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## TERRITORIAL DEVELOPMENT AT LOCAL SCALE – CHOSEN ASPECTS

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### ROZWÓJ TERYTORIALNY W SKALI LOKALNEJ – WYBRANE ASPEKTY

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**Summary:** Territorial development is one of the key issues promoted in the European Union's regional policy. In a modern economy it is necessary to include the territorial approach in policy-making process at all levels, and the scale that gains importance is the local level where all processes occur. The paper presents the theoretical aspects of territorial development on a local scale, with an emphasis on the European Union's approach to this issue.

**Keywords:** local scale, local development, territory, territorial development.

**Streszczenie:** Rozwój terytorialny jest jedną z kluczowych kwestii promowanych w polityce regionalnej Unii Europejskiej. W nowoczesnej gospodarce konieczne jest uwzględnienie podejścia terytorialnego w procesie kształtowania polityki na wszystkich poziomach, a rosnące znaczenie ma poziom lokalny, który jest odbiorcą wszystkich procesów zachodzących na wyższych szczeblach. W artykule przedstawiono teoretyczne aspekty rozwoju terytorialnego w skali lokalnej z naciskiem na podejście Unii Europejskiej do tego zagadnienia.

**Słowa kluczowe:** skala lokalna, rozwój lokalny, terytorium, rozwój terytorialny.

## 1. Introduction

Development processes are dynamic and always run in time and space. The area they concern may cover various scales, however, most often it is analyzed starting on a national scale, through a regional one and ending with a local scale. In connection with globalization processes and the shaping of a new development paradigm process, the national scale (representing the highest order system) loses its dominance in both the economy and politics, with activity being mobilized on a smaller scale (regional or local). All these systems, regardless of scale, are included in global processes, which in consequence forces them to function in increasingly turbulent circumstances. This is due to the overlapping of the development of „megatrends” in various spatial cross-sections, the intensification of interdependence, as well as the interpenetration of forms of socio-economic activity between the real and virtual world (often the creation of patterns occurs in the virtual world).

The aim of this paper is to present the theoretical aspects of territorial development on a local scale with an emphasis on the European Union’s approach to this issue.

## 2. Local development and territorial development

The local scale reflects the relationships taking place in the local system [Jałowiecki, 1988, p. 19] and can be understood as a territory with a diversified area, characterized by economic, social, cultural and political uniformity and a common, broadly understood identity (cultural kinship, attitudes, interests). The local dimension is the result of the historical past, specific socio-economic and cultural features and proximity to the location [Pietrzyk 1997, p. 91]. It is a place where three types of space intertwine: geographical, relational and institutional. The new theoretical approach (territorial approach) shows how a given space (including local space) „gives dynamics and own autonomy to development processes“ [Jewtuchowicz 2017, p. 8]. Therefore, one departs from interpreting space as a static category, as a place of locating resources, taking more into account the relationships and activity of local actors, as well as social and institutional capital. Territorial development is not given, but built by history, culture and various social networks. What the territory contains determines what the territory is contained in, and the borders of the territory are the moving borders of socio-economic networks [Jewtuchowicz 2017].

A. Jewtuchowicz defines territory, following C. Dupuy and J.P. Gilly, as a system of spatially concentrated and historically shaped technical, production, institutional activities performed and coordinated in various ways by various organizations: companies, research centers, the local community, economic organizations, etc., as also human activities more or less specific depending on the activities developed locally [Jewtuchowicz 2005, p. 65]. This author emphasizes that each territory is a historical product, so it has its own time dimension, and the shared past of the

local community creates its culture, material heritage and determines its identity [Jewtuchowicz 2005, p. 66]. He also points to diversity that emphasizes the local nature of development (defines its specific socio-economic, cultural and natural features) and the openness of local communities and their willingness to compare problems and exchange experiences [Jewtuchowicz 2005, p. 67].

In the current development policy (in which the EU regional policy plays an important role), territories are assigned a key role in development processes, which means assigning ‘places’ to specific sets of features that affect local development more than other places [Noworól, Noworól 2018, p. 21].

