THE ECONOMIC DIMENSION OF REVITALISATION IN POLAND – LOCAL AUTHORITIES’ PERSPECTIVE

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ABSTRACT

Motives: The paper focuses on economic aspects of revitalisation of distressed areas and discusses results of the first and so far the only one survey on the subject conducted among the local governments in Polish municipalities. The article continues our previous research on sustainable revitalisation and focuses attention on one dimension of revitalisation – the local economy. We propose an innovative framework for economic revitalisation, which has been positively verified on the basis of the analysis of research results. The article also explores the views of local authorities on entrepreneurial participation in revitalisation.

Aim: The main objective is to develop a research method for analysing economic revitalisation and to identify local authorities’ perception of priority policy interventions for economic revitalisation in Polish municipalities. We also aim to verify the scale of entrepreneurs’ involvement in planning and monitoring revitalisation.

Results: Respondents show higher appreciation for economic revitalisation approach based on renovation and modernisation of buildings and technical infrastructure. The integrated approach to economic revitalisation was indicated by the fewest respondents. The low level or total lack of mobilisation of the business community around revitalisation in economic dimension can be considered as significant threats to the achievement of its objectives.

Keywords: sustainable revitalisation, local economic development, economic revitalisation, participation, local authorities

INTRODUCTION

Besides destruction inflicted by the World War II, historical breakthroughs and downturns that overshadow the current situation and development perspectives of Polish municipalities constitute the legacy of the previous communist system (Stawasz & Sikora-Fernandez, 2016). After the collapse of the People’s Republic of Poland (Poland’s former socialist system – prior to today’s democracy) social and economic effects of transformation left their traces on Polish cities and villages (UMiRM & GTZ, 2003). Since the early 1990s Polish cities began to experience problems stemming from social and economic consequences of the collapse of traditional industries (Gawronska et al., 2019; Przywojska, 2021). Urban
structures shaped under such circumstances have become a barrier to the local development (UMiRM & GTZ, 2003). At the same time, the phenomenon of suburbanisation occurred in Poland, stimulated by the change of political and economic orientation within the liberal and capitalist trends. The political transformation included, inter alia, the release of property, which led to changes in the management of space and the emergence of a new offer of land for housing purposes in suburban areas. The consequence of these transformations was uncontrolled urban sprawl and further degradation of the central areas (Bienkowska & Korpetta, 2015).

The revitalisation has become a fairly common local policy instrument in Poland deployed to support the development and transformation of deprived urban and rural areas (Jarczewski & Kulaczkowska, 2019). The data presented by the Institute of Urban and Regional Development (Instytut Rozwoju Miast i Regionów, IRMiR) show that revitalisation is carried out in almost 55% of municipalities (Jarczewski & Kulaczkowska, 2019).

Sustainable revitalisation should mean an integrated vision and undertakings designed to resolve complex territorial problems and resulting in a lasting improvement in the economic, physical, social and environmental condition of a run-down neighbourhood (Chahardowli et al., 2020). Its key components are local partnerships empowerment and involvement of the local community (Brunetta & Caldarice, 2014; Doyle, 2004; Huston & Darchen, 2014; Roberts, 2000; Woolrych & Sixsmith, 2013). In Poland, revitalisation remained without a legislative framework for many years. The real breakthrough came with the adoption of the Revitalisation Act in 2015, which defined the principles and procedures for preparing, conducting and evaluating revitalisation. The legal definition of revitalisation in Poland assumes that it is a process of bringing degraded areas out of crisis, conducted in a comprehensive manner through integrated actions for the benefit of the local community, public space and local economy, territorially concentrated, carried out by revitalisation stakeholders on the basis of a communal revitalisation program (Act of 9 October 2015 on revitalisation, 2015). In this frame, revitalisation should be perceived in municipalities as a stakeholder-engaged method of action aimed at bringing neglected territories out of crisis and restoring all the functions they had previously lost, including, of course, economic functions.

In the light of the above mentioned polish Revitalisation Act, the local economy is an important area of sustainable revitalisation. In the legal definition of revitalisation the economic dimension is clearly specified and negative economic symptoms, in particular low entrepreneurship, poor condition of local enterprises and unemployment, are indicated as main criteria for distinguishing degraded areas in municipalities.

The main objective of the conducted research is to develop a research method for analysing economic revitalisation and to identify local authorities’ perception of priority policy interventions for economic revitalisation in Polish municipalities. We also aim to verify the scale of entrepreneurs’ involvement in planning and monitoring revitalisation. The paper seeks to answer the following research questions: (1) Which objectives and corresponding lines of action lead to revitalisation in the economic sphere? (2) How local authorities perceive the importance of economic revitalisation activities? (3) How do local authorities perceive the participation of business entities in revitalisation planning? (4) Are representatives of business units involved in the programming and monitoring of revitalisation?

The paper is structured as follows: the next section presents a review of literature devoted to economic aspects of revitalisation and participation of entrepreneurs in planning and managing revitalisation programmes. On the basis of the literature review we propose a conceptual framework for economic revitalisation, which we validate with the results of a survey conducted among representatives of the authorities of Polish municipalities.

Section Materials and Methods discusses research assumptions adopted for the identification of economic revitalisation approaches in municipalities. Therefore, we analysed the opinions of representatives...
of local authorities on the activities undertaken as part of economic revitalisation and the participation of business entities in this process. Quantitative research was carried out using the survey technique among 1,236 municipalities, 598 of which carried out revitalisation activities. Taking into account the legal conditions of revitalisation in Poland, the study covered urban and rural communes. We wanted to identify similarities and differences in the perception of economic revitalisation approaches among authorities of different types of territorial units. The main research results are presented in section Results and discussed in section Discussion. The article closes with conclusions.

