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Interests of territorial self-governments in shaping local development on the example of tourism economy in Poland – selected aspects

1. Introduction

A commune, a fundamental unit of local self-government, is a community operating on a particular area that is composed of local entities (inhabitants, self-governments, their executive bodies, economic entities, and local institutions) and the relationships between them.

Communes in Poland are entities that act on market, have defined resources at their disposal, are independent, which is legally guaranteed, and are also responsible for their decisions. Moreover, they compete with each other for various forms of capital. Their effectiveness in management and rationality of undertaken actions is essential as they can reach a specific (desired) market position. As a result of the fact that a commune is a collective (a collective entity), its market activity is determined by activities of entities (individual or group) that it is composed of. This collection can even be extended by all of the entities that are directly or indirectly influenced by the commune and that also have impact on its activity.

In this paper, the assumption was made that relationships of entities interested in activities of communes can have diversified nature (not necessarily favorable from the point of view of their goals and interests), and the power of their influence may significantly facilitate or impede management in a commune and, thereby, influence the effectiveness of its activity. In the present conditions of commune functioning, the ability to recognize the interests of particular entities related by market relationships with communes may guarantee, and in the case of lack of this ability, may limit accomplishment of interests of a commune as a collective.

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The reflections presented above outline the research area that includes broadly understood interests of local self-governments. This area is multi-dimensional and poorly recognized, which inspires us to make an attempt to create a system of notions. This attempt has been undertaken in further part of the paper. This constitutes an introduction to direct studies on the problems of interests of local self-government.

2. Interest – origins and the essence of the notion

An analysis of historical texts shows that the problems with defining the notion of “interest” have been occurring since this term appeared in analyses concerning reasons for people’s behavior.

The meaning of the notion of interest (interests) has been changing over the course of evolution of the language and the idea. “Interests” of people or groups started to be finally identified with material benefit, and this is the meaning that won not only in colloquial speech but also in the language of social sciences. Nevertheless, such an economic interpretation started to be predominant relatively late. When at the end of 16th century in Western Europe, the “interest” became a colloquial notion used to define an undertaking, intention, or profit, its meaning was not only limited to material part of human existence. It had a much broader meaning than the one we use nowadays. It referred to the shape of individual intentions with emphasis on what constituted the element of calculation and consideration in the method of their realization. It referred to the interest of conscience, interest of honour, interest of health, or interest of wealth.

It seems that nowadays the notion of interest has “expanded” its meaning again, and it does not refer only to strictly material issues. The following definition of the notion of “interest” can be found in PWN Encyclopedia: “things or state of affairs the attainment of which individuals or social groups consider as desirable or necessary and for the achievement of which they stimulate their activity and means”(com. www.encyklopedia.pwn.pl).

A. Eckhardt formulates the following definition: “individual interest of every entity refers to is (a) all activities and omissions – in subjective approach, (b) all goals and means that serve realisation of needs on the level that allows at least to maintain the social, political and economic status of an individual in a society – in objective approach” (com. <http://spolecznieodpowiedzialni.pl>).

The category of “interest” quite often occurs in the context of discussions concerning the functioning of local self-government¹.

¹ Compare authors as: J. Regulski (ed. by), *Szanse i bariery rozwoju samorządności* [Chances and Barriers of Self-Government Development], FRDL, Warsaw 2010, p. 18; A. Miszczuk, M. Miszczuk, K. Żuk,

In studies concerning local self-government, the readers/recipients (but probably also the authors) are satisfied with an intuitive understanding of the category of “interest.” This is also unchanged by the fact that the notion also accepts various “expansions”; e.g., interest of inhabitants, commune, local, and public. Consequently, it has various scopes of meaning.

As shown in previous parts of this paper, defining the notion of “interest” itself has proven to be really difficult. Together with the complexity of the problems of the self-government community (as a collective entity), this task appeared to be even more complicated.

