

Alicja SZAJNOWSKA-WYSOCKA
The University of Silesia

THE REGIONAL AND LOCAL DEVELOPMENT IN UPPER SILESIAN REGION

1. Introduction

Until the end of the former system in Poland, the regional aspect had been reduced to regionalisation, *i.e.* superior government activity within the framework of programmes and plans of spatial management carried out by planners. It often did not consider the views and aspirations held by the inhabitants of the region. On the other hand, regionalism, as a social movement proceeding from the ranks was very weak.

In Poland, as opposed to Germany or Italy, political regions do not occur. Only relict ethnic-cultural regions may be distinguished. The largest region of this type is Silesia. Its history (the native population with the Polish language had regional rather than national consciousness and only minority manifested pro-German ethnical identity) caused overlapping of the relict region and ethnic region, which led to a specific and unique situation [Szajnowska-Wysocka, 1999a, 1999b].

The Upper Silesian regional movement revealed and created a great stir in the period 1991–1992. This was associated with favourable attitudes of the contemporary government (formed by “Solidarity” liberals from Gdańsk). Part of the government favoured the idea of transforming Poland into a nation divided into autonomous regions. Also the situation in Silesia was favourable, as the Voivode (1991–1993) was a declared advocate of regional autonomy.

The regional arena was determined at that time by two Silesian-Polish parties: “Upper Silesian Association” and “Movement for Silesian Autonomy”. The former included people with cultural and civilisation values of

the region. The latter, propagating the banners of Silesian autonomy, saw this region as an element of the Polish regions [Jałowicki, 1996].

The conception of the so-called "Great Silesia" came out from "Upper Silesian Association" and included all the historic Silesian lands, together with the area that now belongs to the Czech Republic.

The inhabitants of Silesia were not very much concerned about the origin of Silesian Euroregion with wide autonomy. It is sure however, that they (87%) have consciousness of certain separateness of their region [Szczepański, 1994].

The activity of the Silesian regional movement, after the period of its dynamic development in 1992-1993, slightly relented and shifted its attention from the ethnic sphere to ecological and economic problems. The stake of this movement was to gain the status of a special region and obtain proper means to solve regional problems. The evidence of this status was going to be the so-called "Contract for Silesia".

The consciousness of inevitable transformations (reduction of raw material industries, decline of old settlement structures, a change in the job structure and transformations in culture) constrains resigning from the attachment to traditional, ethnical and cultivating the past *status quo* in favour of new understanding of the region, *i.e.* regional commonwealth that mobilises to do joint activities. Such a way of defining the region does not disregard the tradition or cultural separateness, but moves them into a sphere of symbols. As a result of common activities it builds the pragmatism, which will point out common, regional interest.

The transition from the perspective understanding of the region means undertaking new challenges, which will release many problems, *e.g.* the need of complex modernisation of the region by restructuring its economy [Szajnowska-Wysocka, 1998].

Owing to the dependence of the Polish economy on coal, new regional restructuring programmes have to respect national development conditions. As early as in 1989, three strategies of restructuring Katowice Province were prepared:

a) strategy of conservative adaptation of reduction resources exploitation, protection of local communities, cultural tradition and natural resources;

b) strategy of functional sustainability of the region, liquidation of the predominance of exogenous (productive) functions in favour of endogenous functions (chiefly services);

c) strategy of integral development, *i.e.* modernisation, which will reduce raw material industries and create "Silesian" speciality in the sector of the technologically advanced industries, develop services sector, including research institutions, universities and intellectual elite, which

identifies with values and needs of the region [*Polityka restrukturyzacji...* 1991].

Apart from these strategies, four other complex projects of region restructuring and two detailed projects for mining and metallurgy were prepared in the period 1990–1993. None of these conceptions were realised, though, owing to the lack of finances and proper institutions, which would be wholly responsible for their implementation.

It was necessary to prepare a definite programme of a contract type. In the discussions on this “Contract for Silesia”, two conceptions and versions competed with each other. According to the first conception, the contract was going to be a settlement between the region and the centre, *i.e.* between Silesia and Poland. Its intention was to introduce mechanisms of redistribution of financial means so as to compensate the region and its inhabitants for their contribution to the economic development of Poland.

The competitive conception, called “regional”, assumed that this contract should be negotiated between regional partners and the centre, and basic measures to modernise the economy of Katowice Province should be gained at a regional level. The central authorities should make this enterprise possible and supply the necessary means [Szajnowska-Wysocka, 1988].

2. From the programme of regional economic policy of Upper Silesia to the Regional Contract

The success of restructuring Poland considerably depends on restructuring Upper Silesia, because this region has been very important in the economy of the country. The strategic location of Upper Silesia on the economic map places it among the Euroregions of large potential possibilities. However, the unusual complexity of its problems (economic, ecological and social), which are very rare on the European scale, causes the restructuring process of this region and its economic development to require a lot of time (a number of years) and means for realisation [Riley and Tkocz, 1998].

The political changes which occurred after 1989, caused breaking off the hitherto existing links between the economic enterprises, development of new enterprises, break-up of old enterprises and development of private sector. This was influenced by the establishment of local governments, gradual reduction of the role of province administration, establishment of many units of special administration and a lack of legisla-

tion and competence orderliness. This caused chaos, which resulted from the destruction of old structures and creation of new ones.

The economy restructuring and realisation of technological, organisational, ownership and investment intentions in individual branches is not possible without solving the following problems:

- increase in work efficiency,
- mitigation of social pressure caused by unemployment,
- external financial aid in structural transformations of branches,
- participation of communes in restructuring process [Riley and Tkocz, 1999].

Therefore, the "Programme of Regional Economic Policy of Upper Silesia" was established at Economy Department of Provincial Office as a supplementary element of the regional policy. It was accepted by Katowice Voivode in 1991 and supported by the Association of Communes of Upper Silesia and Northern Moravia.

In its assumptions it was consistent with:

- 1) "Principles of Regional Policy of the State" accepted by the government in 1994 and prepared by Central Planning Office,
- 2) "Strategy for Poland" prepared in 1994 by the Vice-Prime Minister [*Opracowania "Kontraktu..."*, 1995].

The "Programme of Regional Economic Policy of Upper Silesia", which was implemented for three years, is defined as an assemblage of institutions and their relations (system), where each of them is a tool realising a certain fragmentary aim, and the whole system leads to local break of recession. It has a pilot character and may be used as application of "A Strategy for Poland" at the regional level.

The following conditions are necessary for realisation of regional policy:

- 1) entity – the region; it did not exist earlier in the sense of a legal entity, financial entity and in the notion of regional policy realised by the state. Among the types of regions the following can be distinguished:

- a) functional (weak competencies),
- b) autonomic (does not occur in the Polish tradition),
- c) self-governed with proper means and competencies;

The latter seems to be the most suitable for the Silesian region. However, the region of autonomous character required much broader competencies of the Voivode than the official in fact had. In the Province, there were a number of supplementary entities, *i.e.* over 900 communes, about 300 associations representing economic government and over 1,600 larger companies. Such a large number of supplementary entities excluded implementation of a uniform regional policy.

- 2) legal and financial means (closely related to each other); their correlation is a necessary condition for their efficient action. Such a correla-

tion did not exist at that time, which was reflected in the tax regulations. The tax policy was associated only with tax collecting by the central budget through its special departments, and tax redistribution occurred according to the interests of the central government, disregarding interests of individual provinces. The Voivode could influence neither the way of tax returning nor the division of the obtained means. It was therefore necessary to divide the means into the part assigned for the central budget and the part designed for local needs. Such solutions required legal regulations in the local government act and in budget law. However, because of their lack, it was impossible to carry out a regional policy in Poland.

3) aims – this was the only necessary condition for development of a regional policy [*Opracowania "Kontraktu..."*, 1995].

The lack of regional policy instruments entailed working out such an economic programme that would not need intervention of the central government or making changes in the contemporary law. Therefore the efforts were made to join all regional entities with legal, financial, organisational and social bonds in order to create an efficient system able to realise objectives which were not possible to be accomplished by individual organisations. Such a system would become an instrument of economic policy in the region. Because of the lack of a regional policy in the country, this economic programme would be a supplementary element of this policy. This programme was discussed at cyclic meetings (Workshops I and VI) with the representatives of Commune Governments, where the benefits of creating institutions of "The Programme..." were propagated. Institutions of local agreement (base objects) and beyond-local agreement (tool objects) were established. The differences between these types of "The Programme..." institutions resulted from:

1) aim of their activity:

a) base institutions realise certain economic activity through the economic activation of the area in which they are located (town, commune, province),

b) tool institutions realise strictly defined aims resulting from their activity and not associated with the area where they are located,

2) way of establishment:

a) base institutions – created separately by the local segment (commonwealth), they result from the activation of local economic groups,

b) tool institutions – established by Co-ordinator of "The Programme..." (Department of Economy, Province Office in Katowice) [*Opracowania "Kontraktu..."*, 1995].

