

CHANCES OF RAIL TRANSPORT DEVELOPMENT IN POLAND (HISTORICAL CIRCUMSTANCES, DILEMMAS OF THE PRESENT IN THE CONTEXT OF THE GLOBAL ECONOMY CRISIS)

Janusz Tomaszewski¹

Abstract: This paper discusses the beginnings of the Polish railway as well as development problems related to economic change in Poland after 1989 and the ensuing process of privatization. In the context of the latter, the paper addresses the principal aims of strategic short-term operation schemes designed to tackle railway transportation problems. The development of the railway and that of the maritime economy have been discussed conjointly. The paper consists of (a) **introduction**, which defines the idea of mass transportation in general and, subsequently, goes on to discuss railway transportation as a sub-section of land transportation; (b) **a paragraph** devoted to the historical factors underlying the development of the Polish railway since 1885; (c) **paragraphs** addressing challenges and development problems arising from the on-going world economy crisis. The paper concludes with an attempt at identifying problem areas in and development prospects for the Polish railways.

1. INTRODUCTION

In this paper, transportation will be viewed as being part of a country's defensive and economic potential. Transportation constitutes the indispensable backbone of the economy and, as such, is instrumental in ensuring a country's growth. The issues raised in this paper have arisen from the fundamental question as to the future of the railway at a time of global recession. The discussion of the subject will, therefore, make references to the times, in which the Polish railway thrived despite the country's being under foreign rule and in the midst of numerous military conflicts.

Railway transportation will form the main theme of the paper. The railway uses wheeled vehicles on rail tracks, powered with steam, fuel, or electricity. Key advantages such as carriage capacity, safety, and affordable cost have allowed the railway to create a far-reaching network of mass transit, which has managed to withstand tight competition from other means of conveyance, and still continue to impact all areas of economic activity. It is hoped that the present work will familiarize the reader with the complex problems faced by the railway industry in Poland.

2. HISTORICAL FACTORS IN THE DEVELOPMENT OF THE POLISH RAILWAY

2.1. THE POLISH RAILWAY BEFORE 1918

The beginnings of the railway in Poland date back to the 19th century. In 1835, vice-president of the Bank of Poland, Henryk Łubieński, announced plans to build a railway line between Warsaw and Zagłębie Dąbrowskie. The project was officially launched in 1840. The year 1842 saw the opening of

¹ Eugeniusz Kwiatkowski School of Business and Management in Gdynia (BAS), Economics Department, ul. Kielecka 7, 81 – 303 Gdynia Poland

the Upper-Silesian Railway (Kolej Górnośląska) which linked Wrocław and Brzeg, via Oława. A year later a line was launched, which linked Wrocław with Świebodzice, via Jaworzyna Śląska, later extended to Wałbrzych.² In 1844, construction work began on the Cracovian-Upper-Silesian Railway (Kolej Krakowsko-Górnośląska) as well as on the railway station in Warsaw, which was to operate train service to Vienna. The latter facility, designed by H. Marconi, was completed in 1847.

On June 14, the following year, the first train to operate in what is now Poland travelled a distance of 30 kilometers between Warsaw and Grodzisk Mazowiecki, with 600 passengers on board. At the same time, a train line linking Grodzisk and Rogowo, with services to Łowicz via Skierniewice, was inaugurated. In 1846, a train line within the Upper-Silesian Railway was finished, connecting Wrocław, Opole, Gliwice, and Mysłowice. Wrocław itself was linked with Berlin via *Niederschlesisch-Märkische Eisenbahn* (Kolej Dolnośląsko-Marchijska) running through Legnica, Bolesławiec, Węgliniec, Żary, Lubsko, Gubin, and Frankfurt (Oder). Also, the Węgliniec – Zgorzelec route was opened, joining to Wrocław and Dresden. The Cracovian-Upper-Silesian Railway was completed in 1846, with a Szczakowa – Maczki route. On April 1, 1848, The Warsaw-Vienna Railway (Warszawsko-Wiedeńska Droga Żelazna) was launched, running from Warszawa to Maczki, which combined with the above-mentioned route to Łowicz, via Skierniewice, amounted to 328 kilometres of track. It also joined to the Northern Railway (Austria), which connected with Vienna, Cracov, and Wrocław. In the same year, the Szczecin – Krzyż – Poznań route was completed. Two years later, in 1850, the first train maintenance depot in Poland, later to be known as Railway Repair Works (Zakład Napraw Taboru Kolejowego), was established in Bydgoszcz.³