Although an attempt to directly define “the interests of territorial self-government” has not been made, this issue can be referred to the concept of stakeholders² “that occurred in economic literature and the literature in the field of theory of organization and management, and found its application also on the grounds of analyses of local communities. Approaching the notion generally, the term “stakeholder” refers to people / entities that have “a direct interest” in the activity of the unit of local self-government (commune, district, voivodeship). In other words, they have specific expectations towards the unit of local self-government on the one hand, and they influence the goals it achieves on the other. Representatives of public, social, and economic areas form fundamental groups of stakeholders of the units of local self-government. Each of the groups of stakeholders has its specific expectations (its own goals) that are of priority significance for it. Table 1 presents example expectations of selected groups of stakeholders³ towards communes (major units of local self-government).

Gospodarka samorządu terytorialnego [Economy of Local Self-Government], PWN publishing house, Warsaw, 2007, p. 13; S. Barczyk, *Przedsiębiorczy samorząd lokalny i jego instytucje* [Entrepreneurial Local self-Government and its Institutions], Scientific works, Karol Adamiecki University of Economics in Katowice, Katowice 2010 p. 45; E. Zeman-Miszewska: *Konkurencja międzyregionalna jako podstawa marketingu terytorialnego* [Interregional Competition as the Fundament of Local Marketing], in: *Rozwój regionalny w perspektywie integracji europejskiej* [Regional Development in the Prospect of European Integration], A. Zagórska, K. Malik, M. Miszewski (ed. by), Politechnika Opolska [Opole University of Technology] and Wyższa Szkoła Ekonomii i Administracji w Bytomiu [University of Economics and Administration in Bytom], Bytom 2001, pp. 73–75.

² In literature we can also find other translations of the notion of stakeholders: a lobby, groups in power, groups of interested parties, social contractors, owners of stake, organisation electorate, intended beneficiaries, specific social actors, after: B. Bembenek, K. Moszkowicz: *Partnerstwo przedsiębiorstwa z interesariuszami lokalnymi – w świetle koncepcji partnerstwa lokalnego* [Enterprise Partnership with Local Stakeholders – in the Light of the Concept of Local Partnership], in: *Marketing a aktywność regionów* [Marketing and Activity of Regions], J. Karwowski (ed. by), Uniwersytet Szczeciński [Szczecin University], Szczecin 2006, p. 154.

³ The spectrum of groups of stakeholders is significantly broader, it can be composed of for example investors that are external with reference to the commune - national or foreign, tourists, local media, central authorities, organisers of conferences students, etc.

Table 1
Expectations of inhabitants, self-government authorities, enterprises
and non-governmental organizations towards commune

Expectations of inhabitants	Expectations of local-government authorities	Expectations of enterprises	Expectations of non-governmental organizations
prosperity (improvement of living conditions, workplace, increase in affluence, increase in availability of flats, etc.)	increase in attractiveness of commune for local community and investors	stable and clear principles of economic game	cooperation with local authorities in execution of statutory tasks
feeling of security	satisfaction of local community with self-government activity	creation of conditions for development	clearly defined forms of cooperation with local authorities
efficient functioning of public services	improvement in public safety	cooperation with commune authorities in the sphere of internal restructuring of establishments and employment	flow of information on the subject of needs and possibilities to act
conditions for recreation and leisure	economic development providing increase in financial means that supply local budget	favorable tax policy of local authorities towards economic entities	reasonable management of public resources
high level of technical infrastructure	obtaining term takings for the budget from local taxes	improvement of local economic business cycle	financial and extra-financial support (e.g. provision of premises free of charge) from local authorities
possibility to cultivate common, historically conditioned values	improvement in cultural life of community	improvement in the access to good infrastructure	
high level of education and the system of improvement of qualifications (adapted for the needs of market)	competent settlement of matters	improvement of administrative services for investment process	
commune reality (spatial order, cleanliness)		promotion, by the commune of business entities functioning in its area	
availability and high level of basic health care		directing tax policy at attracting external capital	
access to cultural facilities and high quality of services provided by them		providing real possibilities to influence commune development	
sustained development of commune (sensible use of its resources)			

