

MODELS OF REGIONAL DEVELOPMENT IN THE FORMATION OF LOCAL SELF-GOVERNMENT STRATEGIES

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Abstract. This article contains a model presentation of regional development processes in the context of self-government strategic programmes. The theoretical bases of regional development are described in this article: starting from the basic notions and determinants of these social and economic phenomena. A review of the theories of development was presented, and the most synthetic phenomena in two extreme models were indicated. Further, the mechanisms of strategic programming were presented within the framework of regional policy. The sequences of activities in the construction of the strategy and its individual elements were presented. Apart from system analyses, example provisions of a selected regional strategy were also discussed. The article completes with conclusions and recommendations for local governments in Poland, which create and implement strategies in micro-economic and macro-economic environments. It was found that strategic management is an optimal method to raise the effectiveness concerning exercising of power on the mezzo-economic level.

Key words: model, development, region, strategy

INTRODUCTION

The purpose of the functioning social and economic system is to achieve a high pace of development which is understood as an increase of the volumes of production and structural changes which have an influence on an improvement of the quality of life and the effectiveness of activity. Within the framework of the national economy or international organizations, development integrates the processes of economic growth and qualitative transformations, which serve the purpose of an improvement of production reserves and an increase of the prosperity of households.

First of all, developmental processes take place in economic entities through their investment activeness, which is financed from the savings of households. Although the investment decisions are taken by the individual owners of enterprises, the tendency to modernize reserves results from the environment of enterprises, which is formed by the instruments of economic policy. Their structures and use occurs on the level of the state in the macro-economic scale, on the level of regional or local authorities.

In the present-day democratic systems, an increasingly growing part of the instruments of economic policy is at the disposal of the local self-government authority. In connection with this, its activeness and competences determine developmental processes to a significant extent. In this context, regional development, i.e. one concerning the specific social and economic space, depends from the efficiency of management on the part of a self-government authority and from the model of development policy accepted by it. In every case, programming the desired phenomena and their implementation must constitute the basis to form development based on planning documents. In this manner, a strategy of regional development is formed. It constitutes the basis of all operational programmes in the activity of a self-government community.

The purpose of this study is to present a scientific reflection on the formation of strategic documents and the mechanisms of their implementation in the context of the described developmental models and determinants concerning the changes of the social and economic structure of regions. It is of an author's nature and is the result of research conducted by the Author and analyses of the present-day output. The theses which are put forward herein may serve the purpose of further scientific discussion. The assumption of these deliberations is the statement that regional development is an effect of the individual activeness of enterprises and households that create the value of consumption and investment, yet also it depends from the shape of the instruments of the economic policy which is implemented by central and regional authorities.

THEOREM OF REGIONAL DEVELOPMENT

The classic science of economics described the reality of economic and social systems in the aspects of single-point models. This means that space was not a variable with an influence on the solutions of these models. It is only the influence of geographical sciences and research on regional diversification that led to the formation of those theories which take into consideration the location and space in the process of management [Domański 2008]. In this approach, regional development becomes a subject of the analyses of regional science as a branch of spatial economics. The region is a fragment of the surface of earth (of national economy) which possesses more or less clear boundaries and a certain kind of internal homogeneity, which resembles a cybernetic structure [Whittlesey 1995]. A region is usually allocated in an administrative form and it possesses a coherent organization which is created and controlled by local authorities. A complex of institutions, which are understood as a community of residents, companies, non-government organizations and relations established in the course of economic and social processes, becomes the essence of the region. Veblen, as the creator of institutional economics, proves that the social and structural context

of such a community exerts a fundamental influence on the functioning of entities and shapes their effectiveness [Veblen 1954].

Therefore, regional development means the positive processes of the transformations of the social and economic structure concerning a specific space, which serve the purpose of a complete use of the potential of a region and which increase the living standards of the residents. In the concept of sustainable development, changes usually concern three aspects. In the economic aspect, they mean the growth of the value of material production measured by the growth dynamics of the regional Gross Domestic Product with an increase of the number of jobs.

In the social aspect, development means raising the quality of social relations, an increase of the social capital value and an improvement of the subjective assessment of living conditions.

In the ecological aspect, progress is equated with the protection of natural resources, rehabilitation of degraded areas and a reduction the negative influence of the human activity on eco-systems.

