Bremen vs. Gdańsk.

Changes and challenges within the global economy

Stanisław Umiński, Tomasz Brodzicki

Gdańsk, 2016

Gdańsk - basic historical background

- The city heavily destroyed in the WWII
- The legacy of (Hanzeatic) history and tradition: economic openness, openness to ideas and new trends (city of freedom, Solidarity movement and where liberal way of thinking was coined)
- The legacy of a centrally planned economy, (the economics of shortages in Gdańsk vs. the economics of surplus in Bremen)
- History matters (economic path dependency): maritime industrial profile, trade and logistics
- Two interlinked processes: transformation (a shock therapy?) and integration to the EU
- A city by the sea, from the sea and for the sea

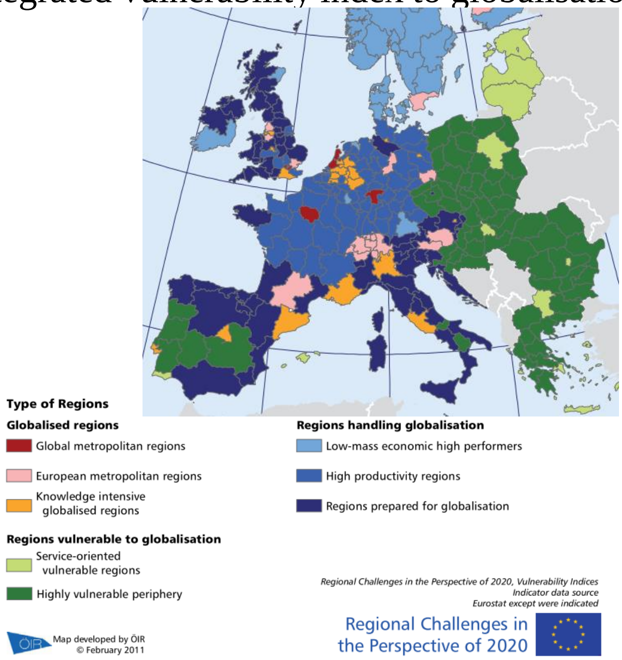
Bremen – Gdańsk – basic comparisons

	Bremen	Gdańsk
Number of citizens (ths.)	550	460
GDP per capita (EUR ths.)	45	15
GDP per capita (as % of country average)	127	150
Unemployment rate (%)	10,4	3,8
Unemployment rate in country (Germany, Poland), %	6,3	8,5
Number of unemployed (ths.)		8,3
City debt, per capita (EUR)		515

Basic comparisons, cnt.

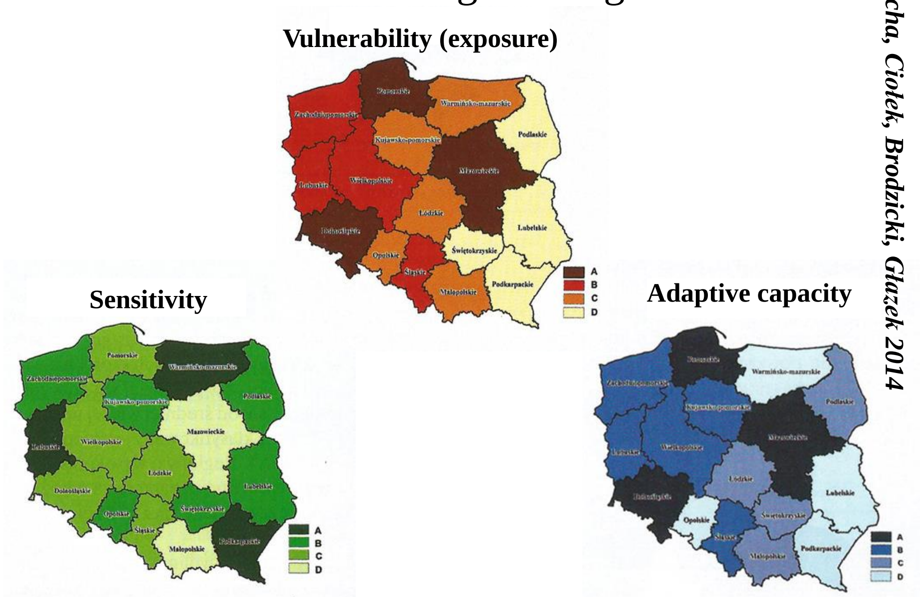
- Unemployment – in times of 2008+ crisis almost „natural" rate of unemployment in Gdańsk
- Strong, Land's economic policy for Bremen – in Poland only after 1999 reform when 16 „big" regions were created
- The challenge for both, Bremen and Gdańsk: how to find a new steady state and competitive advantages in a globalised world?
- Shipping industry/crisis: in Gdańsk smaller shipyards operate with great success
- For whom the global shock is bigger?
  - Bremen: globalisation, enlargement of the EU - but has been functioning in the open economy, one the of the most competitive in the world – German economy
  - Gdańsk: opening the economy in the 1990ties, economic transition, globalisation, entrance to the EU, rigidities of the EU competition policy ...
- Smart/intelligent specialisation – OK, but there is a risk of a BIG MISTAKE