Further new railway links appeared in 1852, including Berlin – Krzyż – Bydgoszcz – Tczew – Gdynia – Braniewo, and nine years later Kraków – Dębica – Rzeszów – Przeworsk – Przemyśl – Lvov, as well as Łowicz – Kutno – Aleksandrów Kujawski – Toruń – Bydgoszcz, to be followed by a Warsaw – Brześć connection in 1867; Szczecin – Stargard – Białogard – Koszalin – Gdańsk, together with Poznań – Czerwińsk – Gubin, and Poznań – Czerwińsk – Rzepin – Frankfurt (Oder) in 1870. Following three years later were such links as Królewiec – Bartoszyce – Korsze – Ełk – Białystok Starosielce – Czeremcha – Brześć – Kowel – Zdołbunów, extending to Kiev and Odessa. A year later came the Wrocław – Ścinawa – Rudna Gwizdanów link, to be followed, in 1875, by Wrocław – Kłodzko – Międzyzlesie – Lichkov; Kluczbork – Kępno – Ostrów Wielkopolski – Jarocin – Poznań – Wrocław, as well as Wrocław – Oleśnica – Krotoszyn – Jarocin – Września – Gniezno. Further connections included Kowlo – Chełm – Lublin – Dęblin – Warsaw – Modlin – Mława (where it joined at Gdańsk with another railway network, with connections to Malbork and Działdowo), as well as Legnica – Głogów – Zielona Góra – Rzepin – Szczecin, which had been under construction since 1868. Thanks to two further links (Cracov – Oświęcim and Cracov – Chabówka) train service reached Zakopane. In 1903 came further railway connections, including: Warszawa – Łowicz – Łódź – Sieradz – Kalisz – Skalmierzyce – Leszno; Poznań – Ostrów Wielkopolski – Łódź – Warsaw, and Wrocław – Oleśnica – Milicz – Krotoszyn – Łódź – Warsaw⁴. The railway was owned, at that time, by Austria, Germany, and Russia (occupying Poland since 1795).

2.2. THE RAILWAY AFTER 1918

On gaining independence in 1918, Poland took over the control of the railway. Long-term plans were made to convert to electricity the Warsaw railway hub as well as the following four railway lines: Warsaw – Cracov, Warsaw – Katowice, Warsaw – Poznań, Cracov – Przemyśl – Lvov. At the same time, with the founding of Gdynia Harbour, which began operating in 1923, there arose a need for that city to be well-connected with the rest of Poland⁵. Accordingly, within the next few years, the Gdynia Harbour terminal was built to cater to the newly-established seaport, with the capacity to load or unload 3600 carriages within 24 hours. In 1925, work started on a high-speed railway link between Herby Nowe and Gdynia, for the carriage of coal shipments. Today, Gdynia Harbour boasts a

² <http://www.kolej.pl/krzysr/historia/historia.html> (12.12.2007)

³ <http://www.pkp.com.pl/klubpkp/historia> (12.12.2007).

⁴ *Ibidem* (12.12.2007).

⁵ This would influence the growth of Gdynia and, in the long term (after 1945), the entire maritime economy.

sophisticated, computer-controlled container cargo shipping terminal of high capacity, operating both horizontal and vertical systems of cargo discharge⁶.

In 1926, on the then-President's initiative, the Ministry of Transportation and Polish National Railways (Polskie Koleje Państwowe, PKP) were established.⁷

2.3. THE RAILWAY AFTER WORLD WAR 2

The end of World War 2 in Poland marked a concerted effort to reinvigorate the destroyed economy, among other things, by re-building the transportation system both in what pre-war territories remained within Poland and in the new land recaptured in the West and North.

In 1947, Bureau for the Electrification of the Railway (Biuro Elektryfikacji Kolei) began to operate as part of the Ministry of Transportation. Among the Bureau's achievements one can number the following new railway lines: Skierniewice – Łuków and Kielce – Busko, via Sitkówka, a railway terminal for the industrial facilities in Nowa Huta, and a second railway line from Gdańsk to Gdynia, via Sopot, all finished in 1953. The Bureau's efforts culminated in the electrification, seventeen years later, of the Poznań – Wrocław line, while in 1976 the same was done with the Poznań – Inowrocław line. Also, the lines Wrocław – Międzyzlesie and Elbląg – Olsztyn became fully electrified in 1994. In the following years, up until 2005, efforts to expand the railway network came to a halt due to transformations in the economy.

