

Mirosław Mularczyk

University of Warsaw
Faculty of Geography and Regional Studies
The Jan Kochanowski University in Kielce
Institute of Geography
e-mail: miroslaw.mularczyk@ujk.edu.pl

CHANGES IN THE ADMINISTRATIVE HIERARCHY OF CITIES AND ENTREPRENEURSHIP IN SUBURBAN AREAS (THE CASES OF KIELCE AND RADOM)

Abstract: The systemic transformation of Poland after 1989 led to an acceleration of restructuring processes both in the national economy and in individual regions. The dynamics of changes was exceptionally high in rural areas. The most rapid changes occurred in areas which are situated within the range of the direct influence of bigger cities. This paper strives to compare the changes in entrepreneurship which took place in the suburban areas of Kielce and Radom during the transformation period, before and after the introduction of the administrative reform in Poland.

We sought answers to the following questions:

- What differences occur in the dynamics of changes of the entrepreneurship indicator in suburban areas in case of two cities of a similar size, of which only Kielce has remained the regional (voivodship) capital?
- What differences occur in the dynamics of changes of the entrepreneurship indicator in relation to the distance from the central city?

In order to answer the above questions, the entrepreneurship indicators for agriculture, industry and service sectors were calculated for the analysed areas between 1995 and 2005.

Key words: entrepreneurship, suburban zone, administrative changes.

OBJECTIVES AND METHODS

Since 1989, many political, social and economic changes have taken place in Poland. Rules and mechanisms of urban development, factors of localisation and effectiveness criteria of urban economy have changed. New phenomena related to the change of ownership system, restoration of market rules and reduction of welfare state functions have started to be visible in

the cities, both in the economic and social sphere. The reorganisation of the local government became very significant for the development of the urban settlement system in Poland. Many cities have lost their high rank in the hierarchy related to the administrative functions during the last (1999) reduction of the number of voivodships. It caused numerous transformations, also concerning areas remaining under the direct influence of cities.

The objective of this paper is to compare changes concerning entrepreneurship which took place in the suburban areas of Kielce and Radom during the transformation period, before and after the introduction of the administration reform in Poland.

We sought answers to the following questions:

- What differences occur in the dynamics of changes of the entrepreneurship indicator in suburban areas in case of two cities of a similar size, of which only Kielce has remained the voivodship capital?
- What differences occur in the dynamics of changes of the entrepreneurship indicator in relation to the distance from the central city?

In order to answer the above questions, entrepreneurship indicators for agriculture, industry and service sectors were calculated for the analysed areas between 1995 and 2005. This was done on the basis of the database of business entities registered in REGON (National Official Register of Entities of the National Economy kept by the Central Statistical Office), and the PKD sections (Polish classification of activities which is an accepted hierarchically systematised division of social and economic activities performed by business entities, consistent with the United Nations classification used worldwide, the International Standard Industrial Classification of all Economic Activities - ISIC).

In order to compare entrepreneurship in each sector of the economy and in individual gminas (gmina - the first tier of territorial division in Poland), a method consisting in calculating separate entrepreneurship indicators for the agriculture, industry and service sectors was applied. Business entities registered in REGON by sections A and B of the PKD (agricultural activity) were taken into consideration in the case of the first sector. This value was divided by the number of people in the working age, and subsequently multiplied by a thousand. The entrepreneurship indicator for the industry sector (sections from C to F of the PKD) and the entrepreneurship indicator for the service sector (sections from G to Q) were similarly calculated. A general entrepreneurship indicator for a given territorial unit was obtained by adding these three indicators. The fact that the statistical data from REGON concerning agriculture do not involve individual farms leads to certain doubts. However, the paper mostly focuses on the dynamics of changes taking place in the industry and service sectors. One can also assume that the data concerning agriculture are similarly imperfect for the suburban areas of Kielce and Radom.