The most important activity was to establish the Agency for Development and Promotion of Upper Silesia, which was used to establish other

institutions of the "Programme...". It was the first company, which originated during the creation of institutional structures of "The Programme of Regional Economic Policy of Upper Silesia". It performed functions of an agency for regional development and regional supremacy both in Poland and abroad. As a tool institution, it concentrates its activity on development of "The Programme..." both in the theoretical and practical realisation spheres through different projects and conceptions of implementation enterprises. The project "Correlation of sector programmes with the Programme of Regional Economic Policy of Upper Silesia" [*Opracowanie "Kontraktu..."*, 1995] prepared for the Polish government, resulted in preparation of a conception of the Regional Contract, which was to be the crowning achievement of all the activities to date associated with "The Programme...".

The Agency for Development and Promotion of Upper Silesia participates in works on the form of the Contract, concentrating on its three aspects:

1) creation of Local Segments, which are the basic level of the Regional Contract,

2) construction of Active Economic Zone – the largest regional infrastructure enterprise, which will include Agro-Industrial Park, Agro-Industrial Market Place, Commodity Exchange, Duty Free Area, "Zagłębie" Dry Port and Brynica Scenic Park,

3) co-operation in construction of a financial system, including establishment of Regional Investment Fund for servicing small and medium companies.

The Agency for Development and Promotion of Upper Silesia creates and co-finances organisations which are the initial form of Local Segments, such as Agency of Local Initiatives, Training Centres and Incubators of Enterprise. The Agency prepared also strategic plans of commune development in which mining and metallurgy predominate. Also European programmes (Struder and Phare) were an important activity sphere of the Agency.

Other tool institutions include Upper Silesian Agency for Energy Management, Upper Silesian Building Agency and Upper Silesian Agency of Companies Transformations.

Base institutions were created faster. They had a different range and, depending on the specific problems, they comprised from one to several communes, for example International Katowice Fairs, Upper Silesian Airline Society, Road Diameter Route.

The basic (tool) institution, which stimulated financing of "The Programme..." was Upper Silesian Treasure. It was established in co-operation with the following entities:

- the state budget in the form of one-time contribution of share capital,
- banks and insurance companies similar in form,
- commune budgets in the form of emission of Treasure bonds,
- institutions of "The Programme..." – statutory purchase of shares,
- other legal entities – emission of shares from securities.

The Upper Silesian Treasure was meant to be an organiser and animator of activities, not the executor of individual projects.

3. Preparing bases for The Regional Contract for Katowice Province

Owing to the above-mentioned institutions involved in "The Programme...", many companies underwent restructuring and new companies were established, which partly changed the economic map of the Province [Riley and Tkocz, 1999]. However, these activities did not radically change the structure of the region. Restructuring of coal mining, iron metallurgy and other heavy industries has still been carried out through other restructuring programmes on the central level.

Further realisation of "The Programme...", without the programme of industry restructuring, was impossible. It was therefore necessary to correlate programmes of restructuring of mining, metallurgy and power industry (which influence the social-economic condition of the region) with "The Programme of Regional Economic Policy of Upper Silesia". Works on this problem were carried out by the Group of Experts, appointed by the Vice-Prime Minister. The Chairman of the Agency for Development and Promotion of Upper Silesia was in charge of the Group. An extensive report prepared by this Group became the basis to prepare the conception of the Regional Contract, understood as a method of restructuring the region [*Opracowania "Kontraktu..."*, 1995].

The ideological assumptions of the Contract joined the activities undertaken in the region to date, basing on "The Programme of Regional Economic Policy of Upper Silesia" with tasks contained in "The Strategy for Poland". Simultaneously, the Contract was treated as a specific "economic constitution" of the region.

The creation of bases for the Contract was founded on analyses of similar projects in Western Europe, especially restructuring problems of Nord Pas de Calais, Ruhr Basin, Wales and Westphalia with Rhine Province. Most of all, it became clear that such projects required an assessment of their costs and conditions of gaining means for their realisation.

The efficiency of the institutions realising the Regional Contract was therefore dependent on the origin of local capital market. The most important institution in the regional system of financing was going to be Upper Silesian Fund (earlier Upper Silesian Treasure). It was the basis to create the regional capital market.

As early as in December 1990, the joint capital of Upper Silesian Fund was defined. It had warranted partnership credibility. The entrance of large banks and insurance companies with opening capital depended on the participation of the State Treasure. The place and activity platforms of Upper Silesian Fund are defined by its objectives, which are as follows:

- external (exceeding the system of "The Programme..."),
- internal (including "The Programme..." and its institutions),
- secondary (integration function in relation to the whole economy of the region).

Its direct contribution in the process of company restructuring was associated with:

- taking over companies for the time "defined" by the aim of their purging,
- purchase of the whole companies or their parts in order to finance technological modernisation and resell them at a higher market price.

To illustrate modernisation activities of Upper Silesian Fund, attention should be paid to understanding the range of restructuring in "The Programme..." as a process of inter-branch flow of information, capital and workforce [*Opracowania "Kontraktu..."*, 1995].

Restructuring understood in this way occurs constantly in any non-totalitarian economy. In totalitarian economy, this constant process is replaced with step effects of central economic plans. In the conditions of political transformation the following barriers appear:

- lack of information system to evaluate the efficiency of individual branches,
- lack of free capital, which could be shifted to developing branches,
- lack of owners, who would make such a shift.

Thus understood restructuring is a fundamental method (technique) used in development decisions in world's economy, except global economic recessions resulting from structural political reasons. The whole economic development of the state with a market system takes place through systematic restructuring.

Therefore modernisation activities of Upper Silesian Fund consist, in fact, in co-ordinating the restructuring process. Its interference in restructuring problems may be divided into three areas:

- I - dealing with the entire economy (increasing demand for products of these industries),

- II – modernisation-based (aid in technological development),
- III – reconstruction-oriented (consequences to the inhabitants of a certain area).

The Initiative Committee of the "Fund..." co-operates with the Provincial Office and with the Group for Financial Policy of the Socio-Economic Council to the Voivode. In July 1995, the Economy Department of the Provincial Office invited tenders for preparing the project entitled "Upper Silesian Fund". The tenders had to fulfil the following conditions:

- 1) full consistence with resolutions of the Regional Contract (Chapter VI – Finances),
- 2) the use of the projects to date within the framework of "The Programme..."

The establishment of an institution which is able to accumulate and distribute means to secure restructuring processes was anticipated in the analysis of the Central Planning Office entitled "Rules of regional policy of the state", published in 1995. It was noticed that similar solutions might be applied in other "problematic" provinces if only conditions of social consensus would be fulfilled, as well as programme readiness of regional communities.

4. The Regional Contract – preliminary characteristics

The Regional Contract, in its essence, represents a social agreement which embraces long-term (at least 20 years) restructuring programme for Katowice Province. The contract is a declaration of the will to take on certain obligations by both sides and it has a legal importance. The sides of the Contract include the government (central) and regional institutions (including communes). In its nature, it is a civil-legal agreement similar to the agreement of 1980, *Magna Charta Libertatum* or *pacta conventa*. The proposal of Katowice Provincial Office formulated as the Regional Contract is expected to initiate a new economic activity, which combines individual and collective economic initiatives into one large and internally compact initiative. This initiative includes all the economic entities which operate in Katowice Province and all the parties interested in restructuring of the region's economy, *i.e.* companies, local government (communes), trade unions, economic self-government, Voivode, political parties, scientific and cultural circles.

In order to rationally shape a regional policy, a lot of energy should be invested because the old economic structures dominated by heavy industry have to be changed into economically effective and pro-ecological structures, which would secure sustainable development of the whole region.

