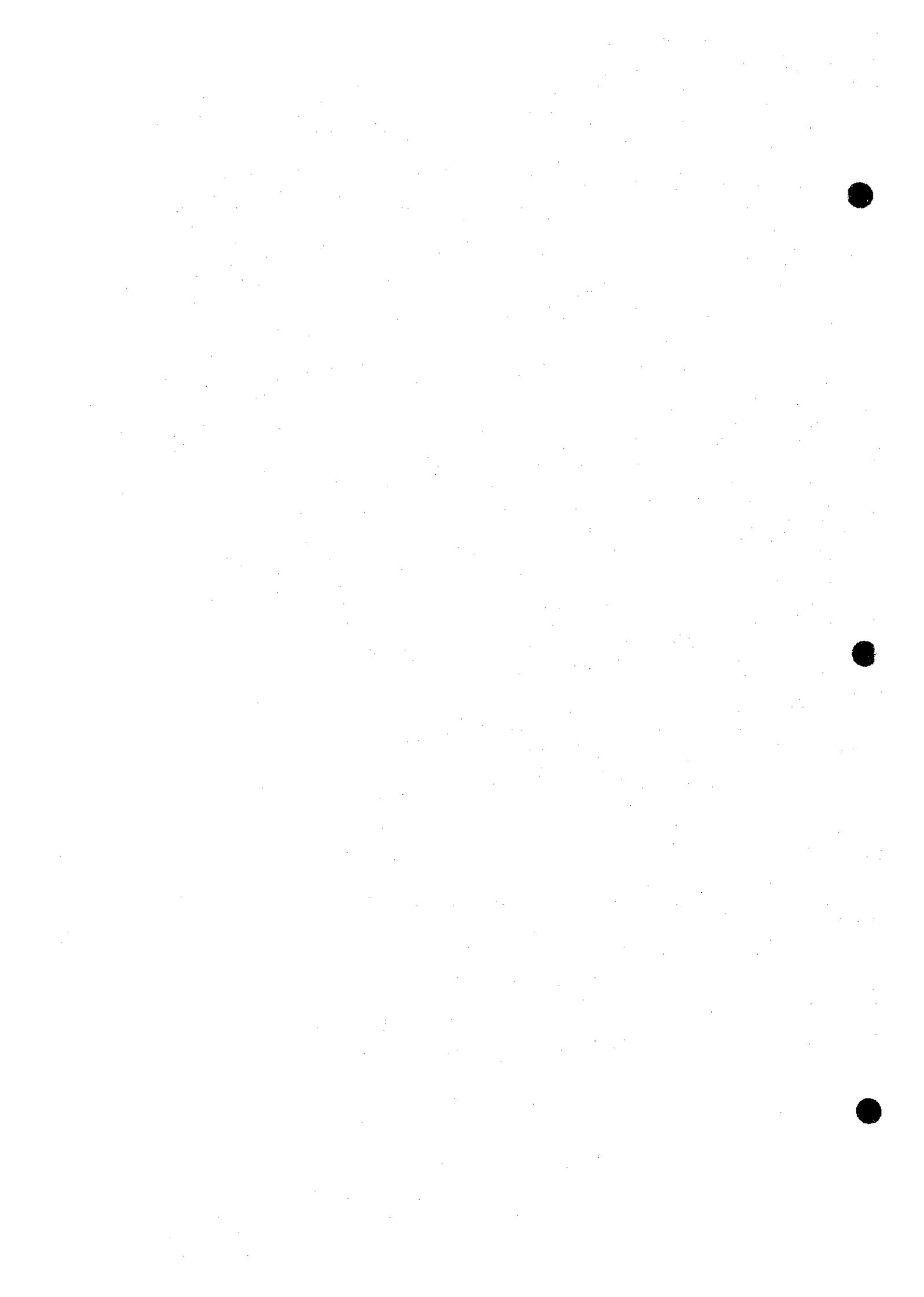


Chapter 7

MANPOWER DEVELOPMENT



Chapter 7 MANPOWER DEVELOPMENT

7.1 Review of Education System

7.1.1 Public Educational Structure in Poland

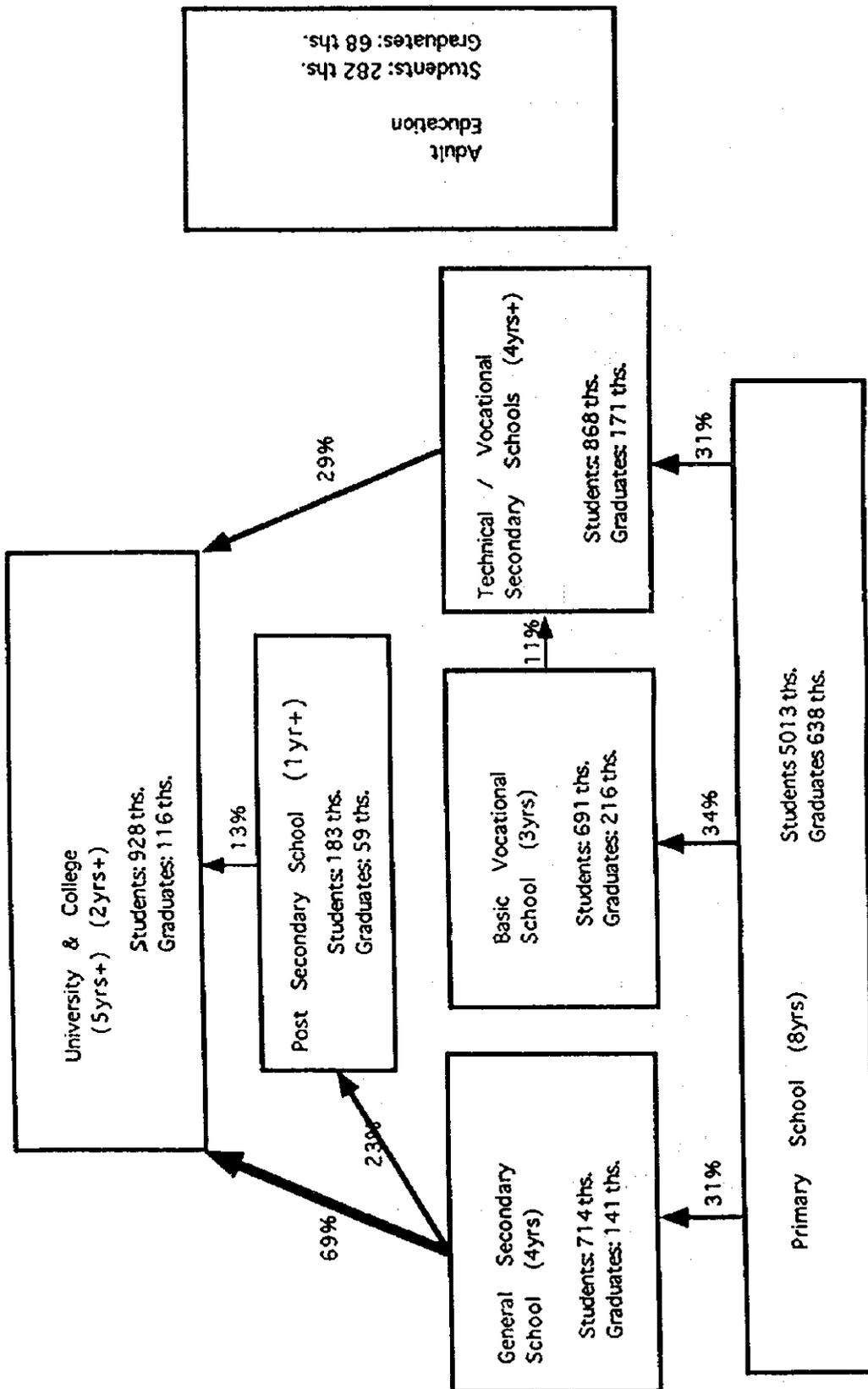
Figure 7.1-1 depicts the organization of public education of Poland. Primary school education starts at 7 (or 6 for children without kindergarten experience), and continues for eight years until they reach 14. In the school year 1996/1997 (hereafter referred to as 1997), 638,000 pupils graduated from primary schools. Almost all of these graduates (96% of the total), went to higher schools in 1997. There are three types of higher schools for primary school graduates: general secondary, technical or vocational secondary, and basic vocational schools.

General secondary schools provide a wide range of theoretical education to those who are planning to go to higher schools such as the university. It takes four years to finish this general secondary education. In 1997, 31% of the primary school graduates advanced to the general secondary schools.

Technical or vocational secondary schools, on the other hand, provide more practical education, such as engineering, electronics, or commercial subjects. It take four to five years to graduate from these schools. The graduates of these technical or vocational secondary schools are given diploma or a certificate called Technician for the type of profession that they had learned. In 1997, 31% of the primary school graduates decided to go to these practically oriented schools.

The rest of primary graduates (34% in 1997) went to basic vocational schools. The role of basic vocational schools is to supply trained workers to the various production sectors. It takes only three years to graduate from these schools, and the graduates are considered to be "skilled workers".

Figure 7.1-1 STRUCTURE OF EDUCATION AND NUMBERS OF STUDENTS AND GRADUATES IN POLAND (1997)



Source: Maly Rocznik Statystyczny 1997, GUS.

The graduates of secondary schools, including general, technical and vocational secondary schools, are entitled to take the examination to qualify for university admittance. However, the graduates of basic vocational schools are not able to take this examination unless they attend several more years in technical or vocational secondary schools, after graduation. Eleven percentage of these graduates took this alternative in 1997.

After finishing general secondary education, pupils have two choices. Some 69% of these graduates went to the higher educational institutions, such as a university, in 1997. Other pupils, who decided not to go to the higher institution, went to post-secondary schools; these pupils amounted to 23% of the total general secondary school graduates. Since general secondary school education does not provide practical training for specific professions, it is considered to be necessary for their graduates to attend more professionally oriented training programs before entering the labor market. Post secondary schools offer such training programs. It generally takes one to two years to finish this kind of program. Post-secondary education is often provided by the same schools that offer technical or vocational secondary education.

Many pupils when they graduate from technical or vocational secondary schools, on the other hand, stop attending school at this stage, and start working immediately. Only 29% of these graduates decided to go to the higher educational institutions in 1997.

Higher educational institutions (Wyzsza Szkoła) consist of several types of schools. University level education is offered by university, academy and polytechnic schools. It takes over five years to finish these university level schools, and the graduates of these schools are given a Master's degree. Other types of higher educational institutions are often called colleges. Students usually spend two to three years in college, and obtain higher-level, practical skills, including marketing, foreign languages and management. The graduates of a college obtain a degree that is called "licencjat", or licentiate.

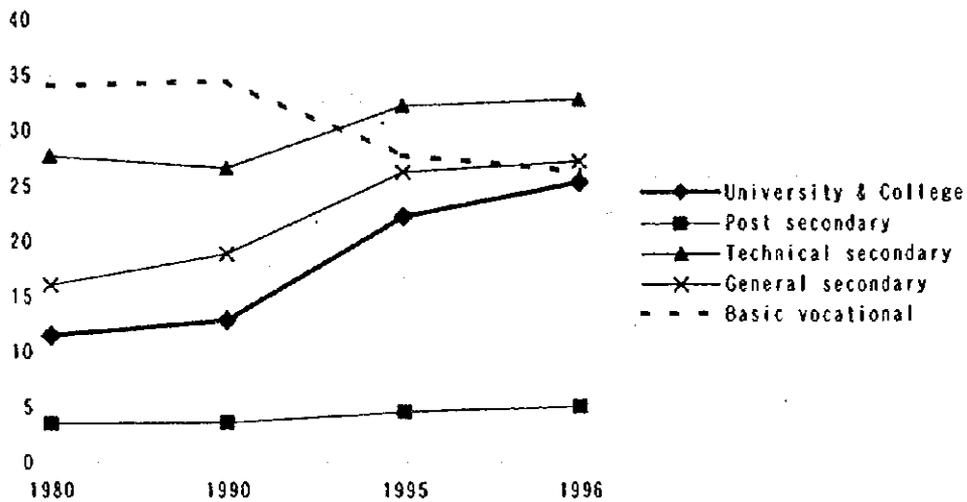
7.1.2 Toward Higher Education

Throughout the 1990s, more and more pupils have become attracted to higher level education. Figure 7.1-2 presents the percentages of pupils who went to each specific type of school. It is shown here that increasing numbers of pupils decided to study at secondary level schools and continued studies at even higher levels in the 1990s. Only 13% of the age bracket between 19 and 24 went to university or college in 1990. This ratio increased significantly in the next 6 years and reached 26% by 1996. General secondary and technical secondary schools also attracted more pupils in the 1990s. The enrollment ratio of the two types of schools rose from 18% to 27% and from 22% to 33% respectively in the period. On the other hand, fewer pupils enrolled in basic vocational education in the 1990s. This enrollment ratio fell from 34% in 1990 to only 27% in 1996.

The reason why more pupils became attracted to higher level education is partly explained by the difference in employment opportunities. Figure 7.1-3 presents the results of the most recent employment survey, showing the percentages of economically active population according to their educational background that were employed or unemployed in 1997. It is clear that the higher the level of education attained, the more the employment opportunities that are available. The unemployment rate of those who only have basic vocational education was 15.4%, but that of the university graduates was less than 3%.

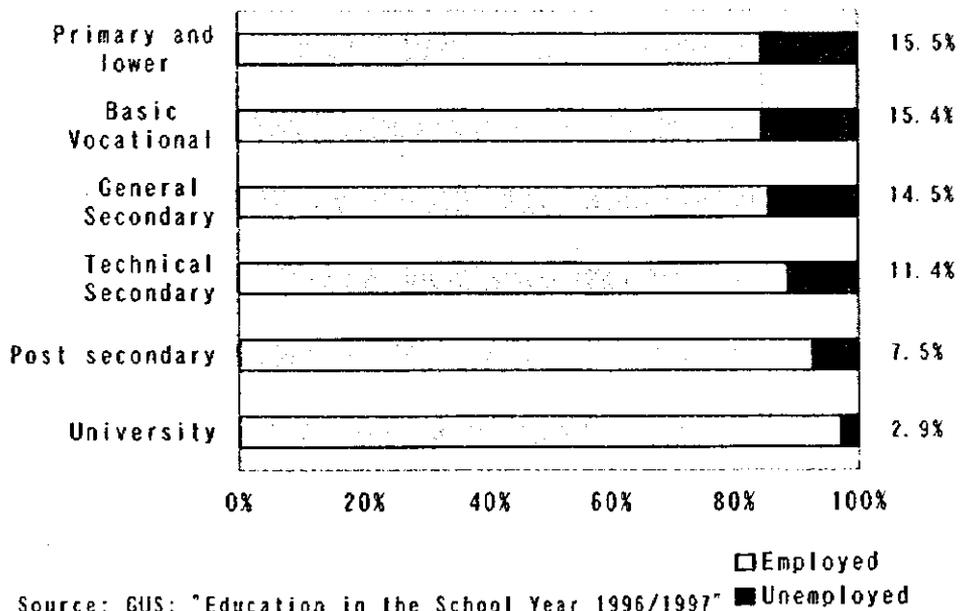
This relationship between educational background and employment opportunities is also evident from the differences in the education background of those who were already unemployed in 1996. Figure 7.1-4a presents the educational background of the unemployed of Poland in 1996. Nearly three-fourths of the unemployed had received only basic vocational or primary level education. The rest of the unemployed were mostly the graduates of general or technical secondary schools. Few university graduates seemed to face unemployment.

