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## LOCAL GOVERNMENT AND LOCAL LABOR ECONOMICS IN PILA IN THE LATE 20<sup>th</sup> CENTURY AND THE BEGINNING OF THE 21<sup>st</sup> CENTURY

*In, the beginning of the 20<sup>th</sup> century, Pila was a provincial administrative centre and a rail junction. In the late 20<sup>th</sup> century, of the will of the communist decision-makers, it became the capital of Pila Voivodeship. Political transformation of 1989, and, as a result, Pila's degradation back to the small-town administrative centre has led to a diminishing of Pila's economical attractiveness. Actions undertaken by the local government and its cooperation, both with the neighbouring localities and the economical community made it possible to control the degradation process. Concurrently, the attempts to seek new areas of activity, such as building a new research centre and numerous economical initiatives funded by the region and the EU have given the local community an inspiration to make a change and have increased the social potential of the area.*

**Keywords:** *unemployment, demography, local economy, local government, higher education.*

For the inhabitants of the northern Greater Poland the turn of the century was yet another turning point in its history. The past century was full of changes – changing the region's national character in 1945, frequent administrative changes (1950, 1975, 1999), and finally, Pila's return to the recreated Pila County and the Pila County returning to the administrative borders of the Greater Poland Voivodeship. As a result of the post-war migration, the local community could only be described as a melting pot. In the beginning of the 20<sup>th</sup> century Pila was a provincial administrative centre and a rail junction. In the interwar period it became (replacing Poznan) the capital of the Government District<sup>1</sup>. When we think of the years after 1945, the period of its greatest development could be observed in the last

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<sup>1</sup> Boras Zygmunt, Dworecki Zbigniew, *Pila. Zarys dziejów (do roku 1945)*, Urząd Miasta Piły, Piła 1993, p. 10-22

25 years of the 20<sup>th</sup> century. It was the moment when Pila became the capital of Pila Voivodeship – of the will of the communist decision-makers. Its degradation back to the position of a Pila County capital was a challenge for the local government, which, in order to save and develop local social and economic potential was forced to seek new developmental possibilities, at least at the level equivalent to this in the previous historical period<sup>2</sup>. Town Council and the inhabitants of Pila did not aspire to create the County Borough in its area. Pila is an urban municipality that has been a part of Pila County since 1999, being territorially, demographically and economically the largest town. But in legal terms, it has the same rights and authority as all the other municipalities.

## DEMOGRAPHY

Looking at the demographic potential of the northern Greater Poland, it is clear to see the dominating role of Pila in the region. The whole Pila County is now nearly 140 000 inhabitants, in nine municipalities, inhabiting the area of 1267,1 square kilometres. These are: town Pila, town and municipality Lobzenica, town and municipality Ujście, town and municipality Wyrzysk, town and municipality Wysoka, municipality Białosławie, municipality Kaczory, municipality Miasteczko Krajenskie. At the end of 2005 the total number of people was 137 671 persons, of which 67 187 were men and 70 486 were women.

Pila as a town with a Voivodeship Capital status was an attractive place to live for the people who wanted to migrate – it offered jobs, relatively good supply of consumer goods for those entitled to it (the specialists in the industry and in the administration) but also flats, schools, easy access to healthcare (often better than in small towns and villages of middle Pomerania or northern Greater Poland). Presence of high schools and the ability to study in the schools governed by the uniformed services – Militia's School for Non-commissioned Officers and Military School of Car Servicing was a magnet for young people. Despite the substantial economical slow down in the 1980s, Pila could still offer jobs in the devel-

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<sup>2</sup>Cabaj Emil, *Usytuowanie administracyjne miasta i jego samorządność po 1945 roku*, [in:] „Pila po 1945r. Odbudowa, rozwój, życie publiczne i społeczeństwo”, Chyży Krzysztof, Kucharska Czesława, Popławski Zbigniew (eds.), Urząd Miasta Piły, Pila, 2008, p. 59-68

oping industry. In the second half of the 1980s, Pila had more than 72 000 inhabitants. When it became a voivodeship capital, the number of inhabitants grew by over 50%. The last decade of the 20<sup>th</sup> century was not as dynamic population-wise. Only 4 500 people came, and the number of inhabitants exceeded 76 700 in the year 2000. Yet, it was still time when we could talk of a growing number of inhabitants. Data for the following years clearly indicate the shrinking of town's community. In the year 2005 the number of Pila's inhabitants fell to 75 100 of which 35 992 were men and 39 152 were women<sup>3</sup>.