Source: Own case study

Some expectations of inhabitants, self-government authorities, enterprises, and non-governmental organizations are concurrent for all the groups (i.e., the efficient functioning of public services, improvement in public safety), but others can be conflicted (i.e., different opinions concerning necessary investments in the commune and a division of public means associated with them). Different expectations can also occur in particular groups; e.g., conflict of interests of non-governmental organizations caused by a limited pool of financial resources in the commune's budget organizations apply for. The fundamental problem in determining goals and tasks for implementation by the units of local self-government is to achieve balance between expectations (interests) of individual local entities and goals (interests) of the commune (as a collective entity).

Therefore, the issue of "commune interest" ought to be related to the expectations and goals of its stockholders. The major goal of activity of local self-government on the level of the commune is aiming at the creation of conditions ensuring efficient functioning and development of the commune and satisfaction of needs (and expectations) of the local community. If we assume that local self-government is a representative of the local community, expectations and goals of this community determine the goals for the commune and its interests resulting from these goals. Assuming such a way of thinking, we can define commune interests as all goals and means that serve the realization of the needs of the local community on a level allowing for at least maintaining the social, political, and economic position of the commune.

3. Interests of local self-government in local development on the example of tourism economy

In the literature of the subject, there are a lot of theoretical studies concerning new functions of local self-government interests in the sphere of development of the local tourism economy. However, its empirical sphere is still inadequately identified. As a result of this, empirical recognition of the tasks scope and methods of local self-governments' participation in activating a tourism economy seemed to be necessary. In research undertaken between the years of 2010 and 2011, the question concerning the impact of political changes taking place in Poland on the scope and possibilities of influencing local self-governments on the local tourism economy was asked.

Thus, the purpose of this study is to present the results of empirical research conducted among units of local self-government on the subject of their influence on the local tourism economy. In the article, a thesis is presented that, in

all the regions, there are local self-governments that actively participate in the development of tourism economies (they initiate activities associated with development of a local tourism economy voluntarily and in a subsidiary way), and those that reduce their participation to tasks included within the appropriate legal regulations.

3.1. Involvement of self-governments in development of local tourism economy in opinions of local self-governments and other participants in local market

Representatives of local self-governments were asked to assess their own roles in the development of the local tourism economy in the region of southern Poland (compare Tab. 2). In the majority of cases, they declared high (44.2%) and very high (6.6%) involvement in the development of this sphere of economy. 37.1% of respondents assessed their participation as neutral. 8.8% assessed their contribution in shaping a tourist economy as bad. The average self-assessment of activity of self-government representatives in the development of the local tourism economy reached the level of 3.51 points (on a five-point scale).

Table 2

The assessment of participation of self-governments in development of local tourism economy in the light of respondents' opinions

How do you assess participation of self-governments in development of tourism economy in the area you represent	Total [units]	Total [%]
Very good	12	6.6
Good	80	44.2
Neither good nor bad	67	37.1
Bad	16	8.8
No answer	6	3.3
Total	181	100

Source: Own case study

The analysis of research results was to enable a diagnosis of involvement of local self-governments in the formation of tourism economies in their regions. 82.3% of respondents declared their participation in the formation of the tourism economy. However, it seems that a part of them interpret involvement of local self-governments in the formation of tourism economies in quite a broad way. Significantly fewer local self-governments do not attribute significance to

developing tourism economies. According to respondents, 15.46% of the studied self-governments do not participate in it.

The respondents' responses indicate interest of majority of local self-governments in the tourism economy. However, the results concerning knowledge of self-governments on the subject of the needs and opportunities occurring in this sphere seem to contradict these declarations. Generally they do not conduct any studies, and their knowledge of the subject of the influence of tourism and the tourism economy on their social and economic development is rather poor. A lack of recognition of the actual needs in this sphere proves that their activity is based on intuition rather than on reliable grounds. Only about 13% of respondents declare that they have acquired knowledge in this sphere on the grounds of conducted studies.

