

JUST TRANSITION IN THE SILESIA PROVINCE: OPPORTUNITIES AND THREATS



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Warsaw, June 2019



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INTRODUCTION: THE JUST TRANSITION



The just transition constitutes one of key issues within the context of protecting the Earth against negative effects related to the destruction of the natural environment. Rapidly changing climate, which results from the dramatic acceleration of global warming and the deteriorating state of natural resources, makes pro-environmental transition one of the most pressing problems of international economic policy. Negative externalities and the global scale of environmental challenges make coordination between countries a prerequisite for moving away from the current production model. At the same time, the distribution of costs between countries is uneven. The idea of a just transition is based on the conviction that the countries and regions that have to introduce the largest number of changes should not be isolated and carry the full burden of the negative consequences of global changes. In accordance with the principles of social solidarity, this transition model calls for a fair distribution of costs. It is based on the assumption that social groups economically dependent on the gradually phased out mining industry (miners, their families, local economy benefiting from the purchasing power of the mining wages) should not be punished or made accountable for global processes.

The costs of transition, which aims to avoid an environmental disaster, burden some regions and social groups more than others. Reducing greenhouse gas emissions requires a shift in the energy production model and diverting from fossil fuels, which were the main drivers of the industrial revolution. Decarbonisation means that regions that have developed around the mining sector will have to change their economic structure.

Adopting the principles of just transition calls for the creation of new jobs, the improvement in the quality of the natural environment and the support for people working in the mining sector.

The European Union is at the forefront of international efforts to combat global warming and is therefore a world pioneer in decarbonisation. For Silesia Province, the largest region of hard coal mining in the EU, this means huge economic, social and cultural challenges. Adopting the principles of a just transition – according to which decarbonisation is to be accompanied by the creation of new jobs, improvement in the quality of the natural environment and support for people working in the mining sector—may be an opportunity, and not only a threat, for the region. It was

in this spirit that, during the UN climate summit (COP24) in Katowice in December 2018, the Polish presidency presented the Solidarity and Just Transition Silesia Declaration, which was backed by the European Union and the representatives of 45 countries.

The aim of this report is to look at the Silesia Province from the perspective of opportunities and challenges related to just transition, taking into account the economic structure of the region and selected socio-economic aspects. First, we will present the economic structure of the region, with respect to the leading industries, the level of innovation therein and the situation of the labour market. Next, we will identify strengths and weaknesses of the Silesia Province in the context of the region's economic potential and its level of preparation for economic transition arising from decarbonisation.



ECONOMIC PICTURE OF THE SILESIA PROVINCE

Macro-economic profile

The Silesia Province is among the richest regions in Poland. GDP per capita is EUR 12,600, placing the province in fourth position after the Mazovia, Lower Silesia and Greater Poland Provinces. The average for the whole country amounts to EUR 12,200. In terms of purchasing power, the Silesia Province is at 72% of the average for the whole European Union.

Silesia is also among the leading Polish provinces in terms of labour productivity calculated by gross value added per employee. In 2016, it exceeded 106% of the national average. In this respect, however, the province is not a uniform area: in the Gliwice sub-region, (the city of Gliwice, the city of Zabrze and the poviats of Gliwice), productivity amounted to 121% of the average for Poland, while in the

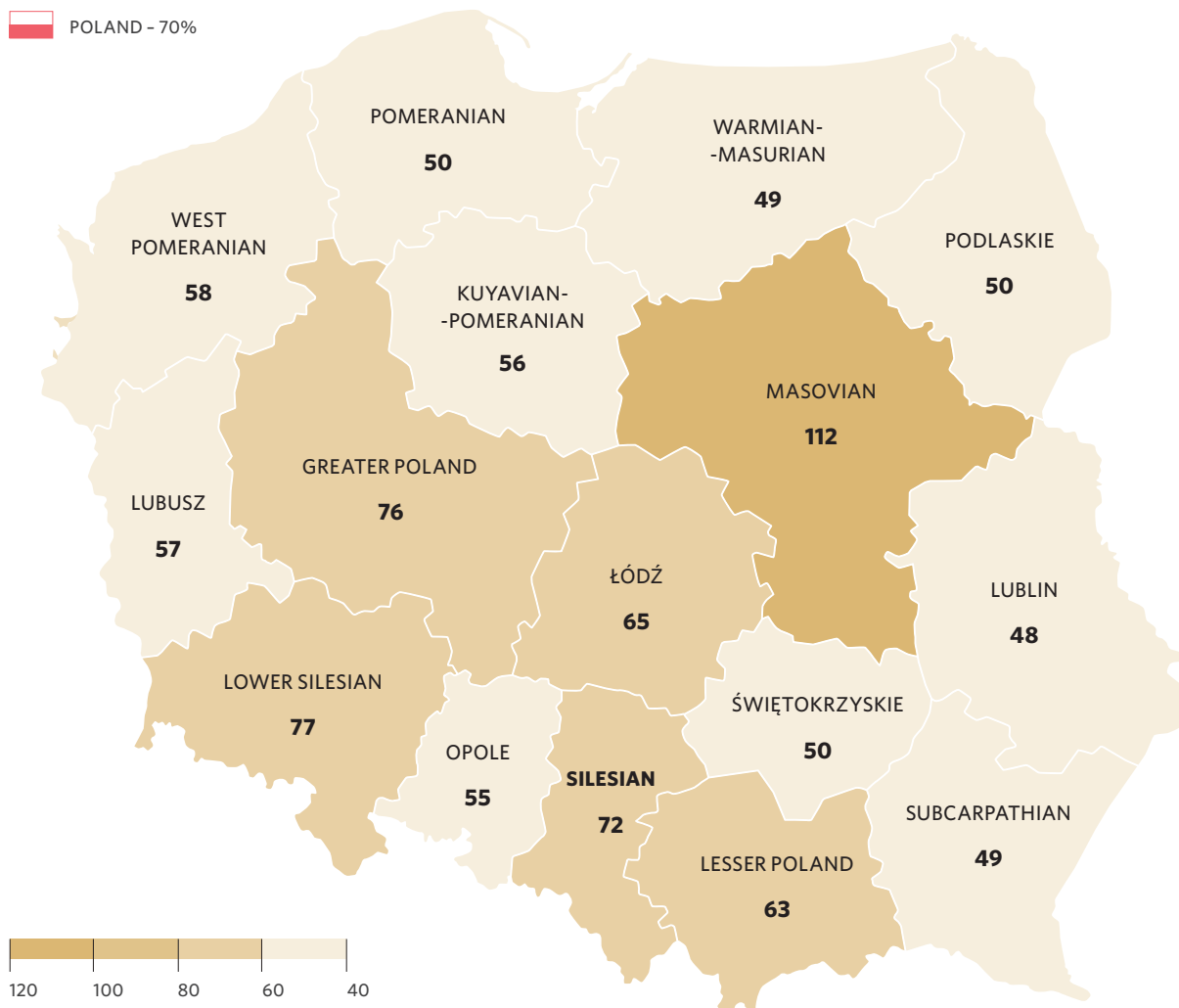
Częstochowa sub-region (poviats: Częstochowa, Kłobuck, Myszków, and the city of Częstochowa), the gross added value per employee reaches only 91%.

The case of the Częstochowa sub-region illustrates well the issue of just transition. After the discontinuation of iron ore mining in the Częstochowa mining area during the 1970s, deindustrialisation began in the region and was accelerated when employment in the Częstochowa

Steelworks was downsized from almost 9,000 people in 1990 to about 1,000 today. To compare, the Tychy, Bielsko-Biała and Gliwice sub-regions (which currently enjoy high labour productivity) have significantly benefited from the development of the automotive industry. Although its origins in Tychy and Bielsko-Biała date back to the process of industrialisation in the times of the Polish People's Republic, its transformation at the turn of the 21st century, which took place with a huge share of foreign capital as well as support from the Polish government within the Katowice Special Economic Zone, played a key role in its survival and development.