3. PRESENT-DAY CHALLENGES FOR THE POLISH RAILWAY

The Polish railway has seen a revival since 2006. Ownership changes, however, have forced the railway industry to re-organize and adjust to both the National Development Plan (NDP) and a number of regional and sectoral action plans. NDP (2004 – 2006) was a document integrating sector policies and reflecting the development needs of every region. NDP was in accordance with the National Strategy for Transport Development (2000 – 2006) as well as Long- and Short-Term Strategies which were implemented in the years 1999 – 2001.⁸ NDP specified that the amount of resources allocated to railway investments should be commensurate with PKP's restructuring needs. Railway investments should aim at modernizing the train routes which fall under European Agreement on Main International Railway Lines (AGC) and European Agreement on Important International Combined Transport Lines and Related Installations (AGTC). These investments were to co-finance the purchase of modern passenger trains, with a view to increasing the average speed of railway traffic to 160 kmph and, on selected routes, to 200 kmph.

Operating within NDP (2004 – 2006) is the National Transport Policy for the years 2006 – 2025, drafted by the Ministry of Infrastructure and adopted, on June 29, by the Council of Ministers. It sets forth the aims of the transport policy till the year 2025. These include: “ (...) **Better access to and quality of transportation** as a way of removing barriers to economic development and improving the living standard; (...) **Promoting Poland's economic competitiveness** as a prerequisite of economic growth; (...) **Integration of the transportation system** to ensure better co-ordination between the various branches of transportation and better interregional co-operation; (...) **Improving safety** to reduce the number of accidents and their adverse effects.”⁹ Especially noteworthy, however, is the Sectoral Operational Program “Transport” (also known as “Transport and Maritime Economy”).

Prior to Poland's accession to the EU in 2003, suggestions were made for creating new logistics centres in Pomeranian Province, to boost services.¹⁰ The idea dates back to a time preceding economic growth, which is why its smooth implementation was taken for granted. After careful market analysis,

⁶ „Regionalna Strategia Rozwoju Transportu w Województwie Pomorskim na lata 2007 – 2020”, Gdańsk: Urząd Marszałkowski Województwa Pomorskiego, 2006, pp. 10-12

⁷ http://pl.wikipedia.org/wiki/Historia_kolei_w_Polsce (12.12.2007).

⁸ Założenia Narodowego Planu Rozwoju na lata 2007 - 2013”, Warszawa: 2003.

<http://www.fundusze-strukturalne.gov.pl/>. p. 69.

⁹ „Polityka Transportowa Państwa na lata 2006 – 2025”, Warszawa: Ministerstwo Infrastruktury, 2005, pp.13-16.

¹⁰ http://www.logistyka.net.pl/index.php?option=com_content&task=view&id=2926&Itemid=40

taking into account economic and legal change, the decision was made to establish The Baltic Logistics Centre (BLC SA) which was to act in partnership with similar organizations operating under the EU, without, however, losing its national character. Economic analysis and research on Polish and European transportation routes had shown that Gdansk region needed a robust logistics network. The objective of such a network would be to respond to the growing need for integration of Gdańsk, Gdynia, Sopot, and other cities and towns in Pomerania by setting up and developing logistics facilities, in compliance with SPOT (Sectoral Operation Program – Transport).¹¹ The principal objectives of the Baltic Logistics Centre would include freight transportation services on a local, country-wide, and international scale. Bringing these objectives into fruition is impossible, however, without the railway. **Logistics and distribution centre in Gdansk** will be situated in the area of 130 hectares. Formal decision on locating logistic centre in Port of Gdansk was made in January 2005. Tripartite agreement on cooperation regarding designing and constructing logistics and distribution centre in Northern Port was signed in City Council of Gdansk. Next to the Chairman of Port and President of the City, the letter of intent was signed by Deepwater Container Terminal Chairman (DCT) Gdansk joint stock-company.

4. DEVELOPMENT PROBLEMS AT A TIME OF RECESSION

The global recession has caused SPOT to fall short of its goals. In 2008, 19 projects were identified, which were bound (or very likely) to fall behind their deadlines scheduled for that same year.¹² Among the reasons for such delays one can number the following problems: difficulty with obtaining building permits, delays in supplying new rolling stock due to the suppliers' overload with other commitments, problems with purchasing land, and last but not least, lengthy tender procedures. The last of the factors mentioned is a bane of the Polish economy, which has stifled a great deal of endeavour at the local level. Rising investment costs proved to be a barrier only in one case: the building of a subway section in Warsaw. Other problem areas include administrative and bureaucratic barriers, which have been stifling the growth of the railway, especially following the 2009 hand-over of some railway tracts to local self-government authorities.¹³

