

THE ROLE OF PARTNERSHIPS IN CONTEMPORARY DEVELOPMENT OF RURAL AREAS

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Abstract. Article discusses the issues of partnerships and their role in management of regional development and rural space; partnership must be taken into account as one of the acting bodies in regional interests. Partnerships are expected to be the perspective forms of the subjects that may remarkably support regional development in the regional management. Opinions of the selected group of regional acting bodies (small and medium size enterprises) in two Slovak regions on the relevant issues are also presented in the paper. Results showed that the relationship of SMEs to partnership is different. In Trenčín region is a greater willingness to form partnerships, as well as willingness to work actively. In contrast Prešov region is willing to enter into partnerships lower, activity in the partnership is also lower. This proves a different perception of partnerships in different regions of Slovakia.

Key words: partnership, cooperation, regional development, regional management, rural areas, Slovakia

INTRODUCTION

Concept of cooperation can be defined as a complex of processes in which partners enter into mutual interactions, adjust their individual activities and interests in order to achieve the common or similar objectives more easily and more effectively. The systems of cooperation in individual countries vary and may have different forms – from simple contracts to highly developed systems of cooperation that are based on special legal regulations. Voluntary cooperation of participants in development in rural regions is very important.

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Cooperations can be both, single-purpose or multi-purpose. It is necessary to define advantages that result from cooperation with reference to better services, lower costs, joint use of specialists, public officials, and so on. Fulfilment of community needs and prosperity are the main motives of regional acting bodies for entering the cooperation. The objective or the higher aims are through cooperation to improve living condition within community, to satisfy the specific demands of the community citizens, to achieve the economic prosperity of subjects and so on. It is expected by the involved parties that everyone will benefit from the results of cooperation.

PARTNERSHIPS AND PARTNERSHIP NETWORKS

Partnership can be seen from two angles. On one side partnership principle is defined as the carrying notional basis of the EU regional policy. On the other side partnership principle is closely linked with the cooperation of regional acting bodies on the level of the regional management and on the regional level, both aiming at the collective solving of regional development issues. For our purposes the second interpretation of partnership is important and it is the horizontal interaction of regional acting bodies on the middle level – level of the regions. In ideal situations such regional partnership is created spontaneously or by an artificially created regional management. Regional management can be defined as a process interplay of regional acting bodies, that enables to push forward developmental concepts, to generate new projects and effective position of the “entrepreneurial region” and its products in interregional competition [Jezek 2005, Jezek 2006].

Effective cooperation in the region anticipates to create a stable core of institutions in the region, to design a common vision and the direct participation of the top institutions with their relevant decision powers. The basic form of institutionalised cooperation in regional development is a partnership. Its creation can be initiated from the above – from the central level, it is formed by course of law. Partnership in spite of the fact that it is initialised, is a voluntary cooperation. In case that partnerships are created by initiation from the below, i.e. from local level, better results are observed, as local agents are aware of benefits of common approaches to solving problems, and understand the necessity of cooperation in rural sector. The benefits for all involved in the partnerships are the main objectives of each partnership that is focused on regional development and its management. In management theory basic division of the forms of partnerships is into formal and informal:

- informal partnerships – to fulfil the selected tasks, mutual support of institutions when aiming at certain more narrow objectives;
- formal partnerships – have wider objectives, more forms of services. Such partnerships are designed and created with formal structures, tasks and responsibilities are assigned to all partners.

When creating partnerships, many experts recommend the following approaches:

- selection of a problem that can be more easily solved within the partnership;
- selection of a locality in which the problem has to be solved;
- selection of partners which are suitable for problem solving and are willing to participate;

- selection of the forms of addressing partners; an estimation of partnership advantages;
- selection of people responsible for addressing individual potential partners;
- joint meetings of potential partners, discussion on practical issues of creating the partnership, i.e. objectives, individual partner contributions, agreements on legal partnership forms, proposed key activities, methods of result evaluations, ways of raising resources [Bernatova, Vanova 2000].