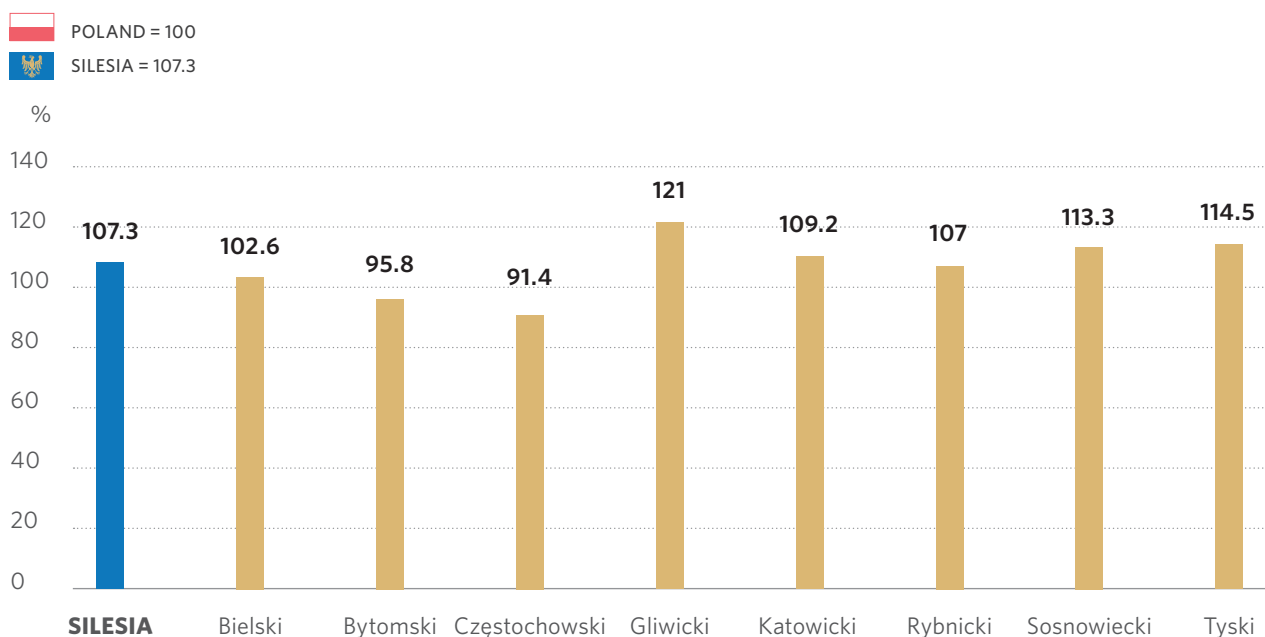
GDP per capita is EUR 12,600, placing the province in fourth position after the Mazovia, Lower Silesia and Greater Poland Provinces.

PURCHASING POWER STANDARD (PPS) PER INHABITANT IN PERCENTAGE OF THE EU AVERAGE.



Source: GUS.

GROSS ADDED VALUE PER EMPLOYEE IN THE SILESIA PROVINCE, AS DIVIDED INTO SUB-REGIONS IN 2016



Źródło: GUS.

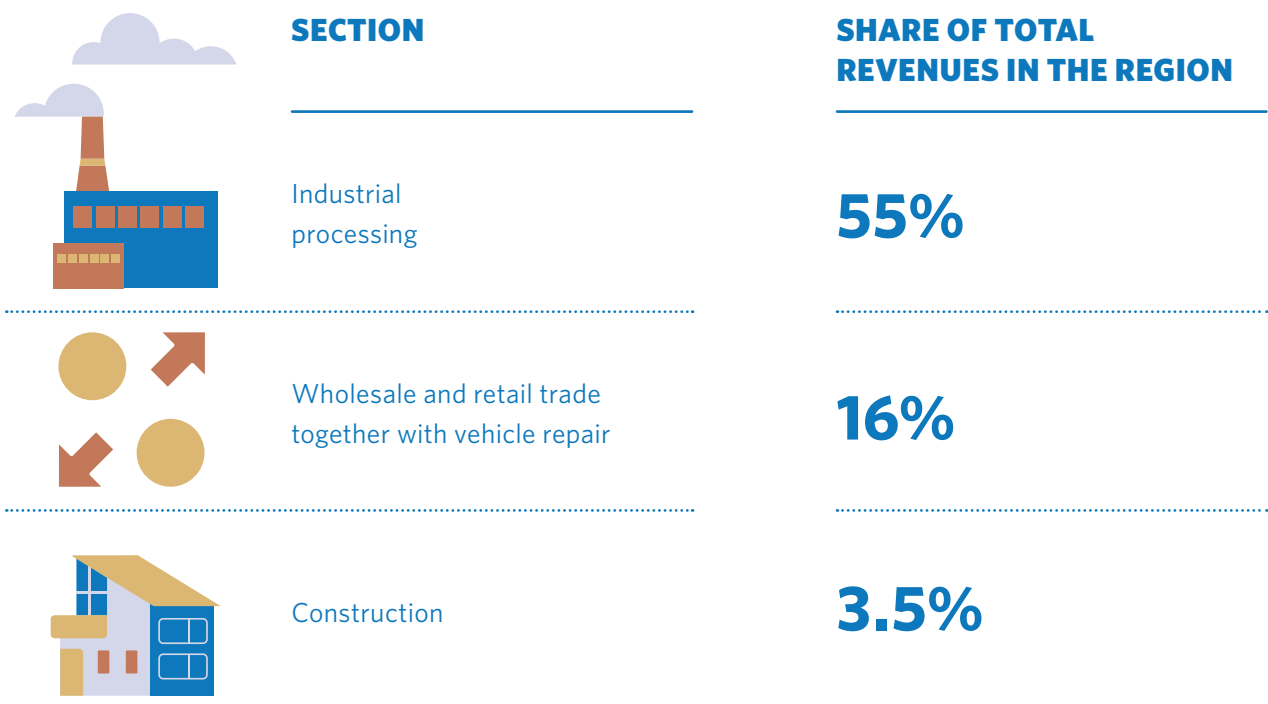
Leading sections of economy

When assessing the importance of the mining and extractive industry in the Silesia Province, it is worth noting that in 2018 the revenues of extraction companies in the region amounted to almost PLN 29 billion, which constituted about 8% of

When comparing the situation in Silesia to the distribution of revenues between different sections of the economy all over the country, one observes a much larger role of industrial processing in the province.

the revenues of all enterprises in the province. To complete the picture, the revenues of industrial processing companies accounted for 55%, wholesale and retail trade together with vehicle repair for 16%, and construction for about 3.5%. When comparing the situation in Silesia to the distribution of revenues between different sectors of the economy all over the country, we can distinguish two main disparities. Firstly, one observes the much larger role of industrial processing in the province—it accounts for 41% of the revenues of enterprises in Poland. Second difference is the lower share of trade—16% in the economy of the province compared to 31% in the economy at the national level. This confirms the picture of Silesia as a highly industrialised hub, which in turn reinforces the prospects of successful just transition related to decarbonisation in the context of the labour market.