The Regional Contract may be defined as a joint, negotiated project of all the participants of the economic life. The activities of the Regional Contract are evidenced in the so-called Local Segments, which are established in one or several communes to solve certain problems. The representatives, on the behalf of local communities, may precisely define development aims and methods of their realisation. It was expected, that the Contract, as a social agreement, would not only allow realising a strategic programme of the Province development, but would also make it possible to carry out a partner dialogue with central offices. It would show the Centre the following case: *This is a consistent and negotiated initiative of active transformation of Katowice Province economy. We help ourselves. The Centre will gain profits, including institutional ones.*

On the 3rd of January 1995, an intentional letter was signed by representatives of Katowice Province, including the following organisations of the local government, economic local government, trade unions and government administration:

- Upper Silesian Economic Society,
- Regional Economic Chamber in Katowice,
- Silesia-Dąbrowa Region of "Solidarity" Trade Union,
- Self-government Regional Council of Katowice Province,
- Katowice Voivode,
- Association of Upper Silesian and Northern Moravian Communes (the Polish part).

In this letter, all the parties express their will of co-operation on common preparation of widely accepted contents of "The Regional Contract of Katowice Province", which is understood as a tool of efficient realisation of restructuring processes in Katowice Province [*Opracowania "Kontraktu..."*, 1995].

The Regional Contract consists of three parts. The first part represents a public-legal agreement, where all rights and obligations of the parties are defined. It is a very rare type of agreement. It may be referred to the famous agreement of 1989, the so-called agreement of "The Round Table". The value of this public-legal agreement is also the fact that it is consistent with the law.

The second part of the Regional Contract represents its organisation, *i.e.* the group of entities of the Contract. They should include institutions of the "Programme...", especially institutions which were established by a commune or several communes in their areas. The Regional Contract has to have its institutional basis (Fig. 1.).

The third part of the Contract represents its surrounding. It concerns the inhabitants of the region, *i.e.* different social, political and cultural

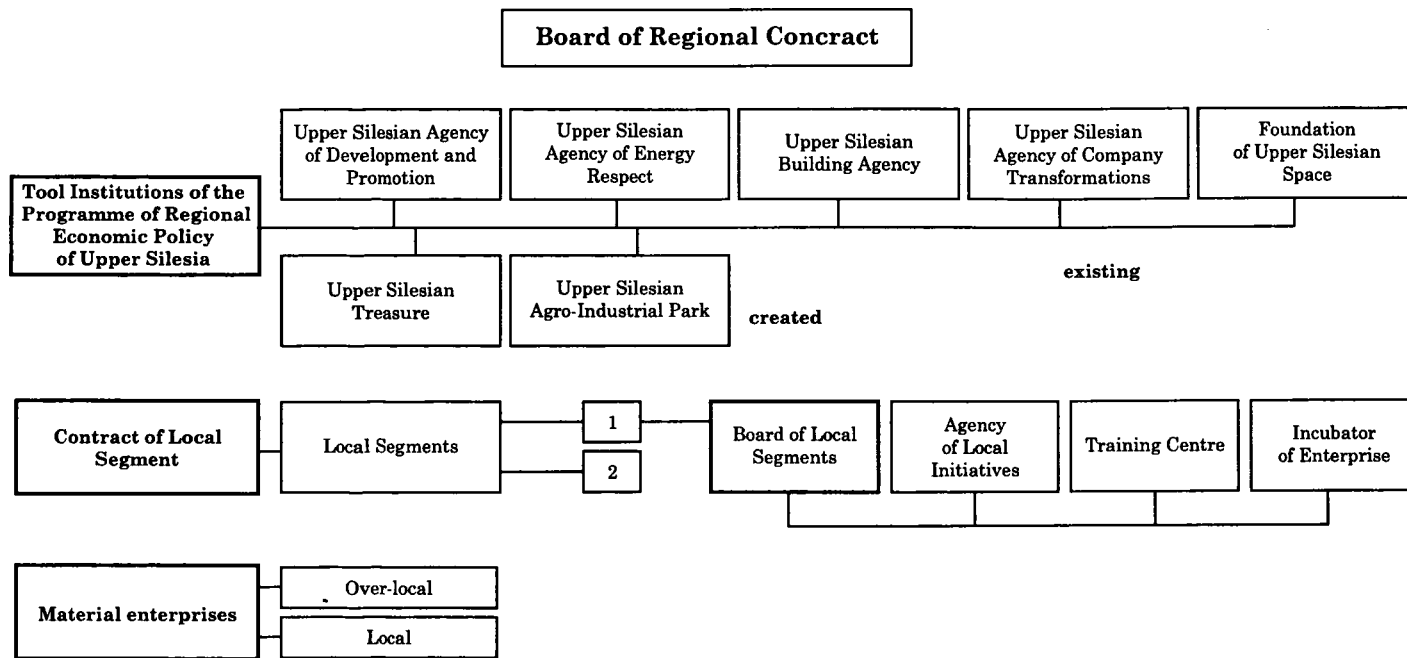


Fig. 1. Regional contract

associations. The surrounding includes also the mass media. These three parts make a platform of the Regional Contract.

The Contract contains also three entities (parties of the Contract). The first and most important is the region. It may be defined in historical, geographical or legal terms. For the purposes of the Regional Contract, an operational definition was accepted and a region is defined as an assemblage of different entities, which occur in this region.

According to the "Programme..." the most important objects in the region are communes. The other include organisations of the local economic government, economic entities (metallurgical plants, coal mines, coal companies) and other regional institutions such as associations, foundations, agencies and others. The Regional Contract, as a legal agreement, is voluntary.

The second party of the Regional Contract represents the widely understood Centre (national government, its agencies and central institutions). Without the participation of the Centre, the Contract may lead to regional integration, but it will not cause model transformations, which will create a new structure of the region. This category includes also political parties. In fact, all parties are nation-wide, with their seats in the capital, therefore they should be included into the central entities.

The third party of the Contract, which may be assumed to be an entity that stands above the state is the European Union, its branches and agencies.

The Regional Contract consists of three layers. They correspond to its structure. The first, and at the same time, the most important layer represents 99% of the whole Contract. It is shown in all local agreements which regulate solutions to problems between different local entities in a given area. The scope of such agreements and their participants will depend on the people who create the Contract. One of the most vital elements of this layer was the agreement between given companies that make workers redundant, job offices and communes. It will be a part of the Local Segment Contract.

The second layer may be called regional. It consists of common problems, universal for all the parts in the region, *i.e.* problems beyond the local level, especially relations between region and other parties of the Contract, such as the Centre and the European Union.

The third layer may be called national. It is assumed that the Regional Contract is a national proposal without the condition that this agreement concerns only the group of citizens in a certain territory. Otherwise such an enterprise might not be successful. Therefore the Contract assumes that it is an initiative of open character, available to each region.

The national layer of the Regional Contract, as compared with the long-lasting and inert process of creation of the regional policy of Poland, is a definite proposal of Upper Silesian region and an alternative for the dominating centralism in Poland.

The Regional Contract defines three general aims, specified in the agreement settlement. The first aim is negotiation (signing) of one agreement which defines rights and obligations of the sides and then their compliance and execution.

The second aim is to work out mechanisms of internal transformations, which are necessary for the Regional Contract to succeed. Irrespective of the fact whether the Contract is put into life or not, this aim will be realised, at least in some areas. Some agreements between the communes as well as Contracts of Local Segments (no matter how they are called) have already been created.

The third aim is a creation of a self-governed region. The discussion on its political form has been carried on for a long time.

5. The Regional Contract for Katowice Province

This Contract consists of two documents:

- Regional Social Agreement,
- Regional-Government Agreement.

It was signed in October 1995 between the government represented by Katowice Voivode (in the presence of Minister of Finances, Minister of Agriculture and Food Management and Chief of the Cabinet) and the social body represented by the Chairman of Regional Agreement Committee and Chairman of Autonomous Council of Katowice Province, as well as representatives of economic local government, political parties, social organisations, trade unions, scientific circles and companies.

As it was intended by the signatories, this document should become a basis of social organisations in Katowice Province and should be valid for at least 20 years. Every year it should be evaluated and adjusted to the changing situation in Poland and in the region [*Kontrakt Regionalny, part I (-) 1995; Raport o wdrazaniu "Kontraktu Regionalnego...*, 1996].

The acceptance of the postulates negotiated by trade unions gives the Regional Contract values of a social agreement, which guarantees social security to the inhabitants of the region.

The participation of the government in this agreement amounts to acceptance of certain obligations, which may be exacted by the social side. An essential element of the Regional Contract is to specify which party is responsible for execution of individual tasks. The Board of the Re-

gional Contract is an organ established to supervise the realisation of the Regional Contract resolutions.

The detailed part of the Regional Contact (part II) points out the so-called "fields of strategic activities" necessary to realise the general aim of the contract, *i.e.* a significant change in the functional and ownership structures of the region by restructuring its largest sectors: a) coal mining, b) metallurgy.

