Introduction

There are growing dissimilarities in regional development within Poland, especially between metropolitan and the neighborhood areas. Evidence of this is seen in discouraging social-economic characteristics like: unemployment, migrations, relatively impoverished local populations, low productivity and territorial accessibility (Krajowa, 2009). Development potential in peripheral areas is rather small and limited by these realities. Eventually, they become barriers to development. To overcome these barriers external policy interventions are needed as a part of the regional policy on the national and regional levels.

The term: “peripheral area” refers to the theory of cores and peripheries (J. Friedmann). In this theory the “cores” are the territorial social subsystems generating innovations, whereas the peripheries are the regions located outside the cores (Domański, 2005).

Peripheries are recognized at the national and inter-regional level. Development tends to concentrate within peripheral areas around their centers making them important development cores of secondary regional importance as they do not take part in creating the major development force at the national level (Wojnicka, 2009). This is why we call peripheries the areas located not only outside metropolitan centers but also outside larger cities. They are activated by other regional urban centers indicated in the country’s national document: “The Concept of the Spatial Development of the Country” (Krajowa, 2009).

This paper draws upon the author’s experience with work on a strategic planning on commune (gmina), county (powiat), voivodship (województwo) level, and combines researched bibliography, documents on statistics (for the whole researched area) and also uses the results of questionnaires compiled by the local County Office of Labor (Powiatowy Urząd
Pracy – PUP) for the peripheries in the Pomeranian region in Kościerzyna, academic experience and particular student projects at the Faculty of Architecture at Gdansk University of Technology. In addition, research was done for this article in three voivodships in northern Poland: Pomeranian (Pomorskie), Warmian-Masurian (Warmińsko-Mazurskie), West Pomeranian (Zachodniopomorskie).

1. General Description of Northern Poland

Within the three voivodships studied there are two metropolitan centers: Gdańsk (Tricity) Metropolitan Area and Szczecin Metropolitan Area. The third big city, Olsztyn is not considered a metropolitan urban center. Defining the borders of metropolitan regions is not easy because of the ongoing process of adopting the national plan: “Concept of Spatial Development of the Country” which is supposed to specify them. The aim of this article however is not to identify the borders but rather take into consideration those boundaries already researched in the recent publications and analyzed by the author (Krajowa, 2009). As a consequence there are six NUTS3 subregions identified as a part of peripheral region: elbląski, elcki, koszaliński, słupski, starogardzki and starogardzki, the part of subregion olszyński (without the Olsztyn Land County and Olsztyn city) and the part of subregion szczeciński (without Szczecin City, communes around Szczecin and communes: Międzyzdroje, Police, Świnoujście, Stepnica). Statistic data will be provided for the six specified above subregions.

The case study area for this paper is mostly located in the coastline zone of the Baltic Sea, on the area of two voivodships (provinces): Pomeranian and West Pomeranian (województwo pomorskie and zachodniopomorskie). The biggest area is the Lake District area of Pomerania and Masuria. It is characterized by diverse land reliefs, lakes, forests, making the location very attractive for tourism.

Lands recovered after II World War and left by German population are a considerable part of this project’s researched area. After the war the area was settled by Polish population coming mostly from lands occupied by Soviet Union. As a result there was a big participation of state rural farms (PGR- Panstwowe Gospodarstwa Rolne) in all developed country areas. Structural government transformation to market economy has caused their decay. This is seen in the form of high joblessness in the country areas and the related problems of social dysfunction.
(inaction, alcoholism) as well as personal and inherited poverty. Loss of work by entire families has started decreasing the demand on the local service sector.

On the positive side, the seaside location of this area provides a high tourist attraction to the coastline. The local economy however remains constrained by a reduction of the Baltic fishing fleet due to protection of Baltic Sea stock of fish and resulting limitations on fishing trips.