However, looking at the demographic variations, it is possible to notice that the end of the 20<sup>th</sup> century was a period of rapid and constant expansion population-wise. On the other hand, the beginning of the next century was a period of significant decline when it comes to the number of inhabitants. The migration to other towns, both in Greater Poland and in other regions, was the result of two things. Firstly, the changes made in the town's charter which were a part of the administrative reform of 1999 but also of restructuring the armed forces which started in 1995 (a factor particularly important for Pila and the whole region).

The data from table 2 indicate that those processes were accompanied by the process of feminization of the local community (the exemplary case is Pila). Political transformation deepened this phenomenon, especially when the available jobs at large national companies began to disappear and when the army units started to leave the area (at the same time the process of closing down military schools commenced). Men in such situations made the decision to emigrate more easily; women tended to stay with the family. Moreover, it is necessary to add that, at the time of economical crisis, it was easier for women to find part-time jobs in commerce, services, or even domestic work, such as baby-sitting or cleaning. Local government, observing those changes had to ask itself a question – what are the methods that might lead to the revival of local community so that, as a result of its own activity, Pila could once again become an economically attractive town in the northern Greater Poland?

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<sup>3</sup>Posiecznik Karolina, "Struktura demograficzna Piły", [in:] Chyży Krzysztof, Kucharska Czesław, Popławski Zbigniew (eds), *Piła po 1945 r. Odbudowa, rozwój, życie publiczne, społeczeństwo*, Urząd Miasta Piły, Pila 2008, p. 126-128.

Table 1. Inhabitants of the Pila town at the turn of the 20<sup>th</sup> and 21<sup>st</sup> century

Years	1994	1995	1996	1997	1998	1999	2000	2001	2005
Total Population	75 592	75 994	76 610	76 625	76 849	76 810	76 709	76 903	75 144

Source: *Annual Statistical Reports of Pila and Greater Poland Voivodeship*, Voivodeship Statistical Bureau, Pila 1994 – 2005.

Table 2. Inhabitants of Pila town in the years 1990–2000 according to sex and feminization index

Year	Total population [100%]	Men	[%]	Women	[%]	Feminization Index
1990	72 314	34 934	48,3	37 380	51,7	107,0
1995	75 952	36 508	48,2	39 086	51,8	107,2
2000	76 709	36 976	48,2	39 733	51,8	107,4

Source: *Annual Statistical Reports of Pila Voivodeship*, Voivodeship Statistical Bureau, Pila, 1990–1998, Pila Urban Statistical Inspector data, author's calculations

## TRANSFORMATION – ADMINISTRATIVE CHANGES WITHIN THE LOCAL ECONOMY

The fall of the town's and region's population caused by the demographic and administrative changes went hand in hand with the processes commenced by the political transformation of 1989. Along with the end of central planning, a gradually freed economy and free market brought about changes in different fields of social and economic life. Large economic subjects were transformed from national companies (during restructuring processes) into Treasury – owned companies and then they were privatised – stocks were sold to the strategic investors. In the case of Piła this privatisation path was followed by ZSO "Polam", which found the Dutch company, Philips to be its strategic investor. In 1991 it joined with "Polam". This collaboration allowed the company to survive the transformation, get access to new technologies and become the largest company producing lighting systems in Europe<sup>4</sup>.

The situation was not as good for the second important company – Rail Repair and Servicing Plant (Zakłady Naprawcze Taboru Kolejowego, ZNTK). At the end of the 1980s it employed nearly 1 500 people. The company was transformed into the Treasury-owned company in 1995 when the board of directors decided the company was no longer able to continue with the current economical status. It did not get orders from the main client – Polish National Rail. ZNTK as a Treasury-owned company was abolished in 1996 and replaced with 4 new subjects that were suppose to take over the production.<sup>5</sup>

Along with the proprietary changes of the companies that had already existed, the new socio-economical situation inspired a number of new economical initiatives among local entrepreneurs who were finding their way to the burgeoning free market. At the beginning of January 1989 the initiative group gathered and aimed to create the Economical Initiatives Support Society. One of the founders was Henryk Stoklosa – the owner of industrial and agricultural plant "FARMUTIL-HS". A month later during the founding meeting in the Manufacturing House, the voivodship branch of Economical Initiatives Support Society was created. It planned

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<sup>4</sup>Gniot Anna, *Gospodarka Piły na przestrzeni lat 1945 – 2006*, [in:] Chyży Krzysztof, Kucharska Czesława, Popławski Zbigniew (eds), *Piła po 1945 r. odbudowa, rozwój, życie publiczne, społeczeństwo*, Urząd Miasta Piły, Piła 2008, p. 80 – 81.