LITERATURE REVIEW

The literature review provides interesting conclusions regarding the economic dimension of revitalisation, especially the perception of the relevance of its objectives and actions. In general, economic regeneration is a method of rebuilding a place to make it more economically successful (Mapes et al., 2017; Prusik & Żróbek, 2014). The process aims to stimulate the local economy and to ensure the sustainability of the urban system. Wagner, Joder, and Mumphrey Jr. (2016) observed that one of the weaknesses of urban regeneration policy, and programmes related with it, is that it does not develop human capital. Human capital is understood as a resource of knowledge, skills, health and vital energy contained in each person and in society as a whole, determining the ability to work, to adapt to changes in the environment and the ability to create new solutions. Many strategies that have been developed with revitalisation in mind, focus on the physical reconstruction of declining infrastructure. They also use grants and tax allowance schemes to attract business and investment capital (Couch et al., 2011; Noon et al., 2000). The most high profile aspects of this regeneration was the ambitious re-making of urban space typically in the form of one-off flagship projects such as conference centres, upmarket leisure and retail complexes, sports stadia, casinos, aquaria, cultural facilities, often combined with high-quality offices in multi-use complexes (Barber & Pareja Eastaway, 2010). Some authors point to the potential of urban transport infrastructure projects that indirectly work as a catalyst for the development and redevelopment of urban areas as well as the economic regeneration of declining areas (Gospodini, 2005; Lawless & Gore, 1999).

In contrast to an approach based on physical reconstruction and financial incentives, the idea of investing in human capital is less popular (Barber & Pareja Eastaway, 2010; Wagner et al., 2016). Meanwhile, spatial inequalities, limited education, a changing economic landscape, and poverty are key problems that accumulate in city centres (Syrett & North, 2010). These problems can be overcome precisely by investing in human and social capital of local residents. Also Jargowsky (1997) argues that investment in education and training should be a key priority in revitalisation. McGregor and McConnachie (1995) emphasise the need for a multi-sectoral approach to bring about economic reintegration in excluded areas. They advocate that revitalisation programmes should include, inter alia: support to education, general human resource development, vocational training targeted at specific sectors within the local labour market, enterprise development and job creation, the so-called intermediate labour market creation, support given to enabling programmes (child care, transport subsidies, etc.). Literature suggests that urban regeneration policies should also take into account the improvement of mental (Kearns et al., 2020; Zapata-Moya & Navarro-Yáñez, 2021) and physical health of residents (Baeza et al., 2021; Kearns et al., 2021). Investment in human capital is a human-based strategy, while physical revitalisation projects and financial incentives are place-based. Although we might assume that one of these two approaches is more effective, we (like other researchers: Fainstein & Markusen, 1993) oppose this and claim that the choosing between people and places is a false dichotomy.

Research studies on economic aspects of revitalisation, in particular those focused on supporting the development of entrepreneurship and network
connection in run-down neighbourhoods, also emphasise the embeddedness of companies from the revitalised area (Bensemann et al., 2021; Souliotis, 2013; Welter et al., 2008). With regard to revitalisation, social capital is the “glue” which helps to foster the local embeddedness of entrepreneurship; and trust, an important trait of social capital, is the “lubricant” without which networking would not be possible (Anderson & Jack, 2002). Successful economic regeneration is therefore not possible without supporting the development of social capital and network organisation of entrepreneurship (Welter et al., 2008). This approach should be applied to both start-ups and existing businesses as well as external investors. Designing pathways for economic revitalisation requires taking into account that the creation of new economic structures is rarely an entirely ‘new beginning’ and that it cannot be understood without priorly taking into account economic, social and spatial structures, local knowledge and competences and existing spatial relations (Gwosdz et al., 2020).

Many researchers stress the importance of economic objectives of revitalisation and the need to provide conditions for the development of economic activity. In addition to research focused on the linkages between gentrification and revitalisation (Axenov, 2014; Bernt, 2016; Brown, 2014; Drozda, 2017; Groyecka, 2014; Ha, 2004; Jadach-Sepioło, 2007; Lees et al., 2013; Pobric & Robinson, 2019), the issues of generating urban land rent (Markowski, 2014) and stimulating local entrepreneurship, especially the formation of entrepreneurial attitudes among disadvantaged (Battaglia & Tremblay, 2011; Bobadilla et al., 2019; Varady, Kleinhans, & van Ham, 2015) are also explored.

On the other hand, the evaluation report of the revitalisation system in Poland indicates that by 2018, more than 2 thousand revitalisation undertakings were planned in Polish municipalities and concerned the economic sphere, while only 16% of them were realised (IRMiR & Ecorys, 2020). This was explained by the fact that local economy is a more difficult and less urgent dimension of revitalisation than the other dimensions: social, technical or spatial. In addition, the authorities of Polish municipalities depreciate undertakings of an economic nature in the revitalisation process. In terms of activity in economic revitalisation urban municipalities are most prominent, especially cities with county rights, where activities stimulating the local economy are concentrated. In rural municipalities, on the other hand, economic revitalisation is completely neglected.

