

# Tale of Four Cities

POLAND

Impressive growth in the cities of Wroclaw, Poznan, Gdansk and Warsaw are collective proof of the boom that Poland has experienced since joining the European Union in 2004. With football's European Championships set for June, the country wants to ensure the world gets a glimpse of its progress.

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Coal merchants still sell their wares on the small street market on Wroclaw's Pomorska Street. The vendors are country folk who wake at dawn, load their coal onto trucks, and at the end of the day haul home whatever they haven't sold, whether it's lot or a little. Usually it's a lot. The next morning they're in the same place with the same merchandise.

Wroclaw, the capital of Poland's southeastern Lower Silesia, has been coal-driven since the second half of the 19<sup>th</sup> century. But events of 1989 put a wrench into long tradition. The fall of communism exposed state mining concerns to free market pressure. Many closed, with thousands of miners forced into unemployment.



At first, Wroclaw was hit hard. But it gradually discovered ways of diversifying. The old vocabulary of coal: shafts, picks and shovels, gradually yielded to post-industrial jargon. Over the last decade, low labor costs have ushered in multinationals, including information technology giants LG and Google.

Wroclaw, Poznan, Gdansk and Warsaw are now Poland's four most prosperous cities. A look at the four provides insight into Poland's stunning progress since it entered the European Union on May 1, 2004.

The numbers speak for themselves. The average wage in has doubled (from 400 to 800) over eight years. Job opportunities at home has led many Poles to come home after running to other EU states in search of work. In 2004, Polish unemployment stood at close to 20 percent, producing the exodus. The new Polish middle class has grown and now seeks Western European-style amenities. The country's economic growth continued even as the

Socialist-style buildings and horses: hippotherapy in Poznan.

POLAND	
AREA	312,685 km <sup>2</sup>
POPULATION	38,415,284 (2012 estimate)
MEAN AGE	38.5 years
RELIGION	Roman Catholic 89.8%, Eastern Orthodox 1.3%, Protestant 0.3%, others 0.3%, unspecified 8.3%
FORM OF GOVERNMENT	Parliamentary republic
SUFFRAGE	Universal (age 18)
HEAD OF STATE	Bronislaw Komorowski (August 2010)
HEAD OF GOVERNMENT	Donald Tusk (November 2007)
GDP	(nominal) \$ 499 billion (2012 estimate)
INFLATION	3.5% (2012 estimate)

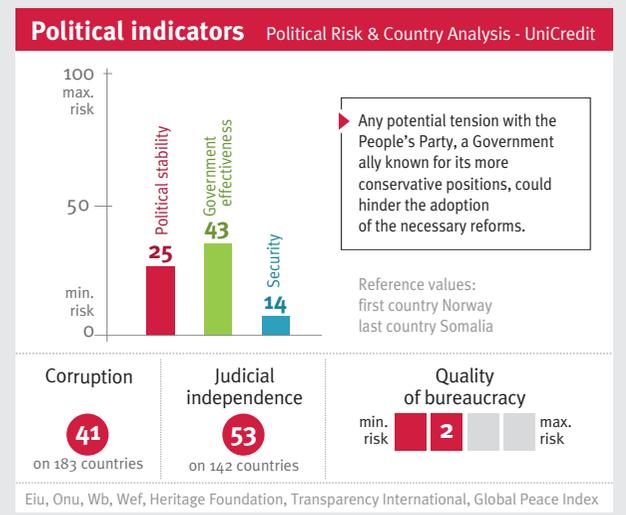
Infographics by Chiara Athor Brolli for the Roberto steve Gobesso Studio.

global economy hit a wall in 2008, with the Wall Street crisis, and again in 2011, with the European sovereign debt downturn. So far, Poland has been immune to recession. Its success is explainable three ways. The first is the appetite of its population to create a stable and thriving state after the decades of uncertainty produced by communism. The second is the ambition of its youth work force, which approximates the ruthless. The third is the constant influx of foreign investment, which sees Wroclaw in the forefront.

"A few years ago we got ARAW (Agencja Rozwoju Aglomeracji Wroclawskiej), which is a structure intended to attract investment and create lasting tie-ins with the whole of the Wroclaw province, creating a kind of investment macro-district," says Roland Zarzycki, who works for an organization called Wroclow 2016, which is planning events and infrastructure to coincide with the Lower Silesian's city's selection as European Culture Capital. "The approach has proved to be a winning one, and it's been exported nationwide."