<sup>5</sup>Gniot Anna, *Gospodarka Piły...*, p. 81.

to create Nadnotecki Economic Bank to collect financial means to support the local business.

Henryk Stoklosa, expanding his economical activity and becoming (as a result of his activity) one of the biggest employers in the region, joined his companies into one holding called "Farmutil HS Holding S.A." in 1996. The chairman of the board of directors was the outstanding Polish economist, professor Ryszard Lawniczak

Along with Philips and Farmutil, one more important employer for the local market emerged. Oil and Gas Ltd. (Przedsiębiorstwo Poszukiwań Nafty i Gazu Sp. z o.o.) or, as it is commonly known, NAFTA, turned 40 years old in 1996. As a Treasury-owned company that was operating within the sector strategically important for the state it was, in fact, the subject a protected **entity** of the central government.

Among the most influential companies operating in the region it was possible to find, not only large companies and holdings, but also small and medium businesses, essential for the economical development. Those that deserve special attention are those that specialised in timber trade – "Piltar", "Unimax", "Pilam" (all registered as trading companies). Next to them, small family businesses emerged and, thanks to their owners' skills, were able to survive the tough period of transformation. Among them we can name Sparkling Waters Factory – J. Pierścieniak; Crown-caps Factory – P. Hajdasz; Publishing Company "Agraf" or "Profil" – J. Cerba<sup>6</sup>.

Companies in the private sector (large, medium and small) became dominant in the 1990s both when considering employment and production. Between 1993 and 1998 alone, private subjects from the production sector increased their employment rate- from 65,7% to 76,1% of the total number of people employed in this sector.<sup>7</sup>

Another important branch of economy from the residents' point of view is properly functioning and easily accessed trade (both wholesale and retail) and service. The trade sector, which had a total of 7 000 subjects registered in the REGON system in Pila at the end of the 1990s, had more than 2 800 subjects. Only 2 707 people worked there which is less than 10,2% of the total number of people working in Pila.

Development and activity in the service sector was a lot more vigorous. In the REGON system there were 3499 active registered subjects in 1997. They employed more than 14 000 people. Service sector companies

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<sup>6</sup> *ibidem.*

<sup>7</sup> *ibidem.*

were 49,1% of the total number of subjects operating in town and provided employment to more than 54% of all the people working in Pila. Their activity was visible within the public service sector such as education, health care, administration and municipal services<sup>8</sup>. This brief comparison of three main sectors of the economy clearly indicates the important role that subjects which offered complex services (from cleaning to education and healthcare) played in local labour economics.

## UNEMPLOYMENT

Economical activity of the residents of Pila and the actions undertaken by them were a clear response to another process characteristic for the transformation period – growing unemployment resulting from the restructuring of local economy. Rapid growth of unemployment in the first years of transformation resulted in forming new economical subjects created by the people who remained unemployed and were searching for a new occupation. The actions of the unemployed slowly started to cause the fall of the unemployment index in the second half of the 1990s. The simple data comparison (table 4.) concerning the economical growth and the employment rate clearly indicate that the community of Pila during one decade was able to adjust to new economical conditions and was able to take the chance to improve their quality of living.

Table 4. Labour economics in Pila in 1990 – 1998

Years	1993	1994	1995	1996	1997	1998
Economical subjects in REGON database	5217	5566	5931	6652	7090	7763
Employed	24208	26874	24915	25677	26612	26612
Unemployed	6492	6175	4740	4254	2789	2676
Unemployment index	<b>14,6</b>	<b>13,6</b>	<b>10,3</b>	<b>9,1</b>	<b>5,9</b>	<b>5,6</b>

Source: *Pila Council Bulletin, 1998* and *Pila County Job Centre data*

<sup>8</sup>Bąk Mieczysław, Kulawczuk Przemysław, *Gmina Pila. Program wspierania i rozwoju przedsiębiorczości na terenie miasta Piły*, Urząd Miasta Piły, Warszawa-Gdynia 1999, p. 37.