Researches also point to the progressively prominence of the inclusive and effective involvement of the community and citizen participation in economic revitalisation (Ferilli et al., 2016; Raco, 2000; Sepe, 2014). Relying on local potentials and resources also means direct involving economic stakeholders in the regeneration process. Interaction and recognition of the needs and expectations of different stakeholders, including economic actors, is a necessary condition for the preparation of effective municipal revitalisation programmes (Dembicka-Niemiec et al., 2016; Li et al., 2020). Intersectoral cooperation and participation is therefore supposed to increase the effectiveness of revitalisation, its rootedness in the local environment and the relevance of selected projects (Kolsut, 2017). The above-mentioned scientific findings are reflected in the Revitalisation Act. It clearly states that community participation includes preparation, implementation and evaluation of revitalisation in a way that ensures active participation of stakeholders, among others through participation in public consultations and revitalisation committees. Among the key stakeholders in revitalisation, the act mentions entities conducting or intending to conduct economic activity in the municipality. Participation and cooperation as key principles for the implementation of urban policy in Poland, were also indicated in the National Urban Policy 2023 (MIR, 2015).
THE ECONOMIC OBJECTIVES AND ACTIVITIES IN REVITALISATION POLICY – CONCEPTUAL FRAMEWORK FOR ECONOMIC REVITALISATION

Within the context of this theoretical background, we offer a conceptual framework for economic revitalisation. We assume that the impact of revitalisation on local economy should include the following objectives: a) renovation of buildings and infrastructure as material base of economic activity, b) regeneration of human resources, c) regeneration of economic functions in the form of direct impact on business entities and d) regeneration of network connections within the economy of the distressed area. These objectives are the basis for our conceptual framework of economic regeneration. We attribute a specific actions to economic revitalisation objectives we have mentioned above (Fig. 1). Moreover, based on the provisions of the Polish Revitalisation Act, National Urban Policy 2023 and governmental guidelines, we assumed that for the proper course of economic revitalisation entrepreneurs should be involved (should participate) in its planning and monitoring.

In our approach, comprehensiveness of economic revitalisation means the need for simultaneous strengthening and regeneration of material and human resources, economic functions and development of economic network connections in the run-down neighbourhood according to the needs and possibilities of the territory in question. Material (infrastructural) conditions of conducting business activity, as well as human resources and entrepreneurial attitudes of the inhabitants, are the basic factors of entrepreneurship development and determine the investment attractiveness of the neighbourhood.

MATERIALS AND METHODS

Research assumptions

The article continues one author’s research (Przywojska, 2021) and focuses attention on one dimension of revitalisation – the local economy. From the 26 potential revitalisation measures that were the subject of Przywojska’s study, 13 measures that contribute to strengthening the local economy

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Fig. 1. Economic revitalisation objectives and activities relating to them – conceptual framework
Source: own preparation.

were selected for in-depth research on the basis of the literature review. In order to validate the assumptions in the conceptual framework for economic revitalisation and to determine which approaches to economic revitalisation are preferred by Polish local authorities, we carried out questionnaire survey. The questionnaire was completed by representatives of the executive authorities of Polish municipalities (mayors) as organisers of revitalisation at the local level. Respondents assessed the relevance of all 13 economic revitalisation activities included in the conceptual framework for economic revitalisation on a 5-point Likert scale ranging from 1 ‘totally irrelevant’ to 5 – ‘very much relevant’.

Validating the research tool, we check whether it has been properly developed. For this purpose we use a second order confirmatory factor analysis.

We assume that the mayors’ assessment of the importance of economic revitalisation activities will enable us to discover how local authorities perceive the approaches to economic change in degraded areas of Polish municipalities. We also tried to find out whether the type of municipality influences the perception of the local authorities.

In the study we also identified the assessment of the importance of economic partners for the course of economic revitalisation made by the respondents on a scale from 1 to 5, where 1 means that they are irrelevant while 5 that they are very much relevant to the planning and course of economic revitalisation.

We also wanted to learn whether entrepreneurs participate in revitalisation committees and how municipal authorities assess the importance of involving entrepreneurs in revitalisation.

Data collection

Data were obtained from a quantitative study carried out in Polish municipalities in 2018. The survey was a questionnaire-based research effort. Respondents could answer the questionnaire online or send its hard copy by traditional mail or e-mail. The survey was conducted on a representative sample of 1,236 Polish municipalities. All the subjects have provided appropriate informed consent. The sample structure included 15% of urban, 22.2% of urban-rural, and 61.3% of rural municipalities representing all voivodeships (regions). Out of the total number of municipalities covered by the analysis, 573 were engaged in revitalisation projects and they feature in analyses presented in this article (Table 1). Respondents were heads of villages, and mayors or persons delegated by them to take part in the survey. The data were analysed anonymously, therefore, the author had no access to personal identifying information.

Table 1. Municipalities engaged in revitalisation projects which took part in the research study by type (N=573)

<table>
<thead>
<tr>
<th>Type of municipality</th>
<th>Number</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban municipality</td>
<td>113</td>
<td>19.7</td>
</tr>
<tr>
<td>Town with a county (powiat) status</td>
<td>39</td>
<td>6.8</td>
</tr>
<tr>
<td>Urban-rural municipality</td>
<td>184</td>
<td>32.1</td>
</tr>
<tr>
<td>Rural municipality</td>
<td>230</td>
<td>40.2</td>
</tr>
<tr>
<td>Unspecified</td>
<td>7</td>
<td>1.2</td>
</tr>
<tr>
<td>Total</td>
<td>573</td>
<td>100.0</td>
</tr>
</tbody>
</table>


Data analysis

In order to determine the structure of revitalisation objectives and actions in conceptual framework, a second order confirmatory factor analysis was conducted. Two main indicators of composite reliability (CR) and average variance extracted (AVE) were calculated for the model.

In the next step of the analyses, respondents’ assessments for each activities group assigned to the economic revitalisation objectives, confirmed by the factor analysis, were averaged. On this basis, perceptions of economic revitalisation approaches of local authorities were identified. To analyse specific approaches, the survey results provided by 457 out of 573 municipalities (which were engaged in revitalisation activities and had complete data for given objectives) were taken.