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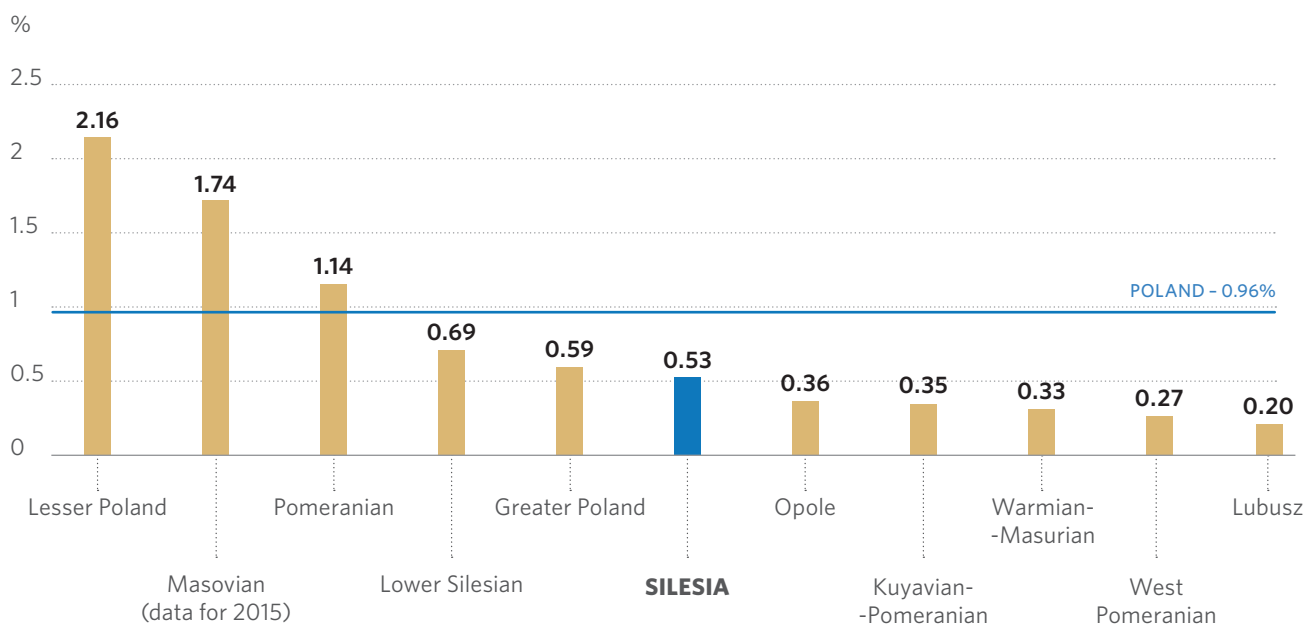


Source: GUS.

Innovative potential and investments

The predominance of traditional industry over companies investing in new technologies is still visible in the region. In 2016, the rate of intramural R&D investment in the whole regional economy (including the public and private sectors, as well as scientific and research institutions) was 0.5% of the GDP. This is well below the average for the whole country, for which this value constituted less than 1% of the GDP. In the top provinces, these expenditures ranged from twice (Pomerania) to four times (Lesser Poland) more.

INTRAMURAL R&D EXPENDITURE AS A SHARE OF GDP IN 2016



Source: Eurostat.



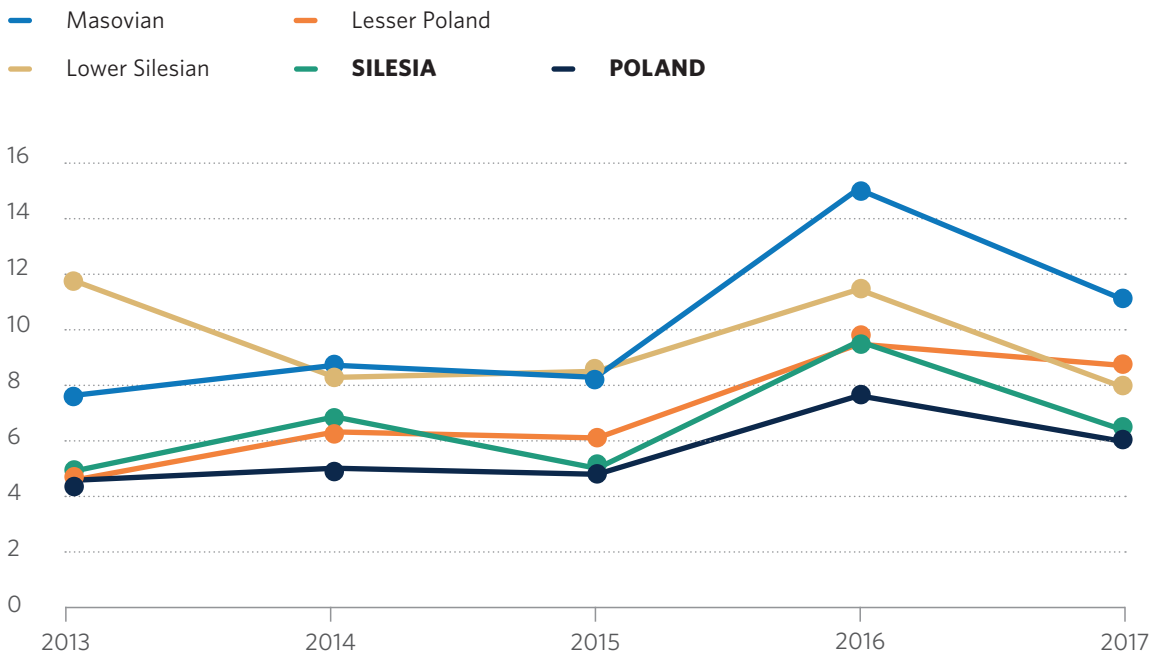
Investment expenditure of business entities in Silesia in 2018 amounted to almost

PLN 17 billion

Taking into account the activity of the private sector exclusively, in 2016, the rate of investment expenditure on innovative activity relating to gross capital expenditure amounted to 10% in the Silesia Province—over 1.5 percentage points below the national average and 5 percentage points below the Lesser Poland Province. At the same time, the Silesia Province is in sixth position in terms of the number of patents granted per 100,000 inhabitants, giving way only to Lesser Poland, Lower Silesia, Mazovia, Lodz and West Pomeranian Provinces.

Looking at the general investment and fixed assets indicators, investment expenditure of business entities in Silesia in 2018 amounted to almost PLN 17 billion, placing the province in second position after Mazovia and slightly above Lower Silesia. When considering the size of the provinces, Silesia falls to sixth position in rank of not only Lower Silesia, but also Greater Poland, Pomerania and Opole provinces. The enterprises in the Silesia Province invest mainly in machinery, technical equipment and tools, the costs of which amounted to approx. 60% of all expenditures on fixed assets in 2018 (compared to 40% in Mazovia and 54% in Greater Poland). This distribution of investment expenditure is associated with a large share of capital-intensive industry in the region’s economy—mining, automotive and machinery production.

NUMBER OF PATENTS GRANTED BY THE PATENT OFFICE



Source: GUS.

Leading industrial sectors in terms of employment

The Silesia Province remains the region with the highest employment in the coal mining sector in the European Union. According to 2016 data, there were approximately 76,000 people employed in Silesian mines, which accounted for more than half of all employees in hard coal and lignite mines throughout the EU. However, considering current trends, a fundamental drop is evident—the number of employees was still over 88,000 in 2014, which shows a decrease in the number of employees in hard coal and lignite mines by almost 14% within two years. The manpower reduction in the industry in recent years is a continuation of the restructuring processes initiated by economic and political transformation after the fall of communism.

Almost 80,000 coal mine employees still represent a very large occupational group in the Silesia Province. In 2016, the entire industrial processing section employed 350,000 people—almost five times as many employees than in the mines. The automotive industry is one of the industrial processing sectors characterised by a high level of employment and strong growth dynamics. From 2013–2016, the number of employees working in this sector had increased by 11,000 (23%) and amounted to 59,000 people.

Another dynamically growing area of industrial processing is the processing of rubber and plastic goods. Between 2012 and 2016, the number of people employed in this sector increased by 35%, from 23,000 to 31,000 employees. Other important industrial sectors in terms of the number of employees include production of finished metal goods, excluding machinery and equipment (51,000 employees), production of metals (23,000 employees) and production of electrical equipment and machinery (in both cases approx. 18,000 employees)¹.