Similar phenomena could be observed in the whole Pila region, which, after the administrative reform, was now a part of Greater Poland Voivodeship as its northern periphery – Pila County. Analysis conducted on the basis of Pila County Job Centre and Pila Council Bulletin shows how the situation looked at the beginning of the 21<sup>st</sup> century and how the situation changed after joining the EU in 2003<sup>9</sup>.

Data in table 5 clearly indicate that the largest number of the unemployed in the beginning of the 21<sup>st</sup> century was registered in Pila. The average was 4660,8 unemployed. In second place was Wyrzysk, with an average of 1265. Third place was Lobzenica, averaging 957,2. When we look at the data we can clearly see that from 2003 the numbers began to drop (the year Poland joined the European Union).

Table 5. Unemployment level in the municipalities of Pila County

Name	2002	2003	2004	2005	2006
Pila	5179	5371	5055	4254	3445
Wysoka	754	711	717	646	523
Szydłowo	761	842	793	688	543
Lobzenica	1095	1121	1008	875	687
Kaczory	543	545	527	479	331
Ujście	706	667	490	497	401
Wyrzysk	1373	1482	1370	1161	939
Białosłowie	343	372	367	306	203
Miasteczko Krajenskie	260	247	241	208	156
Total	11014	11358	10568	9114	7228
Unemployment level					
Pila County	18,2	18,9	18,8	16,4	13,2
Pila town	10,5	10,9	10,1	8,5	6,2

Source: *Pila Council Bulletin* and author's own study bas on the data of *Pila County Job Centre*

<sup>9</sup>Ciesielska Joanna, *Badanie struktury bezrobocia w Powiecie Pilskim w aspekcie koordynacji podaży usług edukacyjnych z oczekiwaniami pracodawców*, <http://www.um.pila.pl> (access date: 20.02.2010).



## ECONOMIC ENTITIES CREATED IN THE PILA REGION AT THE BEGINNING OF THE 21<sup>st</sup> CENTURY.

The beginning of the 21<sup>st</sup> century was the moment of rapid economical development for the Pila region, stimulated by the actions undertaken by the local government, but also by entering the EU. In 2005 there were 11395 private economic entities and 421 in the public sector registered in the REGON system in the Pila region. In Pila itself, there were 8047 economic entities in the private sector and 271<sup>10</sup> in the public sector.

Table 8. Economic entities registered in the REGON system in Pila,  
between 1994 and 2002

Year	Number of economic entities	Period	Growth dynamics [previous period= 100%]
1994	5 563		
1995	5 928	1995/1994	106,56
1996	6 651	1996/1995	112,20
1997	7 090	1997/1996	106,60
1998	7 763	1998/1997	109,49
1999	8 263	1999/1998	106,44
2000	8 792	2000/1999	106,40
2001	8 316	2001/2000	94,59
2002	8 561	2002/2001	102,95
		2002/1994	153,89

Source: GUS Statistical Reports, years 1994 - 2002

Annual growth of newly registered economic entities was also very uneven. The biggest growth could be observed in 1996, when (compared to 1995) the increase was over 12%. The year 2000 was a top year when it comes to the increase as the largest number of active economic entities was observed – 8 792. In the following years there was a small decrease. In 2002 there were 8 561 economical subjects registered in the REGON system.

<sup>10</sup> *Informator Samorządowy Starostwa Powiatowego w Pile*, <http://www.bip.pila.pl> (access date: 12.02.2010).

Between 1994 and 2002 the largest number of economic entities was operating in the following trades: wholesale and retail, vehicles repair and personal and domestic use articles. Between 1994 and 1996 those subjects were more than 40% of the total number, but since 1997, along with the increase in the number of companies operating in different sectors of economy, it was gradually decreasing, reaching only 34,3% in 2000<sup>11</sup>.

The second biggest group (when the numbers are concerned) were the companies operating in the property market. In 2002 there were 1 371 registered which means that their share in Pila's economy was about 16%<sup>12</sup>.

The sector in which the largest increase (since 1994) was observed were financial agencies. The number of entities operating in this sector grew (within 9 years) almost 584%, from 60 to 369 subjects. The growing tendency stopped in 2001. Very high (over 100%) growth was observed in education, from 100 to 206 entities in 2001 and healthcare, from 250 to 553. In 2001, the total number of economic entities reached 8 316 of which 8 133 in the private sector (almost 98%<sup>13</sup>).