Figure 7.1-2 ENROLLMENT RATIO BY SCHOOL LEVELS



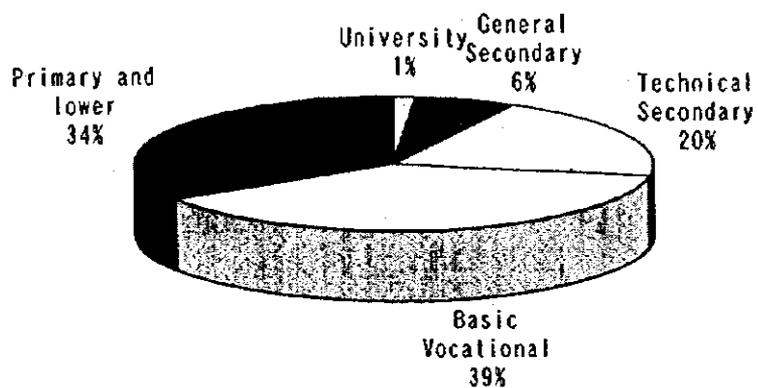
Source: GUS; "Education in the School Year 1996/1997"

Figure 7.1-3 UNEMPLOYMENT RATE BY EDUCATIONAL BACKGROUND: NATIONAL AVERAGE (1997)

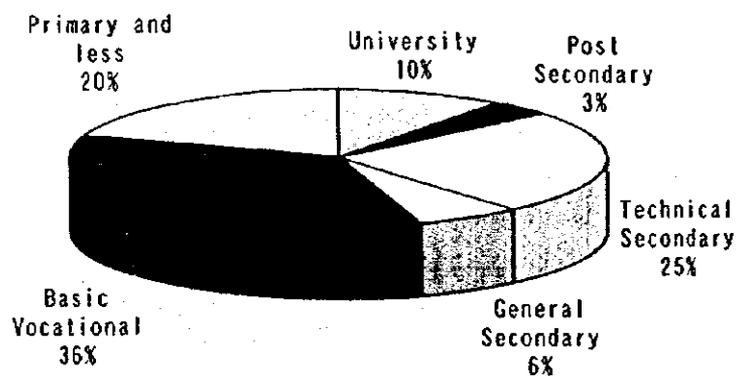


Source: GUS; "Education in the School Year 1996/1997"

**Figure 7.1-4a EDUCATIONAL BACKGROUND OF THE UNEMPLOYED:
NATIONAL AVERAGE IN POLAND (1996)**



**Figure 7.1-4b EDUCATIONAL BACKGROUND OF THE ECONOMICALLY
ACTIVE POPULATION: NATIONAL AVERAGE IN POLAND (1996)**



Source: GUS; "Education in the School Year 1996/1997"

When this educational background of the unemployed is compared with that of all the economically active population (the unemployed + the employed), it is clear that the low-educated workers faced a higher possibility of losing jobs (Figure 7.1-4b). The share of low-educated workers in the economically active population was only 56%, while their share in the unemployed was 73%. University graduates have a 10% share in the total economically active population, while their share in the unemployed was only 1%.

Statistics from Konin Province present an almost identical picture (Figure 7.1-5). The majority of the unemployed in Konin have received only lower level education.

7.1.3 Public Educational Institutions in Konin and the Neighboring Provinces

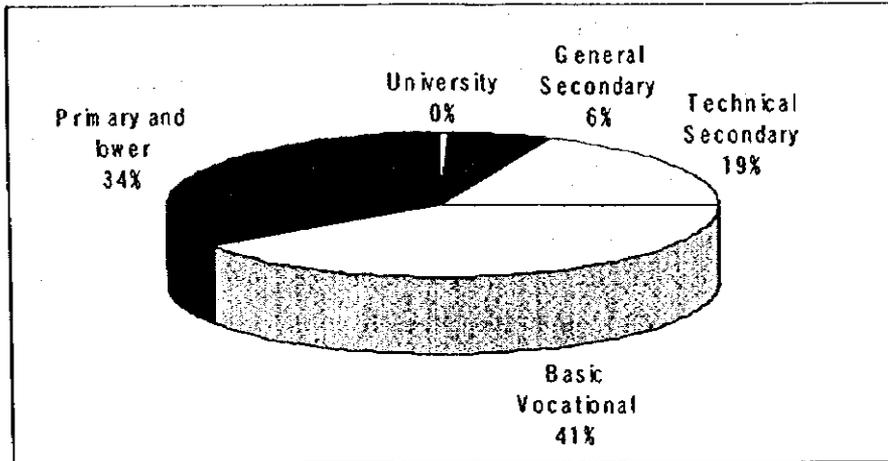
(1) Konin's public educational institutions

Colleges (licentiate studies)

There are no higher educational institutions (university level) in Konin Province. This province has two teacher training colleges for those who would become primary or secondary school teacher; they are the Teachers Training College of Foreign Language and the Teachers Training College for Primary Education.

There also is one new private college, called College Handlowy. This new college opened in 1995 with two courses, a Management course and a hotel and tourism course. The college is a branch of the new private school of higher education in Zgierzu near Lodz, called Wyzsza Szkola Kupiecka (Higher Traders School). Fourteen students entered this college in Konin in 1995, and 60 students entered in the next year. The college has 14 teachers. All are part-time. It takes only two years to finish these courses, but the graduates of this college are not given a college level degree, called the licentiate (degree). They need to go to Zgierzu and spend two more years in Wyzsza Szkola Kupiecka before getting this degree. Vocational training programs of this new college in Konin are discussed in the next section (7.2).

**Figure 7.1-5 EDUCATIONAL BACKGROUND OF THE UNEMPLOYED:
KONIN (1996)**



Source: GUS; "Education in the School Year 1996/1997"

Konin also has "consultation points" (Punkt Konsultacyjny) of universities of the neighboring provinces. University of Koperniks in Torun has one consultation point in Konin. Marketing and management programs, for instance, are provided there. It takes three years to finish these programs. Then, the students could continue their study in the university in Torun to receive the academic titles. Academy of Economy in Poznan and Polytechnic in Lodz also have consultation points in Konin.

Moreover, the voivodship administration has a plan to establish a new college in Konin in October 1998. This new college is called Wysza Szkoła Zawodowa w Koninie (Higher Professional School in Konin). The voivodship administration has already applied to the central government for permission to establish this college and also for budgetary contribution from the national treasury. The program of this college is presented in the next section as well (7.2).

Vocational Schools

There are 57 technical or vocational secondary schools in Konin Province as of 1997. Many of them also provide basic vocational education at lower levels. Among them, major vocational schools include the following four.

- Zespol Szkol Zawodowych im. M. Kopernika (Kopernika)
- Centrum Kształcenia Ustawicznego (CKU)
- Zespol Szkol: Gorniczo-Energetycznych w Koninie (Zespol Szkol)
- Zaklad Doskonalenia Zawodowego: Oddzial Konin (ZDZ Konin)

"Kopernika" is one of the largest vocational schools in Konin, with over 2,300 pupils. The number of teachers is 114, of whom about 10 are working part time. This school provides both technical secondary education and basic vocational education. The technical secondary course requires much time to learn theoretical subjects such as electronics, electricity, or mechanics. The basic vocational courses, on the other hand, offer more practical training for those who would become salesmen, waiters, car mechanics, bakers, cooks, hairdressers and so on.

"CKU" educates around 2,000 pupils. Although a number of teenagers obtain basic vocational training there, this school is focusing more on adult education. Major courses include commerce, tailoring, accounting, tourism, car repair and administration. The school has 50 full-time and 80 part-time teachers. Most part-time teachers are staff of banks or major commercial enterprises. From September 1996, this school started so-called "Non-stationed, or Distant, Education" (Educaj Niestacjonarnej) programs, with financial assistance from EU Phare. This school provides learning opportunities to those who could not attend school for one reason or another. The Ministry of Education asked this school to implement "distant education" for those who live in Konin, Kalisz, and Plock provinces.

"Zespol Szkol" was established by the Ministry of Industry 30 years ago. The main role of this school had been to supply workers and technicians to the local lignite mining company (KWB Konin), and other related enterprises including the power station. From the mid-1980s, this school diversified its programs and started offering more general courses for those who would not seek employment in the mining related sectors. The relationship between the mining company and this school was weakened in 1994, when this school came to be supervised by the Ministry of Education. Now about 2,400 pupils study in this school. Among them, 30% are basic

vocational, 50% are technical secondary and the remaining 20% are post secondary levels. Two hundred teachers are working in this school.

"ZDZ Konin" is a branch of a nationwide non-state educational association. This school was originally established in 1948 as one of the state-owned vocational training institutes. Since 1992 this school started non-state vocational education for teenagers. Now over 800 pupils study there, either at a post secondary level or a vocational secondary level. Apart from the formal vocational education, this school also offers various short courses to the public, and attracted over 3,000 participants in 1996. All the teachers are working part time; they amounting to 200 in total.

(2) Neighboring provinces' higher educational institutions

1) Poznan

Poznan is considered to be the center of higher level education in the Wielkopolska region. A wide variety of programs are available from the following academic institutions. University of Adam Mickiewicz in particular provides such academic programs as law, marketing, management, philosophy, mathematics, physics, biology, chemistry, and other humanistic sciences.

- University of Adam Mickiewicz
- Academy of Economy
- Academy of Agriculture
- Academy of Musical Arts
- Academy of Physical Exercise
- Academy of Fine Arts
- Medical Academy
- Polytechnic

Various kinds of private collages are also located in Poznan, providing more specific and rather practical training programs at higher levels, such as banking or accounting programs

2) Lodz

A variety of university level programs are also available in Lodz. University of Lodz, for instance, offers various programs related to

economics or business administration, producing a number of sophisticated graduates for employment in the industry and public administration.

-University of Lodz

-Military Medical Academy

-Academy of Film and Arts

-Polytechnic

3) Bydgoszcz

Bydgoszcz has two "academies" offering university level education, the Medical Academy and Agricultural Academy. There is also one teachers training college.

4) Torun

Torun has one respected and large scale university called University of Koperniks. This university offers a wide variety of programs such as economics, informatics, chemistry, biology, mathematics, philosophy and other humanistic studies. The city also has one teachers training college.



7.2 Manpower Development Programs in Konin

7.2.1 Vocational Training Programs

College Handlowy: provides vocational training courses at a higher educational level in Konin. This college has two courses, one in management and marketing, and the other in hotel and tourism service. It takes two years to finish these two courses. These courses include the following subjects.

- informatics
- economics
- marketing
- financing
- banking
- financing
- accounting
- hotel service
- foreign languages (English, German, French, Russian)
- psychology

Wyższa Szkoła Zawodowa w Koninie: The new college planned by the voivodship office will also provide a wide variety of professional programs at higher levels. This college will have four courses, which are 1) Foreign Language, 2) Administration and Economics, 3) Environmental Care and Ecology, and 4) Social Services. The major subjects for these courses are listed as follows.

- 1) Foreign Language
 - English, French, German, Italian
- 2) Administration and Economics
 - general administration
 - economy of infrastructure development
 - accounting and financing
- 3) Environmental Care and Ecology
 - ecological management
 - spatial geography
 - tourism and rehabilitation

4) Social Services

- elderly care
- care for the mentally handicapped
- family therapy

Technical Secondary Schools provide relatively sophisticated and theoretical knowledge to pupils, who are expected to become technicians after graduation. Each school has some degree of specialization in the subjects it offers, but the following subjects are generally covered by most of the technical secondary schools;

- electric technology
- commercial skills
- accounting
- agro business, and so on.
- electronics,
- financing,
- information technology,

Basic Vocational Schools provide practical skills for specific professions. Many schools provide programs to train teenagers to take the following professions:

- salesman
- car-mechanic
- waiter
- baker
- cook
- hair dresser
- tailor
- photographer
- electrician
- carpenter
- farmer and so on.

Among the courses, those for electrician, tailor, salesman and car mechanic seem to be most attractive for pupils in Konin.

Labor Department of the voivodship administration has vocational training programs specifically for the unemployed. These programs are usually commissioned to the local vocational schools. Table 7.2-1 shows the most popular types of courses for the employed at present. The types of courses offered have been adjusted from time to time in keeping with change in the demand in the labor market. Some courses which were popular few years ago were recently abolished due to the small demand for the relevant skill in the market. Banking, accounting, and boiler engineering are examples.

Table 7.2-1 THE MOST POPULAR TYPES OF COURSES FOR THE UNEMPLOYED

| Types of course | 1993 | 1994 | 1995 | 1996 | 1997 |
|----------------------------|------|------|------|------|------|
| Gas & electric welding | ○ | ○ | ○ | ○ | ○ |
| Computer book-keeping | ○ | ○ | | | ○ |
| Insurance medicator | ○ | | | ○ | ○ |
| Security service | ○ | | ○ | ○ | ○ |
| Computer | ○ | ○ | ○ | ○ | ○ |
| Small business | ○ | | ○ | | ○ |
| Liquidation of business | ○ | | | | ○ |
| Secretary work | ○ | ○ | ○ | ○ | ○ |
| Tailoring | ○ | ○ | ○ | ○ | ○ |
| Home repair | ○ | | | ○ | |
| Boiler technician | ○ | ○ | ○ | ○ | |
| Banking | | | ○ | | |
| Information and management | | | ○ | ○ | |
| Tax accounting | | | ○ | | |
| Car diagnosis | | | ○ | ○ | |
| Marketing and management | | | | | |

Source: The Labor Department, Konin Province.

7.2.2 Training of Management

It seems that managers of enterprises in Konin have a great variety of opportunities to improve their expertise by attending training programs specifically for managers. Managers regularly receive lots of information about such programs by mail. These programs are usually organized by private management consultants based in commercial centers such as Poznan or Warsaw. The contents of the programs are varied. Extensive training programs for middle managers are provided in some cases, but mostly the programs take only few days or even few hours and provide a limited number of lecturers to the participants.

In Konin, Business Support Center (BSC) in the Regional Development Agency provides management training programs to the local entrepreneurs. These programs started in 1994 with financial and technical assistance from the EU Cooperation Fund. EU Cooperation Fund supported the cost of office equipment, the pay for secretarial staff, and some other expenses until 1996. Since 1996, the Polish Foundation for Small and Medium Enterprises

Promotion and Development has assisted the BSC Konin using an allocation from the EU Phare Fund. Up to 80% of the service charge the BSC Konin seeks from the enterprises has been subsidized by this foundation. Even though the courses of the BSC Konin are heavily subsidized, it is not easy to attract many participants to these courses, due to the severe competition with private training programs organized by management consultants from major cities.