AREA OF THE RESEARCH

Changes in the entrepreneurship indicator in the gminas of the Kielce powiat (powiat: the second tier of territorial division in Poland) and the Radom powiat were analysed. They were divided into two groups. There are seven gminas from the direct neighbourhood of Kielce in the so-called ring A, which can be regarded as suburban direct areas with dense settlement systems and a small intensity of cultivation economy: Sitkówka-Nowiny, Chęciny, Piekoszów, Miedziana Góra, Masłów, Górnio, Daleszyce, Morawica, and eight gminas directly neighbouring with Radom: Kowala, Wolanów, Zakrzew, Jedlińsk, Jastrzębia, Jedlnia Letnisko, Gózd, Skaryszew. Ring B is an area grouping gminas which do not border directly upon the central city. It can be regarded as an indirect and more distant suburban zone, where agriculture is of a greater importance for the economy. Around Kielce, these are: Sobków, Małogoszcz, Łopuszno, Strawczyn, Mniów, Zagnańsk, Łączna, Bodzentyn, Bieliny, Łągów, Raków, Pierzchnica, Chmielnik and Kije, whereas around Radom: Przytyk, Pionki, Ilża, Wierzbica (Figs. 1, 2, 5, 6).

KIELCE AND RADOM ON THE CHANGING ADMINISTRATIVE MAP OF POLAND

The Kieleckie voivodship (voivodship - the third tier of the territorial division in Poland) already existed in the pre-War administrative division of Poland. In addition to Kielce, other big cities in this area included Radom and Częstochowa.

The administrative division introducing 14 voivodships was implemented in 1946, after the end of the Second World War and the change of the Poland's borders. One of them was the Kieleckie voivodship, which occupied an area similar to the one from before the War.

Another division was effected in 1950, with the introduction of 17 voivodships. The territory of the Kieleckie voivodship was diminished, and covered an area of 19,510 km². There were 28 cities there, most of them with a population up to 10,000. Only two - Radom and Kielce - had 50,000 inhabitants.

The territorial division was changed yet again in 1975 by the introduction of 49 voivodships. The Kieleckie voivodship was one of them, with a territory of only 9,211 km². Also the number of cities decreased to merely 17. The biggest city - Radom - found itself outside the voivodship's borders. It became the capital of a new voivodship, which made its way to the administrative map of Poland for the first time. 16 cities were located within its borders, covering an area of 7,294 km².

In order to reduce the scale of central administration, another administrative and local government reform was carried out in 1999, which introduced 16 voivodships, one of them being the Świętokrzyskie voivodship with the

capital in Kielce. Its area increased slightly in relation to the previous division as it rose from 9,211 km² to 11,672 km². It did not include any of the bigger cities. Radom, which found itself in the Mazowieckie voivodship with the capital in Warsaw, lost the function of the voivodship capital at the time.

ENTREPRENEURSHIP

Entrepreneurship is a term which can be defined by taking many aspects into account. First of all, it is a feature of individuals expressing themselves in creative activity, "having a spirit of initiative, adroitness, briskness, resourcefulness" (Targalski, 1999). It can also be defined as a social and economic strength, with not only economic, but also personal, social and cultural character (Jaremczuk, 2003). In this paper, entrepreneurship is understood as a process of creating and developing business activity, characterised by risk and uncertainty of operation, aimed at the accomplishment of the objectives set by the entrepreneur.

SUBURBAN ZONE

The term "suburban zone" is usually understood as a phenomenon changing in time and space along with the development of the city; its bonds with the surrounding area change as well (Maik, 1985). It accounts for the social and spatial extension of the city itself (Rakowski, 1987) and is induced by the neighbourhood of the city itself and its transformations (Dziwoński, 1987). Korter (1985) regards suburban zones as an area of active, multilateral and direct contacts with the city, strips of land surrounding the central place, within which urban and rural life forms permeate one another, but the influence of the city is a decisive factor. Suliborski (1985) refutes the above opinions, as he underlines that it is the intensity of suburban functions, not the level of advancement of urbanisation processes, that makes a given area a suburban zone. Generally speaking, a suburban zone is considered to be an area located in the direct neighbourhood of a city, related with it and systematically transformed (Liszewski, 1985).