The most common form of business entity during the whole period was the proprietorship. In 2001 the number of such companies was 6 769, which constituted 83,22 % of all subjects in the private sector. However, the biggest economical concern in Pila has been Philips Lighting Poland that produces lighting equipment.

At the same time, at the beginning of the 21<sup>st</sup> century Pila became a supporter unclear your meaning. Try a synonym for the fastest growing trades, including graphic arts. In Pila the following companies decided to locate their printing houses: "Winkowski" Sp. z o.o. (beginning of September 1998) and AGORA, the publisher of "Gazeta Wyborcza". Agora S.A. opened their printing house on April 17, 2001. Those companies, having located printing houses in the region, largely contributed to diminishing the number of the unemployed in Pila and in the region.

In the petroleum trade the company NAFTA was still operating, now registered as the company with limited liability. Since 1998, 100% of shares have been owned by PGNiG S.A. (Polish Petroleum and Gas Mining) in Warsaw<sup>14</sup>.

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<sup>11</sup> *Informator samorządowy miasta Pily. IV kadencja samorzqdu lata 2002-2006*, [www.pila.pl/downloads/informator2006.pdf](http://www.pila.pl/downloads/informator2006.pdf) (access date: 20.03.2012).

<sup>12</sup> *Informator samorządowy miasta Pily. IV kadencja samorzqdu...*

<sup>13</sup> *Ibidem.*

<sup>14</sup> Gniot Anna, *Gospodarka Pily...*, p. 87 - 96.

## MAIN GOALS OF THE PILA LOCAL GOVERNMENT IN RELATION TO THE LABOUR ECONOMICS IN THE FIRST DECADE OF THE 21<sup>st</sup> CENTURY

Due to its position in the region and location on the main communicational routes, Pila has become the economical centre of the northern Greater Poland, and it has largely influenced the neighbouring areas. In 1999 the program of developmental support of enterprise was drawn up, where the analysis of economical development was included<sup>15</sup>. On the basis of this document and the vision of town's development worked out at the beginning of the 21<sup>st</sup> century, for the past two terms, the town council has emphasised the need for initiatives that would strengthen the competitiveness of Pila's companies. This would happen via initiating cooperation between them, giving access to the investment capital and new technologies. Those institutional actions were aimed at deepening the developmental tendencies that had been already observed.

Particularly in *Strategy For the Pila Development for 2005-2015*<sup>16</sup> the following targets were created in the "Labour and Enterprise" field:

- increasing the chance employment for the groups particularly endangered with unemployment
- adjusting people's qualifications to the changing needs of the labour market, for example developing life-long learning
- creating agreements between the local government entities and non-governmental institutions in order to optimize the actions undertaken within the sphere of labour economics
- improving the functioning of the service sector in order to strengthen Pila as a sub-regional economical centre
- strengthening the cooperation between the small and medium businesses in Pila in order to increase their competitiveness in the region
- strengthening the cooperation between big companies and the sector of small and medium companies
- developing the base of institutional and financial support for the enterprise

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<sup>15</sup> Bąk Mieczysław, Kulawczuk Przemysław, *Gmina Pila. Program wspierania i rozwoju przedsiębiorczości na terenie miasta Piły*, Urząd Miasta Piły, Warszawa-Gdynia 1999, p. 48.

<sup>16</sup> *Strategia rozwoju miasta Piły na lata 2005-2015*, <http://www.um.pila.pl>. (access date: 20.02.2010).

- increasing the ability of small companies to introduce innovations and developing the cooperation between education and economics sector in Pila

As a part of the *Strategy* the priorities were set and then the operational programmes were created. In the current work of local government, as a part of the "Work and Enterprise" project the following areas of interest were set:

- strengthening the cooperation between the entities of local government, higher education, NGOs and the companies, in order to eliminate the unemployment, increase employment and increase the abilities of companies to introduce innovations

- creating conditions that would foster activating the unemployed, retraining unemployed and those endangered with unemployment, creating entrepreneurial and active attitudes, supporting seasonal work and telecommuting

- undertaking actions to integrate the disabled into the labour market

- creating optimum conditions to encourage the enterprise (according to the municipal program of enterprise support) by strengthening institutional support for companies and financial aid.<sup>17</sup>

## EXECUTION OF THE PILA DEVELOPMENT STRATEGY FOR 2005-2015

### REVITALIZING THE POST-MILITARY TERRITORIES

One of the chances for further economical activity that the local government examined was the appropriate management of the grounds, buildings and structures left by the army. In 2004 the program of revitalization was accepted where a couple of points were made that were supposed to alter both the economical and the social image of the town<sup>18</sup>.