Partnership can be successfully developed if all partners are active, its effectiveness depends on mutual communication, confidence, respect and mutual understanding between all involved partners. When creating partnership it is necessary to agree on the ways of cooperation, how they would behave when “everything goes smoothly” and how when “problems arise”. Without such an agreement misunderstanding might arise. It has to be clear at the very beginning who is responsible for what, how the activities are assigned to individual partners, what system of evaluation and result measurements will be used [Bernatova, Vanova 2000].

Partnership failure is most frequently caused by the following circumstances: previous conflicts between the partners, one of the partners manipulates with the others or is very dominant, unclear and unrealistic objectives, differences in philosophy and working habits, lack of communication, unequal and unacceptable proportion of power and control; key participants are excluded from partnership, financial and time demands higher than possible benefits. It is easier to control the process if one can rely on own regional strengths; disadvantages are due to lasting innovation projects, as a result costs are higher. In case the frame conditions are changing due to the specifics of production resources, flexibility is lowered.

In Slovak legislation the issues connected with partnership establishment are to some extent regulated. The most common forms are interest associations of legal entities that are formed in compliance with the regulations of Civil code. Territorial subject partnerships can also be formed in conformity with the Law 83/90 Zb. on freedom to assemble (according to the Law citizens can form various associations, clubs, unions, leagues, corporations and participate in their activities). Public-private partnerships that are not formed as profit associations, based on valid legislation can have a form of a public limited company or a limited liability company. Such partnerships have to follow the Commercial code 513/1991 and its later amendments. Cooperation of local governments has to follow the regulations of No. 612/2002 Z and No. 369/1990 Zb on municipal establishment. Based on the above mentioned legal norms, municipalities can cooperate based on the agreements signed with the aim to fulfil the concrete tasks or activities. It can be realized based on the cooperation agreement between municipalities, or through the establishment of legal entity authorised in accordance with special law.

Municipalities can form associations of municipalities – such form is nowadays typical and the most frequent in Slovakia (due to the previous systems of financing pre-access and post-access EU funds). In the frame of international cooperation, municipalities have the competencies to cooperate with territorial and administrative bodies or with foreign regional offices. There are many examples of such partnership in management of regional development in Slovakia. Micro-regions are nowadays relatively frequently spread as one of the forms of partnership. Their priorities aim at the development of their territories

through the activities based on partnership and cooperation. (during transitional period the present tasks of micro-regions reflect the necessity to establish mutual respect, partnership, evaluation of cooperation possibilities, willingness to solve mutual problems).

Rusnak [1996] describes micro region as a voluntary association of municipalities that have the common social, economic and geographical problems. These municipalities are able to form their own identical developmental programme by using their local resources and innovative approaches on the basis of partnership and cooperation¹. Creating micro-regional associations assumes quite significant obligations towards acting bodies of micro-regions. Quality improvement of social- economic processes and improvement of the life quality are expected. Associations usually work on voluntary basis of leaders in the region without a help of professional organization that offer technical assistance. That is why they have small chances to start working on their own and to fulfil arising expectation.

Community needs and prosperity are the regional actors' main motives for cooperation. Through cooperation they want to:

- improve living conditions of citizens within the community,
- satisfy specific needs of the citizens
- achieve the economic prosperity of the subjects

Participants expect that everyone will benefit from the results of their common work. When creating partnership within the framework of cooperation it is necessary to define advantages that can be brought by the cooperation and can be presented by the management of regional development. To the advantages might belong e.g. better provision of private but also public services, possibilities of lower costs, more effective joint use of specialists or administrative staff.

