

## **The Oil Industry in South-Eastern Poland in 1944 - 1989**

### **Summary**

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The purpose of the work is to present the activities of the oil industry in South-Eastern Poland in the years 1944-1989. This 45-year period of the industry's operation in the postwar political and economic realities of post-Yalta Poland creates an important and closed period in the development of the former Western Oil Basin from the times of Galicia and later the Second Polish Republic. The subject of research covers the south-eastern region of today's Poland, which consists of the area of the present Podkarpacie province, extended from the west by Gorlice County from the Małopolska province. The main idea behind the work was to show the development path that the oldest oil region in Poland went through in the almost half century period of its operation. The starting date of the chronological scope of the study undertaken refers to the moment of resuming the operation of the oil industry in the liberated part of the region, and the year 1989 is associated with the beginning of the process of the country's political transformation. The study also took into account the agreement to change the boundaries of February 15, 1951, as it had a direct impact on the acquisition of additional deposits by oil mining.

The purpose indicated and the territorial and temporal scope of the trial determined its problematic structure and influenced the minimization of the content of political changes and the organization of the economy in postwar Poland. The first chapter, entitled *The development of oil mining in the Polish lands until 1945*, is an introduction presenting the birth and functioning of the oil industry in the Western Galician Basin, its development in the interwar period and during World War II until the turn of 1944 and 1945, when the Basin was liberated from under the German occupation. The emergence and development of the oil industry in what is now south-eastern Poland was the result of the presence of oil deposits found in this area since the 16th century, and the diverse and consistent activities of Galician entrepreneurs, led by Ignacy Łukasiewicz, in the 19th century. Initially, this development focused primarily on oil mining, as Galicia was the only area in the Austro-Hungarian monarchy where oil was present on a larger scale. Over time, the role of the refining industry also increased, although in terms of the volume of processing, small Galician plants were clearly inferior to large refineries in the Austro-Hungarian monarchy.

Chapter 2 *Crude oil extraction in South-East Poland after World War II* concerns the organization and operation of petroleum mining. Two fundamental factors had a significant

impact on these issues: the damage from the war and the large personal and material losses with which mining enterprises entered the postwar period, as well as the political and systemic changes, the nationalization of industry and the adoption of the centrally planned socialist economy model. The first subsection discusses the management structure of the oil industry in Poland in the years 1944-1989 with particular reference to the southern region. The second section contains a comprehensive overview of the organizational condition and development of crude oil mines in the four main mining regions of this area (Ustrzyki and Sanok region, Krosno and Jasło region, Gorlice region and Mielec region). The next two sections are devoted to the search for deposits in new areas, as well as to the description of technological processes that take place in mines and technical progress. The next part presents the volume of crude oil production and compares it with the production in the rest of the country. The issue of the economic results of crude oil mines has been distinguished in a separate subsection. The conclusion of the chapter is the conclusion that despite taking various remedial measures during the described period, there was a slow decline in raw material production and the situation of the entire oil mining industry in the region confirmed its failure to adapt to the requirements of the economic reality of the second half of the twentieth century. This was evidenced by the decline in the importance of the oil extraction industry in southern Poland in the national production balance, which fell from 100% in 1945-1960 to only 47% in 1989.

Chapter three *The refining industry and production of petroleum products* cover the characteristics of the region's refining industry. It presents the organization of refineries in south-eastern Poland and their reconstruction after World War II, as well as their subsequent development until 1989. During this period, the refining industry was mainly influenced by the large losses from the war and the related need to rebuild plants, declining oil production in the region, organizational changes, state underinvestment, and growing competition in the form of modern refineries with better communication locations in Płock and Gdańsk. The quick reconstruction of the plants in Gorlice, Jasło, and Jedlicze was due to their military importance and the needs of the postwar economy. The production of petroleum products was important primarily for the army, but also for the development of other industrial branches. South-East refineries faced many difficulties, the most important of which were underinvestment, technological shortages, organizational instability, and problems with crude oil supplies. However, the range of petroleum products at all sites was constantly expanding. The remaining subsections focus on modernization processes and technical progress. The issue of crude oil processing was discussed in three south-eastern refineries and their results were compared with the nationwide processing. The structure of refinery production and the economic efficiency issues of crude oil processing plants were also analyzed.

Chapter four, *Employment and Working Conditions*, is devoted to the issue of employment and working conditions. It discusses the size and structure of employment in mining and refineries. The subject of the analysis were also working conditions in the oil industry, in particular the general basis of employment, wage conditions, as well as supply and organizational problems (especially present in the first postwar years). Analysis of the human resources of oil companies led to the conclusion that shortly after the end of World War II

there was an increase in employment related to the reconstruction of this industry, but later in the oil mining industry there was a clear regression related to the decline in oil production. Hence, since the 1970s, a gradual reduction in the level of employment and suspension of the work of some mines can be noticed. This regression was also influenced by low wages in mining. In turn, in the case of refineries, a considerable increase in employment was initially recorded, but in the following years it was subject to large fluctuations. The increase in employment resulted mainly from technological progress and the expansion of the product range. A separate part of the chapter is devoted to the social security of mine and refinery employees, including material supply, food aid, employee holidays, health care, child and youth care, cultural, educational and sports activities, as well as housing assistance.

The research carried out allowed one to formulate a conclusion that the oil industry in South-East Poland was significantly marginalized in the period discussed, which was influenced by both internal factors (depletion of deposits, unprofitability of production, poor location of refineries without access to oil pipelines and sea transport) and external (economic policy, centralization of management, failed organizational experiments, underinvestment, and lack of ideas for further development). The general assessment of its activities and development in the years 1944-1989 cannot be positive, because even favorable phenomena related to the reconstruction of plants, resumption of production, partial modernization, and expansion of the product range were not able to stop either the decline in oil production in the mines or the decrease in the importance of plant refining. The functioning of the industry in the region should be described as conservative and primarily serves to maintain the existing production capacity. However, such an operating model did not ensure further real development of the oldest Polish oil basin.

Rzeszów, 23 March 2022.

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