The management training programs of the BSC Konin are implemented twice or three times per year. These programs basically consist of the following three courses, which are;

- 1) Basic Introduction,
- 2) Managing Enterprise in the Market Economy, and
- 3) Privatization and Commercialization.

The participants in the first introductory course spend six hours a day for two days, and obtain basic understanding about the market economy. The systems of corporate tax and VAT is taken up in this course, for instance. The second management course focuses on more specific issues such as marketing, or the development of production plans. The third course is specifically arranged to those enterprises preparing for privatization. The process and characteristics of various privatization methods are explained, and advantages or difficulties of these methods are be analyzed. The lecturers of these courses are mainly the internal staff of RDA Konin.

7.3 Demand for Manpower Development in Konin

Under the centrally planned economic system, the state enterprises were closely related to the vocational training system of the country. Many of the large scale state enterprises even had their own vocational schools. In addition to the re-training of their existing employees, these schools also educated those teenagers who would become employees of these enterprises after the graduation. Zespól Szkól: Gorniczo-Energetycznych in Konin is a typical example of these enterprise related schools. Even now, this school has specific courses for training teenagers to become lignite miners.

After the transformation of the economic system, however, most state enterprises faced financial difficulties and could no longer afford to operate vocational schools. Moreover, the state enterprises have generally been downsizing their operations and making much effort at reducing their level of employment. It has become less and less necessary for the enterprises to operate their own vocational schools. Hence, many of these schools were either simply closed down, or forced to become independent in the last few years. The number of vocational schools for adults, consequently, decreased significantly from 70,000 in 1991 to only 40,000 in 1993, for the entire country.

Another type of relationship between enterprises and the vocational training system is that some enterprises accept students of basic vocational schools and provide them with practical, on the job, training. As basic vocational education consists of both classroom lessons and the practical training in enterprises, the students need to go to factories, offices, or shops to get practical experience. After finishing their basic vocational education, the graduates are often employed by the same enterprise where they got practical exercises. One of the attractive features of the practical training in enterprises is that students might then be in an advantageous position to find jobs in these enterprises. Some enterprises also consider it beneficial to accept these students for practical training, because they can easily employ young and trained workers when the program finished.

Only limited types of enterprise, however, seem to be eager to accept these students in Konin at present. Generally apparel making enterprises are willing to accept young female students as trainees, because the local apparel-industry has been gradually expanding production, having received a number of processing

contracts from clients in the EU. Except for the apparel enterprises, the local enterprises are usually reluctant to receive these students from basic vocational schools, particularly those students who have learned administrative skills such as accounting, banking or financing.

Instead, many of the local enterprises clearly express their intention to employ highly educated young staff, particularly those who have studied management or engineering subjects at the university level. This strong demand for university graduates is expressed not only by large and medium size enterprises but also by enterprises with only 10 to 20 employees. On the other hand, the demand for the less educated, the graduates of basic vocational schools in particular, is not significant. The supply of the low-educated workers seems to be abundant in the local labor market. In order to obtain the young university graduates, some enterprises even provide scholarships to talented students of the university. These enterprises hope that these students will decide to work for their current sponsors in the future.

Apart from the formal vocational training system at schools, some enterprises offer vocational training opportunities to their employees. Large enterprises often have their own training programs which are specifically designed for their employees, mainly workers and technicians. Smaller enterprises generally ask private management consultants to organize tailor-made training programs for their employees. The popular subjects of these programs include marketing, finance, computer operation, management, safety and hygiene control.

7.4 Conclusion and Key Issues

(1) Structural characteristics of Konin Province education

In Poland in general the number of persons desiring higher education is increasing. The rate of advancement to university or college (the ratio of the population in the 19-24 age bracket that is enrolled in university or college) has risen from 13% in 1990 to 26% in 1996. Advancement to institutions of higher education is especially high for graduates of the general secondary schools. Arrangements exist whereby graduates of vocational and technical schools can go on and acquire a college degree. The basic vocational schools, however, do not qualify graduates for college entrance.

In the near future the educational system will be changed and it will become possible for all graduates of high schools to advance to college or university. Even after the change, however, it is likely that the advancement rate will continue to be high for general secondary schools. The situation in the Konin Province public school system, however, is retarded with regard to satisfying the demand for higher education. This may be seen from the comparison of Konin Province with the national average, using information from the EU, as shown in Figs.7.4-1 and 7.4-2. The first shows that the general secondary schools are not adequate and the second figure shows that graduates of basic vocational schools in Konin Province surpass the national average in obtaining employment.

(2) Out-migration of youth

Young adults, that is, capable graduates of colleges and universities, prefer to not stay in Konin Province but to seek employment in nearby cities in other provinces, such as Poznan. There are two reasons for this. First, there is no college or university in the province offers a wide choice of subjects, as all of them are dedicated to certain specific subjects only. Although there is a branch of a university (University of Koperniks, in Torun, in order to obtain a diploma it is necessary to attend the main school, outside of the province. Second, Konin Province does not offer attractive employment opportunities for college graduates.

(3) Demand for human resources in industry in Konin Province

Industrial employers in Konin Province can be classified as being either the formerly state owned corporations or small and medium enterprises (SMEs). The former are restructuring and are not expected to generate large scale demand for employees. The latter category, however, has strong demand for employees.

Managers of these small and medium scale businesses that were created during the 1990s acquire their skilled labor by accepting students at basic vocational schools as trainees, and hiring them after graduation (e.g., this is done in the garment industry). These companies are also interested in hiring people who have completed a higher education, especially for work in general management, finance and accounting, and technical (engineering) areas. Although there is some degree of uncertainty as to their need for college graduates, it may be stated that there is demand for such persons in the province.

(4) Measures related to population mobility

It will be necessary for the structure of industry and employment in Konin Province to change radically by the year 2010. In this connection the most important problems are the actual and potential rural unemployment, and retraining of employees of the former state-owned corporations who are made redundant by the restructuring process.

(5) Re-education of managers

When visiting companies and production facilities, the impression obtained is that there is little awareness that the companies will survive or be eliminated through the process of competing with others. This is especially true at the formerly state-owned corporations. Among the newer companies that have been started during the 1990s, many are found to be low in productivity and weak in respect to management of quality. The shortcomings of these views and existing conditions must be corrected by inculcating in the managers of all of these companies the modern managerial precepts and practices that are essential to doing business in a modern market economy. They must be brought into contact with the current, world-class techniques of management.

Figure 7.4-1 GENERAL SECONDARY EDUCATION INDEX

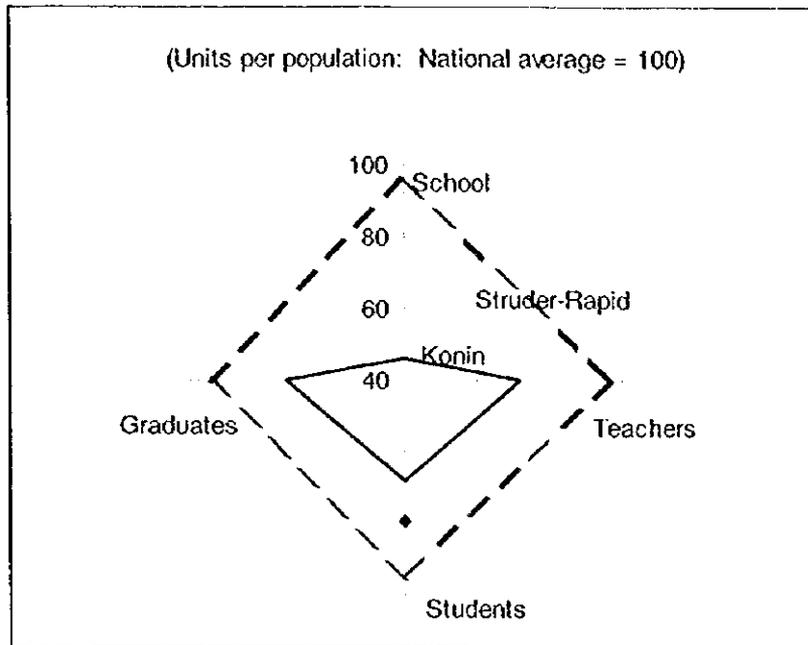
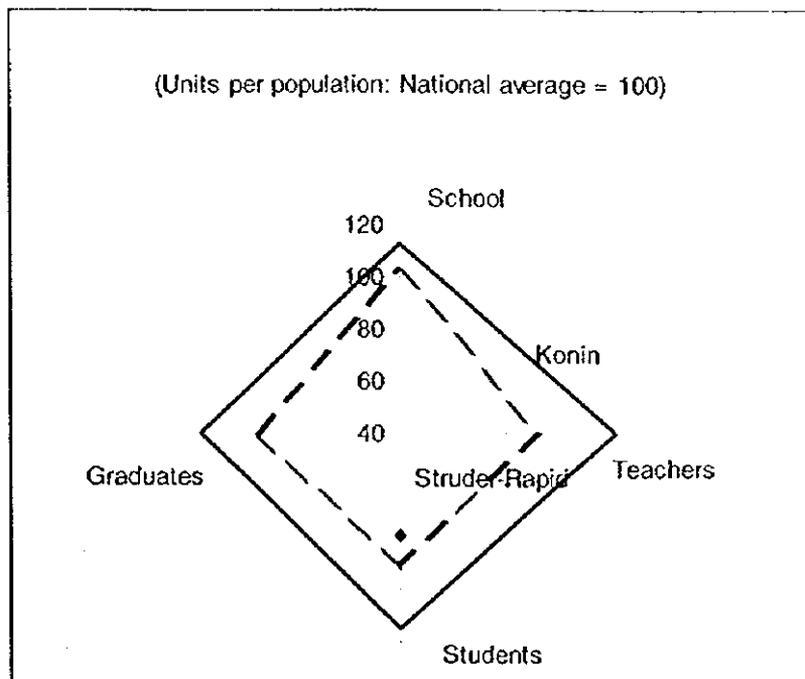


Figure 7.4-2 BASIC VOCATIONAL EDUCATION INDEX





7.5 Direction of Manpower Development

7.5.1 Development Potential and Constraints

(1) Development potentials

1) A large demand for the university graduates

The shortage of highly educated young personnel, the university graduates in particular, is not only the problem in Konin. In all part of the country, there is a large gap between the supply and the demand of the university graduates. This gap could provide a great opportunity for Konin to establish schools of the higher education in the region. The local business society needs those university graduates who have studied management or engineering subjects in particular.

2) The plan to establish a new management college in Konin

The Konin provincial administration is well aware of the necessity to establish the higher educational institutions in the province. Therefore, as it is discussed previously, the administration has already planned to create a new management college in Konin. The college consists of four courses including foreign languages, economics, environmental studies and social services, and provides highly educated personnel to the local business society. This college would be an initial step to establish the school at the university level in Konin, which could provide much wider and more sophisticated programs to the students

3) The wider possibilities in the restructuring of the system

Moreover, the whole educational system of the country is now constantly prepared to be restructured. The system itself is no longer rigid. The central government does not seem to be reluctant to restructure the system if the society requires the changes. Under this circumstance, the authority of Konin could also have wider possibilities to transform their educational structure.

(2) Development constraints

1) Shortage of financial resources

One of the constraints to improve manpower development system of Konin is the lack of budget. The severe flood damages in 1997 required a huge unexpected expense to the government, so it became very difficult to implement any new projects in the next year. In fact the project to establish a new management college in Konin has been suspended partly due to these flood damages. The opportunity to private capital for the educational development in Konin seems to be rather limited as well.

2) Existence of educational facilities in the neighboring provinces

The existence of world famous large universities neighboring provinces would make it difficult to attract students to a new university in Konin. University of Adam Mickiewicz (Poznan), Academy of Economy (Poznan), University of Koperniks (Torun), University of Lodz and others provide a wide variety of programs to their students. If one plans to create another high educational institution in this region, its program should be carefully designed in order to attract students from the neighboring provinces.

7.5.2 Concept, Strategies and Projects

(1) Development concept

The study Team explored the core problems related to development of human resources in Konin Province on the basis of the above-summarized analyses and conclusions on key issues, development potential and development constraints. It was agreed that in a broad sense the present problem is that there is not a mechanism for the supply of human resources such as is demanded by employers. In Konin Province. The supply of manpower has not kept up to the qualitative changes in employment requirements that are taking place in keeping with the transition to a market economy. On that basis, the study Team defined the following development concept.

Supply of manpower suitable for the market economy

The strategy required for realization of this development concept was obtained by the Team's use of PCM. Analysis of the existing conditions enabled definition of the following two strategies for the public education system in Konin Province.

Strategy 1: Provision of higher educational opportunities

Strategy 2: Adjustment of secondary education to the local market needs

In view of the need to train managers who are capable of working in an international, competitive environment and in a domestic economy that functions according to market principles, the following two strategies were identified as essential for development of human resources outside of the public education system.

Strategy 3: Improvement of management skills in enterprises

Strategy 4: Mobilization of manpower in the province

(2) Development strategies and projects

(Strategy 1) Provision of educational opportunities

The strategy calls for improvement of higher education in the province, to enable it to supply human resources that match the nature of demand. The objective of this strategy is to create reasons encouraging young graduates to remain in Konin Province, and to provide opportunities for higher education that are not now available in the province. The following two projects are recommended as methods to accomplish this.

Project MP-1: "Establishment of schools of higher education"

Project MP-2: "Expansion of non-stationed education for workers"

See the Project Report for evaluation of these. Project MP-2 is closely related to Strategy 4.

(Strategy 2) Adjustment of secondary education to the local market needs

Changes in the secondary education offered in Konin Province recommended here have the purpose of modifying education so that the young men and women that come out of the educational system are more closely matched in their abilities and knowledge to what is demanded in the province. This may be said to support Strategy 1. Only one project has been defined for this. For details see the Project Report.

Project MP-3: "Expansion of general secondary education "

(Strategy 3) Improvement of management skills in enterprises

The purpose of this strategy is to effect a change from the previous production-centered approach to management, by modernizing management to make it match the demands of a competitive economy, market principles and international competition. The rationale behind this is related in the above section, Conclusions and Key Issues, with analysis of the present situation, and is not repeated here. The one project recommended to realize this strategy is taken up in the section dealing with the industrial sector and is mentioned again here:

Project ID-4**: "Re-education of managers on management and production technology"

(Strategy 4) Mobilization of manpower in the province

It is observed as being a general condition in Poland and not limited to Konin Province that the people of this country traditionally prefer to not move far from their native places. Reasons for this would include some related to traditional culture, and also to a shortage of information on employment opportunities in other regions or places, as well as a deficiency of opportunities for obtained vocational training needed for exploiting new employment opportunities. Another reason may be lack of low-cost housing in urban areas that could encourage a movement out of rural districts. The matter of the housing environment is dealt with in Chapter 6. Here the Team

proposes a project that would supply information on employment opportunities. Setting up job intermediary centers will facilitate the mobilization of the work force.