The determinants of development cover a number of evolutionary (historical) factors and depend above all from the current state of manufacturing forces (technical progress) and from the accepted solutions of the economic doctrine. The quality and number of the elements of both technical and social infrastructure as well as the legal and institutional model worked out also exert an influence on the possibility of regional development. First of all the modern determinants are conditioned by globalization processes because the world market forms the behaviours of entities on the regional level, and the economic effectiveness depends from the quantity and structure of the global demand.

The creation of information society and post-industrial economy based on knowledge is the second important factor of development. Information is more important than material resources and its fast use permits an achievement of a competitive advantage. The improvement of human and social capital facilitates the development of these elements of regional space.

The third modern determinant is a change of the role of the state in the formation of the incomes of households. The systems of social care are more and more frequently replaced with the mechanisms of capital insurances, and the social policy accepts a regional and local dimension. The rich self-governments fulfil the functions of a tutelary state and realize the tasks which were previously reserved for state institutions.

The decentralization tendency the of public authority, which delegates a number of entitlements with funds to local self-governments is observed [Chądzyński, Nowakowska 2007].

Finally, the last factor observed in the Polish regional policy is connected with the cohesion policy of the European Union, and it means a strong support of regional developmental projects from the European budget. In the years 2007–2013, almost 70 billions euro will fund the programmes of infrastructure aid and the human capital of Polish provinces. It will become the source of multiplier growth processes in a number of self-government communities. Owing to this, the management of regions is much easier, and the living standards of residents undergoes a visible improvement in a short period of time.

According to the Polish Agency of Regional Development, the region should possess four features [PARR 2010]:

- a community of economic interests and a centripetal economic integration,
- an elected political representation,
- a social bond based on the sense of one's identity,
- a direct subordination to the central level.

The characteristics described in this manner become the basis to conduct the policy of regional development which can be defined as a conscious and intentional activity of the bodies of public authority serving for the developmental processes of a specific social and economic space. It may accept the form of the activeness of the government or of trans-national organizations (the European Union institutions) which form the behaviours of entities in a region. Most often, this is an influence through a set of the mechanisms of economic, social or ecological policies, and it is not dedicated to the definite conditions of a specific region. Such a manner of the activity of the authority is known as an interregional policy and it supports or programmes the transformations of self-government communities.

The intraregional policy, whose creator and executor is decentralized self-government authority that uses the instruments of local law is its supplementation. The dependences between the abovementioned forms of the influence of authorities on the administrative area accept a nature which is in compliance with the subsidiarity principle. This means that those problems which can be solved on the local level are decided here, and those issues which require the competence of a higher level are transferred on the appropriate level of authority in accordance with the responsibility. An integration and coordination of activities may occur through strategic provisions and it may accept the form of a regional contract [KSRR 2010–2020].

The use of the instruments of the regional development policy is to lead to an optimal use of the area and an achievement of a high level of competitiveness. At the same time, it is essential that all the elements (components) of the potential of a region are rationally used while a specific hierarchy is maintained (Figure 1).

Self-government entities create the conditions of development and support natural market processes on the basis of the possessed and developed material, human and intellectual resources, with the use of the elements of the technical and social infrastructure through the system of strategic management. In the theory of regional development, there are a number of models which describe the reality and indicate the directions of the activities to be pursued by authorities.

1. **The theory of centre:** peripheries, known as the theory of dependent development; it mainly refers to countries and their groups. It assumes a transfer of production factors to the centres of development and an occurrence of the areas of under-development far away from the centres of growth.
2. **The neo-classical regional theory of growth.** In accordance with its assumptions, differences in the reserves of production factors are eliminated by their interregional transfers owing to their perfect mobility. In the conditions of the under-development of the market, the compensation of developmental disproportion requires an impulse to stimulate the formation of enterprises.
3. **The post-Keynesian theory** considers the global (regional) demand to be the main determinant of the level of production and incomes. Here, investments are the most important factor of growth due to multiplier effects. Their location has an influence on the spatial diversification of development.

