997). In 1993 the number of registered unemployed was already 126,100, which accounted for about 28.0% of working people in Middle Pomerania. A similarly high rate of unemployment was observed in other regions of northern and north-eastern Poland, excluding the Gdańsk and Szczecin regions.

An extremely important problem in Middle Pomerania are changes, which occurred at the village labour market. A bankruptcy of state owned farms, irrespective of the irrationality of that process and its political, but not economic aspect, caused a disintegration of economic structures, a sale of their means of production, and dismissals from jobs. It should be stressed, that state owned farms in Middle Pomerania employed about 34,600 people, including about 19,600 in the Koszalin district and about 15,000 in the Słupsk region in 1990²⁾. The release of such substantial

labour resources due to a restructuring of the state owned farms and then their taken over by The Treasury of State Agency for Agricultural Property caused a sudden increase of unemployment in the rural areas (ca 7,100 people in the Koszalin district and ca 6,700 people in the Słupsk region at the end of the first quarter 1994). The highest number of unemployed related to the state owned farms was registered in the north-eastern communes of the Słupsk district (the Lębork and Miastko region), and in the southern part of the Koszalin district (the Szczecinek and Drawsko Pomorskie region). Those were mainly communes, in which arable land constituted state owned property of more than 65.0%. Such a large rate of unemployment constitutes a serious social and economic, and even a moral problem, especially in the regions where state owned farms were mostly the only workplace and dismissed people lost a chance to find any employment. To resolve the problem of unemployment in these communes has been extremely difficult. What makes it even more difficult, is the territorial and social isolation of most of the housing estates inhabited by the employees of the former state-owned farms, low professional skills of the unemployed, and often a lack of their professional activity. The employees of the former state-owned farms often formed socially and professionally homogenous communities, as well as housing estates devoid of any other categories of dwellers or opportunities for employment (employment monoculture). These regions, due to the bankruptcy of state-owned farms, are regions with disappearing offers on the labour market and flow of the workforce; they are homogenous as far as poverty and unemployment are concerned. The demographic and professional structure of the unemployed are the main factors which influence reduced action to activate the labour force. People with primary or not completed primary education (ca 60%), living in flats most often belonging to their former employer, prevail among people who are out of work. They represent a similar skill level and professional experience, often specialised in some specific and narrow jobs. Only a few, mainly middle level management and craftsmen or workers with some specific professional skills, started to work on their own account. Consequently, the strongest competition for jobs relates to a relatively small number of workplaces, which can be occupied by almost anybody. Additionally, these are workplaces and professions not requiring higher skills.

The global pressure on the market, and an increase of unemployment in the agriculture, does not give any great chance of employment for lowly-qualified farm workers living in the housing estates far not only from big cities, but also from any rural settlements. It is common knowledge that the state-owned farms often constituted separate settlement units in the rural areas, generally not properly connected with transportation links to other places. Following some restructuring operations the already small number of state-run transportation (PKS, PKP) connections was reduced, and the institution of organized transport to work was cancelled. For the dwellers of the territorially isolated housing estates that became an additional obstacle to take up any job at a distant place.

A clash with the brutal reality made the unemployed aware of how important it was to have a permanent job. In the opinions of respondents asked during research

made in the Głównyzyce commune in 1997 and the Trzebielino commune in 1998 (the Słupsk district), work became a number one problem for most families, a value and a determinant of a certain financial and living conditions situation³. A lack of job means an even higher poverty risk. A fear of losing a job appears among those who have jobs. People, who are temporarily employed and have different accidental sources of incomes, describe the lack of job as a nagging ailment.

Former employees in the public sector of agriculture are aware that they have been deprived of the employer's patronage, permanent and secure source of living, which was their employment in the state-owned farms. This phenomenon clearly influences the emergence of a reduced standard of living of the former state-owned farm communities. Such a condition has not only resulted from group lay offs of the people employed by the state-owned farms, but is also a result of their spouses being dismissed from neighbouring institutions. Only 7% of wives from the researched communities have never worked professionally, 1/3 worked in former state-owned farms, but the rest in other institutions in the village or they commuted to work. A substantial percentage (ca 45%) of adult youth is out of work now. Some adolescent children of the employees of the former state-owned farms are threatened with unemployment. For most of the crews, especially for simple farm workers, the state-owned farms were a place of work for whole generations of their families. So with reference to the former state-owned farm communities one can say that due to the system transformation, they have suffered from 'family unemployment' (Psyk-Piotrowska 1998).

Unemployment, as is shown by the research, apart from being a crisis of everyday living for the respective families, constitutes an element causing conflicts at the local scale and can be seeds of disintegration within the former state-owned farm labour community. The unemployed become competitors on a limited local labour market, both in their own community and against some local village dwellers looking for jobs further afield.