### Tab. 1. Characteristic of area of six subregions NUTS3

<table>
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<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Towns</td>
<td>Total</td>
<td>Towns</td>
</tr>
<tr>
<td>Elblaski</td>
<td>530</td>
<td>310</td>
<td>59</td>
<td>98,1</td>
</tr>
<tr>
<td>Elcki</td>
<td>284</td>
<td>165</td>
<td>58</td>
<td>97,3</td>
</tr>
<tr>
<td>Koszaliński</td>
<td>592</td>
<td>365</td>
<td>62</td>
<td>97,2</td>
</tr>
<tr>
<td>Slupski</td>
<td>480</td>
<td>263</td>
<td>55</td>
<td>99,2</td>
</tr>
<tr>
<td>Starogardzki</td>
<td>375</td>
<td>211</td>
<td>56</td>
<td>98,3</td>
</tr>
<tr>
<td>Total or / Average</td>
<td>2 750</td>
<td>1 578</td>
<td>57</td>
<td>98,8</td>
</tr>
</tbody>
</table>

Source: Central Statistical Office – Regional Data Bank of GUS and author’s calculations.

The above table analyses the study area’s population as simplified for 6 subregions NUTS3 for years 1995 – 2009 (decreased in total and for all sub-regions in towns). Reduced migration explains the decrease of urban population. It has occurred in 85% of small towns (population up to twenty thousand). The result of this is a negative natural population growth in 1/3 of small towns (Soltys, 2010a).

The Gross domestic product (GDP) valued for the researched area and simplified to 6 subregions NUTS3 in 2006 was 80% of average national GDP including.

2. **Mechanism of Activation.**

When analyzing factors of activation it is proper to start by understanding the mechanisms of economic development in the region (fig. 1) and the model of a scenario of area activation.
Businesses are the engine of development, but their success lies in their underlying potential and market advantages. It is important for analysis of development characteristics, as visible on a scheme, to divide the activities into exogenic and endogenic activities. Development of exogenic activities depends on external factors that are very diverse and changeable. They depend on global trends and on the specifics of given sector (including phases of development cycles of products within the competition).

Endogenic activities tend to spread out if demand for their products grows. This requirement is a big barrier to the development of a sector. This is a significant issue because most local firms act in this sector and new firms also tend to function in the same way.

Start-up of activities in this sector requires growth in the purchasing capacity of a population or overall growth in the demand of new firms and institutions. So, the possible savings to be started by getting the new services on peripheral areas is rather small. The growth of endogenic demand theoretically can be created by:

1. Development of services in the public sector resulting in growth of the employment and demand on some commercial services;
2. Growth of real wages in a budgetary sphere and pensions;
3. Growth of revenues of employees or decrease of numbers of workers and growth of firms’ demand some commercial services

Growth described in points 1 and 2 is mostly slow and unlikely to happen in times of crisis. Growth from point 3, can bring mainly the development of exogenic activitivities as a first activating impulse. In the endogenic sector development initialized by itself is theoretically possible, if production capacity of work were to grow from within. From the point of view of slow action or small probability of the process it is not possible to recognize it as an initiation of activation of peripheral areas (Sołtys, 2010b). However, endogenic sector can take part in a process of activation initiated by exogenic sector. Along with growing demand on local services and construction, the endogenic sector will be developed.

Sometimes towns can be activated by central functions (activities) meaning services (sometimes also production, but in small scale, e.g. bakeries). These favor some towns and their surroundings. Functions are endogenic in the scale of region, but for individual towns – partially endogenic, partially exogenic with the so-called standard distinguished from remaining exogenic – i.e. specialized. A majority of these functions are located in centers creating a hierarchical system, in keeping with Christaller’s theory but with more and more services located in ways incompatible to that model. This effects the development of easy accessibility. This hierarchic model is reinforced by administrative divisions. County level is the most important in the analyzed scale. Capitals of administrative counties concentrate not only offices and courts, which service distance is settled within borders of administrative counties, as well as many others services like upper middle schools, hospitals and medical clinics, bank agencies, big commercial stores, some objects of sport and culture activities. Coverage of services depends on free choices of clients, but its size is approximated to the administrative county area.