The first point was to develop the grounds for the needs of higher education. In 2005-2006 it was partially executed on a part of the former military airport. It is Adam Mickiewicz University Campus, which consists

<sup>17</sup> *Ibidem*.

<sup>18</sup> *Program rewitalizacji terenów powojсковych*, [www.um.pila.pl](http://www.um.pila.pl) (access date: 22.02.2010)..

of the research and education building with a library and a student hall of residence with the social and sport facilities.

Eventually, the out-of-town AMU educational centre will host 3 000 students. Execution of this project has an essential influence on revitalizing the area of the former airport in town. At the same time it will lead to equalizing the chances of accessing higher education in northern Greater Poland, improve the level of educated staff in town and in the region and will contribute to creating new jobs.

The second investment in this field was creating a National Higher Vocational School in Pila, replacing the former Officers College. The project was executed between 2004 and 2007. The first step was transforming the building of Officers College into the Main Library and Multimedia Centre. The second step was adapting other post-military buildings for the needs of the Centre for Advanced Technologies. Considering its regional character, the University Centre for Advanced Technologies should solve the problem of educating the people of the Pila region. Execution of this project is assumed to increase the technical and intellectual level of local human resources, create the base to conduct the research, which would lead to adjusting local and regional economy to modern technologies and is supposed to be the incubator of local and regional enterprise. The third step was adapting the educational infrastructure for the needs of the Centre for **Vehicle** Operation where the students of the Faculty Construction and Operation of Machines are being educated. The fourth step was adapting the buildings for the needs of the Economics Faculty. Executing this project will guarantee the improvement of the teaching level of the future personnel that would manage the economy of this region and will increase the attractiveness and the competitiveness of the region by saturating the local economy with well-qualified staff. Step five was adapting the buildings for the needs of the Nursery Faculty. Executing this project was supposed to solve the problem of understaffing of educated nurses in the Pila region and to eliminate the need to commute to the remote academic centres and, in effect, was supposed to lead to equalizing the chances of local youth in obtaining higher nursery education. The last step was modernizing the sports hall for the needs of the students of the National Vocational College. Execution of this project made it possible to conduct physical education classes with the students, to conduct the recreational classes, mass sports, and corrective gymnastics as well as to organize recreational and sports events. It allowed for the creation of new faculties (Sports and Rehabilitation) and the conducting of postgraduate education.

The second sphere set by the program of revitalizing the post-military areas was donating a part of the items for primary education<sup>19</sup>.

The council donated two buildings that used to belong to the Officer's School to the Salesian Society Primary School in Pila.

The next objective set by the program was to prepare the terrains for sports and tourism. As a part of it, it was planned to launch the Pila Aeroclub, on the grounds of the former military airport, between 2007 and 2013. Project presumes the functioning of the airport on the grounds of the former military airport, with full socio-technical support as well as renovating and adapting the "aviator's house" for the Aeroclub. The airport is supposed to be used for organizing flights for companies and private people, service and repair of small planes, organizing educational camps for air staff (international reach) and as a place for organizing national and international competitions. Making an airport and flying equipment available for recreational flights is supposed to make the town and the region more attractive.

All the actions connected with revitalizing the post-military terrains were supposed to create a lively academic centre in Pila, educating around 7,000 students and increasing the touristic potential of the town and the region. Particularly the development of educational and academic serendipity was, according to the local government, supposed to result in the increase of social capital in the region and, indirectly, contribute to the influx of companies creating new vacancies. The influx of young people wanting to study here became the stimulus of the development of all sectors of local economy, which planned to operate in the service sector – creating malls, multiplexes, restaurants, student clubs – all of which indirectly influenced other spheres of local economy<sup>20</sup>.

#### COOPERATION OF THE LOCAL GOVERNMENTS TO REVITALIZE THE ECONOMY OF PILA REGION

Concurrently with the activities undertaken on the post-military terrains, the local governments of the Pila region, such as Pila and neighbouring municipalities and counties made a collective effort to cooperate in such a way that it would economically revive the whole northern Greater Poland, which, since 1999 has been one voivodeship.