According to representatives of local self-governments, activities performed in the field of the formation of a tourism economy in regions are abundant and diversified. They emphasized their impact on the development of tourism. In the respondents' views, the most important activities influencing the development of the local tourism economy include (in the order of those most-often indicated):

- investments in the sphere of recreation facilities,
- promotional activities,
- protection of monuments.

Public safety, cooperation with non-governmental organizations, tourism development, and also investments improving tourist accommodation are important elements of the development of a local tourism economy. According to respondents, the reality of para-tourist infrastructure (catering, transport infrastructure, etc.) is also of great importance. Less frequently (6–7%), representatives of self-governments consider support for prospective investors, (4–5% respondents) enterprises and other entities currently participating in the development of the tourism economy as important. Health protection and promotion was only occasionally indicated. According to respondents, self-government management in the sphere of real properties has the least impact. Only 2.6–3.6% of self-government representatives considered it vital.

The respondents' knowledge about relationships between various factors and the development of the tourism economy is related to the concurrence of activities undertaken by self-governments and observed by them. A significant majority of respondent responses on the subject of activities that are most often undertaken by self-governments concerned the development of recreational facilities and promotional activities. It results from the respondents' opinions that activities performed by self-governments also include protection of monuments, attractions, and tourist values (natural and others). On the grounds of respondent responses, we can suppose that around 10% of self-governments in the studied regions conduct such activities.

Activities related to ensuring public safety have also been mentioned as important from the point of view of tourists. In respondents' opinion, cooperation with non-governmental organizations is also undertaken often for the purpose of the development of the local tourism economy. The respondents also emphasized attributing, by self-governments, of large importance to spatial development of the area and indicated activities related to supporting both currently acting, as well as prospective, entities that shape the tourism economy. They also related to stimulating social and economic activity of the inhabitants of the region. According to respondents, the undertaken activities are of incident nature and do not constitute a comprehensive policy of tourism development. An insignificant rate of self-governments apply solutions related to the development of the tourism economy in a period longer than 5 years.

The respondents also indicated insufficient development of para-tourist infrastructure considering the role it should perform. Individual entities also mentioned other activities of self-governments in the development of the tourism economy, including: assistance when other entities apply for EU subsidies for the purpose of the development of the tourism economy, development of tourist information centers, cooperation with other self-governments in the sphere of promotion as well as development of tourism, and keeping information centers.

Local self-governments apply for both financial income instruments (such as local fees and taxes) as well as expenditure tools (such as fee releases, tax reliefs, and subsidies) while influencing the tourism economy. These tools constitute the fundament for directing tourism development. The rates of fees for public services or local payments are more rarely attributed an active role in this sphere.

Legal and administrative instruments are another set of tools applied by representatives of local self-governments in influencing the development of the local tourism economy. Issuing appropriate documents concerning locations consistent with local plans of spatial development, regulations concerning aesthetics, and nature protection (including sewage treatment) are most-frequently applied. However, decisions concerning the development of tourism still do not have a comprehensive character and do not fully correspond to the possibilities of local government units. Only every other local self-government issues suitable legal documents related to location procedures to facilitate the settlement of formalities associated with running tourism activity.

The majority of local governments apply similar information and communication instruments in influencing other entities. Among them, managing web pages with information concerning local tourist offers, issuing newsletters, brochures, leaflets, and cooperation with the media enjoy the largest popularity. Besides the indicated elements, they consider creation and distribution of all other promotion and information materials to be important (12–13% local-governments).

Other tools that were most-often mentioned include planning tools such as: a spatial development plan, a strategy of area development, and long-term

investment and financial planning. On average, every fifth self-government has prepared an offer concerning the development of area designed for tourism activity. The respondents also indicated the instruments associated with the location and arrangement of infrastructural facilities. Significantly local self-governments rarely participate in the formation of institutions supporting the development of entrepreneurship, such as: entrepreneurship centers and technology parks (on average, 3–4% self-governments take part in such ventures). They also rarely support research concerning the development of local tourism.

