

Rafał Kniter

Investment policy of poviats and its impact on local economic development
– study of selected towns in the Pomorskie Region

Summary

Economic development is one of the main issues covered in economic research. It is assessed on many levels, including the spatial dimension. From this point of view, local self-governments play a crucial role, which in the case of Poland, create a young structure – communes have been operating in their present form since 1990, and poviats and regions since 1999. They conduct their own development policy (economic, social and spatial) together with investment activities. Joining the European Union has clearly contributed to their stronger empowerment, and thus to the increase of their rank in the country's development policy. Communes, poviats and regions are among the key beneficiaries of the EU's cohesion policy.

Undoubtedly, metropolitan and large urban areas have become engines of economic development. Small towns and rural areas distant from business centres were in a worse situation. Therefore, a great responsibility rests with poviats, which, as local centres of economic and social activity on the poviats scale, should create a counterweight to the progressive concentration of various capitals present in major economic centres.

The main aim of the dissertation was to assess the real potential of poviats to influence local economic development through their investment policy. The ability to stimulate the desired economic changes within the framework of public development policies, often discussed among practitioners and academics, was the basis of such a formulation of the goal.

Four auxiliary specific objectives helped to achieve the main aim: (1) identification of factors shaping the investment policy of poviats, (2) assessing the ability to stimulate positive economic processes through specific types of investment made by these towns, (3) assessment of the efficiency of their investment policy and identification of factors determining its level, as well as (4) assessment of the dynamics of economic changes taking place in poviats and its connection with the implemented investment policy.

The study presents in a synthetic way the current state of knowledge, based on Polish and world literature, in the field of shaping local economic development, with particular emphasis on the potential to influence this process through public intervention. Additionally, research methods useful for evaluating the impact of public investment on economic development in the territorial dimension were reviewed.

The research part of the study was preceded by a presentation of legal aspects of investment policy of poviats (communes), as well as the characteristics of development policy at the EU, national and regional level (Pomorskie Region) both considered as important conditions for shaping communal policies. The study uses quantitative methods: Hellwig's synthetic indicator to measure the dynamics of economic changes and the DEA method to estimate the efficiency of the investment policy conducted by poviats. Analyses covered 161 capitals of land poviats from 8 Polish regions with developed metropolitan areas, according to the ESPON classification (cities with poviats status were

not included in the study). The results of quantitative research were the basis for the selection of 8 out of 15 poviats from the Pomorskie Region for the case studies.

The case studies included: (1) strategic planning – identification and selection of investment priorities and tasks, (2) implementation of selected projects, including obtaining the necessary financing, (3) achieved effects, i.e. the scope of the infrastructure created and economic benefits, such as an increase in the economic activity of residents and enterprises, as well as an increase in investment and settlement attractiveness. The analyses and evaluations related to the investment activity of poviats within the commune budgets and carried out through communal companies. The investment policy of poviats was presented against the background of projects implemented by other public entities (other levels of self-government and government administration) in those communes or in their surroundings. It allowed to explain the real causes of positive economic changes in these towns.

The quantitative methods spanned a decade (2007-2016), and the case studies also covered subsequent years. It allowed to capture many regularities, including significant differences in the level of investment activity of poviats and the dynamics of economic changes. Since 2007, there have been major changes in access to high-quality infrastructure owned by communes or other public entities. Bridging infrastructure gaps would not have taken place to such an extent without the commitment of European funds, thanks to which the quality of life of the citizens has clearly improved. In some towns, the investment and settlement attractiveness has also increased. Among the communes, it was common to copy prestigious projects (sports and cultural infrastructure, revitalisation of town centres), which first appeared in larger towns, and then in remaining ones. The process of polarization of economic development became visible in the years under evaluation. Its beneficiaries were mainly poviats in the area of direct impact of the Tricity, or well-connected with it. Large peripheral poviats in the region, which were natural areas of concentration of local capital, also had a relatively strong position and better development prospects. The type of the commune also influenced the pace of changes. In general, urban-rural communes fared better than urban. This was a consequence of the intensified suburbanization (including relocation of economic activity to suburban areas).

The evaluations carried out confirmed the existence of diversified efficiency of the investment policy implemented by poviats. Its causes were of a complex nature and were the resultant of many processes taking place simultaneously. It was the investment structure adopted by communes that played an important role. It could or may not meet the specific needs – (1) different for the metropolitan area and more investment-active communes, and (2) different for poviats located in peripheral regions and those less investment active. The first category achieved economic benefits by investing in environmental and educational infrastructure, while in the second category, the economic effects depended mainly on transport investments. The type of commune (urban or urban-rural) and its location in relation to the metropolis (its hinterland or periphery) had an impact on the level of investment policy efficiency only in the least investment-oriented poviats per capita. Moreover, an active (intensive) investment policy served communes which were focused on developing the tourist function.