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<sup>19</sup> *Ibidem.*

<sup>20</sup> *Ibidem.*

The tool of such cooperation has been the Agency for the Development of Northern Greater Poland in Pila (Agencja Rozwoju Polnocnej Wielkopolski, later referred to as ARPW), established in 2003. Its founders are The Nadnotec Municipalities and Counties Society, and Greater Poland Voivodeship and Counties: Pila, Czarnkowsko-Trzcianekcki, Chodziej, Wagrowiec, Zlotow. In its activity the Agency has been collectively realizing the following goals:

- supporting economic growth of northern Greater Poland
- supporting and promoting initiatives that lead to the development of small and medium enterprises
- counteracting the effects of unemployment

These aims were realized by promoting small and medium companies, organizing courses for the unemployed to prepare them to open up their own businesses, creating business incubators, running job agencies, organizing tourist events for particular social groups that would help them get active, organizing events that would help to professionally activate the disabled, and initiating and supporting the actions that would lead to the development of the region, with the help of the foreign investors.

ARPW was also providing consultations. Between 2005 and 2007 alone, 730 000 people used their service. Simultaneously with the cooperation of the Polish Agency for Entrepreneurship Development has been providing consultations related to quality certification. ARPW has been cooperating with the Greater Poland Quality Club. Since 2005 it has been running a program called "We Help the Entrepreneurial in Northern Greater Poland" which was assumed to provide subsidies for those starting the business. During three editions, organized between 2005 and 2007, there were 316 beneficiaries and, as a result of participating in the project, 151 economical subjects emerged<sup>21</sup>.

Another way of activating the local community was the initiative made by the Pila local government and ARPW, which, along with the Greater Poland Agency for the Entrepreneurship Development, created in Pila a place where it was possible to obtain help with getting the loans by the newly created economical entities. During its existence 29 subject were helped and as a result of it they managed to obtain 1 200 000 zloty loans. The agency terminated its activity in June 2010<sup>22</sup>.

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<sup>21</sup> *Agencja Rozwoju Północnej Wielkopolski*, [www.krs-online.com.pl/agencja-rozwoju-polnocnej-wielkopolski-w-krs-154781.html](http://www.krs-online.com.pl/agencja-rozwoju-polnocnej-wielkopolski-w-krs-154781.html), (access date: 20.03.2010).

<sup>22</sup> *ibidem*.

## “WORK AND ENTREPRENEURSHIP” PROGRAM

Along with the actions of ARPWR, the local governments of Pila, realizing the goals included in the *Strategy for Pila Development for 2005-2015*<sup>23</sup>, initiated creating local partnership for the employment of the unemployed, on the basis of the already existing economical initiatives. At the basis of this project there was a mutual agreement made with all the municipalities of the Pila County to organize socially useful organizations. Within the framework of those agreements between 2005 and 2007, 13 programs were realized, in which 2708 unemployed were included. Those were: “Rowy 2005”, “The First Business”, “Find Your Way”, “The First Step”, “Marketing Approach to the Job Market”, “The Young- a Chance for Development”, “Active Disabled” or “Let Yourself Be Known”. Within those programs only in Pila, via the Pila Work Club (Pilski Klub Pracy), 262 persons were prepared for active job hunting, between 2005 and 2007. In Club it was also possible to obtain individual consultations that concerned primarily preparing documents needed for job hunting and preparing for interviews. Between 2005 and 2007, 420 consultations were given<sup>24</sup>.

The decrease of the registered unemployment and lack of recommendations from the County Job Centre caused the termination of the Pila Work Club on December 31<sup>st</sup> 2007.

## INSTYTUTIONAL SOLUTIONS TO SUPPORT ENTERPRISE

Along with activating programs, local government has been using a number of instruments that could support the economical development of the town. Among them are tax reliefs, large financial means for infrastructural investments, financial and organizational support, promoting the companies and their products on national and international markets. As a part of those actions, between 2005 and 2007, businessmen obtained 1,2 mln Zł of financial aid. Pila has been also running, a so-called, business box. People who want to start to run their own business can get basic information on how to start a business, which educational courses can be

<sup>23</sup> *Strategia rozwoju miasta Piły na lata 2005-2015.*

<sup>24</sup> *Pilski Klub Pracy*, [www.pilski.informacja-lokalna.pl/urzad\\_miejski\\_-\\_klub\\_pracy](http://www.pilski.informacja-lokalna.pl/urzad_miejski_-_klub_pracy) (access date 20.03.2010).



provided, which banking services can be used and which insurance companies would be able to help<sup>25</sup>.