If a substantial number of people are deprived of their jobs at the state-owned farms, this definitely reduces their families previous incomes. Ca 65% of families having keep from two sources (salary and pension), now make a living by only one salary (pension or disability pension) (Psyk-Piotrowska 1998). As much as 20% of families get allowances and grants from different sources. Ca 85% of respondents have PLN 1,000 on average at their disposal for a family of 4 persons, including 80% of families, where this amount equals PLN 500.

It clearly results from the research, that unemployment in the former state-owned farm communities has been a problem, which cannot be resolved by a community suffering from unemployment. The most worrying is the percentage of relatively young people. A high percentage of youth in school and preschool age in the studied set can create an additional pressure on the labour market. The fact is that it is difficult to predict a further substantial increase of migration to the urban areas in the nearest future.

In my opinion, employment support should come out of regulations forming phase and go into a phase of their objectivisation in specific actions, creating new

workplaces along the social infrastructure. Some specific actions, following an idea of 'a multifunctional development of rural areas' should be taken, which would create some positive solutions for the dwellers of former state-owned farm communities, where there are flats and no place for work.

The village people of Middle Pomerania suffered also from a sharply growing unemployment due to people losing their jobs linked with individual farms. They constituted ca 19.2% (8,326 people) of the unemployed village dwellers in 1996. Of each 1,000 people on average in the region, who were working on their own farm, there were 17.5 individuals, who were looking for a job. The most worrying is the fact that almost 28.0% of registered unemployed people from the rural areas, who were looking for a job outside their own farm, were 18 to 24 years old. They are mostly school leavers and do not have any chance to find their first job.

The main reason, which caused an increase of the number of unemployed, related to individual farms were dismissals of commuters. The commuters sometimes constituted as high as 60% of the extraagricultural labour force in many communes located in the zones influenced by the regional centres (Koszalin and Słupsk), but also located conveniently along transportation routes. The village people, who lost their jobs, most often come back to their mother farms. Another reason is still a large population increase in the working age, resulting predominantly from the biological development of the rural areas, but also from a re-emigration of many people from other centres of employment all over Poland.

Consequently, the village has taken over some social functions to a greater extent and has become a peculiar waiting room for people deprived of their paid work, and as a 'sponge' has soaked up numerous unemployed. The research indicates that unemployed village dwellers constituted as high as 51.0% out of a total of 80,787 people out of work in Middle Pomerania in 1997, whereas ca 40.0% of the people in the region lived in the country.

DIVERSIFIED LIVING CONDITIONS

A period of economic crisis and recovery, is a period of substantial changes in the standard of living. For some it is a time of success, for others - of social degradation.

If the level of income, excluding the number of family members, its structure and model of consumption, is adopted as a measurement of living conditions, then you can state that there is a strong regional differentiation of financial elements of the economic situation of Polish families. This differentiation has always been present, but it would be difficult to justify its presence only by a distinct economic structure of the respective regions, and especially by some substantial differences in its performance and its quality. However, recent years have strengthened that phenomenon, substantially placing far off a vision of a spatial egalitarianism of the living conditions of Polish families.

One of the most important elements of people's incomes have been salaries for work in the national economy. A picture of regional differences in the levels of average monthly salaries clearly changed in the said period.

The income situation of the people of Middle Pomerania does not look too optimistic. In the case of the Koszalin district, the average pay amounted to PLN 193,000, but in the Słupsk district - PLN 192,400, with an average PLN 206,800 for the whole country in 1988. The Koszalin district held the 27th position, but the Słupsk region - the 28th position in the country. In the following years, an especially dramatic situation happened in the Słupsk district, with a clear drop of the average pay in relation to the average national pay was observed.

In 1997, an average gross salary in the national economy amounted to PLN 876.2 in the Słupsk district, and PLN 919.1 in the Koszalin district. This accounted for ca 82.5% of the average national pay in case of the Słupsk district, but 86.6% in case of the Koszalin district. These districts hold the 48th and 37th place respectively in the country, as far as average salaries are concerned. Consequently, the rich became richer, and the poor became poorer, which clearly illustrates the variances from the average, but the interregional differentiation in the average salary was strengthened.

A number of people utilising social assistance increased suddenly between 1989 and 1996. Converted into 10,000 inhabitants, this number increased from 242.8 in 1989 up to 962.7 in 1996 in the Koszalin district, and from 605.9 up to 907.2 respectively in the Słupsk district. At the same time, all over the country a number of people utilising the social assistance, per 10,000 inhabitants, increased from 210.6 up to 551.3.

