

Policies and Market Implications of neo-liberalization for planning and urban land development in Poland

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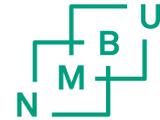
Norsk Planmøte 2014

Democracy and urbanization

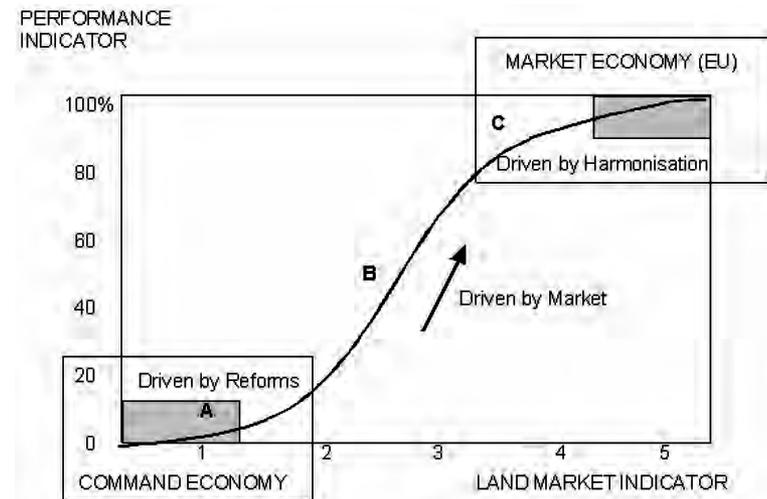
Lillestrøm kultursenter

20. og 21. oktober

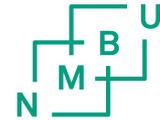
The project of neo-liberalism imposed on the country



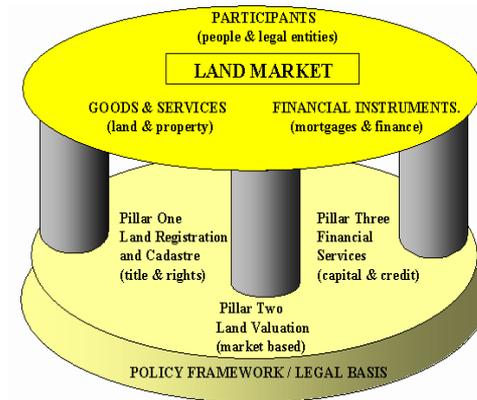
- 'Neoliberal' planning experiments versus the project of neoliberalism imposed on the country
- The transition from communism to capitalism
- How the project of neoliberalism influenced the broad framework for planning and urban development processes?
- 25 years of the politics of neoliberalism



The project of neo-liberalism imposed on the country



- An institutional framework characterized by
 - Strong private property rights
 - Free markets
 - Free trade



- Fiscal policy discipline, redirection of public spending, tax reform, foreign direct investments, privatization of state enterprises, strong protection of property rights
- The different emphases within neoliberalism through time – absence of radical change from government to government

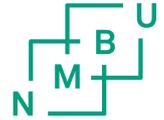
1989 – 1993	The Solidarity Government
1993 – 1997	The Post – Communist Government
1997 – 2001	The Electoral Action Government
2001 – 2004	SLD Government
2004 – 2007	PiS Law and Justice
2007 -	The Civic Platform Government

Development of institutional foundations for land market

- The Constitution of 1989, The Constitution of the Republic of Poland of 2nd April 1997, which is now in force
- The introduction of the local government of 1992
- The introduction of a new planning system
 - The Act on Spatial Development of July 1994
 - The Land Use Planning and Development Act of March 2003
- The introduction of new law concerning real estate management
 - The Act on Real Estate Management of 21 August 1997
- The introduction of the institution of counties of 1998
- The changes in the field of spatial administration