The "fields of strategic activities" include:

1. education,
2. social security,
3. environment (public infrastructure, space management and environment protection),
4. development of autonomy,
5. restructuring of economy,
6. finances.

These "fields" are described below in terms of a) realisation enterprise, b) method of realisation, c) measures of evaluating the realisation.

5.1. Education

The most important realisation enterprises, which aim to create a regional education system, include:

- elaboration and implementation of regional education programmes, which comprise knowledge and skills necessary to exist in a regional community and regional job market,
- improvement of job guidance,
- standardisation of educational programmes other than school programmes,
- change in the structure of higher education (dissemination of secondary and university education).

5.2. Social security

The most important enterprises within social security include:

- amendments to the tax system associated with softening of liabilities of the poorest inhabitants,
- reform of social insurance,
- programme of house building development,
- investigation system on environmental hazards and organisation of environmental medicine,
- economic preferences for the investors creating new work places,

- use (within the Province) of means from the purchase of the assets of some liquidated companies,
- possibilities of raising and changing qualifications and professional activity of employees.

5.3. Environment

In order to secure to the inhabitants optimal living conditions it is necessary to prepare:

- integrated geographical information system, which would be correlated with the social programme,
- strategic plan of spatial-functional activities to reach sustainable development of the region,
- project of integrated systems of public transport (in Katowice agglomeration and Rybnik agglomeration),
- pilot project of Active Economic Zone,
- programme of air pollution reduction and revitalisation of streams and rivers.

5.4. Autonomy

Activity of local communities is a basic factor that influences realisation of the Regional Contract resolutions. In order to activate local communities, it is necessary to:

- start a programme of transformation and local development basing on commune and beyond-commune agreements,
- disseminate the experience of pilot towns and commune associations,
- give additional power to the association of towns of Upper Silesian conurbation to assure the status of a metropolitan complex,
- create a system of supporting the initiatives proceeding from the ranks (integration, economic and cultural initiatives),
- support the activity of regional associations.

5.5. Economy

The resolutions of the agreement concerning the economy result from "The Programme of Regional Economic Policy". However, engaging the government in the Regional Contract makes it possible to intensify restructuring processes. It ensures also integration of the central government and local government activities. It was underlined that a reform of

coal mining and metallurgy is a necessary condition of the transformation success. It should be performed both in short and long term periods:

- 1) In the first period it should concentrate on:
 - improvement of efficiency of coal mining and metallurgical companies,
 - adjustment to the requirements of free market,
- 2) In the long-term period, deeper transformations of coal mining and metallurgy should take place (nationalisation of production and employment, adjustment of production to factual demands).

Moreover, other undertakings of economic character are proposed in order to change the economic structure of the region, including:

- creating conditions to prepare new work places (assurance of allocation of manpower released as a result of restructuring, withdrawal from economic monoculture typical of the region),
- selecting basic companies and stabilising companies and preparation of activation programmes for them,
- establishing Industrial and Agricultural Local Segments (as a form of co-operation in a certain area), Special Economic Zones, economic units, local governments, institutions, funds, associations and trade unions of local character,
- establishing three Special Economic Zones in the area of Katowice Province,
- elaborating on the status of Active Economic Zone,
- creating a system of economic information about the region,
- preparing a programme of tourist activation of the region.

5.6. Finances

The main condition of the successful transformation of the region is establishment of the local capital market, including capital institution, which will gain financial means for the realisation of the Regional Contract tasks. According to the assumption of the agreement, Upper Silesian Fund represents such an institution and its activity should concentrate on:

- capital collection,
- granting guarantees and sureties,
- organisation of regional infrastructure enterprises,
- regulation of local capital market.

Also other institutions of the financial system will be supported, including:

- Fund for Reconstruction and Regional Development,
- Upper Silesian Association of Mutual Insurance,
- "Struder" regional investment funds.

The condition of an efficient performance of the Regional Contract resolutions is the activity and initiative of local communities, therefore the role of local segment institutions is emphasised in the document. The main aims of these institutions include:

- counteraction against unemployment (job retraining, creation of new work places),
- development of small and medium companies.

According to the agreement, as early as in October 1995, the Status of Upper Silesian Fund was prepared. In December 1995, the deed executed and authenticated by notary was signed, which appointed the Fund to be the basic financial institution of the Contract. This made it possible to start preparations for building the local capital market [*Regional Contract...*, part II, 1995].

The Agency for Development and Promotion of Upper Silesia played an important role in the execution of the programme pointed out by the Contract. The Agency prepared strategic assumptions of transformations and development of Katowice Province and also organised institutions of local segments and the network of agencies of local development. In November 1995 the programme of training of local leaders was launched in order to prepare qualified staff to establish institutions of local segments. At the beginning of 1996, the location of 2 agricultural and 9 industrial pilot local segments was defined. The Board of the Regional Contract designated certain financial means for capital investments of local segment institutions.

15 institutions of local segment were established, which acted as agencies of local development. Their activity was co-ordinated by Upper Silesian Agency. In 1997 they were transformed into a network, which had the following tasks:

- proposing amendments to the transformation programme,
- encouraging co-operation of local segment institutions,
- promoting mutual efforts to obtain means necessary for certain tasks.

The next stage in the realisation of the Regional Contract resolutions, concerning the intensification of the transformation of the Silesian economy was the establishment of Katowice Special Economic Zone, which covers 827 hectares and consists of 4 sectors. This zone was created to support transformation processes, especially in the coal mining and metallurgy.

According to the authors of the Regional Contract, the Special Economic Zone represents one of the elements of an active economic zone, which is the tool of national interventionism. Such zones are created in complex areas with a large number of restructuring companies. The functioning of the zone should lead to a realisation of the following aims:

- transformation of the economic structure of the given area,
- improvement of company restructuring,
- preparation of alternative work places (co-financing of small and medium companies using STRUDER means).

6. The institutional structure of the Regional Contract

In the legacy of the Regional Contract, much attention is paid to the institutional base. Accordingly, the Contract includes:

- a) rules of establishment of institutional structure,
- b) procedure of functioning of Local Segment institutions,
- c) aims of activity of Local Segment institutions,
- d) regional and local level of institutional structure.

It is not necessary to quote modernisation theories to state that all civilisation transformations appear and are carried out in institutions characteristic ("dynamic") of a given period of time [Szajnowska-Wysocka, 1995]. They are attributes of modernisation, because the latter is influenced by successive social differentiation in all zones of human activity, which are shown in the form of different social organisations or institutions.

It is also underlined in the Regional Contract that in order to realise its resolutions, it is necessary to create regional and local institutions, which would be competent and responsible for realisation of these resolutions. Therefore, such activity spheres of the Contract as education, public infrastructure, economy or finances, are correlated with the institutional basis of the Contract and they are directly addressed to certain institutions, including:

- Upper Silesian Centre of Geographical Information System,
- Upper Silesia Space Fund,
- Centre of Cultural Heritage of Upper Silesia,
- Centre of Natural Heritage of Upper Silesia,
- Institute for Ecology of Industrial Areas,
- Silesian Technical University,
- Academy of Economy,
- University of Silesia.

The transformation of the economy in Katowice Province, together with the restructuring of individual industry branches requires defining the size of domestic and regional demand for the products such as coal, energy or metallurgical commodities. In order to plan modernisation and create institutions for it, it is necessary to define these requirements in the near future, when the economic transformation of the region takes place.

All the enterprises of the Regional Contract are important and specific, but education is the initial and basic enterprise. Upper Silesian Industrial Region, similarly to other traditional industrial regions, has an old-fashioned education system, where unskilled manpower was trained to do simple work but was not taught to take up conceptual work associated with constant challenges of the changing civilisation. Therefore, educational efforts in this region have to start with a regional reform of the education system, which will be correlated with restructuring plans, *i.e.* replacement of trade schools with schools which promote workers for services sector, especially the pro-ecological one. In the Contract this sphere, together with the finances sphere, are assumed to be the so-called anti-recessional engines. In the conditions of economy transformations and unemployment, education is a profitable and prophylactic investment of modest financial means. It is more profitable to subsidise education than pay unemployment benefit or liquidate effects of social frustration [Szajnowska-Wysocka, 1998].

7. An evaluation of the assumptions of the Regional Contract

The Regional Contract has been realised since 1995 with the perspective of at least 20 years so it does not have a large scientific output comprising mostly papers published in the press.

The members of the organs of the Regional Contract, as well as managers of the entities which realise its tasks, influence the implementation of the objectives of the Regional Contract to a considerable extent. Obtaining knowledge on the opinions held by the Regional Contract leaders was possible using behavioural method basing on poll investigations, which included 239 leaders [*Kontrakt Regionalny...*, 2000].

