

Metropolis Warsaw

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Since 1989, some of Poland's cities have experienced an investment boom. Taking Warsaw as an example, we can observe what impact direct foreign investments have had on the social space of the city and on processes of metropolization

The development of cities in postindustrial countries is described as a process of „metropolization,” whereby certain large cities take on leading functions in the economic and political dimension, and/or act as cultural models. Because this process does not proceed in a uniform way, a hierarchy of metropolises emerges. Their rank is

determined by the kind of role they play in the economy, in culture, and in tourism. British researchers, for example, divide world metropolises into several classes: alpha, beta, and gamma, with the first category including such cities as London, Paris, New York, and Tokyo. This classification puts Warsaw in the gamma group, together with Rome and Stockholm, and thus gives it a high rank. Other classifications place Poland's capital city significantly lower, because its metropolitan functions are still relatively weakly developed. The remaining Polish cities are not reflected in these international rankings at all, even though they do perform certain metropolitan functions on a regional scale. These chiefly include Poznań, Wrocław, and Kraków.

Growth factors

Mainly as a result of direct foreign investments, Polish cities' processes of metropolization gained momentum in the final decade of the 20th century. An analysis of all



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The "Golden Terraces" retail and entertainment center – one of the latest investments of foreign capital now under construction in the heart of downtown Warsaw



Galeria Mokotów Archives

A luxury shopping gallery in Warsaw

of Poland's cities leads us to conclude that their attractiveness for investments depends to a large extent on three factors:

- size – the larger the city, the better the conditions it offers foreign investors. The aforementioned four cities are the most attractive in Poland, and entice investors with their great economic potential, high-quality workforce, good social climate, relatively well-developed infrastructure, and convenient transportation connections.
- proximity to the largest city centers – the potential of the largest cities also benefits *gminas* (boroughs) that are located within the wider urban regions;
- proximity to Poland's western border (here Warsaw is an exception).

The largest concentration of foreign capital (some \$4 billion) is to be found in the Warsaw urban region, with Upper Silesia in second place (some \$3 billion). Extensive capital has also been attracted by the Poznań urban region (some \$2 billion).

While industrial investments are of lesser significance for the development of metropolitan functions, investments in high-class housing and office buildings, hotels, and next-generation commercial sites do indeed make a great contribution towards „making” a city. In this regard, Warsaw clearly dominates the other potential Polish metropolises.

More than 100 office, office/residential, and office/retail buildings have been constructed in Warsaw since the beginning of the 90s, with over a dozen more now in the works.

Alongside office buildings, another completely new phenomenon in the city space has come in the form of specialized zones for commerce and consumption: large shopping centers that have been chiefly built by large foreign distribution chains. Due to the large amount of retail, storage, and parking space they entail, such shopping centers have had to locate in rather peripheries of the city, or even outside the borders of Warsaw.

Another sphere that attracts foreign capital interest is the construction of luxury apartments, intended for sale or more rarely for rent, which involves a fast return on the invested capital.

Good news, bad news

Direct foreign investments in the three aforementioned fields have both positive and negative consequences. They contribute to the modernization of the city space, introduce modern forms of commerce, make the office environment more pleasant to work in, and create opportunities for the development of tourism by offering spots in high-quality hotels and restaurants. The standards of such buildings gradually disseminate more widely to the domestic service sector.

On the other hand, modern office buildings and exclusive residential buildings nevertheless form enclaves within the considerably degraded space of the post-Socialist city. Aside from a relatively small number of infrastructure investments (such as new bridges in Warsaw), such investments do not contribute to the modernization or revitalization of the city center or the low-quality housing developments erected in the past century. And so, the contrast between high-quality zones and the rest of the city space is becoming starker.

Foreign investors find it relatively easy to secure land for construction at sites that are undeveloped and legally available, without much concern for their surroundings. These sites are placed completely at random as far as the existing structure of the city is concerned. This has led to spatial chaos, which the city authorities are unable to reign in.

Galleries and shopping centers built outside the city center „siphon off” attractive retail and service-providing functions, leading the downtown area to become „empty,” significantly detracting from its attractiveness to residents and investors.

Luxury housing construction is chiefly concentrated in those neighborhoods that had already previously been inhabited by very wealthy residents. And so, luxury apartment construction reinforces the existing socio-spatial structure of the city, further compounding existing differences.

Such analysis of direct foreign investments’ impact on the development of potential Polish metropolises highlights the need for more cohesive and coordinated policies, aimed at harmoniously shaping the city space. ■

Further reading

- Dziemianowicz W., Jałowiecki B. (2004). *Urban Policy – Foreign Investments in Polish Metropolises* (in Polish). Warszawa: Scholar.
- Jałowiecki B. (2000). *The Social Space of the Metropolis* (in Polish). Warszawa: Scholar.