

**PRACE NAUKOWE**

Uniwersytetu Ekonomicznego we Wrocławiu

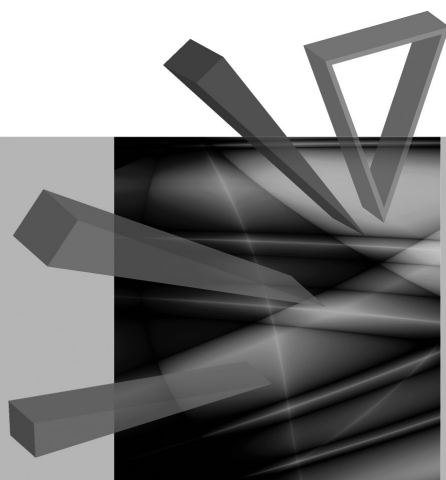
**RESEARCH PAPERS**

of Wrocław University of Economics

**283**

# **Local Economy in Theory and Practice**

## **Local Development Governance Aspects**



edited by

**Ryszard Brol**

**Andrzej Sztando**



Publishing House of Wrocław University of Economics  
Wrocław 2013

Copy-editing: Elżbieta Macauley, Tim Macauley, Marcin Orszulak

Layout: Barbara Łopusiewicz

Proof-reading: Barbara Łopusiewicz

Typesetting: Adam Dębski

Cover design: Beata Dębska

This publication is available at [www.ibuk.pl](http://www.ibuk.pl), [www.ebscohost.com](http://www.ebscohost.com),  
and in The Central and Eastern European Online Library [www.ceeol.com](http://www.ceeol.com)  
as well as in the annotated bibliography of economic issues of BazEkon  
[http://kangur.uek.krakow.pl/bazy\\_ae/bazekon/nowy/index.php](http://kangur.uek.krakow.pl/bazy_ae/bazekon/nowy/index.php)

Information on submitting and reviewing papers is available  
on the Publishing House's website  
[www.wydawnictwo.ue.wroc.pl](http://www.wydawnictwo.ue.wroc.pl)

All rights reserved. No part of this book may be reproduced in any form  
or in any means without the prior written permission of the Publisher

© Copyright by Wrocław University of Economics  
Wrocław 2013

**ISSN 1899-3192**

**ISBN 978-83-7695-333-5**

The original version: printed

Printing: Printing House TOTEM

## Contents

Introduction.....	7
<b>Anna Mempel-Śnieżyk:</b> Local actors and local development. The case of Poland .....	9
<b>Małgorzata Rogowska:</b> Local development in times of crisis.....	17
<b>Dariusz Cichoń:</b> Environmental aspects of residential property management in Poland .....	24
<b>Alicja Sekuła:</b> Does the source matter? Generation of investment expenditure by different types of local government revenue .....	32
<b>Magdalena Łyszkiewicz:</b> Control over local government in England.....	44
<b>Sławomir Kłosowski:</b> Determinants of organisational changes in municipal property management in Poland.....	52
<b>Justyna Danielewicz, Maciej Turała:</b> Scope and forms of cooperation in Polish local government.....	60
<b>Lech Jańczuk:</b> The public health care system reform as a barrier to local and regional development in Poland.....	73
<b>Joanna Cymerman:</b> Polish system of property taxes – property appraisal....	82
<b>Iwona Maria Ładysz:</b> Management of financial security of the city of Wrocław .....	90
<b>Grygorii Monastyrskiy:</b> A rationale for a territorial-administrative reform in Ukraine in development terms .....	97
<b>Zbigniew Piepiora:</b> The occurrence of natural disasters in South East Asia and the international cooperation in the field of preventing their negative consequences .....	106
<b>Michał Flieger:</b> Specific forms of entrepreneurship support by Polish local government – research results .....	121
<b>Dominika Cyrek, Justyna Weltrowska-Jęch:</b> Aerotropolis – the city of the future .....	130
<b>Marcin Feltynowski:</b> The level of implementation of the informational function of spacial planning documents using GIS. The Polish example ..	139
<b>Tomasz Holecki, Joanna Woźniak-Holecka:</b> The cooperation of Polish local government and non-governmental organizations in the area of health promotion.....	148

## Streszczenia

<b>Anna Mempel-Śnieżyk:</b> Lokalni aktorzy i rozwój lokalny. Przykład Polski	16
<b>Małgorzata Rogowska:</b> Rozwój lokalny w czasach kryzysu .....	23