The high employment rate in industrial processing is important from the perspective of just transition and in light of reducing the number of people working in the mining sector. In its report ‘Just Coal Transition in the Silesia Region. Labour Market Implications’, the Institute for Structural Research states that this industry (industrial processing) shares many aspects with the mining sector in terms of employment—similar educational structure (mainly secondary), gender (the vast majority are men) and age of workers (a higher percentage of older workers). At the same time, the automotive industry is among the most attractive sectors from the perspective of miners, according to the survey carried out among workers in the hard coal mining industry².



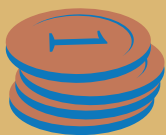
1 Kierwa, D., Szpor, A., Witajewski-Baltviks, J. (2019) „Sprawiedliwa Transformacja Węglowa w Regionie Śląskim. Implikacje dla Rynku Pracy”. IBS Research Report 02/2019, p. 12-13.

2 Ibidem, p. 26.

Wages

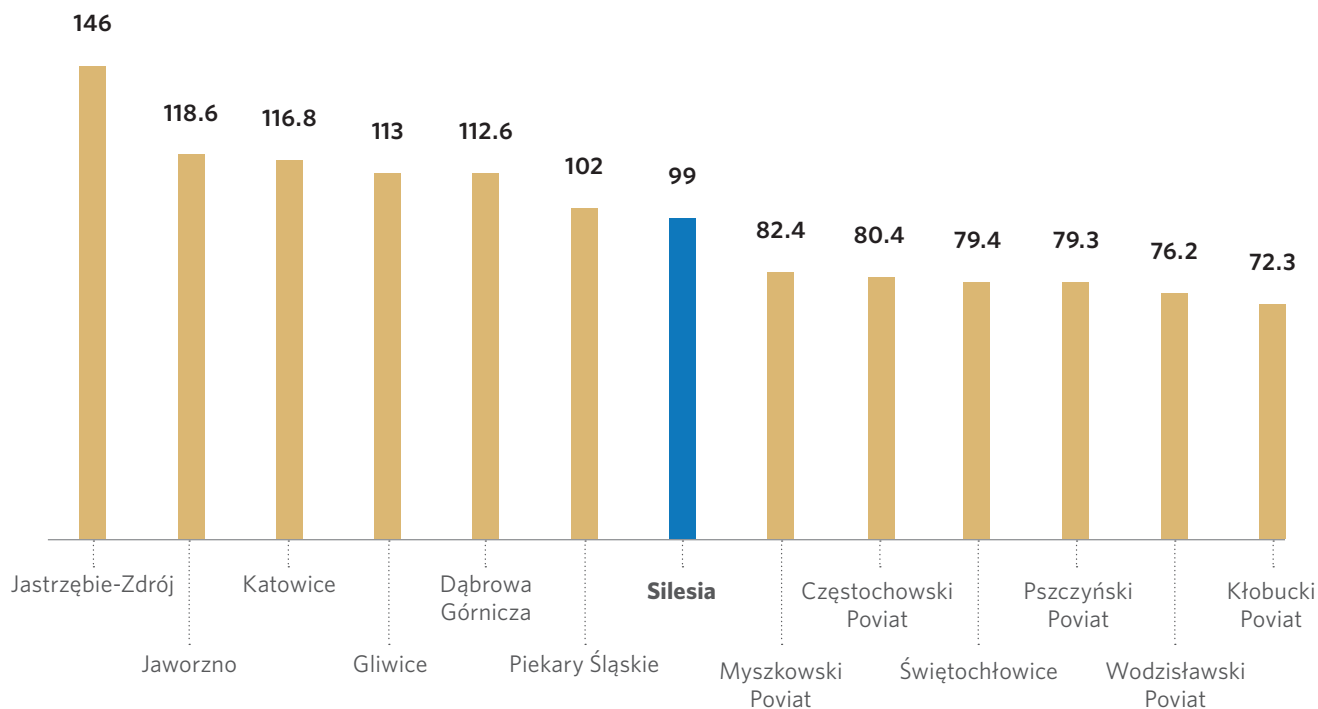
In Jastrzębie Zdrój, the mean remuneration exceeds the average for the whole country by

46%



In 2017, the average gross remuneration in the Silesia Province amounted to 99% of the national average. The wages exceeded this index in only six town poviats: Jastrzębie Zdrój, Jaworzno, Katowice, Gliwice, Dąbrowa Górnicza and Piekary Śląskie. In five poviats—Częstochowa, Pszczyna, Wodzisław, Kłobuck and Świętochłowice—the average remuneration amounts to no more than 80% of the national average. Among the areas with the highest average earnings, active mining centres dominate—in Jastrzębie Zdrój, the average remuneration is 46% higher than in the whole country. It is also worth noting that the average remuneration in the province is below the indicator for Poland, despite the fact that the Silesia region has a higher GDP per capita and higher labour productivity compared to the national averages.

AVERAGE GROSS REMUNERATION IN THE SILESIA PROVINCE PoviATS AS PERCENTAGE OF THE AVERAGE GROSS REMUNERATION IN POLAND IN 2017



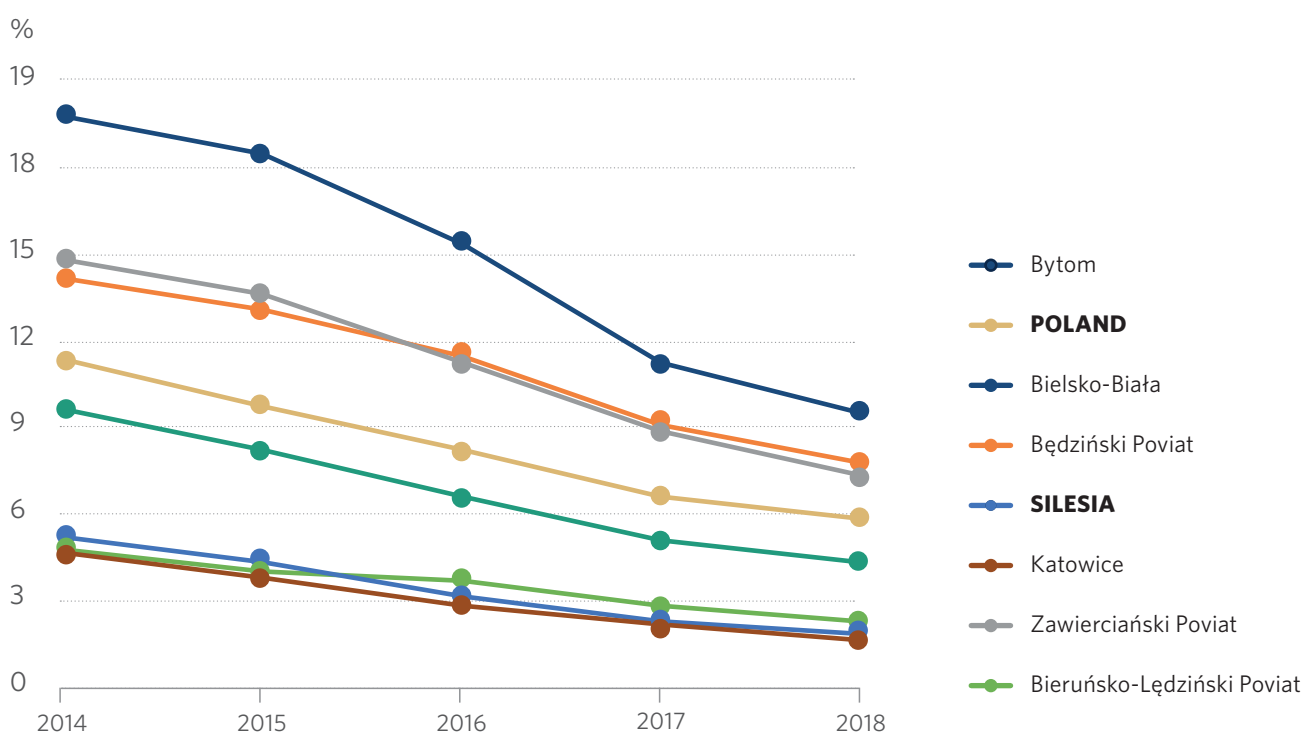
Source: GUS

Unemployment and employment rates

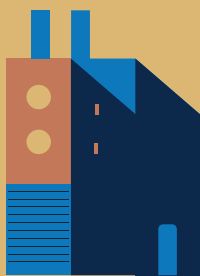
In 2018, the registered unemployment rate in the Silesia Province amounted to 4.3%. This is the second lowest result in the country after the Greater Poland Province. Over the last five years, unemployment in the region has decreased more than two-fold, which means that the dynamics of decrease are faster than in most other provinces. Such a situation on the labour market should be encouraging in the context of the just transition perspective. It indicates a high demand for labour, which should reduce social costs related to mining's phase-out.