It is possible to indicate the upper regional level of services centers, between regional and county. It is not always recognizable as it does not exist in administrative division. Individual cities\(^1\) have bigger or smaller sets of higher regional services. As an example several of them are found only in voivodship but not in each county (poviat) town. They consist of: hospitals

\[\text{\footnotesize \textsuperscript{1} For the purposes of this paper cities are larger than towns. As there are many technical ways to define the difference more precisely, the distinction in this document should be considered conceptual.}\]
with specialistic departments, greatest sports and exhibition centers, colleges and college or university departments.

Changes in the location of services are related to demographic, organizational, new technologies. More contemporary changes mean their development factors should also be analyzed. It is possible to explain the reasons why in the small towns the majority of cinemas collapsed during the last 20 years, but the number of multi-cinemas has grown in greatest cities.

Perhaps, multicinemas and aquaparks will become typical at the sub-regional level. The centralization of the commerce through great surfaces objects, network objects leads to a regression of some types of commercial uses. Growth of centralization is visible in a public health realm: a big number of objects is replaced by smaller but furnish with better specialized equipment. A reverse process has started in the university educational system with the exception of university centers, in sub-regional and county (poviat) centers. Many private high schools have been installed as well as university departments. This has happened due to a dynamic growth in the number of students in Poland. For some colleges and universities problems will occur because of a demographic decrease which will cause weak schools to fall. It will also weaken some towns that have tried to position their educational infrastructure as an engine for city and town growth. The outcome of all these factors is that the development of the central functions of the city, especially in subregional centers, can activate their surroundings, but their endogenic role at the regional scale should not be the initial impulse for development. Development of exogenic, or so-called specialized functions can initiate the activation. Process of activation in the area can be provided as indicated in fig. 2.
3. Conditions and problems of activation the analyzed area

The above chapter suggests there are issues related to the activation and the exogenic factors of the development of activities. There are not many. One analyzed area indicates the factors of development are evident values for tourism, but they are mainly seasonal. The tourist season at the seaside lasts only 2 months but in the lake counties it is several months. Some facilities and the health resorts are year-long. The main purpose of these resorts is health care but their manner of functioning is similar to tourism. In fact, health related tourism is assuming a secondary function. The development of tourism is further reinforced by the
growth in revenues of related businesses. The population also gains by boosting demand on market services and starting up the new development of them. However, this increase of permanent work-places is small. Touring tourism can spread out by most of the year, especially in some towns, but except few towns (Malbork, Frombork) the coverage and scale of tourism seems rather small.

Therefore, the main way to activate an area to realize the biggest increases not only in revenues, but also employment, would be development of industry and services in the exogenic specialized sector. This can be done through the involvement of new or existing local or external businesses. It remains an open question which category of businesses should be supported. Taking into consideration the diversity of businesses is very important as shown in a table 2 and at the same time the distribution of sector of activities – overwhelmingly (or exclusively) endogenic or exogenic.

Table 2. Conditions of development different segments of firms as the factor of activation

<table>
<thead>
<tr>
<th>Segment of firms</th>
<th>Sector</th>
<th>Conditions of development as the facto of activation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local firms recently started</td>
<td>Mainly endogenic</td>
<td>Capital weakness, lack of experience and other barriers of entries; mainly endogenic sector– demand barrier.</td>
</tr>
<tr>
<td>Existing local firms – different sizes</td>
<td>Endogenic and exogenic</td>
<td>Small number of big business and strong SME</td>
</tr>
<tr>
<td>Existing plants of external firms</td>
<td>Endogenic and exogenic</td>
<td>Capital availability and know-how experience. A threat of displacement of activities to another location. In the endogenic sector – a threat for local firms.</td>
</tr>
</tbody>
</table>

Source: Author’s own research.