The leaders of the Regional Contract form a regional elite. It comprises persons who are in the leading positions in the state government (state administration), local government (members of county boards and civil servants) and regional government (representatives of regional government). A separate group includes representatives of economic government as well as political, cultural, professional and social organisations.

The leaders of the regional contract form a Mannheim type of "ruling and managing elite", which operates in social structures resulting from advanced social labour division and has a formalised character.

The investigations were carried out using a pool questionnaire with a group of 239 leaders, with dominance of representatives of the counties (65.7%). The leaders of the Regional Contract are members of its organs,

permanent and temporary commissions and leaders of local segments. The entities which realise tasks are represented by 29 persons (12.6%) and the other 6.7% (16 persons) work on behalf of the government.

The age of the investigated leaders is rather advanced – the 50- and 60-year-old people make over 80% of the respondents. The people below the age of 30 make only 6.3% and these between 30 and 40 make about 16%. The age structure of the investigated leaders is different from the structure of the representatives of the Upper Silesian county – the latter are by 10 years younger than the people working for the Regional Contract [Barański, 1993].

The majority of the leaders of the Regional Contract (53.5%) declare political indifference, 25% respondents support or belong to the government coalition (until September 2001), 13.8% support or belong to the opposition parties and others are connected with yet other parties.

7.1. The hierarchy of the importance of the Regional Contract objectives

An analysis of the objectives indicated by the polled leaders (236 representatives of the parties participating in the preparation and realisation of the Regional Contract showed the following hierarchy of the objectives of the Regional Contract (Tab. 1).

The respondents pointed out that the most important aims include economy restructuring, economic growth, reduction in the unemployment rate and improvement of the natural environment. These aims form a whole (a complete system) and realisation of one of them involves

Table 1. Hierarchy of the importance of objectives

No.	Objectives	%	Ranking
1	Reduction of unemployment	30.5	3
2	Economic growth	41.4	2
3	Economy restructuring	50.2	1
4	Coal mining restructuring	14.2	5
5	Metallurgy restructuring	3.3	8
6	Modernisation of education system	10.0	6
7	Improvement of health care	7.1	7
8	Improvement of natural environment	21.3	4
9	Others	1.3	9

Ranking from 1 to 9

Source: *Kontrakt Regionalny...*, 2000, p. 16.

necessity to realise the others. The distant rank of the education system modernisation in the hierarchy of the Contract aims is rather intriguing. This may be explained by the existing stereotype of perceiving the region's problems through the mining and metallurgical ones. The education structure of Upper Silesia is very unfavourable as compared to other regions, especially these, where large urban agglomerations are located. In the mid 1990s, 66% of the inhabitants of Katowice Province (above the age of 15) had only technical education. This resulted from the former demand for workers employed in traditional industries – coal mining and metallurgy. It is said that the deficiency of workers with secondary and university education is a barrier which hampers the restructuring of industry.

Table 2 shows the differences in the hierarchy of the aims, which occur between the local government (counties), the central government and task entities. The latter think that the improvement of natural environment is the most important aim, followed by economy restructuring and improvement of healthcare. The representatives of local and central governments show a similar hierarchy of aims, however the latter emphasise also modernisation of education and coal mining. The local government gives rather a distant rank to modernisation of the education system.

Table 2. The hierarchy of aims according to the parties represented in the Regional Contract

No.	Aims	County	Government	Entity which realises the task	Others
1	Reduction in unemployment rate	2	3	4	3
2	Economic growth	3	3	4	1
3	Economy restructuring	1	1	2	2
4	Coal mining restructuring	5	2	7	6
5	Metallurgy restructuring	8	—	6	—
6	Modernisation of education system	7	2	5	5
7	Improvement of healthcare	6	—	3	—
8	Improvement of natural environment	4	4	1	4
9	Others	9	—	3	5

Ranking from 1 to 9

Source: *Kontrakt Regionalny...*, 2000, p. 16.

The realisation of the aims included in the government-social agreement (the Regional Contract) endorsed in 1995, as well as the implementation of its assumptions occur in the most important spheres of the economic and social life (education, economy restructuring, natural environment, social security, healthcare, transport, development of the local government). The evaluation of their implementation, though, is not very optimistic. Even the signatories and executors of the Regional Contract assumptions have rather a poor opinion of their implementation, except for development of the local government – 47% of the respondents evaluated positively the activities in this matter. Perhaps because of the fact that development of the local government will occur anyway, irrespectively of this agreement.

The leaders of the Regional Contract critically evaluate the implementation of the Contract assumptions and indicate these spheres, where realisation of the agreement encounters the greatest difficulty.

According to the local government, these spheres include economy restructuring, education and healthcare. According to the central government, these are transport, economy restructuring and protection of natural environment. However, according to task entities, the spheres posing the greatest difficulty in the implementation of the Contract assumptions include social security, transport and education.

To sum up, it should be emphasised that the priorities of the Regional Contract (according to their leaders) include economy restructuring, economic growth and reduction in the unemployment rate. Successful realisation of these aims will make it possible to realise other aims.

Commonly, the Regional Contract is perceived in political categories; still, it was quite a factor that activated local communities, economic institutions and, especially, local governments.

The situation will change together with decentralisation, which is undergoing in Poland, and the level of competencies (especially financial) of local and regional governments will increase.

7.2. An evaluation of organs and task institutions of the Regional Contract

The ranking of institutions, which accomplish the tasks of the Regional Contract in the best way is discussed below. The largest number of positive marks (47.3%) was given to the "Contract Board", which appeared to be the best known and respected organ. Critical marks were given by 26.0% of the respondents. The second position was taken by "Katowice International Fair" – 43% of the positive marks and 19,6% of the negative marks and it became a leading institution of the Contract.

The third position was allotted to the commissions of the Contract. They obtained 42.3% of the positive marks and 27.6% of the negative marks. The fourth position is occupied by "Upper Silesian Agency of Regional Development" (39.9% of the positive marks) and the fifth position by "Upper Silesian Fund" (38.5% of the positive marks).

The above-listed institutions are perceived to realise the tasks pointed out in the Contract in the best manner. They may be compared to the ranking of organs and entities, which should play the most important role.

The first position is again occupied by the "Contract Board", which is supported by 65% of the respondents. The second position is occupied by "Upper Silesian Fund" (30%). Its high position results from the role of financial means in the realisation of the Contract. The next positions are occupied by the commissions (28%) and "Upper Silesian Agency of Regional Development" (14.6%) [*Kontrakt Regionalny...*, 2000].

An analysis of the documents of the Regional Contract and the results of the investigations show that the idea of the agreement and its aims, the most important organs, organisational output, institutional output and the accomplished implementations fulfil the expectations of the leaders and form a material product of the processes behind the region's modernisation.

The balance of the Contract output to date has revealed larger logistic and programme achievements than restructuring effects, which require much more time for implementation. Apart from this, the Regional Contract is an innovatory enterprise, which does not follow any models.

Moreover, the transformation of the economy of Upper Silesia depends on the joint efforts and assurance of certain aid from the central government. However, while the social side has been trying to work out, since the beginning of the 1990s, a more and more efficient prognosis of region transformation, the government has not done their best. The change on the political stage in 1997 ("Solidarity movement") caused resignation from earlier conceptions which resulted in a delay of the coal mining restructuring and suspension of further restructuring of the region.

We should hope that the self-governed Silesian Province (after the administration reform in 1999) will finally accomplish proper economic and social structures, and will reach the European standards.

7.3. Restructuring of coal mining and iron and steel industry

In the region under analysis there is a common acceptance of local communities, territorial governments, central administration, and inhabitants concerning the necessity of deep restructuring of two strategic

sectors of the economy. This is reflected in the poll investigations, where out of 228 respondents, 112 regarded restructuring of the economy (mining and metallurgy) as priority objectives of the Regional Contract, more important than economic growth, unemployment reduction, education, health service and protection of natural environment.

The economy of the Silesian region is dominated by heavy industries (mining and metallurgy). The concentration of traditional, old and inefficient industries with exceptionally high – according to the European standards – employment rate needs urgent intervention [Tkocz, 2001].

The social side of the Contract (counties – 41.8%, the government – 63.5% and task entities of the Contract – 57.3%) are all well aware of heavy industry problems. It should be underlined that this trend has been common for the members of the present government coalition and opposition (since the launching of the Contract, they have already changed their roles) and non-party representatives [*Kontrakt Regionalny...*, 2000].