<b>Dariusz Cichoń:</b> Środowiskowe aspekty gospodarowania nieruchomościami mieszkaniowymi w Polsce .....	31
<b>Alicja Sekuła:</b> Czy rodzaj źródła jest istotny? Generowanie wydatków inwestycyjnych przez różne typy dochodów jednostek samorządu terytorialnego .....	43
<b>Magdalena Łyszkiewicz:</b> Kontrola działalności władz lokalnych w Anglii ..	51
<b>Sławomir Kłosowski:</b> Determinanty zmian organizacyjnych w zarządzaniu nieruchomościami komunalnymi w Polsce .....	60
<b>Justyna Danielewicz, Maciej Turała:</b> Zakres i formy współpracy jednostek samorządu terytorialnego w Polsce .....	72
<b>Lech Jańczuk:</b> Reforma systemu opieki zdrowotnej jako bariera dla rozwoju lokalnego i regionalnego w Polsce.....	81
<b>Joanna Cymerman:</b> Polski system opłat od nieruchomości – problematyka wyceny .....	89
<b>Iwona Maria Ładysz:</b> Zarządzanie finansowym bezpieczeństwem miasta Wrocławia.....	96
<b>Grygorii Monastyrski:</b> Rozwój jako przesłanka administracyjno-terytorialnej reformy Ukrainy.....	105
<b>Zbigniew Piepiora:</b> Występowanie katastrof naturalnych w Azji Południowo-Wschodniej i międzynarodowa współpraca w zakresie zapobiegania ich negatywnym konsekwencjom .....	120
<b>Michał Flieger:</b> Specyficzne formy wspierania przedsiębiorczości przez polskie gminy – wyniki badań .....	129
<b>Dominika Cyrek, Justyna Weltrowska-Jęch:</b> Aerotropolis – miasto przyszłości .....	137
<b>Marcin Feltynowski:</b> Poziom realizacji funkcji informacyjnej dokumentów z zakresu planowania przestrzennego przy użyciu systemów informacji przestrzennej. Studium przypadku Polski.....	147
<b>Tomasz Holeccki, Joanna Woźniak-Holeccka:</b> Współpraca polskiego samorządu lokalnego i organizacji pozarządowych w zakresie promocji zdrowia.....	155

**Małgorzata Rogowska**

Wrocław University of Economics

---

## LOCAL DEVELOPMENT IN TIMES OF CRISIS

---

**Summary:** The effect of multidirectional changes in today's economy is the uncertainty and the high dependence of the decisions made by the various actors at different spatial scales. The complexity of the development process casts a new shadow on the processes taking place in the smallest spatial scale, which is the main recipient of changes occurring on the global scale. It is necessary not only to identify new local development conditions in the global economy, but also the factors that shape the situation. Apart from the obvious such as globalization and the economic crisis, one must also specify the unique potential of spatial units, which is very often intangible. The purpose of this article is to identify new trends in the local development and new conditions that can be applied in permanent economic crisis.

**Keywords:** local development, social capital, partnership, governance.

### 1. Introduction

Each process that takes place in a specific socio-economic space is conditioned by a number of factors or determinants that may affect this area with a different strength and in different directions. In the modern paradigm, often described as a knowledge-based economy, the network economy, service economy or information economy (depending on which factor is emphasized) to identify development factors becomes important, especially at local level, because it occurs in all real processes associated with the production of goods, and meeting the needs of people. Local scale has become the recipient of the fundamental processes taking place in the larger spatial scales, including global.

In today's reality, there are new phenomena and processes as a result of the accelerated civilization progress, which has resulted in changes in the approach to the process of social economic development. The changes may indicate the formation of a new development model, in which an important role is played by globalization, innovation and competition. The triad of these phenomena creates new conditions for development, changes the localization criteria, and determines the competitiveness of territorial structures. The processes of globalization imprint a mark on the functioning of, especially, the local level in economic terms (but also on social grounds, such as a change in the lives of the population), mainly because of its

connection with free flow of capital, open economies, the activities of transnational corporations, more flexible and mobile production location. Furthermore, the competition increases, mainly in the international dimension, which consequently leads to changes in the formation of spatial systems. Not only companies increasingly compete with each other, but also the cities, regions, and municipalities, therefore the decreasing importance of the traditional territorial associations can be seen. A new form of spatial systems appears, in which hierarchical and bureaucratic relationships are replaced by horizontal, with a flexible specialization. The unfavourable aspects of these processes relate to an increase in uncertainty, but also the residents of territorial communities getting used to global “megatrends”, and thus the loss of local identity (the formation of an information society, the loss of social ties), and the need to adapt to the specifics of the local economy, the new economy [Waldziński 2006, p. 143].