To assess the impact of the municipality type on how they perceive different economic revitalisation approaches the Chi-Square test was used. In order to determine the nature of the differences between
municipalities, an additional test was carried out which took the correction of Bonferroni’s significance level into account. The significance level for the analyses was assumed to be $\alpha = 0.05$.

**RESULTS**

The validation of conceptual framework for economic revitalisation – second order confirmatory factor analysis

First, we checked whether the adopted structure of economic objectives of revitalisation is sufficiently suited to the data. In addition to the objectives set, we assumed that all of them are components of a single structure which is the economic revitalisation. Assuming such a two-stage revitalisation structure, a second-order confirmatory factor analysis was carried out for the 4 distinguished objectives, taking into account FIML (full information maximum likelihood) estimation due to the gaps in data provided in the respondents’ answers. The confirmatory analysis used in our research is in fact a method of assessing the accuracy of a measurement model. This assessment takes place when a theoretical model of measurement is compared with a real/empirical model. In order to see how well the data fit together, the validity of the developed measurement model needs to be checked.

Initially, the analysis showed an insufficient match between the conceptual framework (based

| Table 2. Factor loadings for actions relating to individual revitalisation objectives |
|---------------------------------|---------------|---------|-------|-----|------|-------|
| Factor                          | Component      | b       | SE    | $\beta$ | T    | p     |
| O1 (material resources)         |                | 1.00    | 0.66  |       |      |       |
| O2 (human resources)            |                | 1.38    | 0.17  | 0.96  | 8.20 | <0.001|
| O3 (economic resources)         |                | 1.51    | 0.18  | 0.96  | 8.35 | <0.001|
| O4 (networks)                   |                | 1.61    | 0.18  | 0.78  | 8.91 | <0.001|
| O1. Renovation of material resources | A1.4. Improved technical condition of buildings | 1.00    | 0.67  |       |      |       |
| O2. Regeneration of human resources | A2.4. Mobilising local residents to propose initiatives for themselves and their neighbourhood | 1.00    | 0.59  |       |      |       |
| O3. Regeneration of economic resources | A3.3. Bigger number of companies in revitalised area | 1.00    | 0.61  |       |      |       |
| O4. Development of network connections | A4.2. Integrating actions undertaken by different local institutions | 1.00    | 0.84  |       |      |       |

**Note.** $b$ denotes unstandardized regression coefficient; SE denotes standard error; $\beta$ denotes standardised regression coefficient; t denotes test t value; p denotes significance level; CR denotes composite reliability; AVE denotes average variance extracted

Source: own preparation.
on a literature review) and data ($\chi^2(61) = 422.77$; $p < 0.001$; Confirmatory Fit Index CFI = 0.825; Root mean square error of approximation RMSEA = 0.104 [90%CI: 0.095-0.113]). On the basis of modification indices, additional covariances between variables were taken into account. Having considered these relationships, the framework proved to be well suited to the data ($\chi^2(54) = 203.10$; $p < 0.001$; CFI = 0.928; RMSEA = 0.071 [90%CI: 0.061-0.081]). Table 2 presents factor loadings for individual items included in a given factor.

All analysed items proved to be important components of the individual objectives. Thus, our theoretical framework for economic revitalisation has been confirmed as appropriate. The analysis also made it possible to determine the relevance of the individual measures to the economic revitalisation goals – as evidenced by the values of the factor loadings.

This confirms the good construction of the research tool and, as a result, proper assignment of economic revitalisation activities to the objectives. This has led to the identification of perceived

Fig. 2. Second order confirmatory factor analysis for economic revitalisation

Source: own preparation.
approaches (sequences of objectives and actions) towards economic revitalisation (Fig. 2).

For the objective concerning the regeneration of material resources of economic activity (objective 1), the most important item turned out to be the improvement of the technical condition of buildings, while the least important one was the improvement of the technical infrastructure in the revitalised area.

For the objective concerning the regeneration of human resources (objective 2) the components taken into account were characterised by similar values of factor loadings – from 0.59 for mobilising residents to show initiative and to take care of themselves and their neighbourhood to 0.66 for improving the quality of education, knowledge, qualifications and skills of the residents.

For the objective concerning the regeneration of economic functions that exert direct impact on economic operators (objective 3), the component with the highest factor loading is the support and promotion of local craftsmanship and products, while lower factor loading is observed for the inflow of new large companies into the municipality. In our opinion, it is a positive observation which may suggest that local authorities are interested in revitalisation based on the endogenous resources of the area and show willingness to reduce gentrification of local economy through the inflow of completely new large companies into the revitalisation area.

For the objective concerning the development of network links in the economy of a run-down area (objective 4) a higher factor loading is reported for building local partnerships, although the integration of activities of various local institutions is slightly less valued.

For revitalisation as a second order structure consisting of 4 latent variables representing objectives, factor loadings for objectives range between 0.66 for objective 1, 0.96 for objectives 2 and 3 and 0.78 for objective 4. This means that the most important activities for the process of economic revitalisation are those connected with the improvement of human resources and with direct influence on the local economy through the strengthening and development of existing and new business entities. The objective related to the regeneration of material resources has the least influence on the analysed variable.

An analysis of the evaluations made by the respondents, provided completely different research results. We will describe this in the next part of our paper.

Two main coefficients of composite reliability (CR) and average variance extracted (AVE) were calculated for the framework. While CR values are satisfactory for all constructs (>0.6), the values of AVE for objectives 1, 2, and 3 are below the adopted threshold of 0.5. Nevertheless, if CR is higher than 0.6, lower AVE is acceptable (Adamowicz & Zwolińska-Ligaj, 2009; Klodziński, 2012; Wojtyra, 2017) and the construct is considered internally coherent. This means that the conceptual framework for economic revitalisation that we developed (based on the literature review), proved to be correct. Figure 1 shows the examined economic revitalisation framework.