Politicians speak about supporting new enterprises and the need to simplify the creation of new businesses. Meantime such businesses can initiate development modestly as seen in the table. New construction can only have an exogenic character from the most common kinds of activities (for coverage of services wider than local). Besides, liquidation or decreases of employment accompany creation of new businesses - this is a natural and normal process – and not a substitute for development itself. Saturation of new firms in many areas already happened as the number of firms does not increase today.
Various factors impact the ability of businesses to take advantage of opportunities and affect the scale of growth in exogenic sector activities. This somewhat correlates with the size of businesses. Small firms have a very poor ability to obtain credit and usually can’t afford to employ specialists in marketing and strategic managements.

One of the main problems with the study area is the lack of robust businesses that are able to start constant and stable development made possible by a high volume of growth (Soltyś, 2010b). The ability to hire new staff improves with the amount of businesses (the author’s analysis, 2007). Small and medium businesses are considered to be strong engines in any economy, particularly in firms with up to 250 employees. There are not many small businesses indicated in table 3, because the table includes all so called units of national economy, such as public institutions.

### Table 3. Units of national economy for population of 10 000

<table>
<thead>
<tr>
<th>Areas</th>
<th>Total</th>
<th>A number of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metropolitan and others-well developed</td>
<td>1046</td>
<td>1144</td>
</tr>
<tr>
<td>Peripheral – the country</td>
<td>770</td>
<td>826</td>
</tr>
<tr>
<td>Peripheral area of a study case – 36 subregions NUTS3</td>
<td>830</td>
<td>907</td>
</tr>
</tbody>
</table>

Source: Central Statistical Office – Regional Data Bank of GUS and author’s calculations.

A small number of strong businesses acting in peripheral areas require external investors to play a big role in their growth and stability. To do this they need to offer attractive and competitive conditions (for more info go to chapter 7) as well as good transport accessibility. Highway intersections and fast roads are important location factors for new investment. There is a tendency to locate small and medium plants near local roads with a distance of up to 5km from the nearest highway intersection. For larger plants this distance is 15 km (Uwarunkowania, 2000). Considering the accepted travel distance of 30 km to get to work it is possible to set up the effective impact areas of a highway intersection as 30-40 km (Soltyś, 2010b).
The most problematic areas are those outside active cores, sub-regional centers, highways, express roads and tourist areas. There are also concerns of existing development factors that may negatively impact viability. What they are? How is it possible to activate these areas? Is it possible that growth may occur there and what way? New regional policy run by Polish government (Krajowa, 2009) combines searching for endogenic resources together with external intervention.

4. The role of towns in activation of peripheral areas

Towns have a special role in activating peripheral areas. The following arguments for it are:

- Towns develop their own central functions. The rank of a town center is correlated with its size,
- In towns it is easier to localize the majority of new investments, from the point of view of:
  - The infrastructure – it is easier to extend existing infrastructure than create new infrastructure such as in a village area with poor basic service.
- Towns have existing and easily available workforces.
- It is easier to get new staff from outside to the city into it given good access to services and good social environments (i.e. suburban life is considered good)

- There is better accessibility to towns from activated areas. Towns usually have good transportation connections with their peripheries. Big concentrations of work-places in a rural area can initiate new transportation infrastructure, but this does not necessarily provide a better access from many other villages because of small demand. For towns, especially county/poviat towns, the flows of traffic are bigger causing the bigger number of towns being connected to a transport network. Comprehensive transportation networks are an important factor in area activation because of low car ownership, especially in poor peripheral areas. No car and limited public transport options are barriers to getting jobs.

5. **Dilemmas of regional policy in relation to towns**

It is uncertain which towns should be encouraged to activate their peripheral areas. The question is which factors should supported and where? There are two variants of policy that should be considered:

1. Improving the development factors in towns that already have started to activate functions (e.g. creation, or strictly help to create the investment fields at the transport knots, location of public services with a subregional nature that fulfill a subregional center).
2. Creation of new centers and new factors in them (e.g. the creation and promotion of investment areas in peripherally located towns, location of a public service with a subregional nature in the town without any services of this level).