The controversy concerning the issue of suburban zone arises when it is necessary to define precisely which area is clearly a suburban zone, and to delimit its borders. Differences in the way of understanding and defining the range of a suburban zone result from the objective which such a definition is to meet. The two most popular trends in thinking about suburban zones, related to various criteria of their delimitation, were distinguished in Polish geography on the basis of the research conducted in the post-War period. The first approach treats the suburban zone traditionally, as a manifestation of urbanisation processes. The second approach regards the suburban zone as an area which performs particular functions in favour of

the city. One can find the following functions among them: housing, food supply, recreation, supply, services, as well as industrial, transport and municipal functions (Słodeczyk, 2001).

CHANGES OF ENTREPRENEURSHIP IN THE SUBURBAN ZONE OF KIELCE AND RADOM

In 1995, the entrepreneurship indicator reached the highest values both in ring A and ring B, in the suburban areas of Radom (Figs. 5,6), and much lower around Kielce (Figs. 1,3). During the following 10 years, at the time when the administration reform was conducted and Kielce remained the voivodship capital, dynamic changes took place. The highest entrepreneurship indicator was still noted in ring A of the suburban zone of Radom. The indicator rose from 82.2 to 110.7, that is by approximately 34% (Figs. 6, 8). A more dynamic growth was observed in ring A of the suburban zone of Kielce (Figs. 2, 4). The entrepreneurship indicator increased there from 58.1 to 104.8, that is by as much as 80%. Similar changes were observed in ring B. In 1995, the highest values of the entrepreneurship indicator were recorded in the suburban zone of Radom, whereas the lowest – as in the case of ring A - around Kielce. The situation in this area changed in 2005. As a result of a dynamic growth of the entrepreneurship indicator (from 44.8 to 88.0, that is by over 96%), the highest values in the analysed areas of the suburban zone B were noted around Kielce (Figs. 2, 4). The entrepreneurship indicator in the suburban zone of Radom reached lower values than in zone B around Kielce due to slower growth (from 48 to 83, that is by approximately 73%) (Figs. 6, 8).

In all the cases, the entrepreneurship indicator reached much higher values in the gminas of ring A than in the gminas of ring B (Figs. 1-8) during the analysed period. Taking into consideration the entrepreneurship indicators for each sector of the economy, the opposite situation occurs only in the case of agricultural activity for the year 2005 in the suburban area of Kielce (Fig. 4) and Radom – both in 1995 and 2005 (Figs. 7, 8).

An increase in the entrepreneurship indicator was observed in the case of Kielce, both in ring A and ring B, in every sector of the economy (Figs. 3, 4). The dynamics of growth was significant in both of the rings. The highest values were noted in the sphere of services (an increase by 40.2 to 76.0, that is by 89%, was observed in ring A, and from 35.3 to 65.9, that is by over 86% in ring B). Lower values of the entrepreneurship indicator were noted in industry, despite high dynamics of changes (from 16.6 to 26.2, that is by over 57% in ring A, from 9.7 to 20.6, that is by over 112% in ring B) (Figs. 3, 4).

An analysis of the suburban areas of Radom indicates a rise in the values of entrepreneurship indicators in both rings in case of agricultural activity (from 1.2 to 6.9 in ring A, from 3.6 to 9.4 in ring B), and a less dynamic

growth in case of service activity (from 43.8 to 72.3, that is by 65% in ring A, from 38.4 to 57.6, that is by approximately 50%, in ring B). With reference to industry, there was a fall in the entrepreneurship indicator from 32.7 to 30.7 in ring A, and a slight increase from 14.5 to 19.3 was observed in ring B (Figs. 7, 8).