Perception of economic revitalisation activities by Polish municipal authorities – economic revitalisation approaches

The respondents whose municipalities were implementing revitalisation were asked to rate the importance of revitalisation initiatives (on a scale of 1 to 5, the higher the value of this variable, the higher the perceived importance of the initiative). Table 3 presents the overall and for each type of municipality average ratings from respondents.

The analysis of the results leads to the conclusion that in Poland the local authorities definitely mostly value the infrastructural projects in the framework of revitalisation. Improvement of technical infrastructure, minor repairs of pavements or lighting and improvement of the technical condition of buildings are the directions of intervention perceived by the authorities as the most important components of economic revitalisation. Relatively high ratings were also given to activities aimed at releasing the initiative and self-reliance among the citizens, as well as the development of the local economic base by increasing the number of enterprises in the
revitalised area. Activities aimed at strengthening human capital, attracting new large companies to the revitalised area, building local partnerships and integrating the activities of local institutions were rated lower. The importance of actions aimed at supporting local craftsmanship and improving the functioning of public transport was appreciated least by the local authorities.

Economic revitalisation approaches in municipalities were delineated with comparison of average ratings for a given set of actions attributed to individual revitalisation objectives. The following approaches were specified basing on the above conceptual framework (Fig. 2):

1. Approach based on material resource regeneration – the highest average rating for the set of activities for objective “Renovation of buildings and infrastructure as material base of economic activity”;

2. Approach based on human resource regeneration – the highest average rating for the set of activities for objective “Regeneration of human resources”;

3. Approach based on regeneration of economic functions – the highest average rating for the set of activities for objective “Regeneration of economic functions”;

4. Approach based on network connection development in the economy of a distressed area – the highest average rating for the set of activities for objective “Development of network connection”;

5. Integrated and balancing approach – high average rating for all objectives: "Renovation of buildings and infrastructure as material base

<table>
<thead>
<tr>
<th>Activities of economic revitalisation</th>
<th>Total for all municipalities</th>
<th>Average by type of municipality</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>M</td>
</tr>
<tr>
<td>Improved quality of technical infrastructure in the revitalised area</td>
<td>512</td>
<td>4.20</td>
</tr>
<tr>
<td>Repairing roads, pavements, street lighting</td>
<td>533</td>
<td>4.00</td>
</tr>
<tr>
<td>Improved technical condition of buildings</td>
<td>506</td>
<td>3.96</td>
</tr>
<tr>
<td>Mobilising local residents to propose initiatives for themselves and their neighbourhood</td>
<td>496</td>
<td>3.90</td>
</tr>
<tr>
<td>Bigger number of companies in revitalised area</td>
<td>485</td>
<td>3.81</td>
</tr>
<tr>
<td>Improving the quality of education in revitalised area</td>
<td>495</td>
<td>3.70</td>
</tr>
<tr>
<td>Improving knowledge, skills, and capabilities of local residents</td>
<td>492</td>
<td>3.64</td>
</tr>
<tr>
<td>Inflow of new, large businesses to the municipality</td>
<td>488</td>
<td>3.62</td>
</tr>
<tr>
<td>Integrating actions undertaken by different local institutions</td>
<td>487</td>
<td>3.57</td>
</tr>
<tr>
<td>Improving health of local residents</td>
<td>481</td>
<td>3.56</td>
</tr>
<tr>
<td>Building local partnerships</td>
<td>491</td>
<td>3.52</td>
</tr>
<tr>
<td>Support and promotion for local craftsmanship and products</td>
<td>483</td>
<td>3.48</td>
</tr>
<tr>
<td>Better performance of municipal transport</td>
<td>481</td>
<td>3.30</td>
</tr>
</tbody>
</table>

Note. n denotes number of municipalities assessed; M denotes Mean; STD denotes standard deviation; Me denotes Median; Q1 denotes Quartile 1; Q3 denotes Quartile 3; U denotes urban municipality; TCS denotes town with county status; U-R denotes urban-rural municipality; R denotes rural municipality; p denotes probability of an F test of analysis of variance or Welch test (after omitting non-responses); * p < 0.05.

activities with the highest average score by type of municipality are marked in grey

of economic activity”, “Regeneration of human resources”, “Regeneration of economic functions”, “Development of network connection”;

6. Hybrid approach – the highest average ratings for activities relating to two objectives.

Table 4 presents percentage distribution of approaches made by respondents participating in the study. The analysis showed that in the examined sample the approach based on material resources regeneration was by far the most frequently chosen. This suggests that in revitalisation material investments are seen as a priority. High rating of this objective means that local authorities prefer road repairs, transport improvements, improvement of the technical condition of buildings and repair of technical infrastructure in a run-down area. The approaches based on the regeneration of economic functions (by supporting and promoting local craftsmanship and products, stimulating the arrival of new large companies into the municipality and striving to increase the number of businesses in the revitalised area) and the development of network connections (by building local partnerships and integrating the activities of various local institutions) were rated much lower and were chosen by a similar number of respondents. An even lower rating was given to the revitalisation approach based on human resource regeneration. This is a very important observation as this approach to economic revitalisation contains important actions for a successful transformation of a distressed area, such as improving the knowledge, qualifications and skills of the inhabitants, improving their health, the quality of education and, finally, shaping entrepreneurial attitudes by stimulating initiatives among the inhabitants so they could take care of themselves and their neighbourhood. Hybrid approach, which combine two objectives in the revitalisation strategy were declared by a total of 67 municipalities. The activities assigned to the regeneration of material and human resources were mostly assessed at a similarly high level. Another interesting conclusion from the analysis is that the authorities represent low interest in the integrated approach of economic revitalisation, which was chosen by only 5.3% of respondents.