Variant 1 is, in principal cheaper, but its realization is supposed to happen even without the support of public resources at the higher local level. Acting on the regional level can be reasonable. A chance of activating new areas is the advantage. This can predetermine the choice of variant 2. It is uncertain if land created for investment can be attractive enough to make investors come. These two directions of regional policy do not have to be treated as mutually exclusive alternatives. It is possible to use both variants in one region, in different ways. In specific cases variants can become alternatives because of the low existing means (Sołtys, 2010b).
The next dilemma is how many centers should be chosen to activate a development? How they should be located? It is possible to consider following model options:

1. Many small activating centers,
2. Not many activating centers, but at least strong.

The first option creates easier accessibility of such centers for future employees by lowering the cost of travel distances. Having an able and willing workforce is not enough. According to research in jobless populations such as in Kościerzyna (research done for PUP), 90% of respondents declared themselves ready to take jobs, but only 60% of the county has adequate transportation (Analiza, 2007). These numbers are also similar and confirmed by other county/poviat areas as well.

There are several characteristics for both options. For many small centers (option 1) – they are:

- Smaller towns have the lowest attractiveness of investment.
- Smaller towns have the worst accessibility (i.e. lower quality roads).
- Smaller towns are not so easy to promote (it is easier to focus on getting one known investor for a single investment area).
- Smaller towns have higher overall costs because infrastructure is divided in smaller surfaces requiring more adjustments.

Regional policy can be developed from “regional daytime areas” which is an upper measure of everyday trips to work and to schools. These trips are approximated to county (poviat) towns where the accepted trip distance to work is a maximum of 30 km. This indicates the extent to which peripheral areas on county towns can be activated. In some cases it can be reasonable to specify other centers of activation too, determined by aspects like: distance, the size of the city and transport accessibility (Soltyś, 2010). The next dilemma of regional policy is whether it is better to build new centers or improve access to existing ones?

An analysis of geometric dependences indicates that giving up developing centers in favor of improving access to neighborhood center extends the trip distance by up to 150%. Investing in modernization of transport instead of investing in a new center is an acceptable alternative in exceptional cases such as aspects involving dramatic improvement of transport (a fast speed road or railway system) or, the high costs of investing in an existing weak center. Often
this is not a difficult choice because in practice transport projects can be justified in many ways. Such improvements are funded from many in public financial sources including European Union funding. These costs are justified by a desire to upgrade the road infrastructure and for related technical conditions. It would be hard to evaluate the role and efficiency of them for activation only.

6. Scenarios of evolution and activation of the area

The evolution of peripheral areas should take into consideration the following paradoxes:

- In big cities the cores where demand on work will grow the most and natural population growth is negative.
- Peripheral areas are characterized by positive natural population growth, especially in villages, but such locations do not have enough of jobs and positive stimulators of economic development.

Migration from peripheral areas should be logical outcomes of the above-mentioned situations, especially from countryside to metropolitan areas. In Poland such movements meet at least two barriers for emigration: residential and mental. According to the research made on unemployed population in Kościerzyna, the 18% of respondents claim to being ready for migration within the voivodship/province area, 12 % to other provinces and 21% abroad (Analiza 2007). It remains an open question if and when market forces can overcome the desire to move.

Keeping the above conditions in mind, it is possible to define following possible scenarios:

**Scenario of threats:**
1. Big emigration and regress – resulting in declining development. In this situation active and better educated people will emigrate. This scenario is likely if barriers to migration have been overcome.
2. Small emigration and stagnation – combined with growing unemployment and other results making development of the peripheral area difficult.

**Scenario of chances:**
1. Moderate emigration together with local development. This raises questions on what kind of development is possible, and if so, then would it be local enterprises or external
investments that would help growth? If based on local enterprises, then what sectors and segments would be most supportive?

**Scenario of moderate chances** is quite realistic but with the optimism it can be described in the following way. In some locations businesses in the existing exogenic system give impulse for further development and activating the area.

Regional planning indicates:
- Sub-regional service centers – that are supposed to accommodate sub-regional public needs and to create conditions for location of sub-regional commercial services
- Active centers – support creation of new investment areas, promote them and improve other activities raising the attractiveness of the town and its investment potential.