This summer, Poland and Ukraine will host football's European Championship. Wroclaw, Gdansk, Poznan and Warsaw, the big four, will all host games. "Between Euro 2012 and Wroclaw's designation as 2016 European Culture Capital you can fairly say that we're living out a success story," adds Zarzycki.

The communal market in Wroclaw.

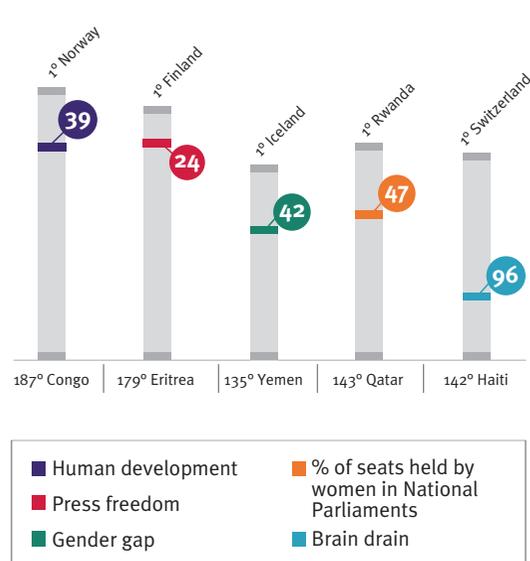




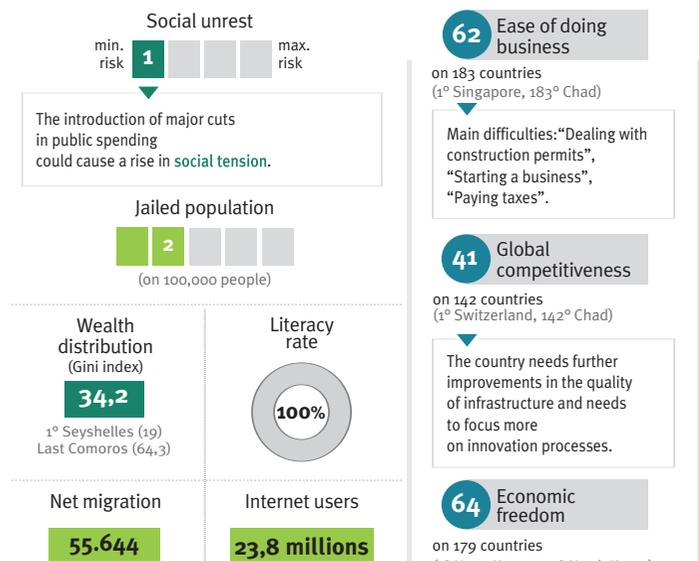
Euro 2012 stadiums, including the Baltic Arena in Danzig, the Narodowy Stadium in Warsaw.

The Poznan's Miejski Stadium.

### Social indicators



### Business Environment



The boom owes a debt of gratitude to Germany. Economic exchanges between Poland and Germany have been on the rise. Wrocław in particular benefits from its proximity to the German border. "Berlin isn't far from Warsaw, which has a cultural effect. Sometimes we Poles tend to think things out in a more German fashion," says Rafal, a Wrocław hotel clerk, insisting that the mistrust that caused by more than a century border tensions between German and Poland has nearly vanished (until 1945, Wrocław was Breslau, a German city with a largely German population.)

### Poznan's Students

Getting to Poznan from Wrocław means traveling several hundred kilometers on a one-lane highway. It can seem like an interminable journey. Poznan, capital of the Wielkopolska (Greater Poland) region, has a population of 550,000 and is among the country's oldest cities. But the state of the road network between the two cities, in addition to the evident imbalances between the rich

west and the backward east, represent the Achilles heels of Poland.

But the government repeatedly mentions its commitment to improvement of national infrastructure. The goal is to replace Communist era roads with modern highways to open up cluttered traffic flow and facilitate trade. Some advances have already been made.

Compare Poznan to Wrocław and the prevailing impression of one of grayness. But it's a false one. German Bishop Thietmar of Merseburg first cited the existence of the city in chronicles written between 1012 and 1018. It has a sumptuous historical center (it was a candidate with Wrocław for 2016 Culture Capital honors), has low unemployment (3 percent), and a work ethic that represents a fundamental part of an ancient values system.

"Quiet, persevering, hard-working. That's who we are in Poznan," says artist Piotr Myszkowski Gonzaga.