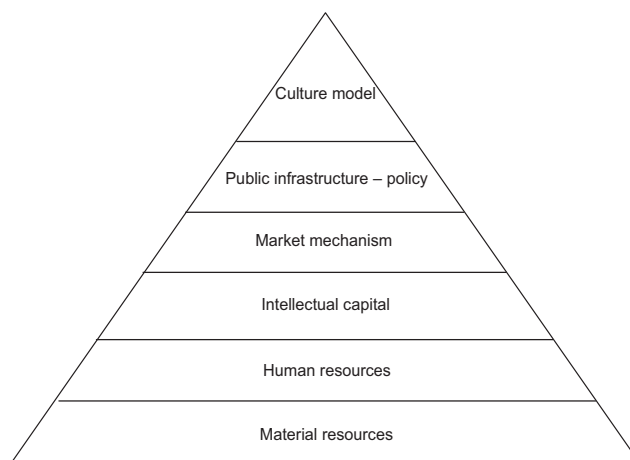


Fig. 1. Pyramid of the region's competitiveness

Rys. 1. Piramida konkurencyjności regionu

Source: Author's own study.

Źródło: Opracowanie własne.

4. **The theory of the economic base** accepts that the economic growth depends from the production base possessed, which mainly produces for exports. It has an original nature with trans-regional functions and a manufacturing nature producing for intraregional needs. However, the development of the base (original) sector stimulates the secondary sector and determines the development of the region.
5. **The conceptions of the endogenous growth state** that the mobilization of local resources and in particular of the "strengths" of a region constitutes the source of progress. The development policy should initiate intraregional cycles that integrate resourceful and innovative activities.
6. **The conceptions of the product cycle** describe the regional development as the consequences of the transformation of those enterprises which are dependent from the phases concerning the cycle of products' life, and hence the consequences of diversified production and investment activities. The innovative potential occurs in the period of the implementation of new products and services.
7. **The conceptions of the poles of growth** grant the main role in growth processes to innovative groups of companies or sectors with a high dynamics of development. Such sector poles attract resources from other branches, and with time the growth effects are also disseminated.
8. **The theory of cumulative indirect causality** states that rich regions develop faster and easier than poor regions, which function increasingly more difficultly on the developmental path without any support. The scale of diversification is extending.
9. **The conceptions of sustainable development** refer to maintaining proportions between an economic growth, an improvement of natural environment and social development. They recognize that an assimilation of environmentally friendly technologies and an economic growth which improves the living standards of residents constitute the purpose of regional development.

- 10. Development based on innovative processes.** According to this theory, generation of new technologies and organizational solutions is the source of progress, while the structure of the economy should serve local innovative networks.
- 11. The conception of territorial production systems.** It is a theoretical model of the development of small and medium sized enterprises which become an axis of an increase of the added value and stimulate entrepreneurship by flexibly reacting to the changes of the market economic situation. In this manner, a local network of connections comes into existence in favour of the transfer of information and the exchange of experiences and knowledge. It reduces transaction costs [Bąk, Grabowski, Kulawczuk, Nowicki, Wargacki, Wojnicka 2001].

A list of the theories of regional development, which is formulated in this manner, does not explicitly indicate application recommendations for the regional policy. To clarify such recommendations, the models of development can be grouped into two types:

1. The polarized (polarizing) model which sees the sources of progress in market process based on dynamically developing areas with a group of active enterprises. In this model, highly competitive regions should be supported and the enclaves of high effectiveness need to be created.
2. The compensation (diffusion) model which emphasizes the role the poor marginalized areas in the total economic growth and recommends the policy of cohesion which limits an interregional diversification.

The consequences of both developmental models can be different (see Figure 2).

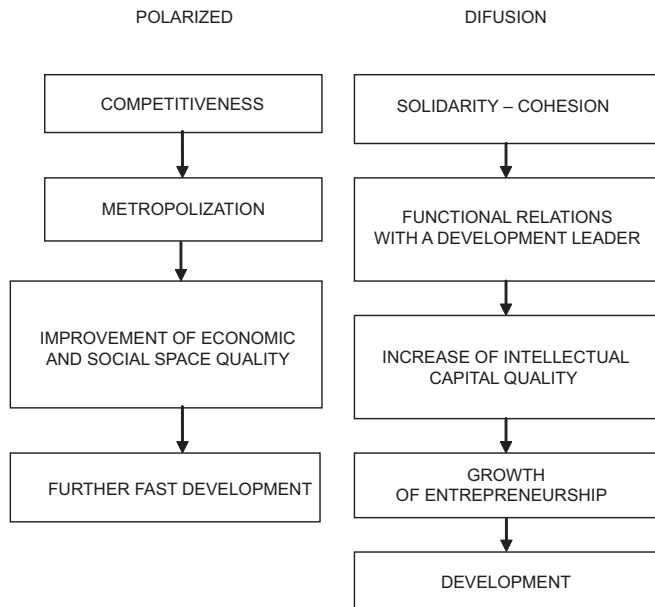


Fig. 2. Effects of development models

Rys. 2. Skutki modeli rozwoju

Source: Author's own study.