Project MP-4: "Establishment of a job intermediary center with data base"

It is self-evident that this strategy can not be achieved solely with this project. Human resources development, through vocational training or re-training, also will promote mobilization of labor. A related project is MP-2, classified in Strategy I.

Project MP-2*: "Expansion of non-stationed education for workers"

In addition, the following projects are related to the strategy for improving the structure of the work force.

Project MP-2*: "Expansion of non-stationed education for workers"

Project AG-2**: "Strengthening of agriculture technical schools in Koscielec"

Project DT-8**: "Introduction of rapid train services for commuters"

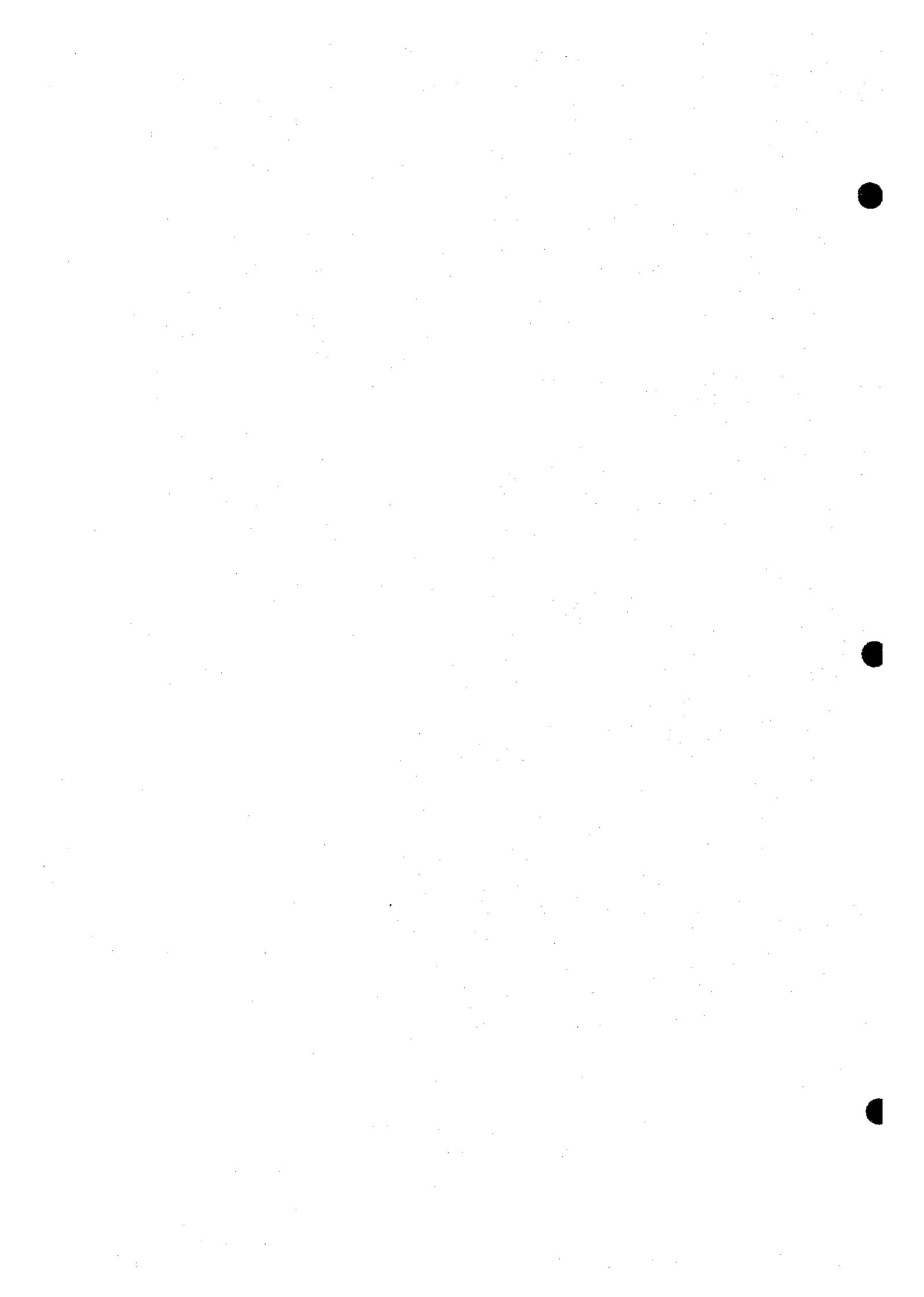
Project DT-9**: "Establishment of mini-bus service"

Figure 7.5-1 MANPOWER DEVELOPMENT: DEVELOPMENT CONCEPT, STRATEGIES & PROJECTS

| Supply of manpower suitable for the market economy | | Projects |
|---|---|---|
| Concept | Aims of Strategy | |
| <p>Strategy</p> <p>(1) Provision of higher educational opportunity</p> | <p>This strategy aims to provide higher educational opportunities to a wide range of people in the Konin province.</p> | <p>MP-1 Establishment of a university in Konin MP-2 Strengthening of correspondence courses for working people</p> |
| <p>(2) Adjustment of education system to market needs</p> | <p>This strategy aims at reorganizing the current structure of secondary education into the one suitable for the needs of the local labor market.</p> | <p>MP-3 Expansion of secondary general and technical schools (AG-2) ** Strengthening of agriculture technical schools in Koscielce</p> |
| <p>(3) Improvement of management skills in enterprises</p> | <p>This strategy aims at providing the local managers with modern management skills suitable for the experience in the market economy.</p> | <p>(ID-4) ** Re-education of managers on management and production technologies</p> |
| <p>(4) Mobilization of manpower in the province</p> | <p>This strategy aims at mobilization of manpower in the province e.g. inter-gminas and inter-sectors.</p> | <p>MP-4 Establishment of a job intermediary center/company with data base (DT-8) ** Introduction of rapid train services for commuters (DT-9) ** Establishment of mini-bus services</p> |

Chapter 8

LOCAL ADMINISTRATION



Chapter 8 LOCAL ADMINISTRATION

8.1 Introduction: Issues to be Studied

Among Poland's successes in the economic transformation process, one of remaining issues which has aggravated since Poland has embarked on the process is the reduction of inter-regional economic disparities. However, the current government has made it clear that it will reorganize the administrative systems and decentralize, the system creating self-government of Poviats and Super-province between the central government and local self-government (Gmina) instead of current Province, which is a regional branch of the central government.

It is a matter of great importance that the present government is going to decentralize its power and responsibilities and not going to delegate its power and responsibilities. When certain responsibilities are delegated by the central government to local governments, then the local governments become mere agents of the central government, whereas when responsibilities are decentralized the central government ceases to have responsibilities. A crystal-clear line is difficult to draw between them and moreover is meaningless, since all levels of governments are concerned with national policies. For example, although primary education is a matter of responsibility of gminas, the central government is also concerned with a common nationwide policy of giving a minimum education of a certain standard to every citizen; in this case a full decentralization may not be appropriate.

In this chapter, the present administrative and fiscal systems in Konin Province are examined (Section 8.2) and the discussions on introducing new self-governments are reviewed (Section 8.3). Then the analyses are made of the current administrative and fiscal problems, which provincial and local governments are currently facing (Section 8.4). The conclusion and key issues (Section 8.6) and the major policy directions (Section 8.7) are described with reference to the previous sections. The results of gmina surveys are summarized in the final part of the chapter (Section 8.7).



8.2 Present Situation of Local Administration and Finance in Konin

Taking into account the above direction of changes, the analysis of present situations in terms of local administration and finance in Konin Voivodship is conducted.

According to current economic indicators of provinces in Poland (Table 8.2-1), Konin has shares 1.24 percent of total population, 1.08 percent of GDP, and 1.17 percent of value added produced. It has in addition, 87 percent of the national average of per capita GDP.

8.2.1 Administrative Structure of Konin Province

Poland's government system currently consists of three levels: (1) central government, (2) provinces, and (3) gminas. Among them, provinces have limited autonomy: major personnel decisions are in the hands of a central government, and most of their funding comes directly from the state budget. They do not have the power to raise revenue from sources under their own control. Gminas, run by elected administrators, exercise independent competence in local matters that are left to their jurisdiction.

(1) Province

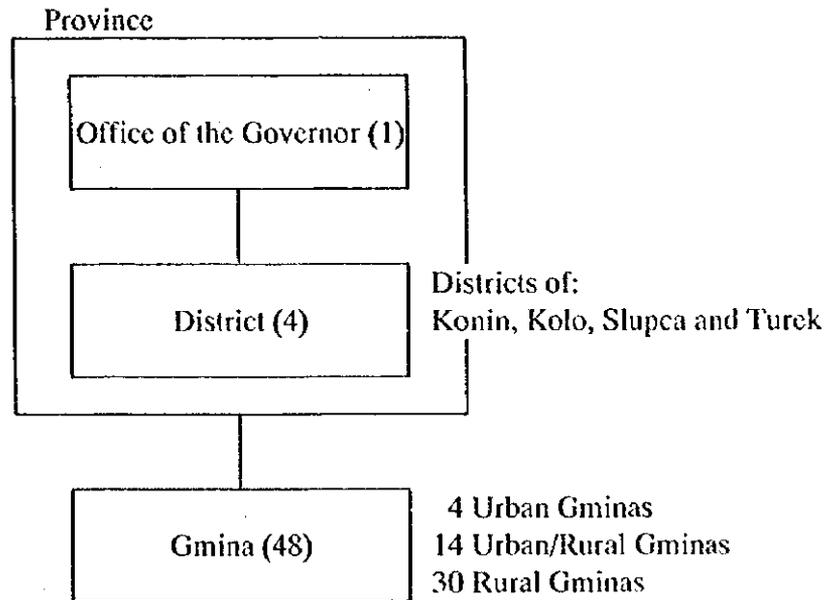
The current regional administrative structure of Konin Province is as shown in Figure 8.2-1. The province consists of four districts (Konin, Kolo, Slupca and Turek) and of 48 gminas (4 urban, 14 urban-rural, and 30 rural gminas).

The administrative structure of the Office of the Konin Governor is same as in other provinces since the Local Government Act decides its structure. The organizational structure of the Office of the Konin Governor is as shown in Figure 8.2-2. It consists of 13 departments and a secretariat under the leadership of the Governor (Voivod) and Vice Governor. The number of staffs in each department and secretariat is shown in Table 8.2-2. Total number of staff at present is about 230 persons including Governor, Vice Governor and General Director of the Governor's Office.

Table 8.2-1 BASIC ECONOMIC INDICATORS BY PROVINCE (1995)

| | Population(96) | | GDP | | Per capita GDP | | Value Added | |
|-----------------|----------------|--------|----------|--------|----------------|--------|-------------|--------|
| | 000 | % | mil. zł. | % | zł | % | mil. zł. | % |
| Polska | 38,587.6 | 100.00 | 288,701 | 100.00 | 7,481.7 | 100.00 | 248,887 | 100.00 |
| Warszawskie | 2,415.5 | 6.26 | 32,894 | 11.39 | 13,617.9 | 182.02 | 26,103 | 10.49 |
| Białkopodlaskie | 309.4 | 0.80 | 1,475 | 0.51 | 4,767.3 | 63.72 | 1,438 | 0.58 |
| Białostockie | 700.1 | 1.81 | 4,205 | 1.46 | 6,006.3 | 80.28 | 3,602 | 1.45 |
| Bielskie | 916.6 | 2.38 | 6,770 | 2.34 | 7,386.0 | 98.72 | 5,372 | 2.16 |
| Bydgoskie | 1,130.9 | 2.93 | 8,963 | 3.10 | 7,925.5 | 105.93 | 8,254 | 3.32 |
| Chełmskie | 249.9 | 0.65 | 1,142 | 0.40 | 4,569.8 | 61.08 | 1,075 | 0.43 |
| Ciechanowskie | 436.5 | 1.13 | 2,137 | 0.74 | 4,895.8 | 65.44 | 2,057 | 0.83 |
| Częstochowskie | 782.1 | 2.03 | 4,725 | 1.64 | 6,041.4 | 80.75 | 4,391 | 1.76 |
| Elbląskie | 491.1 | 1.27 | 3,376 | 1.17 | 6,874.4 | 91.88 | 2,960 | 1.19 |
| Gdańskie | 1,452.2 | 3.76 | 12,635 | 4.38 | 8,700.6 | 116.29 | 10,173 | 4.09 |
| Gorzowskie | 509.9 | 1.32 | 3,190 | 1.10 | 6,256.1 | 83.62 | 2,972 | 1.19 |
| Jeleniogorskie | 524.2 | 1.36 | 3,224 | 1.12 | 6,150.3 | 82.20 | 3,031 | 1.22 |
| Kaliskie | 721.5 | 1.87 | 4,387 | 1.52 | 6,080.4 | 81.27 | 4,001 | 1.61 |
| Katowickie | 3,933.0 | 10.19 | 37,046 | 12.83 | 9,419.3 | 125.90 | 33,168 | 13.33 |
| Kieleckie | 1,136.0 | 2.94 | 6,186 | 2.14 | 5,445.4 | 72.78 | 5,763 | 2.32 |
| Koninskie | 479.1 | 1.24 | 3,125 | 1.08 | 6,522.6 | 87.18 | 2,905 | 1.17 |
| Koszalinskie | 520.9 | 1.35 | 3,066 | 1.06 | 5,886.0 | 78.67 | 2,782 | 1.12 |
| Krakowskie | 1,239.7 | 3.21 | 10,118 | 3.50 | 8,161.7 | 109.09 | 8,389 | 3.37 |
| Krosnienskie | 506.0 | 1.31 | 2,667 | 0.92 | 5,270.8 | 70.45 | 2,255 | 0.91 |
| Legnickie | 523.1 | 1.36 | 4,054 | 1.40 | 7,750.0 | 103.59 | 3,836 | 1.54 |
| Leszczyńskie | 396.6 | 1.03 | 3,193 | 1.11 | 8,050.9 | 107.61 | 2,470 | 0.99 |
| Lubelskie | 1,025.8 | 2.66 | 6,703 | 2.32 | 6,534.4 | 87.34 | 6,035 | 2.42 |
| Lomżyńskie | 353.7 | 0.92 | 1,631 | 0.56 | 4,611.3 | 61.63 | 1,524 | 0.61 |
| Łódzkie | 1,118.2 | 2.90 | 8,700 | 3.01 | 7,780.4 | 103.99 | 7,736 | 3.11 |
| Nowosadeckie | 730.3 | 1.89 | 3,413 | 1.18 | 4,673.4 | 62.46 | 2,990 | 1.20 |
| Olsztyńskie | 770.4 | 2.00 | 4,422 | 1.53 | 5,739.9 | 76.72 | 4,122 | 1.66 |
| Opolskie | 1,026.6 | 2.66 | 6,914 | 2.39 | 6,734.9 | 90.02 | 6,330 | 2.54 |
| Ostroleckie | 407.9 | 1.06 | 2,129 | 0.74 | 5,219.4 | 69.76 | 1,989 | 0.80 |
| Piłskie | 492.8 | 1.28 | 3,099 | 1.07 | 6,288.6 | 84.05 | 2,930 | 1.18 |
| Piotrkowskie | 644.1 | 1.67 | 4,393 | 1.52 | 6,820.4 | 91.16 | 4,157 | 1.67 |
| Płockie | 521.7 | 1.35 | 8,160 | 2.83 | 15,641.2 | 209.06 | 4,767 | 1.92 |
| Poznańskie | 1,352.1 | 3.50 | 13,007 | 4.51 | 9,619.9 | 128.58 | 9,840 | 3.95 |
| Przemyskie | 414.1 | 1.07 | 1,968 | 0.68 | 4,752.5 | 63.52 | 1,863 | 0.75 |
| Radomskie | 763.0 | 1.98 | 4,998 | 1.73 | 6,550.5 | 87.55 | 4,129 | 1.66 |
| Rzeszowskie | 745.0 | 1.93 | 4,614 | 1.60 | 6,193.3 | 82.78 | 3,820 | 1.53 |
| Siedleckie | 661.6 | 1.71 | 3,215 | 1.11 | 4,859.4 | 64.95 | 2,907 | 1.17 |
| Sieradzkie | 412.3 | 1.07 | 2,289 | 0.79 | 5,551.8 | 74.20 | 1,943 | 0.78 |
| Skierniewickie | 423.6 | 1.10 | 2,321 | 0.80 | 5,479.2 | 73.24 | 1,993 | 0.80 |
| Ślupskie | 425.4 | 1.10 | 2,112 | 0.73 | 4,964.7 | 66.36 | 1,991 | 0.80 |
| Suwalskie | 485.2 | 1.26 | 2,680 | 0.93 | 5,523.5 | 73.83 | 2,072 | 0.83 |
| Szczecińskie | 989.7 | 2.56 | 8,418 | 2.92 | 8,505.6 | 113.69 | 7,572 | 3.04 |
| Tarnobrzeskie | 609.1 | 1.58 | 3,706 | 1.28 | 6,084.4 | 81.32 | 3,468 | 1.39 |
| Tarnowskie | 691.7 | 1.79 | 3,662 | 1.27 | 5,294.2 | 70.76 | 3,281 | 1.32 |
| Toruńskie | 670.7 | 1.74 | 4,098 | 1.42 | 6,110.0 | 81.67 | 3,650 | 1.47 |
| Wałbrzyńskie | 740.1 | 1.92 | 4,023 | 1.39 | 5,435.8 | 72.65 | 3,769 | 1.51 |
| Wrocławskie | 434.7 | 1.13 | 2,226 | 0.77 | 5,120.8 | 68.44 | 2,080 | 0.84 |
| Wrocławskie | 1,137.3 | 2.95 | 10,242 | 3.55 | 9,005.5 | 120.37 | 8,755 | 3.52 |
| Zamojskie | 493.5 | 1.28 | 2,213 | 0.77 | 4,484.3 | 59.94 | 2,128 | 0.86 |
| Zielonogorskie | 673.1 | 1.74 | 4,767 | 1.65 | 7,082.2 | 94.66 | 4,048 | 1.63 |