According to A. Nowakowska, territorialisation is “anchoring development processes in the territorial tissue, embedding economic activity in social relations, and launching mechanisms to co-create new values and resources that are strategically valuable both for a single entity and the entire economy” [Nowakowska, p. 42-36]. The territorial approach is based on elements such as:

- creation and use of capital and territorial conditions (endogenous resources and cooperation networks),
- integration of activities undertaken in various institutional arrangements (strengthening of participation in partnership and cooperation),
- dynamization of development mechanisms in functional areas, regardless of the administrative and political system.

Territorial development can be understood as directing changes in the territorial system, which, stimulating the driving forces of entrepreneurship, balancing endogenous and exogenous factors, and competitiveness, ultimately leads to [Nowakowska, p. 42-36]:

- increasing the complexity, diversity and flexibility of subsystems, increasing adaptability and capacity,
- increasing the autoregulation capacity of subsystems,
- increasing the innovativeness, creativity and proactivity of entities,
- adapting the dynamics of continuous and discontinuous changes in subsystems to own needs and the impact of the environment,
- intensifying contacts with the environment through communication, exchange of goods and expansion.

In the local space, which is particularly noted in sociology (but also increasingly in economics), exist issues of social relations, interpersonal relationships, ability to act jointly, mobilization, implementation of long-term plans, influence of tradition and culture, and the importance of elites and leaders. Of more importance is the human factor, which for a long time was underestimated and secondary to the economic factors. It is the basic element of initiating, organizing, implementing and accelerating the processes of socio-economic development on every scale, and also important are specific, unique values learnt by a specific community, as well as

the so-called „new” capital, known as social capital. This capital is characterized by the fact that it does not belong to a given individual but to a community, and its value is not the sum of resources owned by individuals, but is based on the diversity and quality of connections between members of a given community. According to R. Putnam, this term should be understood as „such features of society’s organization as trust, norms and networks that can increase the efficiency of society by facilitating coordinated actions” [Putnam 1995, p. 258] and thus contribute to accelerating the processes of socio-economic development. In economics, broad discussion can be found regarding the legitimacy and possibilities of orienting development-supporting policies (on a local or regional scale) on strengthening and influencing the strength of social capital (especially in the entrepreneurial environment). The process of „coopetition”, i.e. synergistic competition and cooperation, development of cooperation networks and clusters is perceived in modern management conditions as one of the most important factors supporting development on a local scale [Baron 2006, pp. 333-334]. Economic practice shows that despite favourable conditions or the existence of the so-called developmental climate, it very often fails to generate the desired impulses, as there is a lack of cooperation between the actors and the ability to compete outside (and not inside) a specific local system. This is particularly evident in the Polish economic reality, where the practices of effective cooperation on a local scale with a clearly developed business profile (territorial production systems) are still rare [Rogowska 2011].

Collaboration is an important element of the modern development paradigm. It is expressed on a local scale in conducting development policy in accordance with the principles of governance, i.e. the increased involvement of various actors of socio-economic life in conducting public policies, cooperation of public sector entities with other organizations, including the implementation of joint ventures with private entities (as part of the idea of a public-private partnership), the aforementioned growing role of social capital, clusters, territorial production systems, etc.

### **3. Territorialisation of development policy from an EU perspective**

From the point of view of the European Union, an increase in the territorial approach in cohesion policy can be observed in the 2014-2020 perspective. This was also of particular importance in Poland, where the territorial dimension of strategic development programming is of particular importance due to the significant differences in the level of the socio-economic development of individual regions. In the context of the territorial approach, the category of territorial cohesion conducted in 2009 under the Lisbon Treaty, has a special place. It can be understood as [Markowski]:

- emanation of endogenous and polycentric development,
- a synonym for reducing spatial disparities,

- creating network connections,
- guarantee of access to knowledge and infrastructure services.

According to the European Commission, ‘territorial cohesion’ means ensuring the sustainable development of all places and ensuring that all citizens enjoy the maximum benefits from the resources of their territories. This means that diversity is transformed into an asset that helps in the extensive development of the entire EU.