We confirmed the results of the previously quoted research carried out by other authors (Wagner et al., 2016) who indicated a fragmented perception of revitalisation with a clear advantage of the renovation perspective. This is an interesting result of our study which proves the low impact of the Act on revitalisation (promoting a comprehensive and integrated approach) on the perception of decision makers in Polish municipalities.

**Type of municipality as a variable differentiating economic revitalisation approach**

In the next step, an analysis was carried out using a Chi-Square test of independence to check whether the approach selection depends on the type of municipality represented by the respondents. The analyses included 5 main approach types – hybrid choices were omitted due to their small number. The results of the analysis are presented in Table 5.

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**Table 4. Frequency analysis for choices of economic revitalisation approach in municipalities (N=457)**

<table>
<thead>
<tr>
<th>Approach type</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Based on renovation of material resources</td>
<td>148</td>
<td>32.4</td>
</tr>
<tr>
<td>Based on regeneration of human resources</td>
<td>58</td>
<td>12.7</td>
</tr>
<tr>
<td>Based on regeneration of economic functions</td>
<td>80</td>
<td>17.5</td>
</tr>
<tr>
<td>Based on development of network connections within the economy of a run-down area</td>
<td>80</td>
<td>17.5</td>
</tr>
<tr>
<td>Integrated and balanced</td>
<td>24</td>
<td>5.3</td>
</tr>
<tr>
<td>Hybrid approach:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>objectives 1 &amp; 2</td>
<td>17</td>
<td>3.7</td>
</tr>
<tr>
<td>objectives 1 &amp; 3</td>
<td>11</td>
<td>2.4</td>
</tr>
<tr>
<td>objectives 1 &amp; 4</td>
<td>10</td>
<td>2.2</td>
</tr>
<tr>
<td>objectives 2 &amp; 3</td>
<td>5</td>
<td>1.1</td>
</tr>
<tr>
<td>objectives 2 &amp; 4</td>
<td>11</td>
<td>2.4</td>
</tr>
<tr>
<td>objectives 3 &amp; 4</td>
<td>13</td>
<td>2.8</td>
</tr>
<tr>
<td>Total</td>
<td>457</td>
<td>100</td>
</tr>
</tbody>
</table>

Note. n denotes sample size; % denotes share of the sample. Source: own preparation.
The analysis showed significant differences in the frequency of approach selection depending on the type of municipality. The correlation turned out to be statistically significant for economic revitalisation approach based on regeneration of material resource, based on regeneration of economic functions and based on development of network connection. Differences between the types of municipalities in the frequency of choosing the approach based on regeneration of human resource and integrated approach turned out to be insignificant, which indicates a similar frequency of choosing the sustainable option and the approach based on the regeneration of human resources. In order to determine the nature of the differences between municipalities, an additional test was carried out which took into account the correction of Bonferroni’s significance level.

The approach based on regeneration of material resources is the least frequently chosen by respondents from towns with a county status (only 3.6% of them), while most frequently by respondents from rural municipalities (49.7%). This confirms the impact of significant infrastructural deficits in rural areas on the choices made by the respondents.

Interestingly, the approach based on the regeneration of economic functions – is rarely chosen by representatives of urban municipalities, and mostly by representatives of towns with a county status and urban-rural municipalities. It is hard to explain why this dependence is usually in cities in which problems of local economy get cumulated in distressed neighbourhoods.

Difficulties with the interpretation of this result make us unable to consider this conclusion as a significant result of our analyses. Certainly, this issue requires further research oriented towards qualitative methods of finding out justifications for assessments made in quantitative surveys by local authorities. At this stage, we can only assume that the interest in economic development in rural municipalities may indicate a change in the orientation of their policies towards multifunctional rural development. The need for such an approach to rural development in Poland has been signalled by other researchers for years (Adamowicz & Zwolińska-Ligaj, 2009; Kłodziński, 2012; Wojtyra, 2017).

The approach based on the development of network connections in the economy of a run-down area is most often chosen by respondents from towns with a county status and the least often by representatives of rural municipalities, whose choices do not differ significantly from those made by urban-rural municipalities. The obtained research result is interesting because other studies indicate, that Polish rural municipalities clearly lack social capital that would trigger the development of local entrepreneurship. Kłodziński (2012) openly states that taking care of good business climate leads to the development of business entities and it is an important factor in the development of entrepreneurship.

Table 5. Comparison of the frequency of preference for a revitalisation approach by types of municipalities

<table>
<thead>
<tr>
<th>Approach</th>
<th>Urban Municipality</th>
<th>Town with County Status</th>
<th>Urban-Rural Municipality</th>
<th>Rural Municipality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Based on regeneration of material resources</td>
<td>28(ab)</td>
<td>1(c)</td>
<td>41(b)</td>
<td>77(a)</td>
</tr>
<tr>
<td>Based on regeneration of human resources</td>
<td>15(a)</td>
<td>3(a)</td>
<td>17(a)</td>
<td>23(a)</td>
</tr>
<tr>
<td>Based on regeneration of economic functions</td>
<td>9(a)</td>
<td>10(b)</td>
<td>33(b)</td>
<td>26(ab)</td>
</tr>
<tr>
<td>Based on regeneration of network connections</td>
<td>24(ab)</td>
<td>13(b)</td>
<td>21(ac)</td>
<td>21(c)</td>
</tr>
<tr>
<td>Integrated and balanced</td>
<td>5(a)</td>
<td>3.6</td>
<td>10(a)</td>
<td>8(a)</td>
</tr>
</tbody>
</table>

Χ²(12) = 44.78; p < 0.001; V = 0.20

Note: χ² denotes chi-square test value; p denotes significance level; V denotes Cramer’s V – effect
Each letter in the subscript denotes a subcategory of the type of municipalities for which the columns differ by a factor of 0.05.
Source: own preparation.
in a municipality and should manifest itself in frequent contacts between local government and entrepreneurs. In his opinion, the local government should encourage the creation of a joint, local or supra-local organisation of entrepreneurs, which would give rise to a new institutional arrangement in the municipality, capable to identify and resolve emerging problems.