Meanwhile, significant differences are noticeable at the level of the poviats. In Bytom in 2018, unemployment reached 9.5%, and in the Częstochowa poviat, 7.3%; the indicators for Bielsko-Biała and Katowice were below 2%. Despite the differences, a downward trend is strongly visible, with a rate that surpasses the drop in unemployment in the whole country. The registered unemployment rate in Poland in the years 2014–2018 decreased by 49% (from 11.4% to 5.8%). The decrease was more than 55% in the Silesia Province, almost 60% in Częstochowa Poviat and 67% in the city of Częstochowa.

THE REGISTERED UNEMPLOYMENT RATE



Source: GUS



41%

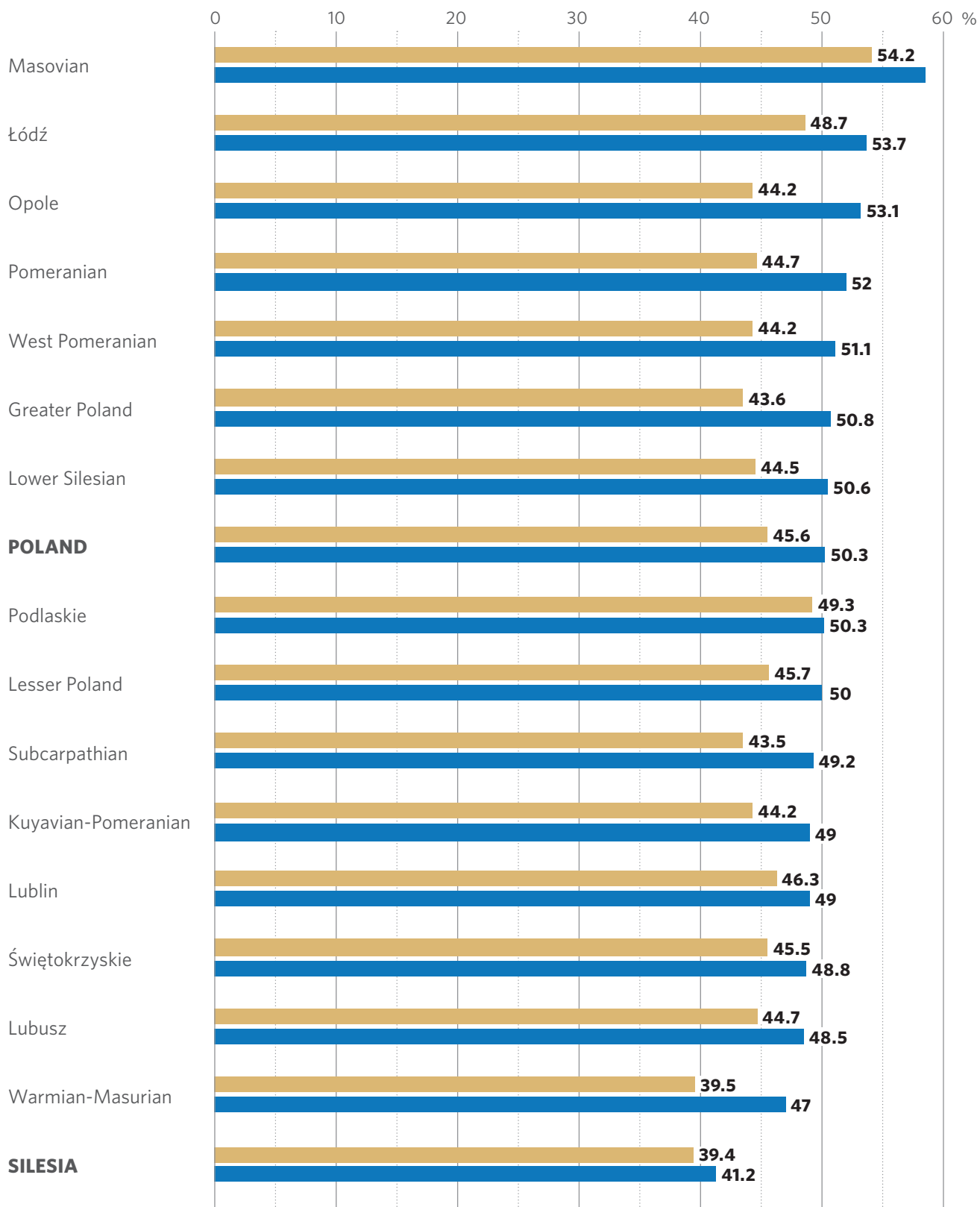
of the region's population aged over 55 are people active on the labour market, which represents the lowest result in Poland

When considering the situation in the labour market, it is not enough to solely focus on the unemployment rate. The Silesia Province has the second lowest economic activity rate after the Warmia-Mazuria Province among all the Polish regions. In the age group of 25–64 year olds, only 73% of the province's inhabitants are active in the labour market. This result is 3 percentage points worse than the average for all of Poland.

The low level of economic activity among people between 55 and 64 years of age is the main reason for the poor result of the Silesia Province. Only 41% of the region's population aged over 55 are people active on the labour market, which represents the lowest result in Poland: 9 percentage points below the national average. What is more, the trend is unfavourable to the region – although the level of economic activity in the Silesia Province is growing, it is doing so at a slower pace than other provinces. In 2014, the difference in the level of economic activity of people aged 55–64 between Silesia and Greater Poland was 4 percentage points; now it reaches almost 10 percentage points. Improvements in the Polish labour market significantly reduced the registered unemployment rate in the age group of people between 55 and 64, and led to an increase in the economic activity rate. In the case of the Silesia Province, this effect had a lesser impact, which may result from retirement privileges in the mining industry allowing employees of the sector to leave the labour market before reaching the statutory retirement age. Declining employment in the mines, together with the trend of a lesser increase in economic activity in the 55-64 age group in the province, indicate just such a scenario.