Źródło: Opracowanie własne.

As it can be seen from the diagram presented, the effects of an adaptation of both models can be similar, although the time required for their achievement and the means applied by authorities can be very diversified. The model accepted becomes a source of essential determinants in the preparation of a regional development strategy, which constitutes the key element in programming and the management of the self-government resources.

MECHANISMS OF STRATEGIC PROGRAMMING

The strategy of regional (local) development constitutes the basic document values possessed, the authorities of a commune, a district or a province prepare an arranged plan of the development of their self-government by indicating in it the most important problem areas and the directions of the transformations of the self-government community. The strategy is a planning document that is accepted in the self-government law by legislative bodies (regional government assemblies and councils). It constitutes an established requirement in the system of programming of the social and economic development.

Any local and regional projects which are related to applications for subsidies from public funds must be connected with strategic provisions. Proposals concerning such subsidies are usually submitted with strategic documents and in the course of an assessment of the application, its conformity with the development plan is verified. The determination of the directions of economic, social and environmental development is the chief task of the strategy, and its records constitute a reference to all operational programmes.

Development programming usually takes place in compliance with the procedure which covers the stages of individual activities and actions.

The first phase of these proceedings covers a profound analysis of the developmental potential and an identification of the development catalysts and of any barriers to the progress.

The second phase consists in a deductive solution of problems and a formulation of the mission and vision of the selected territory based on the most desirable target states in the economic and social system. The respect for natural environment resources and a reconstruction of its degraded elements constitutes an additional determinant of this process.

The third phase includes the creation of strategic goals and the most important developmental axes, which should constitute the place of the concentration of investment and organizational efforts. Their identification must take place on the basis of the methodological analyses of the needs of residents and entrepreneurs yet also by the selection of frequently numerous programme items.

The last phase of the procedures is connected with the preparation of operational programmes for individual priority axes taking into consideration the conditions of individual sectors and recipients of the local activeness. At this stage, a specification of the selected projects and an indication of the sources of financing in an alternative approach is justifiable.

Such a sequence of activities in the creation of a programme strategy guarantees a complete utilization of the intellectual potential of its authors, and it also allows one to

predict the conformity of the provisions of a plan with the real needs of a self-government community.

The creation of a strategy is determined by a number of determinants of an external nature, such as the social and economic system of a state or the level of the civilization development, yet also by internal factors for a self-government such as natural and human resources or an organizational potential. The resourcefulness as a state of the mind, a creation process and a development of economic activeness is to be an integrator of these determinants. Its purpose is always to take a risk, being creative, innovative as well as implementing creative management in a new or existing organization.

The local self-government is such an organization where the provisions of an example strategy of development are formed and which constitute the base for the management with the future of society. Each strategy starts from the formulation of a vision which describes the desirable state of an entity in the foreseen future in as a concrete manner as possible. The achievement of the level of the development of the European Union measured with the volume of Gross Capital Product per capita for the old fifteen West European Member States can be an example of a vision. It can be added that this is so that the social and economic structure could become modern and competitive towards the other areas of the state.

The mission understood as the key activeness of an organization can be described as a provision of essential public services in compliance with the needs of residents and the provisions of legal acts concerning local government entities.

After the identification of the mission and the vision, the strategic purposes to be achieved in the intended temporal horizon need to be defined. Their quantity should be limited. For example:

1. An improvement of the production and service as well as investment competitiveness.
2. An improvement of the quality of the intellectual capital of a local community.
3. Levelling of intraregional differences and a restoration of the social and economic cohesion of a territory.

The designing of development priorities becomes the bases to define the mechanisms of the realization of strategies. They accept the form of operational programmes or more extensive sector activities concerning for example agriculture and tourism. To illustrate this phenomenon, the programme can be singled out of an improvement of the road infrastructure connected with the construction of motorways and dual carriageways on the national scale, which will improve the communication accessibility of the region and will have an influence on an increase of business trading.