The restructuring is inseparably connected with transformations in the job market, because in 1996, more than half of the employees in Katowice Province were employed in industry, including 44.4% in mining and 12.4% in metallurgy [*Informacje o realizacji zapisów...*, 2000].

The efficiency of restructuring activities depends on the consequences of implementation of the assumptions included in the Contract, in the form of “The programme of restructuring and development of Katowice Province 1998-2002” and “Strategy of integrated development of Katowice Province 1998-2001”, with simultaneous implementation of sector programmes of traditional industries restructuring and individual programmes of privatisation and restructuring of companies in the region. The strategic aim of these programmes is to secure improvement of the economic conditions in the region through a differentiation of businesses and acceleration in creation of new jobs. In consequence, this will allow to:

- increase the competitiveness of the region and bring it closer to the economic and social standards of the European Union;
- keep the level of income per 1 inhabitant;
- reach the social development index (HDI) of 0.819 (for the state – 0.809).

In the structure of the region's economy, the signs of improvement have been noticed. They are seen in the decreasing role of traditional industries in favour of other sectors, especially agricultural and food industry.

The restructuring of hard coal mining started in 1990 (liquidation of coal mines, then liquidation of Hard Coal Union which performed the

role of Ministry of Mining and Power Industry) and transformation of coal mines into independent entities (coal companies) started in 1993. At that time, the Board of Ministers accepted a programme of hard coal mining restructuring in Poland. It consisted of three stages:

1. putting a stop to mining insolvency,
2. increasing the efficiency of coal companies;
3. achievement of maximal economic exploitation in the period 1996–2000.

Results of the economic activity of coal mining show that the 1st and 2nd stages did not succeed. This resulted from:

- inability to adapt mining to new assumptions of the economic policy with contradictory rules, *i.e.* free market rules on the one hand and imperative rules on the other one (administered prices, export restrictions);
- overproduction of coal in the period of economic recession (1990–1994);
- lack of modern technologies of coal exploitation and enrichment;
- unfavourable administrative decisions by the economic centre of the period 1989–1994 [*Górnictwo węgla kamiennego...*, 1996].

In the light of these facts, the financial-economic situation became even worse: a decrease in the demand for coal, unfavourable prices, increasing transport costs, limitation in the employment reduction (lack of group redundancies, increase in the environmental fees).

As a result of negative financial effects in coal mining in the period 1990–1995, the government ratified the programme “Hard coal mining – the policy of the state and the sector for the period 1996–2000” to adjust the mining to free market economy and international competition. The main assumptions of this programme are closely connected with the assumptions of the Regional Contract, which assumes constant implementation of the governmental programme of coal mining restructuring, including employment, technological sphere, finances, organisational sphere and ownership sphere [*Górnictwo węgla kamiennego...*, 1996].

The elementary condition to carry out the programme of employment reduction is creation of new work places, alternative to mining. To fulfil this condition, the institutions of the Regional Contract (Mining Agency of Labour, Katowice Special Economic Zone) will be used, as well as Mining Pilot Local Segment called Northern Area of Initiatives. It comprises the area of 272.5 km² dominated by hard coal mining and iron and steel metallurgy. The signatories of the Segment include 6 communes, 3 largest trade unions, banks, businesses, agencies, associations and funds. This territorial union comprises 14 coal mines with all their restructuring problems: liquidation, merger and, most of all, activation of economic and formal bonds.

In the process of coal mining restructuring, the technical sphere plays a very important role. It includes an increase in efficiency up to 615 tons

per worker in a year (now it is 500 tones), concentration of exploitation, reduction of the area owned by coal mines, and pro-ecological activities.

Financial restructuring comprises activities which aim at sorting out the liabilities (retirement fees, bank loans, taxes) and enterprises, which aim at improving the economic situation of the sector. Clearing of debts in coal mining is the main condition to obtain the financial balance by this sector.

The improvement of financial performance requires ruling the coal prices according to free market mechanism void of administrative limitations. Therefore, unconventional solutions are necessary: means of the state budget and central funds.

The final success of hard coal mining restructuring needs certain organisational and ownership transformations:

- liquidation of coal mines and merger of neighbouring ones;
- organisation of research, design and consulting bases in order to monitor restructuring processes.

The organisational restructuring includes transformation of Hard Coal Agency into Basal Agency of Hard Coal Mining Restructuring. Its main duties comprise:

- management of shares of coal mining businesses;
- strategy of coal mining activities;
- control of financial centres,
- evaluation of the consistence of strategic intentions of coal companies with the assumptions of the restructuring programme.

The proprietary transformations aim to decrease non-production assets of coal mines, especially their non-production infrastructure, privatisation of services and social infrastructure and use of the liquidated coal mines' property to create new jobs. A success of these actions will decrease the cost of coal exploitation and increase the economic efficiency of the sector.

Within the framework of financial improvement, the act of financial restructuring of hard coal mining units (from 1997) creates the conditions to regulate financial arrears of coal mines by 2005 [*Informacja o realizacji przepisów kontraktu...*, 1997].

Despite clear signs of improvement in these spheres of restructuring of the coal mining sector, only consistent implementation of "The programme of the hard coal mining adjustment to the conditions of free market economy and international competition" – the document which supports the realisation of the Regional Contract – may create economically powerful sector, independent of the central budget.

7.4. Restructuring of iron and steel industry

The second sector of economy, *i.e.* iron and steel industry, which is in need of deep transformations is also concentrated in the south of Poland and most of the iron and steel works are located in Katowice sub-region (the present Province of Silesia). They employ a total of 60% of the workforce in this sector.

The main condition of restructuring carried out in this sector is the adjustment of production capacity of iron and steel industry to market needs. This requires preparing a programme of technological and technical modernisation – liquidation of energy-intensive and material-consuming technologies, elimination of open-hearth furnaces. The process of modernisation of old iron and steel works is extremely long, though.

The success of technical and technological modernisation in the metallurgical sector depends on the financial means. Undoubtedly, aid from the state is necessary, as well as a possibility to obtain loans. However, some of the banks (especially international financial organisations) require 100% security guaranteed by the state budget. The Board of Ministers rarely issues such warranties, even for a strategic branch of industry in the national economy. To obtain higher economic efficiency of iron and steel works it is necessary to reduce employment (by 80,000 by 2002).

Apart from the factors mentioned above, the financial improvement of iron and steel industry is also influenced by external factors – foreign competition. The custom protection of the Polish metallurgy is necessary. According to the association agreement with the European Union, custom duties for imported steel goods were assumed to decrease by 3% every year (from 12% in 1995 to 0% in 1999). The European Union conditions the prolongation of custom protection of the Polish metallurgy on the evaluation of the improved programme of metallurgy restructuring [*Restrukturyzacja przemysłu hutnictwa...*, 1996].

A promising element of the Polish metallurgy restructuring is the change of the ownership structure of this sector. The group of independent state-owned companies or corporations was not able to cope with the assumptions of “The programme of metallurgy restructuring” or to compete with foreign metallurgical companies. It was therefore necessary to create a new organisational structure of this sector. Consequently, Inter-Department Group of Iron and Steel Industry Restructuring and Privatisation was established. Merged iron and steel works of holding character and concern structures will be able to compete with western concerns. The optimal solution would be a merger of the sector by potential foreign investors. It is possible in case of two large iron and steel

works (Katowice and Sędzimir), but the future of the other plants is not defined yet.

Realisation of the privatisation programme requires introducing strategic investors (both domestic and foreign) into this sector. The realisation to date led to liquidation of disused raw materials departments. Modernisation investments (from the sector's means and loans) allowed installing a strand cast steel line, the most modern in Europe. This brought the Polish metallurgy closer to the level of the world's iron and steel industry.

The ownership restructuring of metallurgy encountered greater difficulty. Only one plant became totally privatised (Warszawa Steel Works – a Polish-Italian joint venture). In two other iron and steel works, which produce 60% of Polish steel (Katowice and Sędzimir Iron and Steel Works) preliminary works are in progress. In the case of Sędzimir Works, the following concerns are interested in its privatisation: Hoogovens, Voest Alpine Stahl and Thyssen Krupp with Ispat International. In the case of Katowice Works, the potential foreign investors include British Steel, Danielli, Voest Alpine Stahl and Hoogovens. According to the programme of privatisation of these main plants on the Polish market, their privatisation should be finished by the end of 2001.