Pila's participation in the projects of the Regional Innovations Strategy for Greater Poland<sup>26</sup> had a substantial influence on the development of the entrepreneurship in the region. Within this program the following projects in which Pila's local government had shares in got financial support:

Centre of Information and Promoting Innovations for Northern Greater Poland – a project realized by the Pila Chamber of Commerce (since 2010 – Northern Greater Poland Chamber of Commerce) which assumes the cooperation of companies within the research and development sector. The aim of the project is to promote innovation, provide essential information about innovative processes in order to activate the business milieu and to promote good practice. Since 2006, Pila has been organizing Innovation Days and educational workshops that put an emphasis on innovation development of companies based on the means available from the EU<sup>27</sup>.

Activation and Cooperation Forum of Regional Innovations – Northern Greater Poland FAKIR in Pila – a project realized by the Nadnotec Municipalities and Counties Society. Its aim was to strengthen the relationship between science and industry and the transfer of technologies. Innovative leaders exchanged their experiences. Between 2006 and 2007 alone, there were 13 conferences and seminars as well as educational trips and workshops<sup>28</sup>.

Greater Poland Voivodeship Economical Innovation and Information System – realized by the Greater Poland Agency for the Development between 2005 and 2007. It assumed creating a website for small and medium businesses that would present the innovative offers of the local government units, research institutes and the possibilities to support innovations<sup>29</sup>.

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<sup>25</sup> *Jak założyć firmę*, <http://www.pila.pl/content.php> (access date: 20.03.2010).

<sup>26</sup> *Strategia rozwoju województwa wielkopolskiego do 2020 roku*, [www.wrpo.wielkopolskie.pl/files/120712852747f351cf27709/STRATEGIA%20ROZWOJU%20WOJ.%20WLKP%20DO%202020%20ROKU%20-%20tekst%20jednolity.pdf](http://www.wrpo.wielkopolskie.pl/files/120712852747f351cf27709/STRATEGIA%20ROZWOJU%20WOJ.%20WLKP%20DO%202020%20ROKU%20-%20tekst%20jednolity.pdf) (data dostępu: 20.03.2010)

<sup>27</sup> *Centrum informacji i promocji innowacji Pomocnej Wielkopolski*, [www.igpw.pila.pl/innowacje](http://www.igpw.pila.pl/innowacje) (access date: 20.11.2010).

<sup>28</sup> *Informacja z realizacji „STRATEGII ROZWOJU MIASTA PILY NA LATA 2005-2015”*, [www.pila.pl/downloads/strat\\_realizacja07.pdf](http://www.pila.pl/downloads/strat_realizacja07.pdf) (access date: 20.03.2010).

<sup>29</sup> *Budowa wielkopolskiego systemu innowacji*, <http://iw.org.pl/pl/subregion-poznanski/1199-budowa-wielkopolskiego-systemu-innowacji-urzd-marszakovski-województwa-wielkopolskiego> (access date: 20.09.2010).

Along with those actions, the government of Pila has been actively promoting the town. The main goal is to create Pila's positive image that would encourage investors to be present and active in Pila. One of the elements of this promotion is allowing the access to information on the website. There is a database that includes useful information, both for those running businesses, and for those who are planning to do so. In order to foster cooperation there is an informational service called "Kaleidoscope of Pila's Companies and Institutions" which includes the option of searching for the economic subjects according to the trade they operate in. So far there have been 2000 companies registered in the database.

## CONCLUSION

All the actions and initiatives undertaken by the local governments of both Pila and the municipalities of Pila County allowed the local community of northern Greater Poland to rebuild the economical potential after the period of economical crisis at the beginning of the political transformation and to undertake the activities that would strengthen and utilize the existing social potential. Making economic activity easier, employing actions aimed at activating the unemployed, allowing the access to the EU subsidies and creating a means for generating vacancies, resulted in increasing the activity of both the economic milieu and the individual inhabitants of Pila. Actions commenced by the local government to create a lively educational centre in northern Greater Poland, where new technologies could be introduced, and the economical centre focusing on production and services, that has slowly change the image of the town. Decreasing the unemployment index and increasing the number of economic subjects clearly indicate that the strategy chosen by the local government for the region development has been the right one.

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