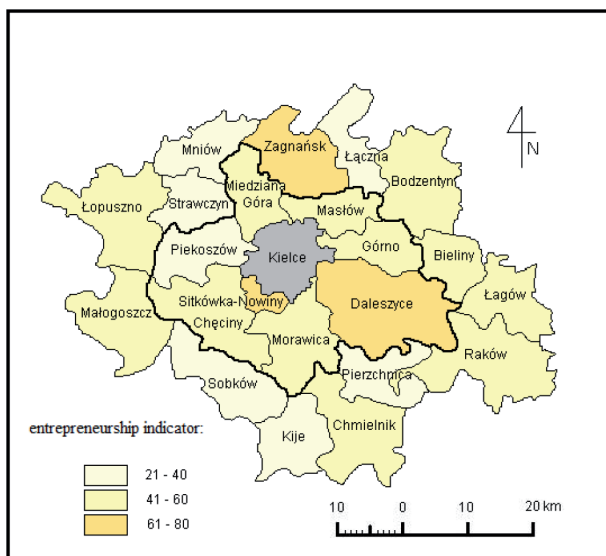


Fig. 1. Diversity of entrepreneurship indicator in the suburban zone of Kielce in 1995
Source: Own elaboration on the basis of GUS (Central Statistical Office)

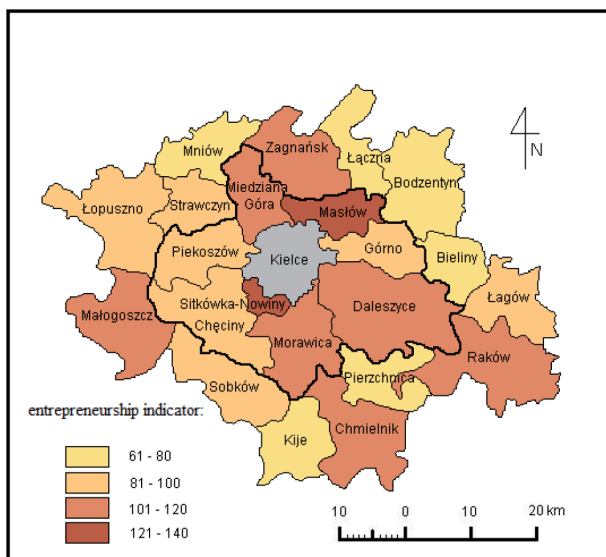


Fig. 2. Diversity of entrepreneurship indicator in the suburban zone of Kielce in 2005
Source: Own elaboration on the basis of GUS

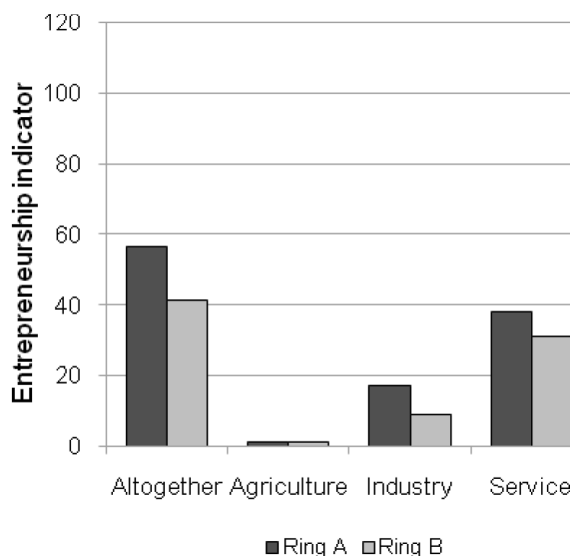


Fig. 3. Diversity of entrepreneurship indicator by sectors of economy in the rings A and B of the suburban zone of Kielce in 1995