The global economic crisis, which started in 2007, showed clearly the process of increasing globalization in the financial sphere and the real economy. According to S. Korenik, it can indicate that the economy has run out of well-known solutions, based on proven common patterns. The basis for success is creative activity, supported by innovation. The threat, in turn, becomes a routine, repetitive action that no longer can be adapted to the changing conditions. In the new conditions, the interaction between different individuals and entities becomes more significant, as creative and innovative activities usually require the involvement of many actors [Korenik]. The aim of this article is to present new tendencies and trends in local development that can be implemented in times of permanent economic crisis.

## **2. Local development condition**

The national economy creates a whole structure, made up of many elements linked together, for meeting the needs of the people constituting society, among which there are specific, yet varied relationships. Both the state and separate smaller territorial units (such as regional or local) form a system, which is characterized not only by its internal relations, but also feedback from the external environment. In connection with the processes of globalization and the evolution of a new paradigm of development, the national scale (representing the top-level system) loses its dominant role both in the economy and in politics, while the mobilization of the activity takes place on a smaller scale (regional or local). This implies that in the national economy, the local system is becoming increasingly important, because its economic potential is based primarily on the unique local, endogenous resources (space, materials, human capital).

The processes occurring on a global scale (which play a decisive role in the globalization process), “imprint a mark” at a local level, which means that the main recipient of these processes are the actors on the smallest scale. On the other hand, simultaneously with the growing importance of the global economy, the growing importance of regional or local scale can be observed, which is referred to in the

literature as a “paradox of globalization” [Różga-Luter 2004, p. 29]. This means that the local scale, mainly through a system of values and identity, is again gaining importance. It can no longer be associated with the patterns that functioned for centuries. Localism can be understood as a social phenomenon which existed for a long time, but as an ideology of social and economic life it appeared in Western Europe only in the late twentieth century. The fundamental changes that are taking place today in this system are, on the one hand positive, on the other negative. The disadvantages relate to an increase of uncertainty, loss of local identity, and the need to adapt to the specifics of the local economy, and the new economy (which may in many cases require restructuring.) The new economic reality is also changing the perception of time and space, or even a “contraction” of space (mainly due to the development of computers and telecommunication), and the basis for the efficient functioning of modern society becomes mobile. The whole nature of the global economy benefits by sharing the dual core and the periphery (in some cases, you can identify a semi-periphery), winners and losers, people who are constantly on the move (moving between metropolitan areas, who identify more with the company than with the place) and people attached to the place. This polarization results from the globalization process which is opposed to localism, understood as preventing or limiting mobility. This leads to the phenomenon of glocalisation, highlighting the complementarity of the process of globalization and the growing importance of local development. As indicated by A. Jewtuchowicz, on the one hand communication media effectively reduce the gap between the different parts of the globe, so the habits and traditions are subjected to the influence of external factors and, on the other hand, despite the blurring of the notion of the nation state in the global economy, mechanisms defending own culture, and identity is becoming even more important. Using a global culture does not exclude the fact of participation in the local culture, on the contrary it exposes it [Różga-Luter 2004, p. 38]. So in the age of globalization and information society the contacts and network connections increase, which leads to virtual communities whose boundaries do not coincide with the territories [Bauman 1997, p. 39]. Paradoxically, globalization rediscovers regional and local scale. This is done through companies that work in the global market and choose a specific localization on the regional or local level. Transnational companies also operate locally using local resources geographically dispersed. The local market provides a kind of stability and durability, which is particularly important in the context of uncertainty and instability characteristic for the global markets. In glocalisation, attention is paid to the place of local activities in the globalization process and the importance of global processes in local development strategies [Kuciński 2011, p. 238]. Local spatial units, through the localization of global companies, can achieve significant economic benefits or fall in economic and social difficulties, in relation to their market behaviour or to the process of relocation, which is the process of moving all or part of their business from the current localization to a new location, considered to be more beneficial [Kuciński 2011, p. 258].