In some of above areas it is possible to reach new external investments, in others not (they are partially used by local businesses). Developing exogenic actions in steps activates the neighborhood as shown in a fig.1. The activating process is uneven and does not include the peripheral areas.

**7. Directions of activating actions**

Important actions for town development and the development of neighborhoods depends on adopted regional policy and is influenced by the following directions:
1. An intensification of local exogenic sector competitiveness.
2. Investment attractiveness to external investors.

In direction 1, the competitiveness of small and medium size firms must improve. This means promoting innovations, participation in exhibitions and trade shows, creating clusters and networks of cooperation. A positive outcome can mean small firms grow into medium sized ones.

Direction 2 requires the need to create competitive conditions for external interest, including transportation improvements, the construction of new infrastructure, the promotion of investment areas, education of staff and actions that favor the enrichment of so called soft locational factors. Such conditions not only enhance economic activities but also improve the
overall living conditions in the town. These are all important for external interests to come. The other attributes of towns, such as an attractive natural environment, the landscape, the quality and attractiveness of services including public and recreation areas, the functionality of spatial structure, as well as the ability to relocate are also important. Kolodziejski (1999) mentioned the need for the efficient functioning of place including a proficiency of management, pointing to the fact that the ability to predict behavior and decisions brings confidence.

The preparation of investment locations and their promotion for investment requires the cooperation of different actors. Among them: governments on different administrative levels, This is needed to:

- Rank centers using the criterion of scale and coverage of possible activation effects - typical for the regional scale
- Improve the transportation access to the activating centers - typical for different administrative levels, depending on a class of the road (national, regional, sub-regional, local)
- Administer railroad lines centrally, regional rail transportation is co-financed by provincial authorities
- Some services and operations improve the overall investment attractiveness of a town. Often this is in the hands of the county government, the County Office of Employment and other county institutions: such as schools and educational courses for adults. These raise the overall level of professional qualifications and competence. Services such as professional counseling help the unemployed find jobs.
- Preparing legal activities (i.e. local spatial development plans) and building town infrastructure – building in town administrative competences at the local level. Such improvements raise town attractiveness and its image.
- Enterprises of towns in coordination with regional, national and UE policy supported by external finances, mainly European.

Public-private partnerships are rare in practice. It requires experience and ability to negotiate. The new act on public-private partnership is less restrictive than a previous one, and is legal only since 2008. There is still a small credibility in Poland for this form of investment.
The ownership of the land plays a big role in creation of new investment areas with a special status within Special Economic Zones. Limiting investment to state lands only can lead to incidental locations and limited utilization of places representing the fairest values.

8. Conclusions

The exogenic sector can help start the development of peripheral areas. The endogenic sector can be part of a development process that results in the growth of revenues, resident and working population and businesses that create demand. It is important that at least a small number of strong firms in the peripheral areas succeed. This will create conditions for getting essential outside investment. Towns play a key role in this. The regional daytime area based on county towns can be used as a unit to measure the success of activation. Interventions coming from regional policy should be diverse, taking into consideration development factors that help fulfill as well as forecast results. Spatial analyses should facilitate the biggest interventions.

The spatial development plans of provinces should establish elements of residential networks according to two criteria: important places in a system of regional service activities (sub-regional) and the role of development and activation to bring centers success. Part of the content of this article is hypothesis.

There is a big need to research the efficiency of how different actions impact regional policy in different spatial configurations. Among others, monitoring of development of new ventures undertaken under European Union’s directives can become a basis for information that includes good indicators.

Bibliography:


Resume:

In Poland there are big differences between the levels of development of metropolitan areas and those of other areas located outside the big urban centers (on peripheral area). There are also great differences in opportunities to develop cities including the location of new investment.

Poland’s development thus requires the contribution of regional policy resources. Dilemmas of regional policy that are of most interest of the author, are: 1) which towns should be supported to activate peripheral areas in the best way? And 2) What transformations of the town area should be supported within that policy? The author analyzes these problems and dependences and continues to work on various scenarios by which peripheral areas can be activated.