ECONOMIC ACTIVITY RATE AMONG PEOPLE AGED 55-64 IN POLISH PROVINCES

■ 2014 ■ 2018

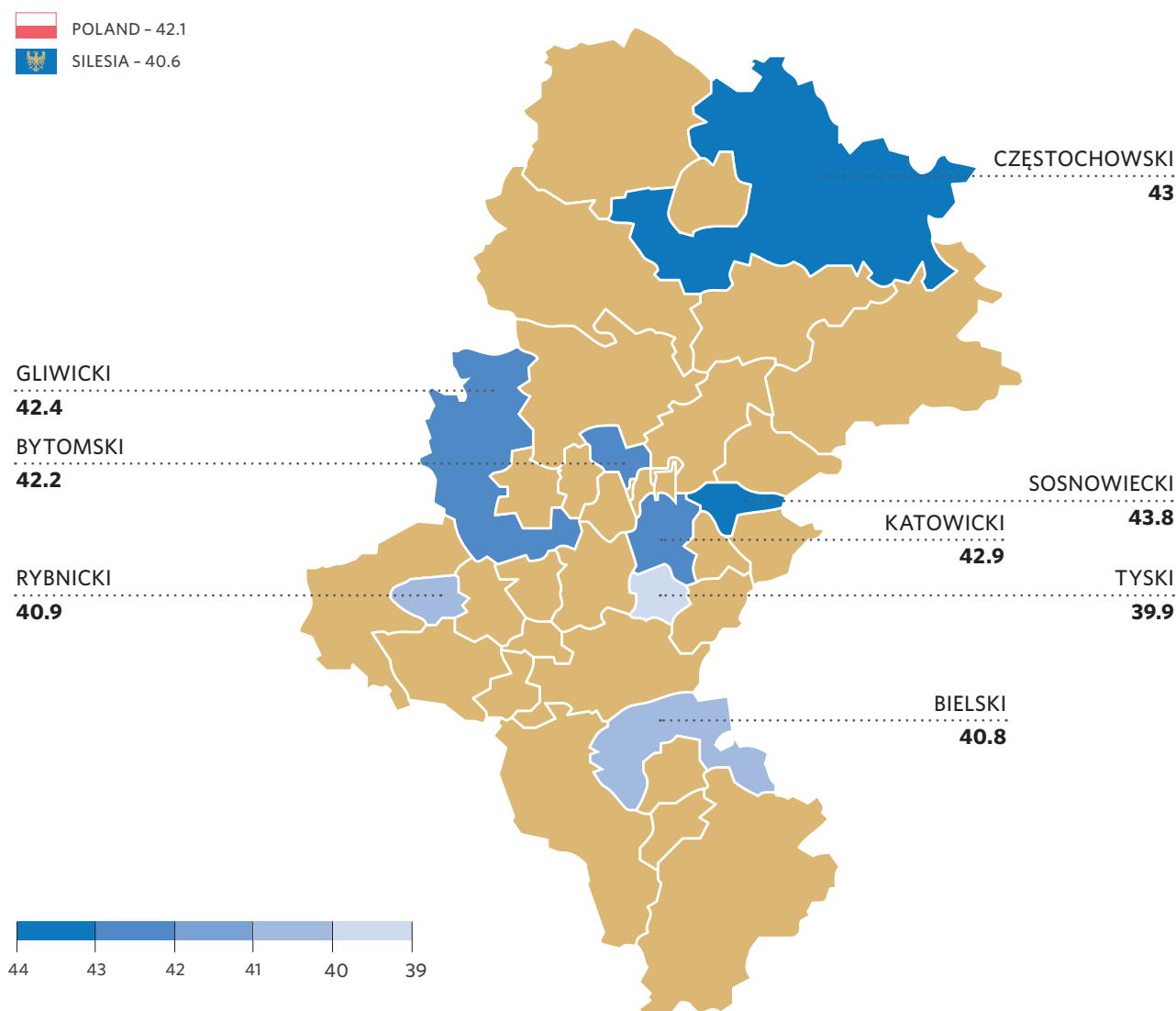


Source: Eurostat.

Demographics and age structure

In the face of low economic activity rates for people of working age, the demographic structure of the region can be seen as a cause for concern. The average inhabitant of the province is 1.5 years older than the country-wide average Pole (a median of 42.1 compared to 40.6). The average resident of the Częstochowa sub-region is 43 years old, and in the Sosnowiec sub-region, 43.8 years old. In comparison, the median age in the Tychy sub-region is 39.9 years, and in the Bielsko-Biała sub-region, 40.8 years.

MEDIAN AGE OF THE SILESIA PROVINCE RESIDENTS IN 2018, DIVIDED INTO SUB-REGIONS

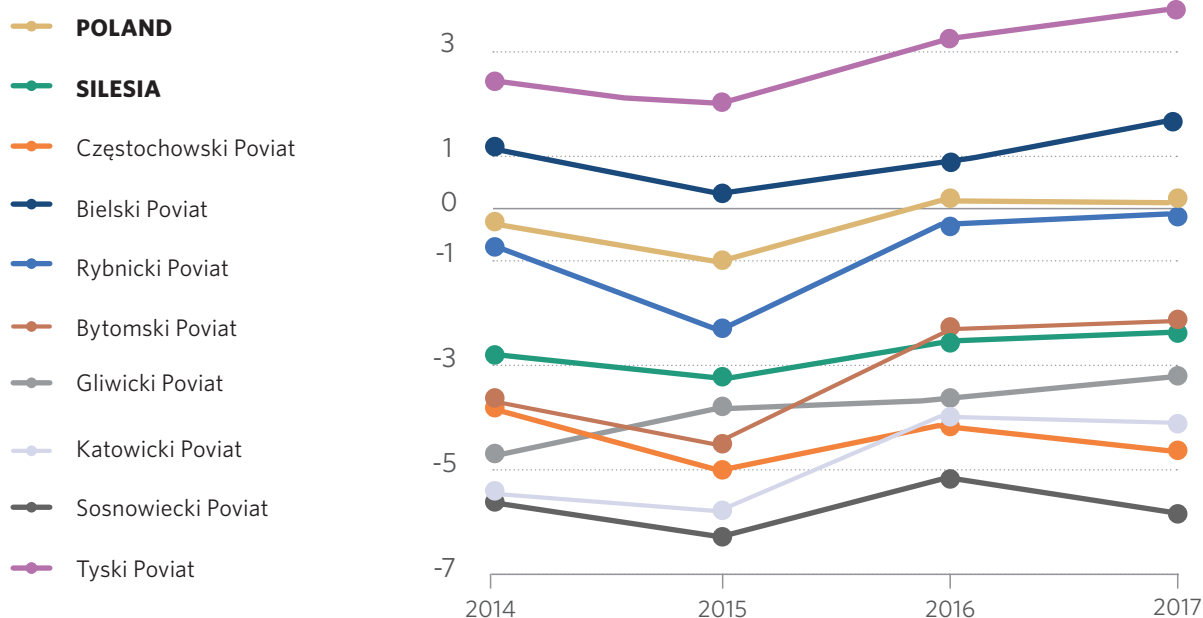


Source: Eurostat.

Despite a considerable variation within the province, only in the case of the Tychy sub-region is the median below the national average. All other sub-regions have an older population compared to Poland as a whole. Only two sub-regions—Rybnik and Tychy—have a higher proportion of people aged 19 and under than the national average, while all have a higher proportion of inhabitants aged 40 to 59. Almost one in every four people in the Sosnowiec sub-region is between 60 and 79 years old. The progressive ageing of the population should have a positive impact on the rate of economic activity in the working age bracket (the size of the group is shrinking), but the pace will be slowed down by the retirement of miners in the working age group. Moreover, the increase in the index due purely to accounting reasons does not solve the basic problem of low supply in the labour market.

This example best illustrates the tension between two approaches to just transition. In its narrower scope, the main challenge is to provide support to miners from phased-out mines to find new jobs or to meet their material needs through other mechanisms. Bearing in mind the demographic structure of the Silesia Province, existing pension privileges and potential tools (e.g. earlier retirement schemes) should ensure a smooth process of reducing employment in the mining sector.

PERCENTAGE OF CHANGE IN POPULATION IN THE SUB-REGIONS OF THE SILESIA PROVINCE



Source: GUS.

In a broader sense, the role of just transition is also to ensure a positive economic transformation for the entire region. The closure of mines and the provision of mining pensions will not stop the ageing of the province's population and the reduction of its production potential. A shrinking labour market may lead to deindustrialisation of the region, reducing economic growth and local budget revenues, and lower the level of public services. This will have a negative impact on the standard of living for the inhabitants and will reduce the attractiveness of the region for newcomers, creating a snowball effect.