From a relatively rich set of measurements of the economic, cultural and social infrastructure, you can point to those, which are directly linked with and are a sign of a small regional manufacturing business and at the sametime, of a diversified level of wealth. They are the number of cars, the development of the telephone network and university education.

As far as the number of cars in concerned, clear progress was achieved within the last five years. If the number of private cars per 1,000 inhabitants was 108 in 1989, this index increased up to 168 in Middle Pomerania in 1996.

Despite such a considerable increase in the number of cars in the districts of Middle Pomerania, these figures are well below the average national figures, which were 208 cars per 1,000 inhabitants in 1996.

Other favourable changes can be observed in the development of the telephone network. The average number of telephone subscribers per 1,000 inhabitants totally increased from 90 in 1989 up to 162 in 1996, whereas the figure for the whole country increased from 82 to 169 respectively.

The clear increase of the number of colleges, mainly by the creation of private schools, and a considerable increase of students should be considered as a positive manifestation accompanying the process of transformation in Middle Pomerania.

In relation to 1989 two private colleges were added (in Koszalin and Słupsk) educating students in management, marketing and the economy. The number of students increased more than five times, from 3,826 in 1989 up to 19,510 in 1996, that is by almost 230%, but when converted into 10,000 inhabitants, this increased from 42 up to 134. A number of students converted into 10,000 inhabitants increased from 99 up to 205 all over the country at the same time.

When making a summary of social and economic changes, which occurred during the transformation in Poland (Lodkowska-Skoneczna *et al.* 1996), Middle Pomerania is rated among the regions with the highest economic slump by Polish standards. The economic level of this region can be marked by a small supply of workplaces; there are 353.0 unemployed for every job offer in the Koszalin district in 1996, whereas as high as 837.0 in the Słupsk district, but the average figure for the country is 172.

The Middle Pomeranian economy is generally marked by low economic effectiveness, as there are 2.1 working people of the total working people in the national economy, who make only 1.4% of the gross national product.

During the research a great scale of local activities in tourism was confirmed in the coastal region of the Baltic Sea and in the Drawsko and Bytów Lake District. They mainly refer to an overtaking of holiday houses owned by different social institutions (mainly Employee Holiday Funds) previously, but also to a high level of organisation and investment activity of people, offering private rooms and the development of farm tourism.

CONCLUSIONS

Research, which was carried out in Middle Pomerania proves, that the scope of changes resulting from the restructuring of the Polish economy has been diversified regionally and has been strongly influenced by local factors. This refers to both the existing economic and infrastructure investments and population relations.

The changes should be treated as an element of wider scale social and economic changes, which will be transforming our country in the coming decades. They seem to be a prognosis of some considerable system changes in the development of Poland. This refers both to its model of economy as a future member of the European Union, a model of town development, a hierarchical arrangement of housing estates and their function and a territorial and structural organisation of manufacturing and services, as well as a model of agrarian structure and agricultural production (Górz, Rajman, 1995).

Already now it can be assumed that the previous way of economic revival, based on big industrial investments, located in towns is rather a historic past. It is going to be replaced with various forms of development linked more closely with the environment a conditions and dependent on the sales markets and urban and industrial centres, local resources of labour, the existing infrastructure, etc. A multi-functional development of urban areas will also be required, covering various types

of economic and service activities. It can be assumed that some administration changes and reforms in the service sector in 1999 can play an important role in the new functional, territorial and economic arrangements.

Analysing generally the present situation of Middle Pommerania and Poland in the light of the progressing restructuring, one can find new areas of research in the regional arrangements, which should, in my opinion, cover the following subjects:

- reduced dynamics of population development, resulting from the birth-rate, but also from huge changes in people's migrations,
- changes in employment resulting from existing unemployment and some substantial transformations on the agricultural and extraagricultural labour market,
- transformations of a network of the rural and urban settlements with regards to both changes in the population as the functional dynamics,
- new phenomena related to a privatisation of the economy and a development of the private sector,
- new territorial organisation of the country resulting from a concept of the country's administration reform implementation.

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NOTES

- 1) People employed in the national economy in 1996. Information and statistical studies. GUS, Warszawa 1997
- 2) Reports on average employment and pay levels as per 31/12/1990. Agriculture and Food Industry Department of the Governor's Office in Koszalin. Koszalin 1997. Employment in the state-owned farms as per 31/12/90. Agriculture and Food Industry Department of the Governor's Office in Słupsk. Słupsk 1997
- 3) Public opinion polls conducted among the employees of the former state-owned farms by students of geography in April 1996 in three chosen communes of the former Gryfice county, the Głównicyce commune in 1997 and the Trzebielino commune in 1998 headed by E. Rydz