Supporting of small-sized enterprise through a system solutions of a legal and financial nature, which facilitates to entrepreneurs starting and development of individual economic activeness. Tax allowances, technological subventions, special economic zones, co-financing of employment: these are some means of the economic policy that is applied in this operational programme.

The third priority area is an educational system that constitutes the background for an increase of the quality of social and intellectual capitals which are decisive for the bases of developmental processes. The use of funds from the European Social Fund in the targeted projects of training, reskilling, improvement of professional qualifications con-

stitutes a method of an efficient management of human resources. Self-government authorities, when supporting education, should competently combine financial funds from the central programmes with local projects of the development of human capital. Contrary to appearances, those investments which improve the development of this capital exert a greater influence on the social and economic progress than some expenses on the technical infrastructure. Within the framework of this priority, an indirect goal is to build a learning society and also to strengthen the regional and local identity as well as to create the structures of local democracy which guarantee a larger participation of individual social groups in the community management.

Detailed schedules should be prepared and a mechanism to monitor their implementation should be created in relation to areas that are defined in this manner. In this scope, a balanced scoreboard allows a systematic assessment of the goals accepted in comparison with the indexes achieved [Kudłacz 1999]. The starting point for the construction of a scoreboard is usually to assign selected qualitative measures to the individual planes (areas) of strategies and to compare the parameters assumed with the parameters observed (cf. Table 1).

Table 1. Areas of strategy monitoring
Tabela 1. Płaszczyzny monitorowania strategii

Area	Measures	Plan	Execution
Roads	Kilometers of roads built	240	120
	Expenditures	300 m.	280 m.
	Number of projects	10	8
Small enterprise support	Number of projects	30	15
	Expenditures per 1 company	50 thousand	10 thousand
	Number of companies created	120	90
Education	Number of projects	25	20
	Scholarization index	40%	20%
	Number of persons trained	1 200	800

Source: Author's own research.

Źródło: Opracowanie własne.

A diagram to illustrate a graphical deviation from the schedules accepted can be made on the basis of such measures concerning an assessment of the realization of strategies (Figure 3).

The goals accepted were not achieved in all the measures of individual strategic areas. This proves an insufficient level of the activities that are responsible for all the perspectives. This is a basis for a verification of the strategic assumptions and a possible verification of the implementing mechanisms. The responsibility of those persons who are assigned to the areas should be controlled, and the means should be verified that are presented at the disposal of the tasks. Such an analysis will result in an identification of the sources of mistakes and it will indicate methods of their elimination. In this way, the balanced scoreboard becomes an effective tool of the implementation of strategies and it limits one of the main problems concerning strategic programming, which results from the divergence of the provisions contained in the strategies and the practices of self-government management.

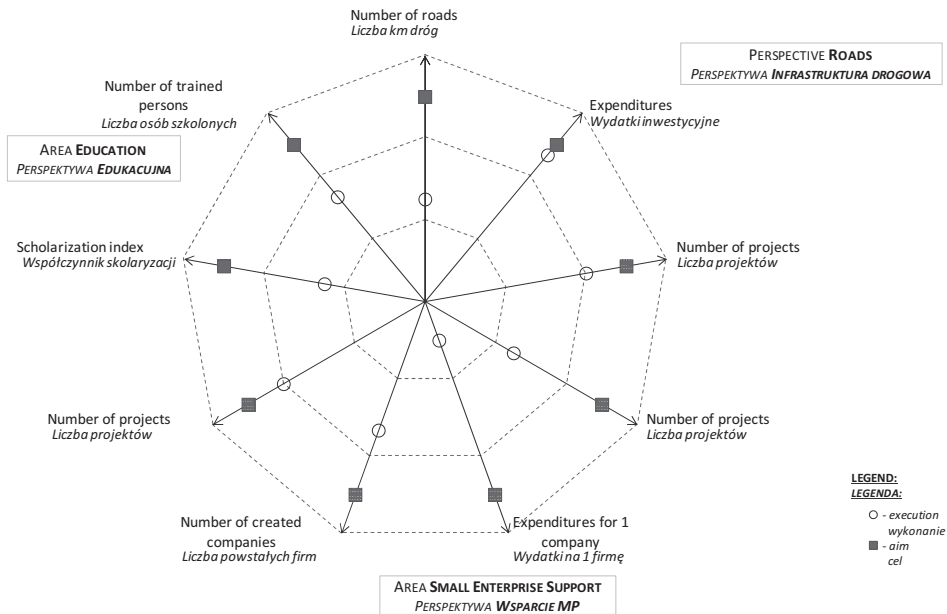


Fig. 3. Strategy score board

Rys. 3. Strategiczna karta wyników

Source: Author's own study.