The facts mentioned above show that the economy of the region requires radical transformations to adjust it to the conditions of free market economy. Especially, this concerns two key industries of this region – hard coal mining and iron and steel metallurgy. Long-lasting attachment of these industries to Upper Silesian region makes this process very difficult. These industries are the basis of living for most of the households in this region, and this, together with restructuring processes and employment reorganisation, makes for an important social problem (alternative jobs, social aid, change in the inhabitants' mentality). Otherwise, this region will become an area of social conflict, and, on the other hand, if the modernisation processes are slowed down, this region will become a "bankruptcy" area in the economic and ecological terms. To oppose this, intensive activities should be taken up and sector programmes should be integrated with "The programme of regional economic policy..." [*Skorelowanie programów sektorowych z Programem...*, 1995].

This requires an interdependent treatment of aims, resources, means and results included in restructuring programmes of both sectors and the region. This is the main objective of the Regional Contract, a social-legal agreement between the social part and the government, which takes into account a long-lasting (up to 20 years) programme of restructuring of the region economy.

The results of the investigations suggest that realisation of resolutions of this agreement encounters some difficulties, especially in the sphere of economy restructuring – this was confirmed by half of the respondents. Perhaps the estimation of the implemented assumptions of the Contract should be postponed.

The problem of transformation of the Polish mining and metallurgy requires transformations of technical, ownership, financial and organisational character. Because of the importance of these industries in domestic economy, decisions of political character seem to be necessary because the future of the Polish iron and steel works depends on the results of “steel negotiations” in Brussels (custom protection of steel). The question is: Will they become raw material bases of Europe, or modern processing companies?

7.5. An evaluation of the educational system

In the Regional Contract, which is the first attempt to solve complex transformation processes in a regional aspect (and in a sector aspect), the role of education was underlined in overcoming cultural distance between our region and the others. The first chapter of the Regional Contract is therefore devoted to modernisation of education. The change of post-elementary education was assumed, which would cause expansion of secondary and university education due to an increase in the number and level of high schools and universities, as well as resignation from a narrow technical education.

The realisation of the Contract's legacies was assumed for 20 years. However, after only 5 years of implementation, the increase in the education index at the level of secondary school may be observed, as well as gradual liquidation of technical schools – especially those offering mining and metallurgical specialisation; graduates from such schools do not have chances of employment. In the period of 6 years (1990–1996), 131 technical secondary schools were closed [*Mierniki realizacji przedsięwzięć...*, 1997].

The results of the evaluation of the polled leaders show, that the agreement signed between the government and the social party concerning education encounters many problems, e.g. the investment in “educational capital” is not commonly understood as the investment into the future of the region's inhabitants.

The changes in the educational system, which started in the 1990s, were meant to accelerate the Regional Contract as far as its main aim is concerned – modernisation of the educational system in the region. According to the polled leaders, the rate of alterations is unsatisfactory and

the securing of the financial means for realisation of 4 reforms simultaneously arises both some fear and anxiety whether the government helps or leaves these problems to the counties.

The results of the investigation showed that the main aim of the agreement studied is restructuring the economy, then development of local governments, and then education. Members of the government coalition have a low opinion of the implementation of the agreement in this matter. Such an opinion predominates also among the representatives of the counties (especially these with university education).

Hopefully, the legacies of the Regional Contract will be more intensively accomplished with time because this agreement, itself being the most important political and economic event of the recent years, showed that Upper Silesia – formerly the main industrial centre – still has its power, because only this region was able to “extort” a partnership settlement from the government.

7.6. An evaluation of the healthcare in the Regional Contract

Among the different spheres of the Contract, the healthcare and connected with it protection of the natural environment are socially very important. The economy enters the phase of important structural changes, but in the case of health protection this perspective has been too short. Nevertheless, a brief description of trends of changes or their lack is reasonable.

The Regional Contract works out its own strategy in the sphere of healthcare together with environment protection because these two problems in this region are inseparably connected with each other as a succession of long-lasting wasteful exploitation, which caused degradation of natural environment and degradation of the inhabitants' health.

This process may be stopped, but it requires long-lasting pro-ecological activities, health protection and its preventive treatment. This is reflected in the contract objectives and will result from global activities in the process of economy restructuring, especially its industries (mining and metallurgy) with obsolete technology.

Results of the investigation show, that implementation of the Contract in the healthcare sphere is the worst (87%). Health service is not perceived as a leading aim for the region and its inhabitants either by the central or local governments. It is perceived as a resultant element of accomplishment of tasks in the other spheres – restructuring of economy and its main sectors [*Kontrakt Regionalny...*, 2000].

8. The media about the Regional Contract

The Regional Contract is a new, specific institution of public life, which was established in the period of political transformation and it has to be accomplished for the sake of free market economy. It is a form of aid granted by the government to one region with particularly intensive degradation of its natural and economic environment.

The Regional Contract has its internal and external premises, therefore the information about such an important agreement, its assumptions, aims and realisation can not be limited to regional and nationwide media, because the crisis of the Upper Silesian economy has a European dimension. Its ambition to "go European" is an important factor in the process of integration with the European Union [Kukliński, 1997]. This agreement has to be subject to a continuous social evaluation and opinion.

What are the opinions expressed by the leaders about the problems of the Regional Contract as found published in different media?

These opinions are as follows: negative opinions about giving information on the Contract activities predominate; information on the work of individual commissions has the worst publicity (over 70%); information on the activities of individual segments is shown in a better light (over 27%). The local part of the Contract is better perceived in social consciousness than the general regional part of the agreement. This results from the nature of local segments and their work, which are closer to citizens and show effects that are directly perceived.

It should be emphasised that giving information to the public about the Regional Contract and social interest in the Contract are two different things.

The polled leaders postulate an increase in information concerning 3 aspects: realisation of the Contract, its financing and functioning of local segments. According to these leaders, a conscious information policy about successes and defeats of this agreement will allow the public opinion to commit itself to realisation of the Contract tasks.

The Regional Contract has not entered the social circulation yet, therefore the main task of the media is to alleviate social fears of changes associated with the Contract, especially economy restructuring and their leading sectors [Jacher, 1997].

9. An evaluation of the realisation of the Regional Contract

The signing of the Regional Contract was an event of unprecedented importance and it was intended to intensify the activities of the social

party towards the "painless" restructuring of the region's economy. But at that time, the regional policy of the state did not exist, neither did self-governed provinces (they were established on 1st January, 1989).

Concluding, the following questions may be asked: "Did regional leaders realise the legacies of the Contract? What was achieved and what was not accomplished over the last 5 years?"

The results of poll investigations on the Regional Contract show, that much has been done but even more could have been achieved. The Voivode accuses the representatives of the central government of not doing their best. Nevertheless, this agreement is very important because for the first time in the post-war history of Poland the government had formally accepted many difficult problems to solve. Their solution is of considerable importance not only for the region but also for the whole country.

Despite all the failings in the legacies of the Contract and possibilities to obtain proper means from the government, most of the polled leaders, both on the social and government sides, believe that this agreement-institution is a proper way of solving regional problems. The rate of implementation of the Contract legacies is slow because of the lack of proper funds. Only 25% of the polled leaders positively evaluated the results of the contract tasks; the others declared that the lack of means was the main cause of all the problems behind the realisation the Regional Contract.

While evaluating the representatives of both parties, the social side, which realised specific tasks, was ranked higher (50% of the polled leaders) than the government. The realisation of the Contract legacies by the government was assessed lower (60%). Especially in the sphere of education, 55% of the leaders considered that the adaptation of education to the needs of job market proceeded badly, which is not caused by the lack of financial means, but by an incorrect structure of expenses.

Among all the objectives of the Contract, the development of autonomous local government was evaluated positively by the leaders. This evaluation is a vote of praise for the activities of the social party – creation of local segments, which are an example of proper understanding of the term "autonomy". Representatives of local and economic governments ratified in 1996 an agreement between 10 counties declaring common activities [Janicka, 1998].

The realisation of the legacies concerning the economy restructuring was poorly evaluated by 65% of the polled leaders (Tab. 3).

One can wonder if there are any profits the Regional Contract has brought in, since one of its most important spheres was so badly evaluated? In spite of all there are quite a few of them:

1. Establishment of Upper Silesian Fund. It is the institution which gives assistance to restructuring companies. Its objective is to increase

Table 3. An evaluation of realisation of the Regional Contract tasks (in %)

Sphere	Evaluation		
	Positive	Negative	No opinion
Education	23.9	55.6	17.2
Social security	20.9	56.4	20.1
Transport	16.3	63.2	17.2
Natural environment	30.9	50.2	14.6
Development of self-government	46.8	36.0	14.2
Economy restructuring	19.6	65.3	13.0

Source: *Kontrakt Regionalny...*, 2000.

its capital and, as an investment company, earn money and allot it to alleviating social effects of restructuring;

2. Establishment of Katowice Special Economic Zone, which consists of 4 sub-zones. It includes 16 companies, which cover 181 hectares, *i.e.* 22% of the total area. The investments, which are intended to start by 2001, should offer 5,364 jobs;

3. Establishment of Regional Investment Funds, an institution which aims to develop investment funds of venture capital type;

4. Preparation of the programme "Hard coal mining – Policy of the state and the sector for the period 1996–2000". The Board of the Regional Contract was involved in passing the opinion on the project of the law concerning financial restructuring of coal mining.