The process of creating the conditions for local development (reflected also in the process of acquiring new businesses) affects the activity of local authorities. Local development policy is a relatively new concept, meaning that all the initiatives taken by local authorities to stimulate local economic activity [Markowski 1999, p. 148]. Taking into account the development of the contemporary conditions, competition, constant change and increasing uncertainty, the success of this policy depends primarily on the professionalism and flexibility of organizations and institutions of various types, not just the local authority. The main policy objective of economic and social development should be to achieve more complex forms of the economy, and thus to ensure the best possible level of living conditions. In the literature, the most indicated are two basic models to stimulate the development of the self-governed administration, namely [Nowakowska 2000, p. 16]:

- conventional (based on the capabilities of the local government conditioned by the owned assets, financial resources, and economic projects undertaken in the framework of the statutory duties. Therefore, they determine the scope of the personal tasks assigned to local government, and the dynamics and intensity of the changes included in the policy that determines their financial potential. Thus, workflow focuses on a system of prohibitions, injunctions, economic incentives, and direct contact with strong local government businesses);
- community the inclusion of a co-decision in the planning and implementation of economic policy by representatives of the social and economic development. A socialized development policy is the commitment to local initiatives and projects, not only representatives of the government, but also the residents, community organizations, local businesses).

Nowadays there is a transition from the conventional model to the community model. This is related to the concept of creating partnerships at local level, and the implementation of local development in partnership. It should be concluded between the three spheres: local government sector, the private sector (represented mostly by companies) social sector (non-governmental organizations, groups, associations). The idea of partnership, despite a number of advantages, is difficult to achieve – it remains in the sphere of a few positive practices. Such cooperation is also urged by international organizations such as the European Union, because it is one of the principles of the Structural Funds (ESF).

At local level, particular importance can be attributed to good governance concept. This concept was for the first time introduced in the documents of the World Bank in the early 1990s. This was related to on-going programs in developing countries and in response to calls to improve the effectiveness of their performance in terms of achieving its development objectives. According to the World Bank, governance is the healthy management of development, requiring the establishment of norms and institutions guaranteeing a predictable and transparent framework for public action, forcing on the authorities responsibility for their action [Mikułowski 2005, p. 63]. H. Cleveland introduced governance to the public administration concept



[Cleveland 1972, pp. 12–13]. He predicted that the structure of the organization will no longer resemble the hierarchical pyramid of real power at their top. They evolve in the direction of systems interlaced network, characterized by less control, more distributed power, and many centers of decision-making. The decision making process will become more complex, with the participation of entities inside and outside the organization. These entities will claim to be jointly responsible for certain actions.

A positive example of the principles of “good governance” is the European Union which promotes the implementation of these principles at all levels of government. The concept of governance has put high hopes on the internal strengthening of the EU and the integration process. In 2001 the European Commission adopted a White Paper on European Governance [White Paper... 2001]. This paper proposes to open the process of shaping EU policies to the people and organizations who co-create and implement them. It proposed greater openness of public institutions and their accountability to all parties involved in the decision-making process.

In the process of development, which is characterized by uncertainty and a strong dependence on external conditions, new capital, called social capital, is becoming increasingly important. The new capital is characterized by the fact that it does not belong to an individual, but to the community, and its value is not the sum of the resources owned by the individual, but is based on the diversity and quality of relationships between members of the community. According to *Polska 2030. Wyzwania Rozwojowe*, the basis for the development becomes “intellectual capital which is generally the intangible assets of people, businesses, communities, regions and institutions that, properly used, can be a source of current and future welfare of the country” [*Polska 2030...* 2009, p. 207]. This document also raises the issue of the so-called development capital, which is understood as the “capital of a network based on the ties that extend beyond the circle of closest contacts. Finally, it is the ability to enact outside the box, creative action – individually and together. A society with a strong capital development characterized by openness to attitudes, opinions and ideas of others, ability to work, and innovation and creativity – is important not only as a key factor in the development of knowledge-based societies, but also allows the ability to function in a changing world” [*Polska 2030...* 2009, p. 339]. It is widely believed that social capital is rooted in the traditions of a civic society, positive experience in cooperation with the local community and regional organizations, associations with local utility units, and the attitude of the local leaders. The most common definition created by R. Putnam is that “social capital refers to those features of civil society organizations as trust, norms and networks that can improve the efficiency of society by facilitating coordinated action” [Putnam 1995, p. 258]. Too rigid ties and relationships with a high distrust of public authority may slow down the development of entrepreneurship in the form of a variety of new economic and social initiatives, but flexible social cooperation, while facilitating access to

knowledge and science, favours the spread of innovation and in the community, resulting in economic development [Jewtuchowicz 2005, p. 120].