A particularly worrying phenomenon is the negative migration rate in the Silesia Province. Every year, more people leave the region compared to the number of those who enter, although the negative trend is slowing down. In 2014–2015, the net outflow of population from the province as a result of migration amounted to about 1.5%; in 2016–2017, it dropped to about 0.7%. The Bielsko-Biała and Tychy sub-regions had a positive migration balance of 1.7% in 2017 while the rest of the sub-regions continue losing inhabitants.

Taking into account the effects related to the population growth, the number of inhabitants of Upper Silesia is diminishing from year to year. Even so, there is a slowdown in the trend—from 2014–2015, the population of the province shrank by 3%, and in 2017, this ratio was 2%. The most rapid drops in the number of inhabitants come from the Sosnowiec (almost 6%), Częstochowa (4.6%) and Katowice (4.1%) sub-regions. Taking into account the population growth, only the Tychy and Bielsko-Biała sub-regions are growing in numbers.

Human capital

The population of the Silesia Province is statistically older compared to the rest of the country, which translates to the number of students in relation to the rest of the inhabitants. The province has proportionally 23% fewer students compared to the average for Poland per capita. Also, in terms of graduates, the Silesia Province is below the average: it has 17% fewer inhabitants with higher education compared to the whole population than the national average.

Looking only at the age range between 25 and 64 year olds, the difference is much smaller—29.7% of the Silesia population have a university degree compared to 30.9% in Poland as a whole. The region is ranked sixth in the country, after the Mazovia, Lesser Poland, Pomerania, Lower Silesia and Podlaskie Provinces. Trends from the last five years show a high growth rate of the number of people with higher education—it was 25% in Silesia in 2014. At the same time, within the demographic age group of 25–64 years olds, the province is in the second highest place for people with at least secondary or vocational education

A high portion of the population with at least vocational education is a foundation for the developing industrial sector, while the growing number of people with higher education in the productive age range increases the appeal of the region by attracting new, innovative branches of the economy.

(level III or higher in the Polish Qualifications Framework), which is 94.6%. A high portion of the population with at least vocational education is a foundation for the developing industrial sector, while the growing number of people with higher education in the productive age range increases the appeal of the region by attracting new, innovative branches of the economy. From the point of view of just transition, the problem is not the employees' level of education, but only the risk of a falling supply in the labour market.



**THE SILESIA PROVINCE
IN THE FACE OF
CHALLENGES RELATED
TO JUST TRANSITION**

Strengths of the province

a. Economic and innovative potential

Despite the difficult transition process related to the declining role of the mining sector and heavy industry, the Silesia Province remains one of the most economically developed regions of Poland. This manifests in the amount of GDP generated and the indicators related to labour productivity and unemployment. The automotive industry and related sectors—the production of rubber and plastic goods—are dynamically developing. The recent years of favourable economic climate have brought a significant drop in registered unemployment and an increase of the economic activity rate in the region. At the same time, the dynamics of salary growth are lower than the trend for the whole country, which improves the attractiveness of the region for potential investors. High investment expenditure on fixed assets, relating to the purchase of machinery and technical equipment, show that the province continues to be one of the main industrial centres in the country.

Although R&D spending remains below the national average per capita, it increased by 27% between 2014 and 2017, indicating a positive trend potentially linked to the growing skills of the labour force. Upper Silesia cannot currently compete with the leading provinces in terms of investment in innovations (Lesser Poland, Lower Silesia or Mazovia Provinces), but it is ranked similarly to the Greater Poland Province—another region with strong economic growth rate and a major player in the manufacturing industry. However, the presence of strong academic centres, such as the University of Silesia and the Silesian University of Technology, and the increasing number of people with higher education at the working age improve the innovative potential of enterprises located in the province. For example, Silesia is among the leading regions in terms of the number of patents granted in relation to the size of the population.

High productivity, strong industry, the growing level of skills of the working age population and the rising role of innovations indicate the strong economic potential of Silesia, creating a solid starting point for the process of the just economic transition in reducing the role of the mining sector.

b. Transitional experience

The aforementioned experiences of transformation in the economy of the Silesia Province are of key importance when questioning the shaping of just transition in the region. At the beginning of the 1990s, within the boundaries of the present Silesia Province, almost 300,000 people were employed in mining; in 2003, the number was 130,000. In 2016, employment in mines in Upper Silesia had dropped to 76,000 employees. Nevertheless, Silesia is in second place among provinces with the lowest unemployment rate in the country. The restructuring plan for the mining sector from 1998-2002, introduced under the Prime Minister Jerzy Buzek, contributed to the voluntary departure of more than 100,000 miners from the mines nationwide, a large part of whom worked in the hard coal mining sector located in the Silesia Province. Almost 70,000 people benefited from the redundancy package introduced by the government: more than half took mining leaves, and about 30,000 received one-off cash severance payments in the amount of PLN 44,000–PLN 55,000.

Even so, a number of initiatives were introduced to strengthen new branches of industry in the province. The creation of the Katowice Special Economic Zone (Katowicka Specjalna Strefa Ekonomiczna—KSSE) by the government of Włodzisław Cimoszewicz in 1996 served to heighten the attractiveness of investing in the region. The KSSE contributed to attracting investments of a total value of PLN 36 billion, mainly in the automotive sector (over 60%). There were 80,000 jobs created as a result of the activity of the KSSE³.

At the beginning of the 1990s, within the boundaries of the present Silesia Province, almost 300,000 people were employed in mining; in 2003, the number was 130,000. In 2016, employment in mines in Upper Silesia had dropped to 76,000 employees.

These experiences show that the process of carrying out a just transition in the province is not a challenge without precedent that would require the invention of completely new solutions. The last three decades of changes in the structure of the region's economy offer positive examples of reduction in employment in the mining industry while developing other branches of industry. Also, they are a learning resource for those aspects of transition that have not

been adequately addressed. The analyses and diagnoses of problems that arose during the previous transition are presented below in the section on challenges related to the just transition.

³ <http://www.ksse.com.pl/o-nas-1104>

c. Population density and transport network



The Silesia Province has the highest population density (370 people per km²; three times higher than the average for Poland) and urbanisation rate (almost 77%) in the country. Investors may access a dense network of cities and towns, which increases the attractiveness of KSSE as an industrial cluster. One example is in the aforementioned automotive sector developing in the Tychy, Gliwice and Bielsko-Biała sub-regions and benefiting from the accumulation of a skilled workforce. In addition, the Silesia Province is well connected with the rest of Poland and neighbouring EU countries (Germany and Czechia). The A1 and A4 motorways ensure the integration of the region within national and transnational economic networks. In combination with the existing industrial base and strong economic indicators, these aspects strengthen the growth potential of Silesia and positively influence the chances to carry out the just transition.

d. Public support

The process of just transition in the Silesia Province is supported by Polish authorities and European institutions. The Solidarity and Just Transition Declaration, mentioned in the introduction, calls for prioritising the social costs of decarbonisation and a holistic approach to transition processes in order to improve the quality of life in mining regions. The Government Programme for Silesia, presented in December 2017, is an initiative that aims to coordinate the efforts of local, central and European administrations to ensure the best possible synergies between previously planned investments.

On the EU level, thanks to the cooperation between the European Parliament's Committee on Industry, Research and Energy (ITRE) and the Directorate General for Energy of the European Commission, the Support Platform for Coal Regions was established. The initiative brings together the representatives of EU regions facing challenges related to just transition towards decarbonisation. It aims to share best practices and experiences in the transformation process as well as work cooperatively to ensure adequate, financially and institutionally stable support for mining regions within the EU budget. At the request of the ITRE Committee, the European Parliament lobbied successfully for the introduction of a provision for creating a separate, dedicated funding source for the Platform for EUR 5 billion in the financial framework of 2021–2027.