Figure 8.2-1 STRUCTURE OF REGIONAL ADMINISTRATION IN KONIN

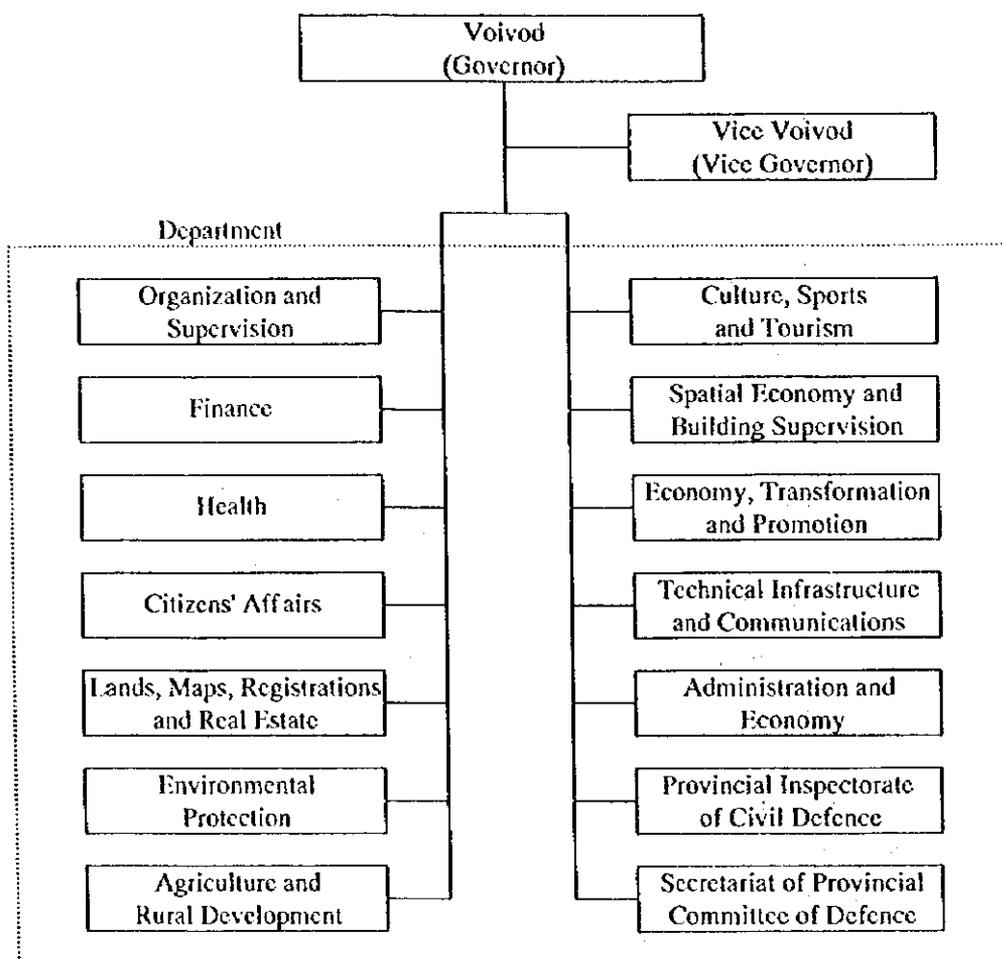


There is a Provincial Self-Governing Council in the province, which is required to have council meetings at least once in three months, has an advisory function to the Governor and presents its opinions on budget and administrative personnel appointments to the Governor. The opinions of the council are also sent to the Minister of Interior and Administration. Members of the council are chosen from each gmina; the number of council members in Konin Province is currently 52 (three from Miasta Konin, two from Kolo and Turek, and one from other 45 gminas).

(2) District

The district is a regional organ of provincial administration. There are four Districts in Konin Voivodship, situated in the four major towns of Konin, Kolo, Slupca and Turek. Their roles are administrative including land classification, building supervision, and registration of vehicles, the last of which is handled by the Communication Division. The structure of a district's organization is as shown in Figure 8.2-3 and the number of district staff is indicated in Table 8.2-2. Since the district is a part of province's regional organ, the budget for district activities is included in the provincial budget. No investment activity is included in the scope of district's work.

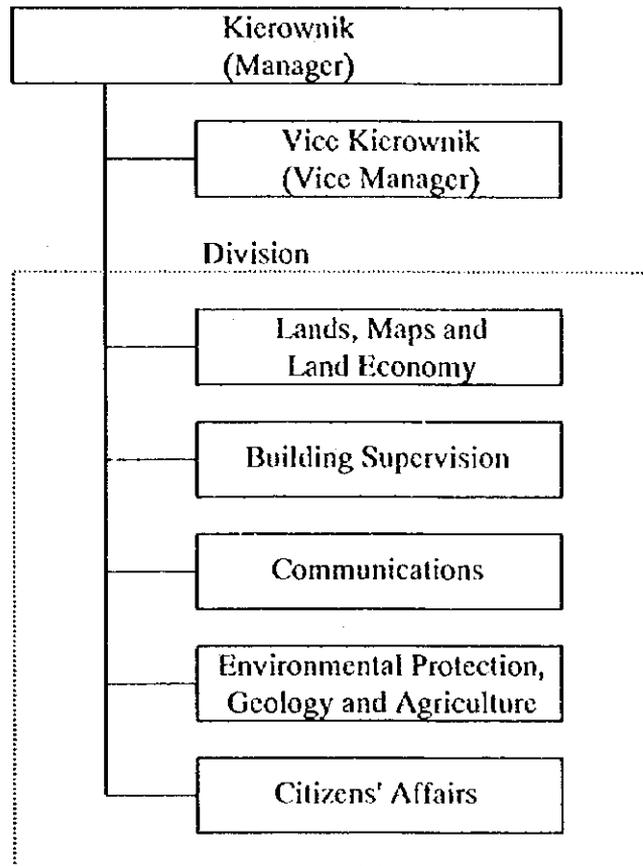
Figure 8.2-2 ORGANIZATION OF THE OFFICE OF KONIN GOVERNOR



(3) Gmina

The gmina's administrative structure is discussed in the Gmina Survey, in Section 8.7. Since the gminas' population is small (Table 8.2-3), the organizational structure of it is also simple. 20 Gminas out of 48 are managed and administered by less than 20 officials. There is only one exception, Miasta Konin, which has 169 staff members.

Figure 8.2-3 ORGANIZATION OF DISTRICT OFFICE



8.2.2 Present Fiscal Structure of Gminas in Konin Province

The current size of the provincial budget in the state budget in fiscal 1997 is as follows:

| | |
|-----------------------|--------------------------------------|
| State Budget (A) | PLN 127,553.656 million |
| Provincial Budget (B) | PLN 24,311.966 million (19.1 % of A) |
| Konin Voivodship (C) | PLN 282.019 million (1.2 % of B) |

One-fifth of the state budget is allocated for provinces and 1.2 percent of provincial allocations is assigned to Konin Province. The 1.2 percentage share is approximately proportional to its share of population.

Table 8.2-2 NUMBER OF STAFF OF KONIN OFFICE OF THE GOVERNOR

| Department | Number |
|---|--------|
| Voivod(Governor), Vice Voivod(Vice Governor) | 2 |
| General Director of Voivod Office | 1 |
| Department of Organization and Supervision | 25.5 |
| Department of Finance | 12 |
| Department of Health | 11.5 |
| Department of Citizens' Affairs | 21 |
| Department of Lands, Maps, Registrations and Real Estates | 28 |
| Department of Environmental Protection | 22 |
| Department of Agriculture and Rural Development | 13 |
| Department of Culture, Sports and Tourism | 7 |
| Department of Spatial Economy and Building Supervision | 12 |
| Department of Economy, Transformation and Promotion | 15.5 |
| Department of Technical Infrastructure and Communications | 17 |
| Department of Administration and Economy | 27 |
| Department of Provincial Inspectorate of Civil Defence | 13 |
| Secretariat of Provincial Committee of Defence | 3 |
| Total | 230.5 |
| District Office of Konin | 45 |
| District Office of Kolo | 37 |
| District Office of Slupca | 31 |
| District Office of Turek | 39.5 |
| Total | 152.5 |

Source of revenues for gminas are three in number, namely own revenue, revenue from the state budget, and other sources. Among them, revenue from the state budget comprises corporate income tax, personal income tax, subvention (a sort of subsidy), subsidy payments for ordered tasks, and subsidies for own tasks from the state budget. Others include subsidies for the gminas' own tasks from non-budgetary sources and other revenue. Table 8.2-4 indicates the revenue structure of gminas in fiscal years 1995 and 1996.

In a gmina's revenue structure, the basic own revenue constitutes 27.5 percent of its total revenue in 1996, 62.6 percent from state budget and 9.9 percent from other sources. There was a big increase in the allocation of budget to local governments in accordance with the government policy of decentralization.

Table 8.2-3 POPULATION OF GMINAS IN KONIN PROVINCE

| No. | Name of Gmina | 1985 | 1990 | 1995 | 1996 |
|-----|--------------------|----------------|----------------|----------------|----------------|
| 1 | m. Konin | 75,794 | 80,290 | 83,008 | 83,160 |
| 2 | m. Kolo | 21,844 | 23,124 | 23,860 | 24,015 |
| 3 | m. Slupca | 12,561 | 14,673 | 14,938 | 14,896 |
| 11 | g./m. Pyzdry | 7,623 | 7,402 | 7,478 | 7,445 |
| 12 | g./m. Rychwal | 8,146 | 8,089 | 8,240 | 8,267 |
| 13 | g./m. Sompolno | 10,207 | 10,566 | 10,690 | 10,690 |
| 14 | g./m. Slesin | 12,098 | 12,259 | 12,537 | 12,593 |
| 15 | g./m. Tuliszkow | 10,140 | 10,243 | 10,541 | 10,517 |
| 16 | g./m. Uniejow | 8,607 | 8,236 | 8,106 | 8,053 |
| 17 | g./m. Witkowo | 15,570 | 15,804 | 13,852 | 13,838 |
| 18 | g./m. Zagorow | 8,878 | 8,938 | 9,070 | 9,082 |
| 19 | g. Babiak | 8,342 | 8,155 | 8,316 | 8,304 |
| 20 | g. Brudzew | 6,374 | 6,356 | 6,383 | 6,397 |
| 21 | g. Chodow | 4,114 | 3,966 | 3,914 | 3,877 |
| 22 | g. Grabow | 7,781 | 7,463 | 7,198 | 7,064 |
| 23 | g. Grodziec | 4,667 | 5,079 | 5,256 | 5,287 |
| 24 | g. Grzegorzew | 5,556 | 5,392 | 5,547 | 5,540 |
| 25 | g. Kaweczyn | 5,786 | 5,541 | 5,512 | 5,505 |
| 26 | g. Kazimierz Bisk. | 8,778 | 9,091 | 9,218 | 9,253 |
| 27 | g. Kolo | 6,829 | 6,816 | 6,866 | 6,878 |
| 28 | g. Koscielec | 6,674 | 6,606 | 6,655 | 6,649 |
| 29 | g. Kramsk | 9,405 | 9,313 | 9,535 | 9,659 |
| 30 | g. Krzymow | 6,057 | 6,449 | 6,644 | 6,652 |
| 31 | g. Ladek | 5,960 | 5,822 | 5,922 | 5,931 |
| 32 | g. Malanow | 6,419 | 6,310 | 6,408 | 6,434 |
| 33 | g. Olszowka | 5,346 | 5,177 | 5,079 | 5,089 |
| 34 | g. Orchowo | 3,766 | 3,866 | 3,984 | 4,033 |
| 35 | g. Osiek Maly | 5,726 | 5,493 | 5,651 | 5,664 |
| 36 | g. Ostrowite | 5,063 | 5,247 | 5,306 | 5,298 |
| 37 | g. Powidz* | | | 2,130 | 2,086 |
| 38 | g. Przykona | 4,682 | 4,449 | 4,264 | 4,231 |
| 39 | g. Rzgow | 6,435 | 6,440 | 6,624 | 5,570 |
| 40 | g. Skulsk | 6,170 | 6,155 | 6,118 | 6,136 |
| 41 | g. Slupca | 9,472 | 8,991 | 9,079 | 9,120 |
| 42 | g. Stare Miasto | 7,400 | 7,654 | 8,419 | 8,549 |
| 43 | g. Strzalkowo | 9,272 | 9,158 | 9,364 | 9,404 |
| 44 | g. Swinice Warckie | 4,883 | 4,730 | 4,680 | 4,633 |
| 45 | g. Turek | 6,742 | 6,629 | 7,052 | 7,090 |
| 46 | g. Wierzbinek | 7,988 | 7,981 | 7,998 | 7,946 |
| 47 | g. Wilczyn | 6,064 | 6,215 | 6,326 | 6,330 |
| 48 | g. Wladyslawow | 7,298 | 7,423 | 7,589 | 7,655 |
| | Total | 459,257 | 469,191 | 479,741 | 480,176 |

Note: * Powicz became an independent Gmina in 1995.