**Relevance of entrepreneurs involvement in planning and implementation of economic revitalisation**

An in-depth analysis of the views of the authorities on the involvement of business entities in economic revitalisation produced interesting results. More than half of the respondents decided that existing businesses and entities intending to get engaged in business activity are important for the course of economic revitalisation. Their impact was described as important by 41% of respondents and very important for another 26.3%. A significant group, almost 25%, of the respondents saw the role of these entities as moderately important. The average overall rating of the importance of these entities for economic revitalisation was 3.84 on a 5-point scale.

The opinions of the respondents about the importance of business representatives in revitalisation is accompanied by the fact, that in almost half (47.3%) of municipalities which have established revitalisation committees, entrepreneurs from the revitalised area are not represented at all. In 30% of municipalities with revitalisation committees, business from the revitalised area is represented by not more than 3 entities. The situation is even worse with regard to entrepreneurs from outside of the revitalised area. In most municipalities (ca. 73%) they are absent from this body.

The absence of entrepreneurs from revitalisation committees, which are the opinion-forming and advisory forums for the local government, may result in poor understanding of the needs and potential of the business sector and the omission of entrepreneurs’ opinions in the preparation, programming and implementation of revitalisation.

The small scale of participation of entrepreneurs in revitalisation results, among other things, from the difficulties in undertaking inter-sectoral cooperation (Table 6). In the opinion of the respondents, building cross-sector partnerships for revitalisation proved to be particularly difficult (mean score of 3.04 on a 5-point scale). More than 50% of the respondents also found it difficult to rely on entrepreneurs in social consultations on revitalisation, while the involvement of NGOs was slightly less problematic. The formation of the revitalisation committee itself proved to be the easiest task. This result is not surprising as the committees are dominated by the representatives of the local administration and its subordinate organisational units. In this case, cooperation is not only simpler but even evident.

<table>
<thead>
<tr>
<th>Table 6. Respondents’ opinions on the difficulty of undertaking inter-sectoral cooperation in revitalisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Involvement of economic entities in social consultations for the purposes of revitalisation</td>
</tr>
<tr>
<td>----------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>2.2</td>
</tr>
</tbody>
</table>

| Involvement of non-governmental organisations in social consultations for the purposes of revitalisation | Not applicable | Very easy | Easy | Medium difficult | Difficult | Very difficult | Mean |
|----------------------------------------------------------------------------------------------------------|
| 2.7 | 8.2 | 18.7 | 31.8 | 24.0 | 14.7 | 3.19 |

| Creation of revitalisation committees | Not applicable | Very easy | Easy | Medium difficult | Difficult | Very difficult | Mean |
|----------------------------------------------------------------------------------------------------------|
| 18.4 | 15.1 | 17.9 | 23.9 | 16.6 | 8.1 | 2.81 |

| Creation of partnerships with entities from different sectors for the purposes of revitalisation | Not applicable | Very easy | Easy | Medium difficult | Difficult | Very difficult | Mean |
|----------------------------------------------------------------------------------------------------------|
| 12.7 | 5.1 | 13.0 | 23.1 | 26.4 | 19.6 | 3.04 |

*Source: own preparation.*

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DISCUSSION

Municipal authorities in Poland are responsible for: initiating, planning, organising, coordinating, supporting, controlling and evaluating revitalisation processes (Parysek, 2016). The literature review shows that in order to properly fulfil this role, local authorities should see revitalisation in an integrated, sustainable and holistic way (Natividade-Jesus et al., 2019; Przywojska, 2021) and be open to local partnerships and the participation of various stakeholders in revitalisation process (Doyle, 2004; Huston & Darchen, 2014; Woolrych & Sixsmith, 2013). However, research carried out by Polish scientists indicate that the primacy of renovation objectives over socio-economic revitalisation of distressed areas in municipalities is still visible in Polish reality (Dembicka-Niemiec et al., 2016).

In Poland there has been little research concerning the economic dimension of revitalisation but there are some interesting conclusions. Firstly, social and economic activities are treated as something additional, often written into the revitalisation programme out of necessity (mostly in order to obtain EU funds because it was necessary to meet the requirement of the integrated nature of the activities) with no intention to implement them (Jadach-Sepioło, 2017). Secondly, the effects of measures for the economic revival of an area have to take some time, as they are outcomes of the process, so it is difficult to measure their results at the moment in Poland (Lisowska & Ochmański, 2016). Meanwhile, local authorities are interested in renovation because renovation results are visible basically immediately after the completion of the investment, which significantly improves the attractiveness of the area. It is worth adding at this point that measures in the technical sphere, especially in the infrastructural sphere, although spectacular in their results, often require the relocation of economic entities from the revitalisation area or the restriction of pedestrian and transport traffic in the area, which in the short term poses a serious threat to business activities in the revitalised area (Popławska, 2015).