Challenges

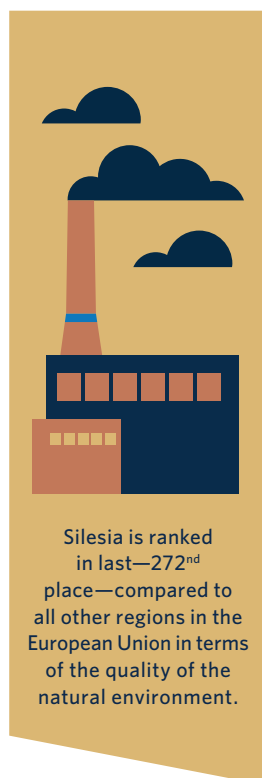
a. Demographic problems

Although the Silesia Province is a strong industrial area, and its transformation from a region dominated by the hard coal mining industry to having greater diversification has not affected the economic indicators negatively, the costs associated with the withdrawal from mining and heavy industry are visible in the demographic potential. The level of economic activity in the province remains among the lowest in Poland, and an ageing population combined with special pension benefits for mine workers reduce the potential growth of the working demographic. The mining restructuring programme from 1998–2002 was based mainly on the retirement of miners. Those who decided to obtain severance pay did not live up to the government's hopes of turning former mining workers into successful entrepreneurs. Research conducted by the team of Marek S. Szczepański from the University of Silesia showed that about 40% of them spent severance pay on consumption (predominantly durable goods), 30% placed their funds in bank deposits and only 10% used it to set up small enterprises. Moreover, about 30% of respondents did not find their place in the labour market, which forced them to use social assistance⁴.

Despite the very low unemployment rate, the Silesia Province has a negative migration balance, which creates serious limitations for the economic potential of the region. Without an inflow of people of working age, the Silesia Province will not be able to sustain development at the current pace. The close proximity of Wrocław and Kraków—two leading clusters of innovative economy in Poland—contributes to the outflow of high-skilled labour. Additionally, the attractiveness of the region is limited by relatively low salaries.

⁴ Unpublished interview with professor Marek S. Szczepański conducted by the author on 15 May 2019.

b. Quality of life



Issues related to quality of life, which cannot be resolved without stronger involvement of public and local administrations, also contribute to low migration dynamics. Despite the high population density in the Upper Silesian conurbation, investments in public transport by municipal authorities are much lower than in other Polish metropolitan centres. Warsaw, Poznań, Łódź, Wrocław and Kraków spend more on public transport than Katowice⁵. Due to insufficient investment in metropolitan transport, Silesia is positioned at the bottom rank of provinces with the highest number of public transport users⁶. Increased investment would allow better integration of strongly connected urban centres in the Upper Silesian conurbation and would significantly improve the quality of life of the inhabitants.

Another challenge reducing the appeal of the Silesia Province for an incoming population is the environmental destruction resulting from decades of neglect. Although the Katowice Province of that time covered only 2% of the country's territory and was inhabited by 10% of the Polish population, in 1990 it was responsible for 20% of particulate matter emissions and 24% of gas emissions⁷. The burden of the intense industrialisation process, at the expense of environmental protection, continues to diminish the quality of life in the province. According to the European Social Progress Index, developed by the Directorate-General for Regional and Urban Policy (DG REGIO), Silesia is ranked in last—272nd place—compared to all other regions in the European Union in terms of the quality of the natural environment⁸.

5 Bukowski, M., Śniegocki, A., Wetmańska, Z. (2018), 'From Restructuring to Sustainable Development. The Case of Upper Silesia', WWF Report, p. 60.

6 Ibidem, p. 59.

7 Ślęzak-Tazbir, W., Szczepański M. S. (2009), 'Górnośląskie metamorfozy. Region przemysłowy w procesie zmian: od osady fabrycznej do metropolii?', Studia Socjologiczne 4, p. 22-23.

8 https://ec.europa.eu/regional_policy/en/information/maps/social_progress

c. Regional stratification and occupational mobility

Improvement of public transport could contribute to solving the second challenge facing the Silesia Province, namely, regional stratification. The differences between the poviats within the Silesian framework are extensive. The centres around which the automotive industry is concentrated (Tychy, Gliwice or Bielsko-Biała) are characterised by higher labour productivity, positive migration balance, better demographic structure and higher salaries.

Differences in the level of economic development or demographic indicators within a province are a natural occurrence. However, given the urbanised and highly dense nature of the Upper Silesian conurbation, their reduction is more feasible than in regions with a clearer division between metropolitan areas and those with a smaller population. First, attractive workplaces are located closer to home. Second, investors may find it easier to make decisions about creating new plants in places less economically developed due to the proximity of existing industrial clusters.

Although investing additional resources into public transport should contribute to the increase of labour market mobility and the improvement of attracting investment in less economically dynamic areas, the relatively low level of job seekers' readiness remains an additional challenge. Świętochłowice is less than 9 km from Katowice and has a convenient railway connection, yet the difference in the unemployment rate between the two cities is almost fivefold. The Institute of Structural Research report shows that every third miner would rather not commute longer to a new job than their current one, and 11% would definitely not accept it⁹. Furthermore, almost one in two respondents would definitely not agree to take up a job unrelated to mining if it would mean lower remuneration¹⁰. Without the strong involvement of public institutions (education, mobility, possible wage subsidies), it is impossible to stop the self-propelling system by which the deteriorating demographic dynamics of a given poviat reduces its attraction for investment, further contributing to depopulation.

9 Kierwa, D., Szpor, A., Witajewski-Baltviks, J. (2019) „Sprawiedliwa Transformacja Węglowa w Regionie Śląskim. Implikacje dla Rynku Pracy”. IBS Research Report 02/2019, p. 25.

10 Ibidem, p. 24.

SUMMARY



The Silesia Province continues to be one of the driving forces behind the Polish economy. Despite the enormous scale of transitional challenges faced by the region since the beginning of the 1990s as a result of reducing the role of heavy industry and mining, Silesia is characterised by a high level of GDP, strong labour productivity and low unemployment. A high level of urbanisation, the presence of strong academic centres and integration with the national and international road transport network are major assets in the context of the region's industrial potential. Although expenditure on innovation places the province in an inferior position on the national scale, in this respect, Silesia can be compared to Greater Poland – another highly developed region whose economic profile, based in industry, slows down the processes of

Silesia is characterised by a high level of GDP, strong labour productivity and low unemployment.

transition towards more innovative branches of the economy. Despite good economic indicators, the legacy of heavy industry and mining has left two major challenges – a demographic and an environmental one. The first one is the shallow labour market, caused by depopulation, ageing society and low labour force participation. The deteriorating economic prospects in the 1990s left their mark on the demographics, reinforced by a strong inflow of migration during the period of industrialisation promoted by Edward Gierek. As a result, the population of the Silesia Province is ageing rapidly, exceeding all national trends. In addition, the huge reduction in mining jobs after the fall of communism, largely thanks to special privileges allowing mine workers to retire at working age, resulted in low participation rates in the labour market. Solving the

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demographic problem is essential for maintaining the economic dynamism of the region. This problem cannot be solved without an intensified influx of people from other parts of the country and from abroad. In order to attract new residents, the Silesia Province has to face another negative legacy from its economic past. The deterioration of the natural environment and the highest level of air pollution in Poland significantly reduce the quality of life in the region and decrease of the attractiveness of the province in the eyes of potential visitors. To solve this problem, reinforced coordination and investment of resources from all levels of administration—local, central and European—are needed. The industrial strength of the Silesia Province has contributed significantly to the development of Poland as a whole, but the costs associated with environmental damages are borne only by its inhabitants. In the spirit of just transition, the improvement in the quality of the environment in the region deserves to be treated as a national priority.

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