Partnership creation in the form of network, it means in the form of relatively stable relations between certain partners offers for the management of regional development one of the possibilities of problem solving in companies and in the region. [Debresson, Walker 1991, in Maier, Tödtling 1998]. We can add here formal cooperation with other regions, companies and institutions (e.g. research and development cooperation) as well as long lasting stable relations, informal cooperation but also regular information exchange. Networks represent middle position between market and hierarchy, they allow for relatively good recognition of partners, quality of their performance and bring about more flexibility as inner organization. Networks also prove advantages in processes of quick technological changes, they enable access to complementary resources and technologies and thus shorten the innovative process. Shortening of product lifetime cycles in technologically intensive areas (as were located in some regions) as well as penetration of high level technologies (microelectronics, biotechnology) and new tasks that regional communities are facing, have influenced strong stimulation for creating the networks.

¹They are municipality associations (alliances) with possibilities to create their own administrative units while delegating municipality competencies especially in an area of social-economic development, territory planning, environment, construction regulation, public sector management, housing policy, investment building. They are often seen as the most active acting bodies in regional development.

There also exist networks between partners that are supported based on area closeness and are created within the regions [Camagni 1991]. Regional networks in comparison with those of large area ones are mostly based on informal relations. They are often formed as results of relationships created by joint studies or mutual interchange mobility of managers and employees. The following are the advantages of regional networks when comparing them with large area global networks:

- good communication through continuing personal contacts;
- common learning by continual interaction – in the course of participation in research and development projects;
- confidence created in long-time lasting acquaintance of acting bodies;
- good control of partners that can take steps early enough to prevent inappropriate development².

Communication between individual regional actors is very important [Ali Taha 2008], [Ferencova 2008]. Contacts with external surroundings are also of great importance for separate enterprises as well as for management of regional development. Close contacts with product purchasers, well functioning market and distribution, research, development and education are requirements for the necessary innovation in rural areas. Specific local requirements of the distribution functions result in functional regional specialization in rural areas that is closely linked to network orientation and clearly mirrors space concentration. Possible limits can be as follows:

- networks in rural space might be little differentiated;
- not only the strict definition of separate regional actor functions but also quality of their cooperation are of great importance;
- inappropriate organizational network structure or too weak motivation (weakening influenced by time passing) of separate actors can also be considered as shortcomings.

By benefits and limits in economic capacity of different localities, regions (including rural) the network system analysis gains space dimension [Bucek 2006]. This is the reason why networks and interactive methods are included into innovative systems³, that include institutional factors, such as public organizations, research and development financing, private sector capacities (community of regional actors) and orientation on risk financing and job market operations. It is necessary to take into account that every part of network creating brings about specific context (picture 1). Networks are linked through the contacts between formal and informal institutions⁴.

Originally regional networks were more important for rural small and middle enterprises as they realize less research and development functions and have less possibilities to participate in international cooperations than large enterprises. Nowadays all actors based on their aims benefit from regional networks directly or indirectly. Today the importance of regional networks rises in compliance with self-administration tasks.

²Universities and research institutions and their affiliations are often important actors in regional networks.

³For example findings of Lundvall [1992], Nelson [1993], Freeman [2000].

⁴Institutions play key roles in innovation processes, in creation of knowledge and learning networks.

In present century regional development is no more based on exploitation of natural resources as it was in the last century. Richness of separate regions lay in abilities to use comparative nature advantages based on which they could become mass producers of commodities. Nowadays the importance of transport costs is falling down and the local advantages of a classic period are less important; as a result of development of social-economic systems a new competitive advantage – ability to mobilize and use knowledge – arises. In a new situation rural space has to be converted into learning regions, it means regions must adopt to the knowledge- based principles and life-long learning [Florida 2000]. Basics of the theory of learning regions can be found in many directions where learning process plays the key role and thus is closely linked with the theory of innovative systems.