In Poland, the Act on revitalisation was adopted as a response to the existing fragmentary and renovation-oriented approach to the process observed in all types of municipalities. It has shifted the attention to the accomplishment of social and economic objectives in relation to which technical and spatial transformations just provide the setting. The principle of participation and partnership at all stages of the revitalisation process was also highlighted.

These assumptions have been taken into account in our conceptual framework for economic revitalisation. Its validation by factor analysis confirmed the correctness of the selection of economic revitalisation objectives and activities in the conceptual framework. In addition, it confirmed the demands from literature and practical observations that actions related to human resources improvement (Jargowsky, 1997; Kearns et al., 2021) and direct impact on the local economy through the strengthening and development of existing and new economic entities are the most important for the economic revitalisation process (Gwosdz et al., 2020; Welter et al., 2008). On the other hand, the objective related to the regeneration of material resources has the least influence on economic revitalisation.

The analysis of respondents’ answers in our survey provides different conclusions. Mayors of Polish municipalities clearly rate the physical and infrastructural aspects of economic revitalisation higher. On the other hand, mayors underestimate the need to build the local partnerships (except cities with county rights) and to support local entrepreneurship and craftsmanship, which can be a limitation for fair and sustainable revitalisation. What is particularly surprising is that the integrated approach of economic revitalisation was indicated by the fewest respondents. This shows that so far the new national legal and organisational solutions have had little impact on the perception of revitalisation in Polish municipalities. Undoubtedly, however, comprehensive, integrated and territorially rooted revitalisation activities in the economic sphere would allow to achieve better effects of economic revival. This is a crucial approach, especially for entrepreneurs who express concerns
that renovation activities could be a threat to the traditional model of trade functioning.

The results of our study on the economic dimension of revitalisation confirm the lack of application of integrated approach in Polish municipalities, that is the same as other authors’ conclusions (IRMiR & Ecorys, 2020; NIK, 2016). The research results also indicate that the principle of stakeholder participation in the planning and implementation of revitalisation has not found recognition among the organisers of this process (section Relevance of entrepreneurs involvement in planning and implementation of economic revitalisation). This conclusion explains why Polish entrepreneurs do not see themselves as addressees of revitalisation measures (IRMiR & Ecorys, 2020). The absence of representatives of the business community in revitalisation committees can be seen as a significant threat to achieve economic objectives of revitalisation process. Revival of local entrepreneurship is a complex, multidimensional process that requires the involvement of cooperating organisations and inhabitants and takes into account the specific place identity, shaped by social and economic experience and certain social norms and lifestyles (Bensemann et al., 2021). Although our study provided interesting and important results it also has some limitations. The article presents only the local authorities’ perception of economic revitalisation. The opinions of entrepreneurs from the revitalised area were omitted. Further studies applying our research method and taking into account the perspective of local entrepreneurs, including social entrepreneurs and business environment institutions, would be advisable.

CONCLUSIONS

The main objective of our paper was to develop a research method for analysing economic revitalisation and to identify local authorities’ approaches to this process. The paper complements and tests theory on the revitalisation process and shows important empirical implications for understanding and investigating economic revitalisation. Both, our theoretical framework for economic revitalisation and the proposed research method have been successfully validated and can serve as a basis for further research in Poland and other countries. This adds a value to the study of urban regeneration and urban policy. The article is also important for practitioners and politicians managing the process of economic revitalisation as it points out the components of this process and the relationships between them. Additionally, the article provides knowledge about the perception of economic revitalisation by Polish local authorities. The results of the research serve as a rationale for the formulation of guidelines and recommendations for revitalisation policy at central government level, within the framework of the Revitalisation Act and the National Urban Policy.

Economic revitalisation requires comprehensive strategies aimed at regenerating material and human resources, economic functions and network connections in distressed areas. Apart from activities consisting of supplementing and renovating infrastructure facilities and real estate modernisation, the intervention of local authorities and other stakeholders should cover human and social capital in the revitalised area. Many inhabitants of these areas are entangled in the spiral of social problems, which is why they lack entrepreneurial attitudes and the ability to maintain economic independence. The research carried out indicates that local authorities focus too much on the regeneration of physical resources such as technical infrastructure, road infrastructure and buildings. In the light of the research results we recommend organising workshops aimed at self-government administration employees involved in the revitalisation process. The issues covered in the workshops should concern a) methods for diagnosing challenges and economic potentials of degraded areas, b) setting appropriate, integrated objectives and actions for improving the condition of the local economy and c) the creation and use of multi-sectoral local partnerships in revitalisation practice.

We also advocate the embeddedness of revitalisation in the local community. The grounded revitalisation approach should focus on supporting local
entrepreneurs as internal facilitators of the economic recovery of a disadvantaged area. Economic transformation, especially in places where poverty and exclusion are concentrated, should be accompanied by networking and stimulating local entrepreneurship. An important element of such measures should include representatives of economic entities as equal partners in planning, implementing and monitoring the revitalisation process. This will provide better understanding and use of the inherent potentials in the revitalised area. Partnership and participation are currently the key principles of revitalisation in Poland, clearly defined in the new legislation. However, they have not guaranteed a broad participation of business representatives in determining the course of revitalisation change. This requires local authorities to run an information campaign addressed to business and to use incentives to get them involved in planning, implementing and monitoring economic revitalisation.

Author contributions: authors have given approval to the final version of the article. Authors contributed to this work as follows: J.P. and A.P.K. developed the concept and designed the study, J.P. and A.P.K. collected the data, J.P. and A.P.K. analysed and interpreted the data, J.P and A.P.K. prepared draft of article, J.P and A.P.K. revised the article critically for important intellectual content.

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