Despite the recession, however, one can point to the European Cohesion Fund for positive results. Its effect has been significant even though the completion of the project is still six months away. By the end of 2008, over **655 km of roads, of which 40 per cent are motorways**, had been built or modernized, using subsidies from the Cohesion Fund. Additionally, work had been completed on **317 bridge objects** (e.g. bridges, pedestrian as well as vehicle overpasses and underpasses), **30 parking lots**, and **14 interchanges**. The Cohesion Fund had co-financed the modernization of **565 km of railway tracks**. Facilities which had failed to meet standards had been dismantled, including **450 km of tracks**, **over 436 switches**, and **34 level-crossings**. Also, **269 civil engineering works** had been completed, including bridges, over- and underpasses, and wildlife crossings. Some railway lines had been fitted out with animal deterrent devices.¹⁴ By 2009, the number of completed projects was 19, which accounts for 50 per cent. The remaining 19, it is hoped, will be completed in 2010. The above-mentioned accomplishments would have been impossible, however, without EU subsidies amounting to 2,782,541,500 Euros, which accounts for 77.8 per cent of the expenditure allocated to the transportation sector in the form of the 38 projects.¹⁵

¹¹ Cf. S. Piocha, J. Tomaszewski, Sectoral Operational Programmes Transport, In 2nd International Railway Symposium and Trade Exhibition. Istanbul: TCCD, 2008 pp. 617 - 625.

¹² The governing body of SPOT: „Informacja o realizacji SPOT na dzień 30 kwietnia 2008” Warszawa: Ministerstwo Rozwoju Regionalnego, pp 9-10.

<http://www.mi.gov.pl/files/0/1791464/RAPORTzprzebiegurealizacjipolitykimorskiejRPw2008r.pdf>

¹³ Cf. Z. Labuda, J. Tomaszewski, *Ekonomiczno-finansowe problemy rozwoju kolei w Polsce*, In: materiały z Międzynarodowej Konferencji Naukowej *Transport-2007*, Todor Kableshkov University, Sofia 2007, part III, pp.27-31

¹⁴ The progress of Cohesion Fund-related projects as of 26.06.09.

<http://www.funduszsposnosci.gov.pl/Stan+realizacji+FS/>

¹⁵ Ibidem

We can not forget that 53,5 million inhabitants of regions situated by the Baltic sea is a vital source of consumer and investment demand. Institutions and companies that function in the region provide work for approximately 25,6 million persons. The region creates PKB annually worth approximately 1400 billion euro¹⁶. Quickly growing demand of Scandinavian and Baltic countries was in 2008 slowed down as a result of world financial crisis. It does not change the fact, that the region is consuming more and more goods, especially imported ones. Additional cargoes stream are generated by investments undertaken as a result of inflow of financial means from European Union.

5. SEA-LAND EUROPEAN TRANSPORT CORRIDOR

Sea-land transport corridor running from the North to the South of Europe through port in Gdansk and in Gdynia makes one of the four important European transport corridors, running through territory of Poland. It remained as a corridor VI covered by priorities of III and II level of establishments on a Cretan conference in 1994. In this corridor are the main elements of the transport infrastructure on territory of Poland. It is recognized as a network of basic railways and circular routes in the North- South direction in Europe. In a Trans-european network system the corridor makes the main international transport North- South series, running through Middle East European Countries. It leads from Middle Europe, Balkans Countries and Turkey to the Middle East.



Figure 1 - Trans-european transport corridors in Poland

References: *The meaning of sea-land logistics centres in short sea shipping development in relations with Polish ports*, Publishing Internal Maritime Institute in Gdańsk, No 6418. Gdańsk 2008, s. 58

The corridor joins the Baltic Sea basin with Middle Eastern Europe countries and then with countries of the Adriatic and Mediterranean Sea basin. Basic storage elements of the corridor VI on territory of Poland are: two big seaports in Gdańsk and Gdynia with ferry and container terminal, Baltic shipping system from these ports (ferry, container and ro-ro) two main railway connections- E65 line and main carbonic Śląsk- seaports (line no 131) and international railway no 1 (E 75).

¹⁶ C. Ketels: *The Baltic Sea Region as a Place to Do Business*, Baltic Development Forum, Copenhagen 2007, s. 7.

6. CONCLUSIONS

As evidenced by the brief overview of the problem areas in the Polish railway, rail transportation is of prime importance to the economic growth of any country. This was understood well by the Polish railway pioneers in the years 1885 – 1918. The transportation system of the time in what is now Poland was a disparate patchwork made to serve the needs of the respective occupant countries (Germany, Austria, and Russia had been occupying Poland since 1795). Russia held nearly 2/3 of Polish land. Even today these areas are among the most underdeveloped in terms of railway facilities. The years 1918 – 1939 marked the country's re-birth in political and economic terms. A variety of industrial projects were implemented at that time, including the Central Industrial Region and the Port of Gdynia.¹⁷ The railway expanded dynamically to create connections between the south, with its mining industry, and Poland's window to the world, the Port of Gdynia in the north.