Source: Data from Statistical Office of Konin Voivodship

Table 8.2-4 REVENUE STRUCTURE OF GMINAS IN KONIN PROVINCE

| Revenue Items | 1995 | | 1996 | | 96/95 |
|----------------------------------|---------|-------|---------|-------|-------|
| | PLN'000 | % | PLN'000 | % | % |
| 1 Basic Own Revenue | 77,924 | 36.9 | 95,633 | 27.5 | 122.7 |
| Agriculture tax | 7,837 | 3.7 | 10,225 | 2.9 | 130.5 |
| Real estate tax | 44,551 | 21.1 | 54,792 | 15.8 | 123.0 |
| Forest tax | 424 | 0.2 | 491 | 0.1 | 115.8 |
| Tax on means of transport | 7,657 | 3.6 | 10,598 | 3.1 | 138.4 |
| Tax card | 1,782 | 0.8 | 2,169 | 0.6 | 121.7 |
| Inheritance and donation tax | 273 | 0.1 | 334 | 0.1 | 122.3 |
| Stamp duty | 6,910 | 3.3 | 8,387 | 2.4 | 121.4 |
| Exploitation tax | 8,490 | 4.0 | 8,637 | 2.5 | 101.7 |
| 2 Revenue from State Budget | 41,466 | 19.6 | 51,577 | 14.8 | 124.4 |
| Corporate income tax | n.a. | | 4,192 | 1.2 | n.a. |
| Personal income tax | n.a. | | 47,385 | 13.6 | n.a. |
| 3 Subvention | 31,831 | 15.1 | 114,808 | 33.0 | 360.7 |
| 4 Subsidy for Ordered Tasks | 12,438 | 5.9 | 39,351 | 11.3 | 316.4 |
| 5 Subsidy for Own Tasks | 32,726 | 15.5 | 25,361 | 7.3 | 77.5 |
| Tasks from the state budget | n.a. | | 11,786 | 3.4 | n.a. |
| Tasks from non-budgetary sources | n.a. | | 13,576 | 3.9 | n.a. |
| 6 Other Revenues | 15,052 | 7.1 | 20,672 | 6.0 | 137.3 |
| Revenue Total | 211,436 | 100.0 | 347,403 | 100.0 | 164.3 |

Source: Regional Accounting Chamber of Konin

Table 8.2-5 EXPENDITURE STRUCTURE OF GMINAS IN KONIN PROVINCE

| Expenditure Items | 1995 | | 1996 | | 96/95 |
|--------------------------|---------|-------|---------|-------|-------|
| | PLN'000 | % | PLN'000 | % | % |
| 1 Current Expenditure | 144,020 | 68.4 | 259,072 | 73.3 | 179.9 |
| 2 Investment Expenditure | 66,642 | 31.6 | 94,301 | 26.7 | 141.5 |
| Expenditure Total | 210,662 | 100.0 | 353,373 | 100.0 | 167.7 |

Source: Regional Accounting Chamber of Konin

The budget was allocated for various tasks, but the total investment expenditure is only PLN 94.3 million or about US\$ 30 million or US\$ 61 per capita. Details of revenue and expenditure in each gmina are in Annex Table 8-1-1 ~ 7.

The Annex Tables are complicated, and, but as Table 8.2-6 is a summarized version of Annex Table 8-1-1. This table is rearranged in order of decreasing

population of gminas and some minor revenue items are omitted. From the table it is evident that the amounts of basic revenues of some gminas are much higher from those of other gminas: such gminas include Slesin, Sompolno, Kleczew, Kazimierz Biskupi, and Przykona. The sources of the sizable sum of their revenues are their exploitation tax, which is a tax on the extraction of mineral resources, and real estate tax, which is a tax on the land devoted for economic and other activities. Those rich gminas in fact exploit the brown coal resources in the gmina territories and Klodawa exploits salt resources.

Such gminas as Grabow, Witkowo and Chodow are all gifted with rich soils for agriculture. But their revenue from agriculture tax is not as much as the exploitation tax of brown coal mining gminas. There thus exists disparities in revenue structure between gminas. A rich gmina is able to develop its infrastructure more easily than a lesser-income gmina, although rich gminas are also pay a cost in the form of loss of their inherited natural landscape because of open pit mining extraction.

Table 8.2-6 GMINAS' REVENUES (POPULATION ORDER)

| Name of Gmina | Number of Population 30.06.1997 | Revenue | | | |
|-----------------|------------------------------------|-------------------------------|-------------------|-------------------|----------------------|
| | | Total Basic own Revenue | Main Components | | |
| | | | Agricultural tax | Real Estate tax | Exploitation duty |
| Konin | 83,098 | 17,977,523 | 90,512 | 12,551,315 | |
| Turek | 30,770 | 5,560,971 | 68,264 | 3,507,764 | |
| Kolo | 23,917 | 5,667,395 | 102,097 | 3,845,642 | |
| Slupca | 14,926 | 2,356,910 | 47,881 | 1,448,345 | |
| Klodawa | 14,274 | 3,929,042 | 498,274 | 1,946,857 | 885,169 |
| Witkowo | 13,890 | 1,942,803 | 640,633 | 789,588 | |
| Slesin | 12,531 | 6,815,454 | 173,940 | 4,769,957 | 1,297,369 |
| Golina | 11,127 | 916,747 | 199,479 | 341,818 | 3,581 |
| Sompolno | 10,693 | 6,177,848 | 194,365 | 3,771,552 | 1,596,580 |
| Tuliszkow | 10,528 | 670,294 | 103,359 | 212,428 | 2,815 |
| Kleczew | 9,667 | 6,616,513 | 301,017 | 4,196,815 | 1,373,246 |
| Kramsk | 9,586 | 618,725 | 136,094 | 153,981 | |
| Strzalkowo | 9,371 | 1,742,559 | 505,776 | 809,087 | |
| Kazimierz Bisk. | 9,212 | 7,299,036 | 114,198 | 5,632,289 | 1,250,382 |
| Gm. Slupca | 9,081 | 998,568 | 545,173 | 211,117 | 1,729 |
| Zagorow | 9,060 | 761,231 | 169,209 | 255,581 | |
| Stare Miasto | 8,482 | 617,307 | 66,762 | 226,909 | |
| Babiak | 8,299 | 670,590 | 238,246 | 164,714 | |
| Rychwal | 8,251 | 533,964 | 164,723 | 60,793 | |
| Uniejow | 8,056 | 967,780 | 303,299 | 321,029 | |
| Wierzbiniek | 7,999 | 581,006 | 208,821 | 167,200 | 7,664 |
| Wladyslawow | 7,608 | 1,977,176 | 32,315 | 1,070,305 | 688,299 |
| Pyzdry | 7,453 | 672,037 | 158,499 | 213,399 | |
| Dabie | 7,354 | 694,796 | 327,858 | 141,895 | |
| Grabow | 7,127 | 1,143,287 | 689,443 | 186,737 | |
| Gm. Turek | 7,081 | 1,040,716 | 78,770 | 771,360 | 3,635 |
| Gm. Kolo | 6,864 | 620,639 | 268,356 | 127,619 | |
| Rzgow | 6,644 | 517,521 | 161,373 | 122,304 | |
| Krzymow | 6,641 | 439,324 | 67,100 | 135,643 | 2,059 |
| Koscielec | 6,621 | 393,915 | 102,477 | 102,914 | |
| Dobra | 6,562 | 745,848 | 152,736 | 300,745 | |
| Malanow | 6,403 | 511,826 | 114,774 | 210,354 | |
| Brudzew | 6,388 | 2,278,029 | 105,720 | 1,542,133 | 447,208 |
| Wilczyn | 6,325 | 664,724 | 247,101 | 176,898 | |
| Skulsk | 6,113 | 503,511 | 137,599 | 180,446 | 219 |
| Ladek | 5,927 | 685,654 | 306,094 | 169,919 | |
| Osiek Malý | 5,665 | 326,144 | 116,798 | 58,345 | |
| Grzegorzew | 5,549 | 418,008 | 173,713 | 99,043 | 0 |
| Kaweczyn | 5,489 | 408,287 | 204,261 | 75,898 | 0 |
| Ostrowite | 5,302 | 509,318 | 173,141 | 146,939 | |
| Grodzlec | 5,264 | 374,720 | 69,896 | 75,544 | 0 |
| Olzowka | 5,096 | 608,800 | 333,352 | 112,777 | |
| Swinice Warckie | 4,676 | 458,620 | 229,825 | 71,438 | |
| Przedecz | 4,607 | 535,957 | 221,145 | 94,538 | |
| Przykona | 4,258 | 3,873,562 | 51,474 | 2,617,653 | 1,074,098 |
| Orchowo | 3,992 | 676,227 | 342,768 | 181,601 | |
| Chodow | 3,910 | 644,559 | 429,654 | 90,493 | |
| Powidz | 2,118 | 487,829 | 54,552 | 330,775 | 2,632 |
| Total | 479,855 | 95,633,320 | 10,224,916 | 54,792,496 | 8,636,685 |

(Table 8.2-6 continued)

| Name of Gmina | Revenue | | | | | | |
|-----------------|---------------------------------------|-------------------------|------------------------|--------------------|------------------------------|--------------------------|-----------------------------|
| | Total Revenue from state budget | Main Components | | Subvention | Subsidy for ordered tasks | Subsidy for own tasks | Total Gmina's Revenue |
| | | Corporate income tax | Personal income tax | | | | |
| Konin | 11,700,390 | 2,867,362 | 8,833,028 | 13,872,709 | 5,463,671 | 3,912,517 | 57,152,247 |
| Turek | 3,572,263 | 368,961 | 3,203,302 | 5,780,286 | 1,877,903 | 580,519 | 19,081,635 |
| Kolo | 3,021,536 | 334,820 | 2,486,716 | 4,360,615 | 1,992,116 | 1,047,026 | 17,474,467 |
| Slupca | 1,529,073 | 46,886 | 1,482,187 | 3,319,771 | 1,241,896 | 691,620 | 9,652,334 |
| Klodawa | 1,680,802 | 261,347 | 1,419,455 | 2,729,303 | 583,161 | 849,947 | 11,106,085 |
| Wilkowo | 1,375,353 | 1,561 | 1,373,792 | 3,057,442 | 1,196,476 | 792,766 | 9,091,836 |
| Slesin | 1,253,725 | 6,028 | 1,247,697 | 2,640,727 | 920,418 | 248,251 | 12,698,762 |
| Golina | 1,075,104 | 1,437 | 1,073,667 | 3,114,580 | 731,028 | 254,968 | 6,590,334 |
| Sompolno | 1,025,956 | 4,412 | 1,021,544 | 2,329,272 | 1,013,296 | 349,549 | 11,172,914 |
| Tuliszkow | 1,014,827 | 1,753 | 1,013,074 | 3,763,908 | 861,067 | 648,698 | 7,175,431 |
| Kleczew | 957,551 | | 957,551 | 2,259,199 | 1,095,511 | 244,728 | 11,675,131 |
| Kramsk | 908,919 | 239 | 908,680 | 3,128,412 | 902,205 | 374,205 | 6,016,237 |
| Strzalkowo | 898,842 | 2,600 | 896,242 | 2,089,569 | 1,034,853 | 648,049 | 6,569,293 |
| Kazimierz Bisk. | 920,562 | | 920,562 | 2,030,683 | 482,363 | 455,554 | 11,349,600 |
| Gm. Slupca | 863,363 | 7,958 | 855,405 | 2,436,026 | 571,313 | 357,693 | 5,578,243 |
| Zagorow | 861,947 | 5,363 | 856,584 | 2,886,379 | 1,115,546 | 791,762 | 7,364,296 |
| Stare Miasto | 796,115 | 97 | 796,018 | 2,588,171 | 540,273 | 418,548 | 5,236,123 |
| Babinek | 784,121 | 279 | 783,842 | 1,992,235 | 707,805 | 497,965 | 4,896,801 |
| Rychwal | 776,067 | | 776,067 | 2,892,137 | 892,309 | 272,542 | 5,574,237 |
| Uniejow | 776,145 | 643 | 775,502 | 2,117,614 | 741,161 | 480,317 | 5,378,675 |
| Wierzbiniek | 756,024 | 1,783 | 754,241 | 2,508,203 | 630,173 | 336,954 | 4,866,971 |
| Wladyslawow | 733,073 | | 733,073 | 1,865,997 | 509,491 | 463,658 | 5,732,700 |
| Pyzdry | 718,162 | 138 | 718,024 | 2,442,994 | 784,125 | 382,674 | 5,248,689 |
| Dabie | 700,195 | | 700,195 | 2,103,010 | 1,122,809 | 626,819 | 5,518,282 |
| Grabow | 684,748 | 1,174 | 683,574 | 1,638,470 | 821,962 | 589,643 | 5,504,549 |
| Gm. Turek | 677,120 | 18,970 | 658,150 | 1,620,005 | 311,112 | 129,722 | 3,943,592 |
| Gm. Kolo | 661,816 | | 661,816 | 1,593,396 | 484,905 | 377,217 | 4,219,414 |
| Rzgow | 625,940 | | 625,940 | 1,995,786 | 406,296 | 667,389 | 4,358,219 |
| Krzynow | 649,237 | 350 | 648,887 | 2,196,932 | 520,574 | 759,757 | 4,728,546 |
| Koscielec | 621,175 | | 621,175 | 1,824,276 | 818,977 | 214,209 | 4,206,504 |
| Dobra | 638,664 | -28 | 638,692 | 1,739,991 | 645,245 | 618,605 | 4,656,682 |
| Malanow | 649,480 | 45,840 | 603,640 | 1,763,377 | 388,041 | 355,500 | 3,882,303 |
| Brudzew | 606,691 | 725 | 605,966 | 1,506,629 | 361,870 | 75,102 | 4,993,515 |
| Wilczyn | 608,900 | | 608,900 | 1,594,728 | 885,870 | 770,956 | 4,652,630 |
| Skulsk | 589,102 | 856 | 588,246 | 1,940,992 | 713,561 | 158,646 | 4,023,403 |
| Ladek | 553,349 | 806 | 552,543 | 1,634,964 | 399,646 | 383,604 | 3,820,452 |
| Osiek Maly | 533,289 | | 533,289 | 1,823,803 | 479,228 | 341,462 | 3,834,186 |
| Grzegorzew | 527,709 | 7 | 527,702 | 1,596,393 | 433,981 | 193,390 | 3,268,541 |
| Kaweczyn | 519,257 | 70 | 519,187 | 1,507,738 | 375,431 | 291,134 | 3,242,910 |
| Ostrowite | 499,545 | 436 | 499,109 | 1,556,476 | 572,251 | 392,482 | 3,631,248 |
| Grodzice | 501,513 | 4,278 | 497,235 | 1,730,109 | 492,562 | 685,307 | 4,114,082 |
| Olzowka | 474,328 | | 474,328 | 1,110,989 | 395,424 | 785,915 | 3,416,453 |
| Swinice Warckie | 439,499 | 223 | 439,276 | 1,240,895 | 460,502 | 671,443 | 3,609,131 |
| Przedecz | 442,546 | 574 | 441,972 | 1,126,507 | 561,149 | 220,334 | 3,019,710 |
| Przykona | 407,650 | | 407,650 | 906,508 | 269,614 | 195,736 | 5,783,565 |
| Orxowo | 385,073 | 934 | 384,139 | 1,120,701 | 546,963 | 210,723 | 3,131,506 |
| Chodow | 379,846 | 3,234 | 376,612 | 1,147,307 | 367,024 | 320,238 | 2,938,065 |
| Powidz | 200,771 | | 200,771 | 580,092 | 222,605 | 235,275 | 2,187,721 |
| Total | 51,577,363 | 4,192,116 | 47,385,247 | 114,898,406 | 39,351,092 | 25,361,148 | 347,403,433 |