Remarkably, a majority of representatives of local self-governments in the studied region confirmed cooperation with entities that participate in the development of the tourism economy. Representatives of self-governments most often start cooperation with organizations and associations of cities / communes / poviats, with representatives of other offices of cities / communes / poviats and with non-governmental organizations. According to 29% of respondents, cooperation with inhabitants mostly consists in assistance in the settlement of formalities related to undertaken business activities. Cultural and sporting events are organized together with inhabitants by 24.3% of self-governments. Representatives of self-governments (17.5%) also consider the opinions of inhabitants and visitors while making decisions concerning the location and arrangement of tourist facilities. Self-governments also rent and lease premises to local entities for the purpose of activities related to tourism (35.5%). Every third self-government promotes the region on fairs in Poland and abroad, together with local institutions. Self-governments and local institutions together often organize training in the sphere of the development of the tourism economy (23.5%). Within the framework of cooperation with non-governmental organizations, representatives of local governments indicated first of all: organization of training (41.2%), assistance in the settlement of legal formalities associated with undertaken tourism activity (26.5%), cooperation in the creation and development of an information database (25.8%), as well as renting and leasing premises. Cooperation of self-governments with other self-governments mostly consists in the common promotion of the region (36.7%), organization of training (35.3%), and in the development of an information database (24.2%). Cooperation with entrepreneurs consists mostly in renting and leasing premises (32.3%) and the preparation of location offers (25.6%).

It results from the studies that the majority of self-governments that assess existing cooperation with investors well and neutrally make an attempt to acquire new investors. Among the studied self-governments participating in the study, every third self-government makes endeavors to acquire new investors. Almost 47% of respondents did not reply to the question concerning attempts to acquire new investors. In a lot of cases, the lack of knowledge results from unclear division of competencies (51.9%) and a lack of clearly determined tasks

attributed to particular individuals. Acquiring such information becomes complicated or impossible because of organizational difficulties. 37% of the representatives of self-governments participating in the study emphasized difficulties resulting from the absence of appropriate institutions working in investments in the sphere of the tourism economy. Every third respondent also stated that the lack of involvement in acquiring new investors is related to the reluctance of self-governments to start cooperation with investors.

Declarations of self-governments concerning performed activities and the instruments applied to influence the tourism economy divide the tourism economy into two spheres: of direct and indirect influence of self-government (Compare Tab. 3).

Table 3

Possibilities of influencing tourism economy by self-government in studied region

Possibilities of influence	Direct	Indirect
Large	<ul style="list-style-type: none"> - sport and recreation infrastructure - tourist information concerning tourist attraction inside the region - tourist information on web pages - cultural offer of the region - promotion of the places inside the region - promotion of the place outside the region - public safety - monument protection - cooperation with non-governmental organizations 	<ul style="list-style-type: none"> - sport and recreation infrastructure - medical care - monument protection
Average	<ul style="list-style-type: none"> - road infrastructure - nature protection - tourism development - support for enterprises - support for possible tourism investments - stimulating economic activity of the region inhabitants - pursuing the policy of tourism development in the region 	<ul style="list-style-type: none"> - road infrastructure - transport
Small	<ul style="list-style-type: none"> - tourist information centers - property management 	<ul style="list-style-type: none"> - complementary infrastructure - tourist accommodation - gastronomy infrastructure

Source: Own case study

4. Conclusions

Changes introduced after 1989 that brought expansion of the scope of tasks of local self-governments in the development of the tourism economy in regions caused a lot of important changes in the behavior of self-governments in this sphere. Self-governments more and more often search for new solutions initiating development or improvement in the condition of the tourism economy in order to cope with demands of the market. The performed research proves that self-governments became an important entity in the development of the local tourism economy in all of the studied regions. Participation of self-governments in the development of the tourism economy is manifested not only in the implementation of tasks defined by the act but often also in undertaking voluntary economic initiatives individually or in cooperation with other entities. The participation of various entities in the development of tourism often requires assuming the function of initiator and coordinator of planned activities by representatives of local self-governments. This is because self-governments in a broad degree are able to activate various communication, financial, and organizational tools that favor common activities. At the same time, formal competences attributed to self-governments impose on them the obligation of efficiently using all resources in development processes that occur.