The south-to-north arrangement continued after World War 2, accompanied by the development of shipping industry in Szczecin, Gdynia, and Gdańsk. Sea-ports expanded after World War 2 due to Poland's wider access to the sea. Further development took place in the south's mining, steel, machine, and motor industry. The above-mentioned transportation arrangement became even stronger afterwards with the growing needs of the shipping industry and a higher volume of sea trade.

In recent years, interest has been growing in passenger vehicles and the car industry, which in combination with the on-going recession, has reduced demand for railway service. This is a typical enough phenomenon. The Polish railway has been severely affected by the crisis, which is evidenced by a growing number of railway tracts being closed down throughout the country. Financial difficulties seem to be among the barriers stifling growth. Another barrier is represented by organizational difficulties, following PKP's being sold out to numerous companies,¹⁸ which has made it impossible efficiently to co-ordinate investment efforts. For the time being, the co-ordination of such efforts is the responsibility of the Ministry of Infrastructure.

Maintaining the prestige of the railway in times of economic growth depends on interest from consumers and entrepreneurs alike. International train connections are becoming more important in the Schengen area. Hope for the further development of the railway is placed in growing trade, which generates demand for sea-ports and logistics centres. These, in turn, cannot operate without rail transportation. Of vast importance are also the strategies for transportation development at national and provincial levels alike. For the railway to thrive, EU subsidies are needed. These will cover the cost of 75 per cent of operational programs concerned with transportation.

Realization of all the concepts and ventures involving transport corridors development will be possible after overcoming barriers of world economy crisis.

CITATIONS & BIBLIOGRAPHY

1. Batko M., *Drogi kolejowe*, Wydawnictwa Komunikacji i Łączności, Warszawa 1981.
2. Labuda Z., Tomaszewski J., *Ekonomiczno-finansowe problemy rozwoju kolei w Polsce*, In: materiały z Międzynarodowej Konferencji Naukowej *Transport-2007*, Sofia: Todor Kableshkov University, 2007.
3. Piocha S., Tomaszewski J., *Sectoral Operational Programmes Transport*. In: 2th International Railway Symposium and Trade Exhibition. Istanbul: TCCD, 2008.
4. „Polityka Transportowa Państwa na lata 2006 – 2025”, Warszawa: Ministerstwo Infrastruktury, 2005.
5. „Regionalna Strategia Rozwoju Transportu w Województwie Pomorskim na lata 2007 – 2020”, Gdańsk: Urząd Marszałkowski Województwa Pomorskiego”, 2006.
6. *The meaning of sea-land logistics centres in short sea shipping development in relations with Polish ports*. Publishing Internal Maritime Institute in Gdansk, No 6418. Gdańsk 2008, s. 58

¹⁷ The projects were co-authored by Eugeniusz Kwiatkowski, our school's patron.

¹⁸ J. Tomaszewski, *Financial and organizational problems of railway transport in Poland*, In: *Transport 2006*, СБОРНИК ДОКЛАДИВ, Todor Koblezhkov University, Sofia 2006, part III, pp.32-37.

7. Tomaszewski J., *Financial and organizational problems of railway transport in Poland*, In: *Transport 2006*, СБОРНИК ДОКЛАДІБ, Todor Kobleshkov University, Sofia 2006.

INTERNET SOURCES

1. <http://www.fundusze-strukturalne.gov.pl/> - "Założenia Narodowego Planu Rozwoju na lata 2007 - 2013", Warszawa: 2003. p. 69.
2. http://www.logistyka.net.pl/index.php?option=com_content&task=view&id=2926&Itemid=40.
3. <http://www.kolej.pl/krzysr/historia/historia.html> (12.12.2007).
4. <http://www.pkp.com.pl/klubpkp/historia> (12.12.2007).
5. http://pl.wikipedia.org/wiki/Historia_kolei_w_Polsce (12.12.2007).
6. http://www.mi.gov.pl/files/0/1791464/RAPORT_z_przebiegu_realizacji_polityki_morskiej_RP_w_2008_r.pdf - Instytucja zarządzająca SPOT: „Informacja o realizacji SPOT na dzień 30 kwietnia 2008” Ministerstwo Rozwoju Regionalnego, Warszawa 2008.
7. <http://www.funduszspojnosci.gov.pl/Stan+realizacji+FS/> - Stan realizacji Funduszu Spójności na 26.06.09.