Integrated vulnerability index to globalisation challenge



Österreichisches Institut für Raumplanung (ÖIR), 2011

Vulnerability, sensitivity and adaptive capacity of Poland's NUTS-2 regions to globalisation



Zaucha, Ciołek, Brodzicki, Głażek 2014

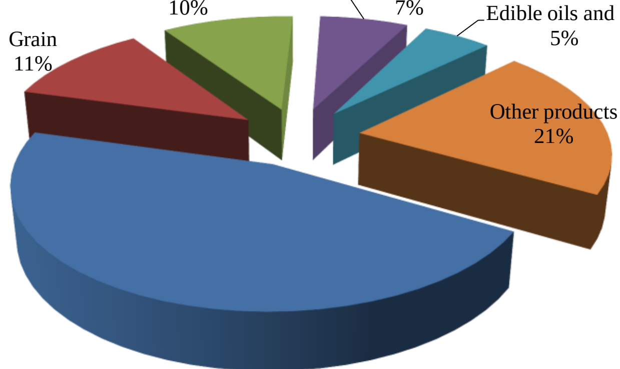
Other aspects

- Immigration: ca. 15 ths. non-residents in Gdańsk (2015) = 3,2% of total population (15% in Bremen)
- Mostly from Ukraine, Belarus and Germany
- Foreign Students (1,5 ths. in 2015) and so called touchable jobs workers
- Domestic/internal immigration to Gdańsk – with positive consequences
- Bremen and Gdańsk similarity: hard to find qualified workers (qualifications mismatch)
- Infrastructural changes:
  - Bremen – in the 1980ties,
  - Gdańsk – presently, with the EU structural funds (Germany a key contributor to the EU budget)
- New Bremen – New City of Gdańsk being established
- Business sector:
  - FDI in Gdańsk – predominantly in services (in manufacturing sector in Bremen)
  - A few German investors: Lufthansa, Dr Oetker, Franz Cordesmeyer, SAG, Stadtwerke Leipzig
- Wealth inequalities not so much evident in Gdańsk, rather demographic differences among districts of Gdańsk

Germany as partner in exports for enterprises from Gdańsk

	2008		2013	
	mln EUR	%	mln EUR	%
Total	2 988	100	5 497	100
Norway	533	17,8	824	15,0
USA	145	4,9	538	9,8
Netherlands	106	3,5	442	8,0
Singapur	17	0,6	434	7,9
Germany	**203**	**6,8**	**422**	**7,7**
Sweden	261	8,7	342	6,2
UK	54	1,8	264	4,8
Liberia	27	0,9	246	4,5
Russia	117	3,9	235	4,3
Bahamas	205	6,8	206	3,7
Czech Republic	109	3,6	137	2,5
Panama	128	4,3	119	2,2
Belgium	57	1,9	107	2,0

Structure of Gdańsk enterprises exports to Germany (2013, %)



Concluding remarks

- Increasing role of metropolises, more tasks for them
- Infrastructure – to make use of the EU structural funds for competitiveness improvements and then prepare for a „life after/without" structural funds
- Prosperity of both Bremen and Gdańsk depends on European integration
- Let us hope that national, egoistic attitude will not dominate over the European dimension
- In Europe – stay „united in diversity"