Źródło: Opracowanie własne.

CONCLUSIONS

The formation of regional development is a complex process which consists in the creation of conditions for an economic growth, an improvement living standards of the local residents and the maintenance of the quality of natural environment. It is the result of the activeness of the members of a self-government community, i.e. first of all entrepreneurs and consumers within the framework of market transactions. However, it also depends from the decisions taken by the economic authorities of the state, which form an interregional support policy. Furthermore, it depends from the decisions taken local authorities which create the tools of an intraregional policy chiefly through strategic programming.

In the Polish self-government reality, strategic management is slowly becoming an acceptable formula to exercise authority, while the formation of development takes place on the basis of the professional rules of the management science. Nevertheless, several areas can be indicated which require some improvement and modification among those entities which implement regional policies.

Firstly, Polish regional programmes are too little based on the awareness of their own needs and long-term objectives, while they rely too much in ready models. Due to

this, regional policy does not remove developmental barriers and does not eliminate the real weaknesses of individual communities.

Secondly, regional authorities believe that expenses on the technical infrastructure and all hard investments ought be a priority concerning development. In fact it is investments in the human capital that exert a more lasting impact on regional development. The rationality and effectiveness in an improvement of the quality of intellectual capital must be the prerequisite of their success.

Thirdly, the programming of development should be based on the selection of priorities which cannot be too numerous, and they should objectively satisfy the important or urgent needs of communities. Clear and measurable criteria of the identification of these priorities need to be accepted, and the validity of their selection is to be confirmed through social and expert consultancy.

Fourthly, the implementation of development strategies requires consistency, responsibility and a precise monitoring mechanism. Even the best strategies are not easy to implement and must be controlled based on precise schedules.

These recommendations are of a pragmatic nature and they constitute the effect of numerous analyses and scientific reflections concerning the formation of regional development. The model or system of values and beliefs on the part of both national and self-government authorities constitutes a broader context of these processes. It determines the philosophy of regional policy and conditions the long-term forms of support offered to regions and local communities. The polarizing and diffuse theorem of regional development is currently dominating in Poland. This means that we are implementing a policy of social and economic cohesion in the scale of country and we are making attempts to strengthen self-governments in the creation of their individual strategic programmes. At the same time, progress centres (the growth poles) are not neglected, which by the concentration of capital including intellectual capital draw weaker districts and make modern technologies and system solutions available to them. A combination of these two paths of regional science is an optimal model of a sustainable growth of regions.

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MODELE ROZWOJU REGIONALNEGO W KSZTAŁTOWANIU STRATEGII SAMORZĄDU TERYTORIALNEGO

Streszczenie. Artykuł przedstawia modelowe ujęcie procesów rozwoju regionalnego w kontekście samorządowych programów strategicznych. Opisano w nim teoretyczne podstawy rozwoju regionalnego wychodząc od podstawowych pojęć i uwarunkowań tych zjawisk społeczno-ekonomicznych. Zaprezentowano przegląd teorii rozwoju i wskazano na najbardziej syntetyczne zjawiska w dwóch skrajnych modelach. Następnie przedstawiono mechanizmy programowania strategicznego w ramach polityki regionalnej. Pokazano sekwencje działań w budowie strategii i poszczególne jej elementy. Obok analiz systemowych omówiono także przykładowe zapisy wybranej strategii regionalnej. Artykuł zakończono wnioskami i rekomendacjami dla samorządów terytorialnych w Polsce, które tworzą i wdrażają strategie w otoczeniu mikro i makroekonomicznym. Stwierdzono, że zarządzanie strategiczne jest optymalnym sposobem podniesienia efektywności sprawowania władzy na szczeblu mezoekonomicznym.

Słowa kluczowe: model, rozwój, region, strategia

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