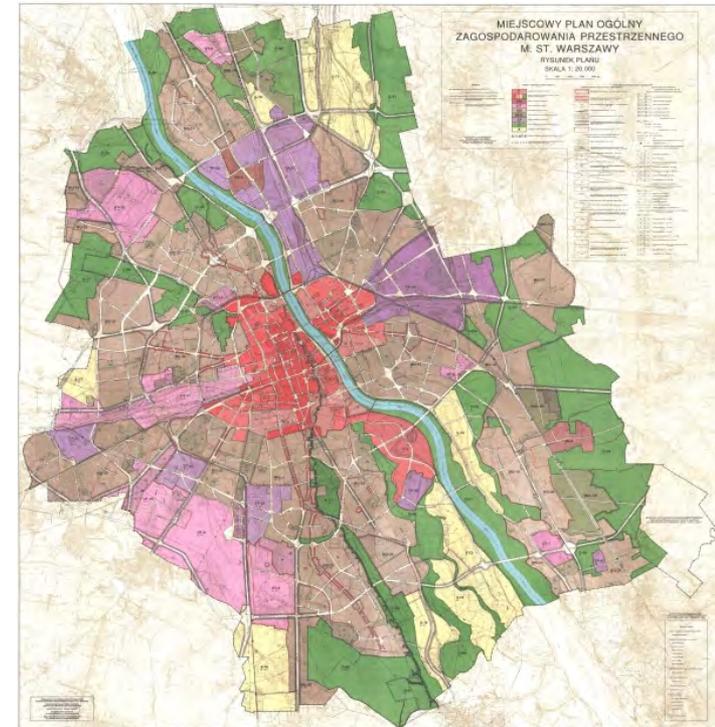
Periodization of planning practice

Planning heritage of socialism confronted with development of free market processes



- The initial period till 1995 when plans prepared under different economic circumstances was valid
- The period between 1995-2003
- The period after 2003 when the old plans expired and legally binding became only plans prepared under the law of 1994 or the law of 2003

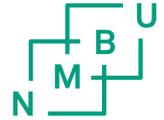
- The acceptance to any development that occurred and enabling the almost every investor to realize his/her development concept



General Spatial Development Plan of Warsaw of 1992, based on Spatial Development Act of 1985

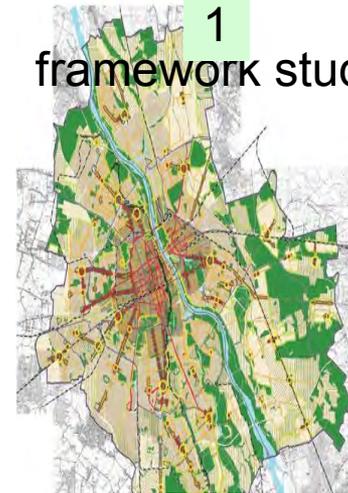
Characteristics of the new planning system

Lock-in situations for planning practice



- Lack of state intervention in urbanization processes - intended decentralization
 - Tasks versus money distribution
 - Weakness in hierarchy of planning
- Limited value capture mechanisms
 - Very little experience with public-private partnerships
- Very broad compensation rights
 - The abolition of the old plans
- Every landowner has a right to develop, according to the local plan (1), or without the local plan according to the decision on conditions of site development (2)