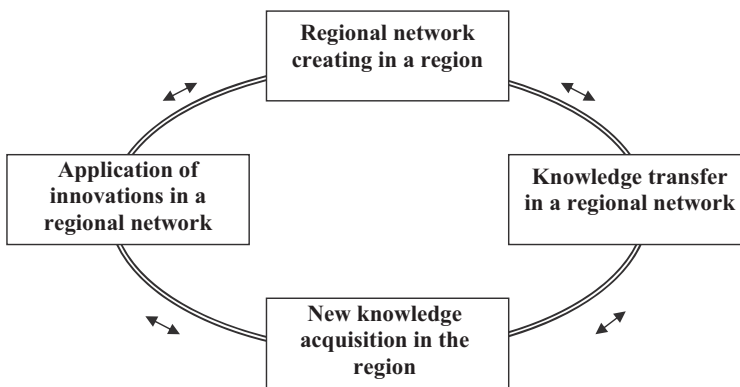


Fig. 1. Regional network creation

Rys. 1. Tworzenie regionalnej sieci współpracy

Source: [Buček 2006]

Źródło: [Buček 2006]

PARTNERSHIPS AND SMALL AND MEDIUM ENTERPRISES (SME) AS REGIONAL ACTORS

Regional management in regions is understood as a perspective form of partnership, as an important participant in regional development management processes [Tej 2008]. According to Hittmár [2005] management in the region is a complex of universally valid models, approaches, methods, techniques that are used to evaluate resources and objective achievements in business oriented areas in which material articles or non material services are the products. Regional management aims at creating conditions for functioning and development of a territorially independent functioning system – rural region, that functions and develops in a traditionally competitive environment⁵ According to Búšik [2006] partnership in a region can be characterised as a process cooperation of regional actors with an aim to implement developmental concepts, to generate new project ideas,

⁵It is one of the first definition of regional management that was officially published in scientific periodicals in Slovakia.

to create conditions for effective position of relevant learning and entrepreneurial territory as well as to push forward its products in area competition. It is seen as a tool of planning in rural area, as an entire approach to present and future tasks in planning, as a new planning philosophy, new concept of task managing, discussing and implementation.

The most frequent is the institutionalised cooperation of regional actors that enables to introduce development concepts, to generate new project ideas and to create the effective position of an entrepreneurial region and its products in interregional competition [Jezek 2005].

We analysed opinions on partnership between small and middle enterprises, as important regional interest actors [Dankova 2005] in rural area, in Trenčín self-governing (TnSK) and Prešov self-governing region (PSK). Survey was done in 2007. Findings are based on a selected sample of 760 enterprises, (600 from PSK and 160 from TnSK), after the selection of the relevant respondents we analysed 536 enterprises in PSK and 145 in TnSK. Cramer contingency coefficient method was used to establish the dependency.

Table 1 offers an overview of opinions about the willingness of small and middle entrepreneurs on various forms of cooperation: want to cooperate and be active, want to be a partner, willing to help and without any interest in cooperation. The table shows that the prevailing opinion of 53% of respondents in PSK in building industry and trade refuse all forms of cooperation. If the rest of the possibilities are considered as expressions of positive attitude to partnership and cooperation in strategic development of the region, then the highest level of the willingness was expressed by respondents in services (59,25%). We observe the highest manifestation of activities and associations in other fields (perhaps due to their needs to associate, which in case of other non-specified fields

Table 1. Willingness to create partnerships [%]
Tabela 1. Gotowość do tworzenia partnerstwa [%]

	Prešov self-governing region			
	Want to cooperate and be active	Want to be a partner	Willing to help	No, do not need partnership
Total	13,76	23,97	10,25	52,02
Agriculture	100,00	–	–	–
Production	9,49	27,18	15,21	48,12
Building industry	19,48	19,15	8,22	53,15
Services	14,94	32,15	12,16	40,75
Trade	13,55	24,15	9,15	53,15
Others	23,35	25,88	–	50,77
	Trenčín self-governing region			
Total	23,38	15,28	19,78	41,56
Agriculture	27,12	36,76	–	33,12
Production	20,15	16,14	18,56	45,15
Building industry	18,33	11,88	14,67	55,12
Services	25,58	12,75	23,52	38,15
Trade	21,18	21,55	21,06	36,21
Others	10,15	–	–	89,85

Source: Research of authors.