Poznan combines the face of the new economy with ingredients of the old. Blue and white-collar workers exist in seamless harmony. Volkswagen opened a major plant

Historical and military revocations in Danzig, commemorating the Nov 11, 1918 independence of Poland following World War I.



here in 1993, employing some 6,500. Solaris, a major Polish concern that makes and exports city buses and trams, is also based here. Poznan is a major business fair and conference stronghold. The first business fair

was held here in 1921 and the city has hosted dozens annually except during the World War II years.

The university system is also an economic pillar. There are three public universities, the Polytechnic, Adam Mickiewicz University and Uniwersytet Ekonomiczny, an economic college known as an incubator for future CEOs. "There are an estimated 160,000 students based in the city, enrolled in courses, paying rent, buying books, and investing in entertainment," says Michal Wybieralski, a reporter for "Gazeta Wyborcza," considered among the most influential newspapers in the country. "That creates a substantive revenue stream and makes the university system and everything connected to higher education the region's largest employer."

Poznan is also the proud keeper of significant historical memories. In June 1956, labor unrest broke out in the city, marking the first uprising against Communist rule and beginning a series of incidents that over decades would weaken the rule of the Moscow-directed regime. Behind the 1956 protest were office machine workers at Cegielski. Their protest was spontaneously joined by half the city. The army intervened, with subsequent clashes leading to a number of deaths. Two enormous stone crosses in Mickiewicz Square commemorate the dead.

### Danzig's Adjustments

If Poznan was the Polish city to entertain major resistance to the pro-Moscow regime, what happened in Danzig was the decisive blow. A shipyard strike in August 1980 led to the formation of the Solidarity labor union, the first free trade union in the Communist world. Lech Walesa led a Polish Renaissance that would have global implications. He and his union continued functioning notwithstanding General Wojciech Jaruzelski's declaration of martial law in December 1981. Eight years later, following quasi-free elections called after the transitional negotiations between the outgoing Communists and the new order, Walesa was elected to the Polish presidency.

Even today, Danzig is all about shipping. But things have changed dramatically. Three decades ago, the yards were teeming with 20,000 workers. That number is down to 1,700. Four years ago the yards risked shutting down because of a dispute between the Polish government and the EU. Warsaw had been supplying the city with state aid, which is prohibited under EU guidelines.

"This place has a special political and historical value, and no one in Poland wanted to see it all shut down," says Arkadiusz Aszyk, board member of port offices, run by

Danzig's shipyards, where the Solidarity labor union led by Lech Walesa was born in August 1980.



Ukrainian investors. "But during the dispute with the EU there was no relying on history alone to save us," adds Aszyk. "Poland is part of Europe and of the free market, so there are rules we have to follow. We presented a serious industrial restructuring plan, focused mostly on diversification. Brussels endorsed our strategy and here we are. Today, in addition to ships, we produced wind turbines and steel."

The Baltic city has undergone a broad and radical transformation. Says Marek Sterlingow, an editor at "Gazeta Wyborcza": "Fifteen years ago we had nothing. Now we have an international airport, shops, restaurants, a tourist presence, and a new football stadium for Euro 2012. European Structural Funds helped the city make the leap. In the future, as EU financial support diminishes, the city will have to prove that it can manage alone. That will be the true test."

### Warsaw's Boom

With each passing year, Poland's capital seems more modern, more European, and bigger. The preponderance of jobs is attracting an eclectic population. Take Izabela Stefaniak, who got her university degree in Italy and married there as well. Unable to find suitable work

in Italy, she went home. "I went back to Warsaw with my husband, got a PhD, and now work as a financial journalist. You can't be unemployed in Warsaw. If you have a degree, there's a job for you somewhere," she says.

Economic growth has brought with it major changes in the look of the city. In the financial district, near the Palace of Culture and Science, a structure left over from Communist architectural days, skyscrapers and shopping malls are mushrooming. There's work in progress on both sides of the Vistula River, particularly on the eastern side, which city planners are attempting to develop. Warsaw's eastern side has always been an economic and infrastructural afterthought, bearing little resemblance to the rest of the teeming metropolis.

Most evident on the east bank is Narodowy Stadium (National Stadium), the new football stadium that will host the opening match of Euro 2012.

The stadium is trendy, modern and efficient, traits that seem to reflect the spirit of today's Poland, an optimistic nation willing to reinvent itself at a moment's notice. Its June football festival will be a major media showcase and a golden opportunity to show the world just how far Poland has come since joining the EU. No one wants to miss chance to shine.