1
framework studies



the local plan



Building permit

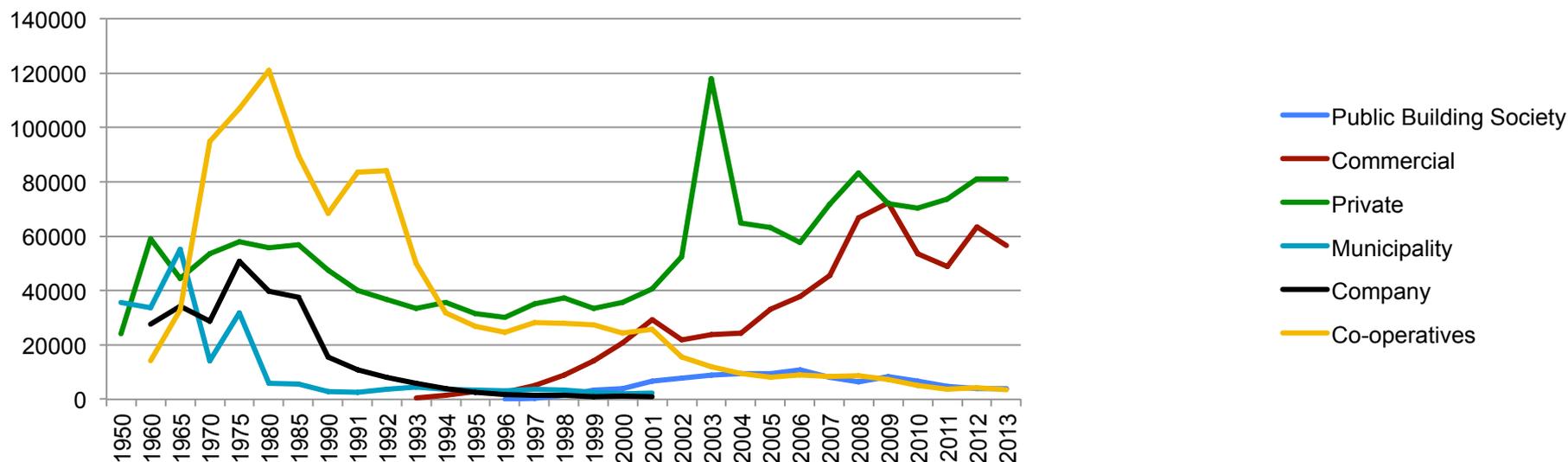
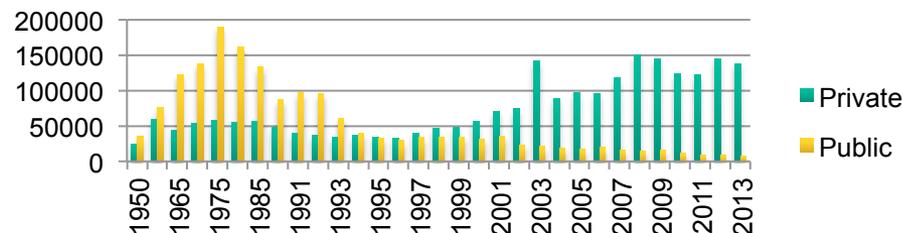
2

The decision on conditions of site development

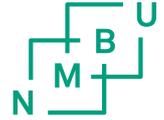


Building permit

Housing - Dwellings completed

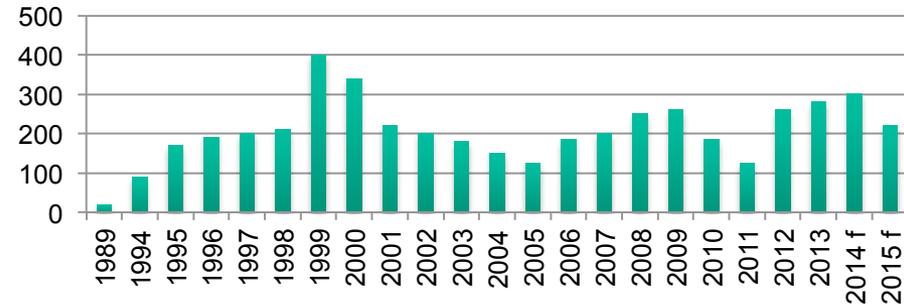


Positive influences on character of urban areas



- Development of commercial property sector
- Improvement of the service provision of the socialist housing estates
- Re-urbanisation of dual structure of the cities
- Increased density of development in the centrally located areas in cities
- Re-industrialisation based on the restructuring of the large industrial complexes located in the largest metropolitan areas

Annual office supply in Warsaw ('000sq m)



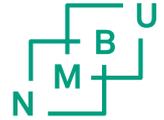
Problems

Did the free market do its job and clear the situation?