### 3. Conclusion

Local development, on the threshold of the twenty-first century, is shaped by new processes and changes taking place on a global the scale of the world economy and individual countries and regions. Undoubtedly these changes lead to the creation of a new concept of the process, which is characterized by a growing global phenomena taking into account the increasing mobilization of endogenous resources, often with specific, even unique properties. It is expected that the importance of local development will increase with the escalation of globalization and the accompanying phenomenon of its negative processes. Also, the growing financial crisis has undoubtedly put before local development new challenges. In the process of local development, local self-government plays an important role and has a major influence on the favourable or unfavourable conditions for development.

According to M. Castells, a response to the increasing disintegration of spatial units or boundaries virtualization is the mobilization of local communities and their integration around local resources, thus forming the basis for the development of social capital. However, the purpose of these events is not an alienation, but a reorientation of local social and spatial structures that will take into account specific local values. This reorganization and integration with the network of the knowledge economy cause the formation of new, drastic changes in the existence of local scale, which increases the empowerment of local communities. This is done through the development of new models of local development [Castells 2011].

### References

- Bauman Z., *Glokalizacja, czyli komu globalizacja a komu lokalizacja*, *Studia Socjologiczne* 1997, nr 3, pp. 53–69, quoted in: M. Sakowicz, *Modernizacja samorządu terytorialnego w procesie integracji Polski z Unią Europejską*, Wydawnictwo SGH w Warszawie, Warszawa 2007.
- Castells M., *Spółczesność sieci*, PWN, Warszawa 2011.
- Cleveland H., *The Future Executive: A Guide for Tomorrow's Manager*, Harper & Row, New York 1972.
- European Governance a White Paper*, Commission of the European Communities, Brussels 2001, Kuciński K. (ed.), *Glokalizacja*, Difin, Warszawa 2011.
- Jewtuchowicz A., *Terytorium i współczesne dylematy jego rozwoju*, Wydawnictwo Uniwersytetu Łódzkiego, Łódź 2005.
- Korenik S., *Region wobec nowych wyzwań*, duplicated typescript.
- Markowski T., *Zarządzanie rozwojem miasta*, PWN, Warszawa 1999.
- Mikułowski W., *Nauka administracji, zarządzanie publiczne i paradygmat rządzenia publicznego*, [in:] B. Koźuch, T. Markowski (eds.), *Z teorii i praktyki zarządzania publicznego*, Fundacja Współczesne Zarządzanie, Białystok 2005.

- Nowakowska A., Polityka rozwoju gminy w okresie transformacji systemowej, [in:] A. Jewtuchowicz (eds.), *Strategiczne problemy rozwoju miast i regionów*, ARSGRAS, Łódź 2000.
- Polska 2030. Wyzwania rozwojowe*, Kancelaria Prezesa Rady Ministrów, 2009.
- Putnam R., *Demokracja w działaniu*, Znak, Kraków 1995.
- Różga Luter R., Gospodarka oparta na wiedzy a rozwój regionalny na przykładzie regionu Środkowego Meksyku, *Studia Regionalne i Lokalne* 2004, nr 1(5)
- Waldziński D., Skazani na lokalność? Społeczności lokalne wobec ekonomicznych konsekwencji współczesnych przemian kulturowo-cywilizacyjnych, *Problemy Zarządzania* 2006 nr 3(13).
- White Paper on European Governance, 2001, [http://eur-lex.europa.eu/LexUriServ/site/en/com/2001/com2001\\_0428en01.pdf](http://eur-lex.europa.eu/LexUriServ/site/en/com/2001/com2001_0428en01.pdf).

## ROZWÓJ LOKALNY W CZASACH KRYZYSU

**Streszczenie:** Efektem wielokierunkowych zmian zachodzących we współczesnej gospodarce jest niestabilność i wysoka zależność od decyzji podejmowanych przez różne podmioty w różnej skali przestrzennej. Złożoność procesów rozwoju kładzie nowy cień na procesy dokonujące się w najmniejszej skali przestrzennej, która staje się głównym odbiorcą zachodzących zmian i musi się do nich w odpowiedni sposób przygotować. Konieczne staje nie tylko zidentyfikowanie nowych uwarunkowań rozwoju lokalnego w gospodarce globalnej, też lecz także określenie źródeł kształtujących jego sytuację. Oprócz tak oczywistych, jak globalizacja czy sytuacja gospodarcza – kryzys, należy też wskazać na unikatowe potencjały w nim występujące, często o charakterze niematerialnym. Celem artykułu jest wskazanie nowych tendencji rozwoju lokalnego mających zastosowanie w warunkach permanentnego kryzysu gospodarczego.

**Słowa kluczowe:** rozwój lokalny, kapitał społeczny, partnerstwo, governance.