Źródło: Badania własne.

is impossible due to the non-existence of professional associations). In production this response is represented by the lowest percentage of replies 9,49%. Willingness to create partnership reached the highest percentage (23,97%). In TnSk we observed slightly higher willingness to cooperate in regional development (refusal is 10 percentage point lower), the lowest level of willingness was also expressed in building industry (55,12%) and in production (45,15%). Higher willingness than in PSK was expressed for complex cooperation (23,38%).

According to our studies examined entrepreneurial subjects based on their standpoints represent almost an entirety in both regions (very weak dependence in PSK: $C_p = 0,112$ for $n = 356$, $h = 3$; weak dependence in TnSk: $C_p = 0,110$ for $n = 145$, $h = 3$). The above findings show that there are almost no differences between the observed fields and thus we suppose that the joint educational approach towards the community of regional actors might bring the desired results.

Dependencies in the question on the willingness to create partnerships belonged to the lower ones, they evoke in us an opinion that awareness of SME depends also on separate fields (considering various institutionalised and formal contact networks) and at the same time not remarkable with respect to regional location (considering the weak consciousness of necessities to associate and knowledges).

CONCLUSIONS

Based on the analysis we can summarize the following generalised outcomes concerning the forms of partnerships in management of regional development:

- management in partnerships as an institution should be predominantly oriented on services for acting bodies in rural areas,
- it should be an organization with clearly defined tasks that support the development of rural areas, it should have relevant competences transferred from co-partners.

It is expected that the changes in the management quality on regional levels that are resulting from active partnerships can bring positive results with respect to higher competitiveness, mainly:

- higher citizens confidence in the management of rural region, higher civil and public responsibilities of elected representatives and participation in partnerships,
- higher participation of individual acting bodies in preparing and implementation of strategic decisions and thus higher quality and acceptability of decisions in rural areas,
- higher quality of inputs, processes and outputs aiming at sustainability of development processes at rural areas.

Nowadays we cannot look at the development of rural areas only from the point of view on the growth of the economy, we need to consider continuous improvement of broadly understood living conditions.

Sustainable development is now more often discussed. If our aim is permanent development, then apart from economic dimensions we need to respect ecological and socio-cultural dimensions too.

If the development is based on the common interests of rural interest actors, than there will not be dissatisfaction that lead to the increase in immigration, bankrupts, and transfer of enterprises. All these could lead to instability of rural development.

Innovative competences in their broader sense and processes of collective mutual learning are very important within the conception frame of learning region in rural condition. Development of small and middle enterprises is also of great importance. It contributes to the competitiveness of those enterprises by creating cooperative networks.

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ROLA PARTNERSTWA WE WSPÓŁCZESNYM ROZWOJU OBSZARÓW WIEJSKICH

Streszczenie. W artykule omówiono zagadnienie partnerstwa i jego roli w zarządzaniu rozwojem regionalnym i obszarami wiejskimi; partnerstwo należy uznać jako jedną z możliwości działania na rzecz interesów regionu. Partnerstwo uznaje się za perspektywiczną formę współdziałania podmiotów, która w przyszłości może znacznie przyczynić się do rozwoju regionu i gospodarki regionalnej. W artykule przedstawiono opinie odnośnie poszczególnych zagadnień wyrażone przez grupę podmiotów (małych i średnich przedsiębiorstw) działających w dwóch regionach Słowacji. Wyniki badań wskazują na różny stosunek badanych przedsiębiorstw do tworzenia partnerstwa. W rejonie Trencina widać większą gotowość do tworzenia partnerstwa i aktywnego współdziałania. Z kolei w rejonie Presova obserwuje się mniejszą chęć tworzenia partnerstwa, a i aktywna współpraca w ramach partnerstwa jest mniejsza. Dowodzi to różnego postrzegania partnerstwa w różnych regionach Słowacji.

Słowa kluczowe: partnerstwo, współpraca, rozwój regionalny, zarządzanie regionalne, obszary wiejskie, Słowacja

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