- Haphazard developments in the cities
- Urban sprawl, especially developments around the existing road systems
- The public space problems
- The gated communities
- The general inadequate provision of urban infrastructure, including both the primary and secondary infrastructure (proper roads, kindergartens and schools)
- Lock-in situation in planning practice

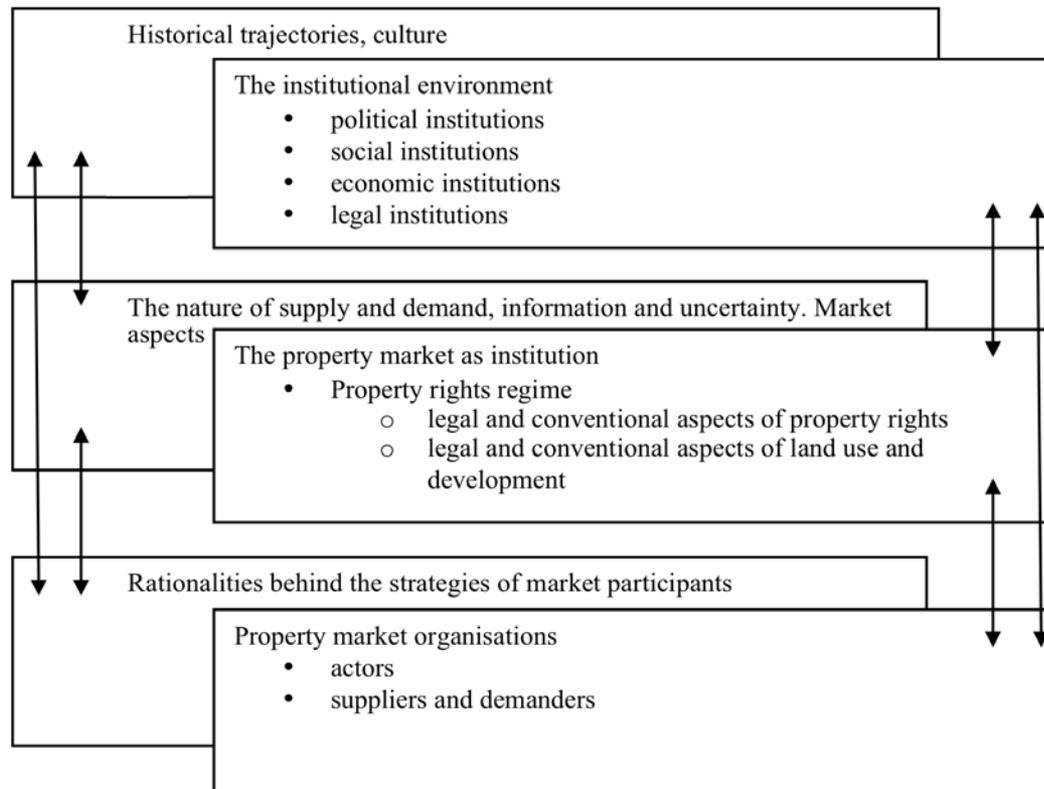
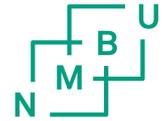


Conclusions



- The focus on assignment of property rights - The multidimensional nature of property rights and its complex ramifications
- The delineation of property rights regime might create the potential for response for socio-economic and spatial inequalities and polarization
- Dynamic urban development took place despite the ownership status of the land was unsettled and questionable
- Institutional foundations for land market under capitalism were developed subsequent to the dynamic of the market itself - many transformations
- The subsequent delineation of property rights created lock-in situations for planning practice
- Market governance system and unconstrained property rights approach, dominated the development in urban space
- Massive market failure
- Planning by law and property rights

Understanding of processes of neo-liberalization in the context of institutional dynamics



Critical moment

Path dependency

Lock-in situation

Based on: D'Arcy & Keogh 2002 and Van der Krabben 1995

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