8.3 New Regional Administrative System to be Introduced in Poland

8.3.1 Reorganization of Regional Administrative Systems

The Council of Ministers has finalized and on 13th March 1998 announced a plan for the reorganization of regional administrative systems based on a three-level model under which Poland would be divided into 12 Provinces and 307 Poviats. A draft plan was submitted to the Sejm for its review. The following outline of the administrative reform is mainly based on interviews with officials of Ministries in the central government and on the document titled "Efficient, Friendly and Safe Government: Programme for State's Function in the Decentralization and Local Government Development" (written in Polish), dated April 1997, and prepared by the Ministry of Interior and Administration.

8.3.2 Roles and Functions of Gmina in New Administrative System

(1) Direction and extent of changes

The political role of the gminas, stems from the Local Government Act on of 8th March 1990 and will not be changed significantly by adoption of the three-level model. Gmina will not take over hospitals and secondary schools from the state government administration, which the reorganization based on a two-level model assumes. Only adjusting corrections resulting from the creation of the posts of town presidents, mayors and administrators will be necessary.

(2) Range of gmina's tasks and duties

In accordance with the Local Government Act, the gmina as the basic unit of local government is concerned with the following duties:

- 1) Water supply;
- 2) Heat and electricity supply;
- 3) Municipal housing;
- 4) Removal and pumping of municipal sewage;
- 5) Treatment of solid waste and utilization of municipal waste;
- 6) Maintaining cleanliness and an appropriate standard of sanitary conditions;

- 7) Local public transport;
- 8) Construction, modernization and maintenance of gmina roads, streets, bridges and squares;
- 9) Education, including operation and maintenance of primary schools, kindergartens, and the educational institutions;
- 10) Culture, including operation and maintenance of libraries and other cultural institutions;
- 11) Social welfare;
- 12) Health protection, including the establishment of independent public health protection institutions, especially basic medical care units, realized in different ways;
- 13) Physical culture, including organization and maintenance of recreation areas and sport facilities;
- 14) Fire protection;
- 15) Organization and maintenance of marketplaces and market halls;
- 16) Town and country planning (land use planning); and
- 17) Environmental protection, including maintenance of municipal green areas.

8.3.3 Roles and Functions of Poviats in New Administrative System

(1) Introduction of poviat as independent self-government

Poviat will be a new, independent self-governing unit of the local government system with the status of a legal entity. It is to be capable of taking actions that influences the local society on specific issues and the area which is beyond the scope of a single gmina. Poviat will supplement self-government at the local level, from a wider regional perspective, which is a main concept of creating poviats.

Poviat will, therefore, not a rival entity to the gminas nor a superior one to it but will carry out a part of public tasks on its own and at its own responsibility in a close complementary relation with gminas. The currently existing local administrative entities will be naturally and smoothly included in this structure. Poviat will, therefore, play a consolidating role for the activities of gminas included in the region of the same poviat.

Formation of poviat will be conducive to integration of the local society. Poviat will create a network of inter-gmina connections, where not only a central town/city of the poviat but also towns and villages of gminas will play an important role for the integration of the internal physical and socio-economic structure in the poviat. Cooperation of gminas with a given poviat will create a basis for the development of local labor markets, institutions providing services for agriculture, processing industries and tourism resources development.

(2) Legal structure of the poviat

In accordance with the Self-government Poviat Act, poviat will have the status of legal person. Its residents will create self-governing organizations by law and discuss the issues which are beyond the gmina's decision. A Poviat Council, chosen by direct elections for four-year term, will be the legislative and controlling body. The number of councilors in a council will be:

| | |
|--|------------|
| Poviat with less than 50,000 residents | 31 members |
| Poviat with 50,000-100,000 residents | 37 members |

The executive body of a self-governing Poviat will be a board (5-8 people) chosen by a Poviat Council from its members and outside. The Starost, the Governor of the Poviat, leads the board. Poviats can form municipal associations and then deal with problems together. Gminas can also join these associations.

(3) Range of poviat tasks and duties

The range of the duties of a Poviat is as follows:

- 1) Secondary schools, art schools of the first and the second stage, and primary schools for children with special needs;
- 2) Health protection, especially public medical care institutions with Poviat range, the sanitary (epidemiology) inspection, and fighting infectious diseases in a range not beyond the area of the Poviat;
- 3) Social welfare, including the maintenance of social care nurses giving aid to the children from broken families;

- 4) Construction and maintenance of provincial roads, including modernization and protection/guarding, giving permissions for using roads in a special purpose and controlling traffic;
- 5) Communication, including organization of Poviats communication;
- 6) Culture, physical culture, tourism, including the management of cultural institutions of over-Gmina range and dealing with tasks which today are the responsibility of conservators (of historical monuments);
- 7) Consolidation and exchange of land;
- 8) Keeping the record of land and geodetic and cartographic provision concerning the area of Poviats;
- 9) Expropriation of properties;
- 10) Town planning and construction supervision;
- 11) Water economy and inland fishery;
- 12) Environment protection, including the establishment of protection zones, supervision of forest economy in the forest not belonging to the State Treasury, announcement of the number and kind of the substances polluting the air, announcement of the restrictions and bans concerning emitting of particular pollutants into the air using the vehicles equipped with combustion engines, and announcement of intensity of noise and vibration;
- 13) Public order and safety;
- 14) Flood protection, including the prevention of natural disasters and effects of them;
- 15) Fire protection;
- 16) Promotion of economic activity;
- 17) Unemployment reduction, including the organization of public works and contribution to the creation of new workplaces;
- 18) Consumer protection; and
- 19) Maintenance of Poviats public utility belongings and equipment, maintenance of administration buildings.

The range of tasks and competencies of a Poviats could be extended by taking over the duties of state government administration as a result of arrangements between the government administration and the Poviats. Poviats can engage in economic activities, stemming from its competence extending beyond duties concerned with public utility. There will be liquidation of voivod offices on the occasion of taking over the duties by Poviats.

8.3.4 Roles and Functions of the Big Province in New Administrative System

(1) Introduction of the big province

The legal status of the Big Province will be that of a self-governing unit and of a central government representative. It is, therefore, impossible to define a universal, exclusive range of action for a Big Province. Tasks of a Big Province will have an over-local level, cover an area larger than that of a poviat, realization of which on lower levels would make no sense.

Only a voivodship with a sufficient capability for innovation, and economic and social potential ensuring high level of self-dependence, with a well-developed, multifunctional capital of metropolitan character, possessing budget capability and business and science centers, will be able to fulfill these functions. A region lacking these attributes will be marginalized.

(2) Range of a big province's tasks and duties

The range of tasks and competencies of a voivodship would be as follows:

1) Regional spatial planning and environmental protection

- Regional spatial planning
- Ecological policy on a large-scale
- Setting a general rules for real estate trade

2) Public facilities of regional importance

- Higher level education, special schools, schools covering large areas (with an over-voivodship range of activities)
- Health care — creating special hospitals
- Protection of cultural heritage (museums of regional importance)
- Organization and maintenance of cultural institutions of voivodship importance

3) Shaping the socio-economic development

- Economic planning

- Construction and maintenance of roads of regional importance (some of the present ones having national and voivodship importance)
- Conducting agricultural policy
- Reconstruction of rural infrastructure
- Acting as an owner of some of the economic entities
- Forming a general model of education and training and conduct of vocational guidance

8.3.5 Fiscal Basis of Newly Created Self-Governments

Decentralization of public finance is one of main objectives in the planned administrative reform. The source of revenues will be almost the same as now, only the allocations between the central government and self-governments will change. The final shape of this fiscal reform is not yet known, but the basic rules for financial allocation to each level of self-governmental body and the central government would be:

- 1) To keep the already existing level of financing gminas activities where it is, and the present local taxes will remain as a source of revenues for gmina;
- 2) To allocate personal and corporate income taxes for new self-governments as the most important source of revenues for them, possibly giving a larger share of personal income tax for gmina and powiat, and larger share of corporate income tax for voivodship;
- 3) To enable a special allocation of funds aiming to decrease the currently expanding economic disparities between regions, which would be retained by the central government and partly by the big voivodship;
- 4) Some important sources of revenues for the central government such as custom duties, revenues from privatization of state-owned enterprises, etc. will remain in the hands of the central government but they are gradually decreasing as the economic reform process deepens.

In any case, the source of revenue should be connected with the future functions of self-governments.

8.4 Issues of Local Administration and Finance In Konin Province

8.4.1 Environmental Problems

Konin Province has been polluted by the emission of pollutant gases from power plants and aluminum plant since the 1960s. This was certainly true in the past and is still partially true, although much effort for reducing pollutants has been made and successfully implemented. However, once the name of "a polluted area" is imprinted in the memories of people, it is very difficult to eradicate. One main target of regional administration in Konin will be to eliminate this reputation through raising the ecological consciousness of people in the region, total removal of pollution from the region and making it known as a model province which has totally removed the pollution by the concerted efforts of people in the region, its enterprises and the public sector.

(1) Environmental situation in Konin

1) Air quality

The fuel energy industry is a decisive factor influencing air quality in Konin Voivodship. About 90 percent of air pollutants in the area are emitted by companies of the fuel energy sector. The reduction of emission of solid particles has been tackled since the 1980s and is systematically decreasing through the modernization of power plants in the province. The remaining problem will be the emission of sulfur dioxide, which is also expected to be substantially reduced by the ecological investment of constructing a "wet" desulfurization plant at the power plant.

The reduction of fluorine emission from the aluminum plant is also making progress recently after technological modernization of aluminum production and was able to reduce the special protective zone to the area owned by the plant.

2) Water quality

As far as the situation of surface water is concerned, River Ner's condition seems to be worst. Water quality of the main river of the Province, the Warta, is classified 2nd or 3rd from the province border up to the mouth of River Ner, but classified out of class downstream from the mouth of River

Ner. Since Konin is surrounded by other provinces, water quality of the rivers flowing into Konin depends considerably on conditions in those other provinces. In the case of River Ner, municipal waste from Lodz is the major source of pollution.

3) Solid waste disposal

In Konin Province industrial wastes amount to 1.5 million tons a year, and are stored in open pits. Although some attempts are being made to utilize those wastes, they are used in only a very small scale as road construction materials. The problem lies in the increasing amount of dangerous wastes and hospital wastes, which need special care and appropriate treatment.

Municipal wastes are still a small percentage of total wastes in the province since the ZE PAK power plant produces a considerable amount of furnace waste. However, the problems associated with municipal wastes are that almost no waste is treated and sorted; most waste is simply discarded at dumping grounds and considerable amounts of wastes are just thrown away illegally. Most dumping grounds do not meet minimum requirements as dumping sites and are threatening the natural environment. The construction and use of waste treatment plants having waste sorting function are becoming urgent issues in the province.

Recently gminas in Turek District agreed to organize an association with gminas in Kalisz Province and construct a common waste disposal treatment plant serving 39 gminas in both provinces. Miasta Konin also took the initiative of constructing a common waste treatment plant with surrounding gminas. However, gminas in Kolo District and Slupca District have not yet reached an agreement to construct common waste disposal treatment plants.

(2) Efforts for environmental protection

Concerning air quality protection measures, the following efforts are being made:

- Restructuring of heat supply for domestic use through construction and extension of gas supply network, replacement of solid fuels with gases and liquid fuels, and centralization of heat sources;
- Decreasing pollutant emission from existing factories through replacement of energy-consuming technologies, restructuring and extension of heating system, utilization of waste heat, installment of pollution reducing devices; and
- Utilization of alternative sources of energy including energies of solar, water, geothermal, wind, biogas, etc.

As far as the upgrading of water quality is concerned, the following efforts are being implemented or planned by gminas and enterprises in the province:

- Constructing, expanding and modernizing sewage treatment plants and sewage systems according to needs of each gmina, including Miasta Konin's high capacity plant of reducing pollution, special attention in the areas of tourism and recreational values, etc.;
- Implementation of devices for water quality protection at some industrial factories, including installation of devices for reducing sanitary, introduction of closed circulation systems of cooling water, etc.;
- Development of reservoirs and dams along rivers in the province and implementation of small water retention programs; and
- Utilization of clean water from mines.

Concerning solid waste disposal, various action with reference to industrial and municipal waste disposal is now being undertaken or planned. Following are their priorities:

- Development of technology to utilize and recycle industrial wastes;
- Support for efforts at minimizing the production of industrial wastes;
- Development of an industrial waste treatment plant (a new solid waste treatment plant is to be established by a joint project of Futa Aluminum Company and Provincial Fund for Environmental Protection in January 1998);
- To work out a provincial program for dangerous waste disposal;
- Construction of regional plants for industrial waste utilization;

- Strengthening of monitoring and surveying the method of waste disposal whether wastes are properly treated; and
- Establishment of common municipal waste treatment plants and dumping grounds in each gmina in the ratio of one dumping ground per 1,000 population.