Self-governments play the most important role in influencing the elements of a direct tourism economy, such as monument protection, sport and recreational infrastructure, promotion and cultural offer of regions, and the elements of the indirect tourism economy, such as public safety or cooperation with non-governmental organizations.

The degree of involvement of self-governments in the development of the tourist economy is diversified, but it is not dependent only on the natural attractiveness of regions / subregions. In all regions, regardless of their degree of attractiveness, there are the same self-governments that declare active participation. There are also self-governments that declare a lack of involvement in the development of the tourism economy and limit themselves only to execution of obligations resulting from appropriate regulations. Therefore, the thesis assumed at the beginning of the paper should be considered verified. More and more self-governments, whose activity in the sphere of influencing tourism of which was insignificant before, try to imitate patterns of behaviors of local governments in which the tourism economy became the stimulus of local development, although their natural resources do not always favor this development.

It is observed more and more often that self-government in communes that are less attractive from the point of view of tourism decide to support the

development of the tourism economy. The lack of natural resources either facilitates nor excludes development of a tourism economy in a particular area. Social potential is a specific good that plays the role of the factor that modifies the functions of regions and subregions. And then invention and cooperation of various local entities becomes the fundament for the development of the tourism economy.

A large group of representatives of local governments notice the role of the tourism economy in the region/subregion and profits it brings in for social and economic development. 84% of respondents think that the tourism economy is an essential factor influencing local development. However, in almost half of the regions, possibilities of tourism-economy development is not fully exploited.

Complexity and multidimensional character are problems associated with defining, analyzing, and studying the interests of local self-governments. Despite the fact that authors working on the problems of functioning of local self-governments often use the notion of “interests”, they do not make an attempt to define it. It occurs that the problems with accurate description of indicated notion occurred when it was introduced into the language of science. At the turn of several centuries, the meaning of “interest” has significantly changed. Nowadays, it is so frequently present in our colloquial and scientific languages that its sense is considered as generally known and intuitively understood. Yet, there is no uniform interpretation of the category of “interest”, and this brings incoherence into considerations in which it appears.

In the case of units of local self-government, problems with definitions are intensified mostly by an abundance of entities that are included in the group of their stakeholders. The example of commune, a fundamental unit of local self-government, lets us understand the questions that occur before a research process is started, including the necessity to create a fundamental system of notions. Knowing that the commune is a community formed by various entities (inhabitants, enterprises, non-governmental organizations, self-governments, public institutions, etc.) and/or groups of entities, how should we identify and study its economic interests? Should we identify them as some entirety, a collective entity that is composed of entities connected by a common interest? Or rather as interests of particular groups or individual local entities or all of their stakeholders? Is there any hierarchy of interests (somebody's/some that are more important than others? Should some of them be subordinated to others? It is natural that the interests of particular entities or groups do not need to be coherent, and conflicts between them are inevitable? What significance does it have for management of local self-government units? How does it influence the commune's interest as a whole? The presented questions should not be treated as a complete collection, but only as an illustration of the difficulties encountered by researchers of

local self-government interests. The answers to the aforementioned questions, and those that have not occurred yet in this case study but that concern analyzed problems, constitute an interesting research field. Direct studies associated with them can support units of local self-government in more effective management and realization of the purpose of their existence. They can facilitate creation and/or supporting relationships with entities that are important from the point of view of the interests of local self-government. However, the world ruled by interest has to provide the feeling of predictability and stability that, in the changing conditions of the functioning of local government, is also a tempting perspective for researchers.

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