The role of the Regional Contract for most of the polled leaders is reduced to coal mining restructuring, which is identical with the transformation of the whole region and its community (62%).

During the next 20 years (a 20-year long plan of region transformation) the governments will change. But the aims and expectations of the inhabitants of this region will still be the same. It is not important for them who rules but it is important what will be done to the problem of unemployment and if there are still financial means for further realisation of the Contract tasks.

Does the Regional Contract have a chance to function further?

The Prime Minister (until the September election) assured that the programmes of mining and metallurgy reform and the whole agreement is just the beginning of a large programme of economic revival of Upper Silesia. According to him, the role of the Regional Contract is very significant, especially in the conditions of a self-governed province (since January 1999), which has proper competencies and budget.

The Regional Contract provided the community with the attributes of regional entity to manage social and economic processes. The creation of its institutions and mechanisms may be regarded as a factor of modernisation of the Polish society and state. The reform of the public administration (local government in 1990 and then self-governed communes and provinces) adjusts Poland to democratic standards. The political changes, which use the experiences of western democracies and our output, bring us closer to the EU countries.

Literature

- Barański, M., "Portret gmin województwa katowickiego" ("A portrait of the communes of Katowice Province"), in: *Spoleczności lokalne i rozwój lokalnej demokracji. Gminy województwa katowickiego (Local Communities and the Development of Local Democracy. The Communes of Katowice Province)*, Katowice, 1993.
- Górnictwo węgla kamiennego. Polityka państwa i sektora na lata 1996–2000. Program dostosowania górnictwa węglowego do warunków gospodarki rynkowej i międzynarodowej konkurencji (Coal Mining. The Policy of the State and Sector for the Years 1996–2000. An Adjustment Programme for Coal Mining to the Conditions of Market Economy and International Competition)*, Warszawa, 1996.
- Informacja o realizacji zapisów Kontraktu Regionalnego dla województwa katowickiego z uwzględnieniem przemian społeczno-gospodarczych w województwie katowickim w latach 1990–1996 (Information on Realisation of the Regional Contract for Katowice Province, Including the Socio-Economic Transformations in the Province in the Years 1990–1996)*, Urząd Wojewódzki w Katowicach, Katowice, May 1997.
- Jacher, W., "Dylematy restrukturyzacji na Górnym Śląsku" ("The dilemmas of restructuring in Upper Silesia"), in: *Gazeta Uniwersytecka 1997*.
- Jałowiecki, B., "Przestrzeń historyczna, regionalizm, regionalizacja" ("The historical space, regionalism, regionalisation"), in: *Oblicza polskich regionów, Studia Regionalne i Lokalne 17(50) (The Faces of the Polish Regions. Regional and Local Studies)*, Uniwersytet Warszawski, Europejski Instytut Rozwoju Regionalnego i Lokalnego, pp. 19–88, 1996.
- Janicka, M., "Kontrakt regionalny dla województwa katowickiego w prasie regionalnej" ("The Regional Contract for Katowice Province in the regional press"), in: M. Barańska (ed.), *Samorząd terytorialny z uwzględnieniem problemów społecznych województwa katowickiego (The Self-Government Including the Social Problems of Katowice Province)*, Katowice, 1997.
- Kontrakt Regionalny dla Województwa Katowickiego. Część I. Regionalna Umowa Społeczna. Część II. Porozumienie Regionalno-rządowe (The Regional Contract for Katowice Province. Part I. The Social Regional Agreement. Part II. The Regional-Government Agreement)*, Katowice, 1995.
- Kontrakt Regionalny dla Województwa Katowickiego (The Regional Contract for Katowice Province)*, in: M. Barańska (ed.), *Prace Naukowe Uniwersytetu Śląskiego (Scientific Works of Silesian University)*, Katowice, pp. 9–10, 2000.
- Kukliński, A., "'Unionizacja' polskiej przestrzeni" ("The 'unionisation' of the Polish space"), in: *Problematyka Przestrzeni Europejskiej (Problems of the European Space)*, Euroreg, Warszawa, pp. 103–112, 1997.
- Mierniki oceny realizacji przedsięwzięć w latach 1994–1996 zapisanych w „Kontrakcie regionalnym dla województwa katowickiego” (The Evaluation Measurements of the Real-*

- sation of the Undertakings in the Years 1994–1996, As Written in the Regional Contract for Katowice Province), Urząd Statystyczny, Katowice, pp.12–65, 1997.
- Opracowania „Kontraktu regionalnego województwa katowickiego” (Volumes of the Regional Contract for Katowice Province), Urząd Wojewódzki w Katowicach, Vols. 1–14, 1995.
- Raport o wdrażaniu „Kontraktu regionalnego dla województwa katowickiego” (Report on Implementation of the Regional Contract for Katowice Province), Katowice, 1996.
- „Polityka restrukturyzacji przemysłu województwa katowickiego” (“The policy of restructuring the industry of Katowice Province”), in: *Prace Naukowe Akademii Ekonomicznej (The Scientific Volumes of Economic Academy)*, Katowice, 1991.
- Restrukturyzacja przemysłu hutnictwa żelaza i stali w latach 1996–2000 (*Restructuring the Branch of Metallurgy of Iron and Steel in the Years 1996–2000*), Ministerstwo Przemysłu i Handlu, Warszawa, 1996.
- Riley R., Tkocz, M., “Coalmining in Upper Silesia under communism and capitalism”, in: *European Urban and Regional Studies* 5, pp. 217–235, 1998.
- Riley R., Tkocz, M., “Local responses to changed circumstances: Coalmining in the market economy in Upper Silesia, Poland”, in: *GeoJurnal* 48, pp. 279–290, 1999.
- Skorelowanie programów sektorowych z „Programem regionalnej polityki gospodarczej i założeniami Kontraktu Regionalnego...” (Correlation of Sector Programmes with the ‘The Regional Programme of Economic Policy and Assumptions of the Regional Contract...’), Vols. 3 and 5, 1995.
- Szczepeński, M.S., *Władza i społeczności lokalne w procesie przeobrażeń ustrojowych (The Authority and Local Communities in the Process of the Socio-Economic System Transformations)*, Uniwersytet Śląski, Katowice, 1994.
- Szajnowska-Wysocka, A., *Podstawy zorganizowania miast konurbacji górnośląskiej (Fundamentals of Organisation of the Towns of the Upper Silesian Conurbation)*, Wydawnictwo Uniwersytetu Śląskiego, Katowice, 1995.
- Szajnowska-Wysocka, A., “Kontrakt regionalny dla województwa katowickiego. Przeobrażenia struktury funkcjonalnej (“The Regional Contract for Katowice Province. Transformations of the functional Structure””, in: *Acta Universitatis Wratislaviensis, No. 2048, Studia Geograficzne LXIX*, pp. 159–170, 1998.
- Szajnowska-Wysocka, A., (a) “The multicultural character of the Upper-Silesian Conurbation”, in: *Multicultural Regions and Cities. Region and Regionalism, No. 4*, Łódź–Opole, pp. 208–212, 1999.
- Szajnowska-Wysocka, A., (b) “Historical and Cultural Identity of a Central European Conurbation”, in: *XIV AESOP Congress, Abstracts*, Bergen-Norway, 1999.
- Tkocz, M., *Restrukturyzacja przemysłu regionu tradycyjnego (Restructuring the Industry of a Traditional Region)*. Wydawnictwo Uniwersytetu Śląskiego, Katowice, 2001.

The Austrian Silesia consisted of two different parts. The former Opavia Duchy with fragments of counties of Králov (Jägerndorf) and Nisa (Neisse) was situated in the west and it was populated predominantly by the Germans till 1945, like the German Silesia at that time. The former Teschen Duchy was situated in the east and it was populated predominantly by the Poles (for more details see Hannen, 1996). The Czech population increased significantly after incorporating a substan-

The Silesian area means the area of former Austrian Silesia (created in 1742 between Austria and Germany, including a part of Lusatia incorporated in 1815) within the administrative borders valid at least till World War II.