(3) Financial support for improving environment

In order to proceed with the above programmes for environmental protection, more national and international sources of finance are available than for other sectoral development. The following is important:

- 1) Budget funds of Voivod Office;
- 2) Preferential loans and subsidies from Provincial Fund for Environmental Protection;
- 3) Preferential loans and subsidies from National Fund for Environmental Protection;
- 4) Preferential loans and subsidies from Eco-Fund and other funds;
- 5) Preferential credits from the World Bank and European Bank for Reconstruction and Development; and
- 6) Grants from the EU PHARE Fund.

In order to reduce pollutants emission, collection of a fee from economic entities that are sources of pollutants expected is to stimulate interest in protection of the environment and the minimization of pollutants emission. However, the amount of fees collected from sources of pollutants emission is marginal.

The major source of funds for protecting and improving the environment in the Province is the Provincial Fund for Environmental Protection and Water Management in Konin. The Fund was established in 1993 based on the amendment of the Act on Shaping and Protection of Environment, enacted 31 January 1980 and amended 19 May 1993. The major source of Fund's revenue in 1996 was transfers from Voivod Office (PLN 27.1 million) which comprises 70 percent of annual income of the Fund (Table 8.4-1). Transfers from the Provincial Inspectorate for Environmental Protection was a nominal PLN 83,200 or 0.2 percent of the Fund's annual income,

although the amount would not reach to a total sum of fines to sources of pollutants emission. The budget for the year 1997 is 43.7 percent higher and promises to contribute to environmental improvement in the province.

Table 8.4-1 INCOME OF PROVINCIAL FUND FOR ENVIRONMENTAL PROTECTION

| Item | 1996 (Realization) | | 1997 (Budget) | | 97/96 |
|--|--------------------|-------|---------------|-------|-------|
| | PLN '000 | % | PLN '000 | % | % |
| 1 Financial Resources at the Beginning of the Year | 4,442.9 | - | 10,950.7 | - | 246.5 |
| 2 Statutory Authorized Income | 33,250.3 | 86.4 | 41,287.2 | 81.4 | 124.2 |
| Transfers from Voivod Office | 27,100.8 | 70.4 | 32,500.0 | 64.1 | 119.9 |
| Transfers from WIOS | 83.2 | 0.2 | 68.4 | 0.1 | 82.2 |
| Others | 6,066.3 | 15.8 | 8,718.8 | 17.2 | 143.7 |
| - Returns of Loan Installment | 5,117.4 | 13.3 | 8,700.0 | 17.1 | 170.0 |
| - Others | 948.9 | 2.5 | 18.8 | 0.0 | 2.0 |
| 3 Other Income | 5,222.8 | 13.6 | 9,450.0 | 18.6 | 180.9 |
| Interests from Loans | 3,287.2 | 8.5 | 4,400.0 | 8.7 | 133.9 |
| Bank Interests | 1,108.5 | 2.9 | 2,120.0 | 4.2 | 191.2 |
| Other Incomes | 827.1 | 2.1 | 2,930.0 | 5.8 | 354.2 |
| 4 Total Income (2+3) | 38,473.1 | 100.0 | 50,737.2 | 100.0 | 131.9 |
| 5 Grand Total (1+4) | 42,916.0 | - | 61,687.9 | - | 143.7 |

Note: WIOS-Provincial Inspectorate of Environmental Protection

Source: WFOSiGW w Konin (Provincial Fund for Environmental Protection and Water Management in Konin)

The Fund give loans (two-thirds of the annual budget) and subsidies (one-third of it) for environmental improvement projects of for gminas and enterprises in the Province. As shown in Table 8.4-2, PLN 20.1 million or 63.8 percent of the total amount of annual expenditure goes to projects for air quality protection in fiscal year 1996, about half of it went to finance ecological investments of power plants. Water quality protection projects received PLN 8.5 million or 26.9 percent of total expenditure. In accordance with the sharp increase of income of the Fund, expenditure is also budgeted to increase, by 52.8 percent.

From 1st January 1998, the recipients of support from the Fund are obliged to prepare 30 percent of the total cost of the relevant projects from either their own funds or other sources of finance. The Fund will provide to 70 percent of the project's total cost.

Table 8.4-2 FINANCIAL SUPPORT FROM WFOS:GW w KONIN

| Item | 1996 (Realization) | | 1997 (Budget) | | 97/96 |
|----------------------------------|--------------------|-------|---------------|-------|---------|
| | PLN '000 | % | PLN '000 | % | % |
| 1 Air Quality Protection | 20,088.6 | 63.8 | 27,306.0 | 56.8 | 135.9 |
| 2 Water Quality Protection | 8,455.0 | 26.9 | 12,977.0 | 27.0 | 153.5 |
| 3 Soil Quality Protection | 1,339.8 | 4.3 | 1,805.0 | 3.8 | 134.7 |
| 4 Natural Environment Protection | 477.2 | 1.5 | 159.3 | 0.3 | 33.4 |
| 5 Monitoring | 175.0 | 0.6 | 659.3 | 1.4 | 376.7 |
| 6 Unexpected Hazards | 282.6 | 0.9 | 2,895.5 | 6.0 | 1,024.6 |
| 7 Ecological Education | 199.0 | 0.6 | 455.2 | 0.9 | 228.7 |
| 8 Research Work and Studies | 299.9 | 1.0 | 373.7 | 0.8 | 124.6 |
| 9 Others | 154.1 | 0.5 | 19.7 | 0.0 | 12.8 |
| 10 Reserve in Department | - | 0.0 | 1,449.3 | 3.0 | - |
| Total | 31,471.1 | 100.0 | 48,100.0 | 100.0 | 152.8 |

Source: WFOS i GW w Konin

8.4.2 Infrastructure Provision

The above-mentioned measures for environmental upgrading of the sewage system, solid waste disposal system, etc. also will contribute to improvement of the general level of infrastructure in the province. However the infrastructure is to be developed in order to upgrade the standard of living for people in the province and to improve and expand business opportunities. In a market economy, infrastructure must meet quite different requirements than in the previous centrally-planned economic system. The difference will inevitably require modification of the rules governing Poland's infrastructure network and systems. In the process of Poland's transition to a new political and economic system, it is confronted with new challenges. The following challenges are especially important:

- 1) to meet requirements of various independent business activities;
- 2) to develop the national infrastructure network in line with the country's new economic and industrial structure; and
- 3) to be consistent with the EU's infrastructure network systems.

However, the current situation of infrastructure development in Konin and the surrounding regions are not sufficient to meet those requirements and leaves many uncertainties regarding its future development programs.

The current situation of selected aspects of infrastructure in some gminas of Konin Province is shown in Table 8.4-3. Those gminas are urban gminas (Miasta) and urban/rural gminas and are in a better situation compared with purely rural gminas as far as infrastructure provision is concerned. The percentage of paved gmina road including improved and unimproved sections is still 39.4 percent in Konin Voivodship; this should be considered as quite low. Even the main town in the Province, Miasta Konin, shows only 40 percent. Water supply is better than other infrastructure. But the average 87.1 percent figure is led by Konin's 96.2 percent and there are many other Miastas where less than half of the population are supplied with water. Sewage provision differs gmina by gmina. Some Miasta Gminas are well-equipped, while for many others sewage is still nonexistent. Supply of gas is almost negligible except for 28.9 percent of Miasta Konin.

Table 8.4-3 RATE OF INFRASTRUCTURE USE IN SELECTED GMINAS

(Unit: %)

| No. | Name of Gmina | Paved Gmina Road | | Water Supply* | Sewage* | Gas* |
|------------------|-----------------|------------------|----------|---------------|---------|------|
| | | Paved | Improved | | | |
| Konin Voivodship | | 39.4 | 23.2 | 87.1 | 70.8 | 13.7 |
| 1 | m. Konin | 40.0 | 39.0 | 96.2 | 85.5 | 28.9 |
| 2 | m. Kolo | 28.6 | 23.8 | 77.6 | 65.6 | 3.6 |
| 3 | m. Slupca | 57.9 | 52.6 | 86.0 | 66.2 | - |
| 4 | m. Turek | 75.0 | 58.3 | 94.2 | 93.7 | 8.9 |
| 5 | g./m. Dabie | 30.7 | 17.3 | 69.2 | - | - |
| 6 | g./m. Dobra | 6.8 | 6.8 | 41.3 | - | - |
| 7 | g./m. Golina | 26.1 | 14.5 | 52.3 | 1.7 | - |
| 8 | g./m. Kleczew | 92.3 | 41.5 | 87.0 | 46.7 | - |
| 9 | g./m. Klodawa | 34.2 | 11.7 | 93.4 | 86.3 | - |
| 10 | g./m. Przodecz | 74.2 | 14.6 | 46.3 | - | - |
| 11 | g./m. Pyzdry | 21.6 | 21.6 | 85.5 | - | - |
| 12 | g./m. Rychwal | 25.6 | 20.0 | 42.5 | - | - |
| 13 | g./m. Sompolno | 63.2 | 36.8 | 61.5 | 12.0 | - |
| 14 | g./m. Slesin | 83.3 | 81.8 | 59.5 | 16.7 | - |
| 15 | g./m. Tuliszkow | 25.5 | 14.9 | 42.4 | - | - |
| 16 | g./m. Uniejow | 21.5 | 10.8 | 85.7 | 56.8 | - |
| 17 | g./m. Witkowo | 32.0 | 23.3 | 94.8 | 73.8 | - |
| 18 | g./m. Zagorow | 17.0 | 16.0 | 54.2 | 37.5 | - |

Note: * indicates statistics on urban sections of Gminas and not including that of rural Gminas.

Source: Konin Statistics Office

In order to induce potential investors to make actual investments in Konin, the following measures will be required:

- 1) To prepare documents describing the economic and social situation of Konin and its surrounding area, that explain the real situation of the region. This is because potential investors would like to obtain information on the wider area, and not Konin alone.
- 2) To prepare more concrete plans of developing infrastructure. The current condition of infrastructure in Konin is unacceptable to many potential investors. The plan for the A-2 Highway, which will connect Berlin - Poznan - Konin - Warszawa - Minsk - Moscow, must be made more concrete and other infrastructure including the modernization of E-20 railways (Kunowice - Poznan - Konin - Warszawa Line). This is also the case for telecommunication systems, supply of drinking water, sewage treatment systems and solid waste disposal systems, supply of energy including electricity and gas, etc.
- 3) To develop industrial estates for domestic and international investors not only as cleared lands but well-prepared industrial areas with sufficient infrastructure such as water supply, sewage system, solid waste disposal and collecting system, electricity and gas supply system, good road link to the A-2 Highway and other trunk roads, etc. Such infrastructure should be prepared not by the potential investors but by the industrial estates.
- 4) To develop various facilities for urban life in Konin, to make Konin more attractive to invite international businessmen and their families. Included in these facilities are sports and recreational facilities, cultural and educational facilities, international-class hotels with facilities for holding conferences, etc.

8.4.3 Investment Promotion

(1) Role of local administration in investment promotion

In recent years Poland has attracted the attention of international investors as a country which offers good investment opportunities. However, the

name Konin is not known to them, although it is endowed with exceptional opportunities for promoting investment. Investment promotion in market-oriented countries is a matter of "top sales" issue in the sense that the investment promotion should be led by the Governor of the Province or even by the Prime Minister or President of the country. The departments and divisions in charge of those promotion activities have important supportive roles, but final decisions are made by sales discussions at high levels.

In Konin Province, Kolo has so far attracted 13 cases of foreign direct investments, which is the largest number of all gmina in the Province. In order to attract foreign investors the Mayor visited Embassies in Warszawa to promote of Kolo. Such a positive attitude of the "top" in gmina towards investment promotion would certainly impress Embassy officials and would encourage the private and public sectors in the gmina.

(2) Investment promotion in other countries

The followings are cases of investment promotion in regions of the United States, Britain, Germany and Japan (studied by Economic Planning Agency, Japan, in 1996). In all four countries, investment promotion is an important administrative issue.

Major objectives of investment promotion in regions of those countries are:

- 1) To reduce unemployment (U.S.A)
- 2) To reduce unemployment caused by the decline of existing industries (Britain)
- 3) To keep current employment levels (U.S.A, Germany, Japan)
- 4) Increase of general income level (U.S.A)
- 5) To attract high value-added industries (U.S.A)
- 6) To upgrade industrial structure in the region (Japan)
- 7) To promote and stimulate local industries (Japan)
- 8) To provide opportunities for technology transfer to local industries (Japan)

All these objectives seem to be applicable in Konin Province.

The main entities engaged in investment promotion differ country by country. In the U.S.A., the state governments play major roles in close cooperation with local chambers of commerce and industry and private enterprises in the region. "Top sales" by the Governor of the State is considered indispensable in U.S.A. Supportive actions by overseas offices of individual states include collecting information on industries and enterprises which are going to invest abroad.

In Britain, the role of national Department of Trade and Industry (DTI: Ministry is called "Department" in Britain), Invest in Britain Bureau (IBB) is important in the initial stage of investment promotion. Embassies abroad collaborate with DTI, and once target enterprise(s) are identified regional Development Company, which covers several Counties and is established jointly by DTI and regional government, takes over the subsequent stages of investment promotion.

In Germany, the major role is played by the "Land" (German province) and its Economic Promotion Corporation. The province prepares plans and the corporation implements them. In the initial stage of investment promotion, the role of the province is more important than that of local government, but once the investment decision is virtually certain, the local government comes in to support to the enterprise.

In the case of Japan, a semi-governmental agency, JETRO (Japan External Trade Organization), and the (prefectural) government play the major roles. JETRO searches for target enterprises and supplies information to those enterprises about the local conditions, etc. in Japan. Prefectural governments with their Investment Promotion Divisions conduct promotion activities, contacts target enterprises and invites them to the prefecture.

8.4.4 Preparation of a Long-term Socio-Economic Plan

Currently, land use plans are prepared by all gminas, based on the Physical Planning Act (1994). The voivodship also prepares a document giving the concept of provincial land use mainly for indicative purposes for the preparation of plans by gminas.

Major problems in preparing regional plans in Poland are that:

- 1) Staff currently engaged in the preparation of plans are mainly trained as physical planners or architects and lack economic skills and experience as well as knowledge of concepts of planning principles in market-oriented economic system;
- 2) There is no mechanism of planning coordination among neighboring gminas; and
- 3) The gmina could be a unit of physical planning but is far too small for economic planning, and even some regional development problems need consideration of regions beyond the sphere of a voivodship.

Forthcoming introduction of new local self-governing units, the Powiat and Big Voivodship, will be good for some planning problems, but further disperse the planning manpower to the planning divisions of those institutions and may expose the shortage of planning manpower distinctly.