Territorial cohesion can be understood as:

- a planning and development method taking into account territorial capital (potential), settlement network, regions and their connections;
- an enrichment of economic and social cohesion by taking into account areas with unfavorable geographical characteristics (e.g. mountainous, unfavorable climate, peripheral, border or island areas);
- a tool to take into account spatial aspects in the economy, sectoral policies, social planning and decision-making processes.

The following dimensions of territorial cohesion understood as the state of the territory, are mentioned most often: strong local economy ensuring global competitiveness, innovative territories, equal access to services and employment, social inclusion and quality of life, attractive regions with high ecological value and strong territorial capital and integrated polycentric territorial development.

The essence of territorial cohesion is the assumption that different areas need different financial support directed at slightly different goals and using slightly different instruments. In the perspective of 2007-2013 in Poland this was reflected in the transfer of financial support under 16 Regional Operational Programs, replacing the existing regional instrument of the Integrated Regional Development Operational Program 2004-2006. In the period 2014-2020, it is additionally expressed in the appearance of territorial instruments such as Integrated Territorial Investments. An additional way to enrich territorial intervention has been provided by Community Led Local Development and Territorial Impact Assessment [Szlachta 2018, p. 13]. With a view to an integrated territorial approach to dealing with territorial challenges, Member States shall ensure that the programs under European funds for 2014-2020 reflect the diversity of European regions in terms of the specificity of employment and the labour market, relationships between different sectors, ways of commuting to work, ageing population and demographic changes, cultural, landscape and heritage conditions, vulnerability to climate change and the effects of these changes, restrictions on land use and resources, the potential for more sustainable use of natural resources, including renewable energy sources, and institutional solutions regarding governance, connectivity and accessibility, as well as links between rural and urban areas.

The Territorial Agenda of the European Union has strengthened the process (institutional) dimension of the concept of territorial cohesion set out in the Green Paper (territorial cohesion as a way of conducting policies in space) by stating that

territorial cohesion is „a set of rules aimed at harmonious, efficient and sustained territorial development”. In this context, the following principles were listed: equal opportunities for citizens and businesses regardless of their location; reducing the gap between the economies of more developed territories and those that are not keeping up with them; development adapted to the specifics of the area; further supporting close cooperation and integration between different EU regions at all relevant territorial levels. At the same time, the document emphasizes the importance of territory as development capital by stating that territorial cohesion should allow maximum use of territorial potential.

#### **4. Conclusions**

The increased interest in the development taking place on a local scale arose in the second half of the 20th century (the 1960s), when criticism of the existing development model (Fordism) emerged in Europe. There was a growing willingness from citizens to fight for environmental protection and local values as well as maintaining the separateness and diversity of local communities, which resulted in the „Renaissance of Locality”, understood in a broad sense, in terms of administrative, economic and social aspects. An important role in the local development process is played by the local government, which has a fundamental impact on shaping favorable or unfavorable development conditions. Among the group of endogenous factors, this entity cannot actually affect only the location (natural conditions) of a given spatial unit. In other cases, one can talk about its direct or indirect, greater or lesser impact. Hence, observing the processes and phenomena occurring in local systems, it is increasingly possible to notice situations in which local leaders play a major role in starting local economic growth, and the actions of the head of the commune or the mayor, contributed to the emergence of investors, and then triggered the process of cumulative local development. Frequently, local authorities, or more broadly, a group of local actors, have the right to recognize development conditions and identify and activate those (internal) factors that may contribute to local development. Practice shows, however, that the majority of members of local government units assess conditions in a schematic and simplified manner, which is visible primarily in the development strategies of individual spatial units. On the other hand, the local scale, identified in Polish conditions with the territory of the commune or ‘powiat’, is a relatively small element of the socio-economic space, which is a component of both a specific regional and national system. As a result, one can point out numerous and multidirectional relationships connecting all these systems. The proper functioning of the entire system requires local compatibility and the convergence of goals with the policies implemented at other levels.

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