Source: Own elaboration on the basis of GUS

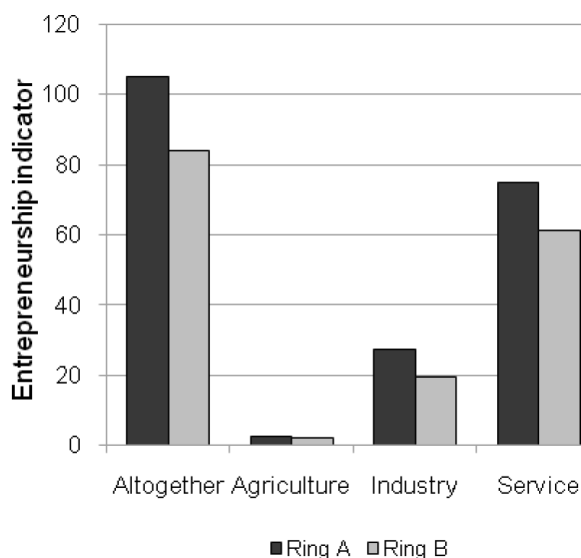


Fig. 4. Diversity of entrepreneurship indicator by sectors of economy in the rings A and B of the suburban zone of Kielce in 2005

Source: Own elaboration on the basis of GUS

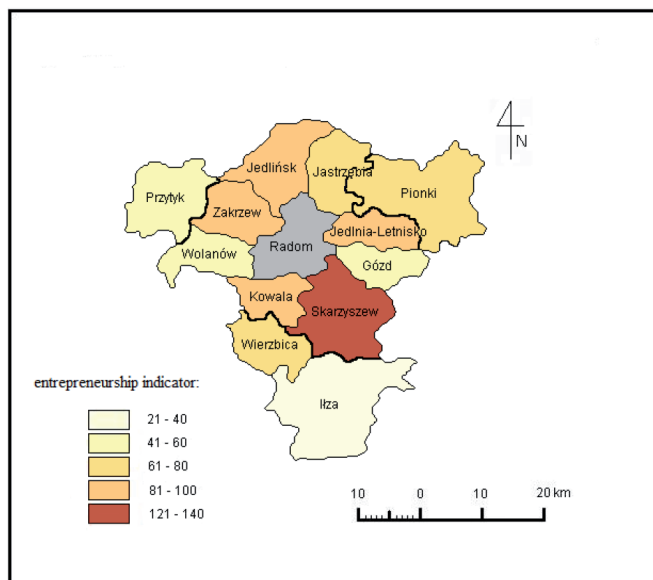


Fig. 5. Diversity of entrepreneurship indicator in the suburban zone of Radom in 1995
Source: Own elaboration on the basis of GUS

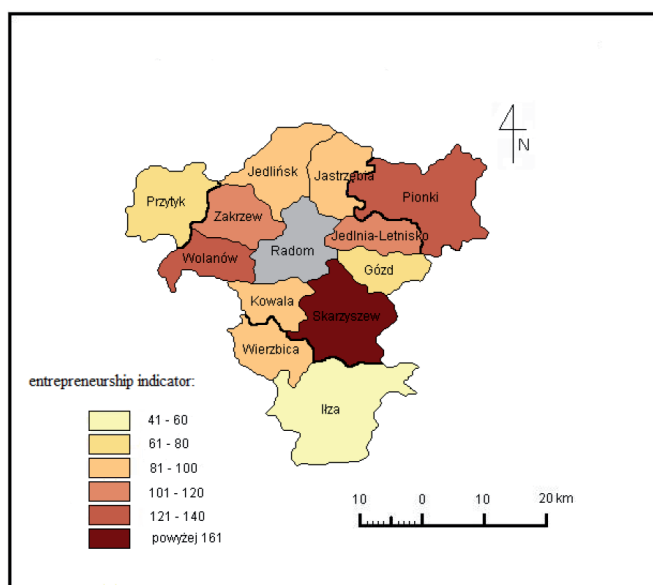


Fig. 6. Diversity of entrepreneurship indicator in the suburban zone of Radom in 2005
Source: Own elaboration on the basis of GUS

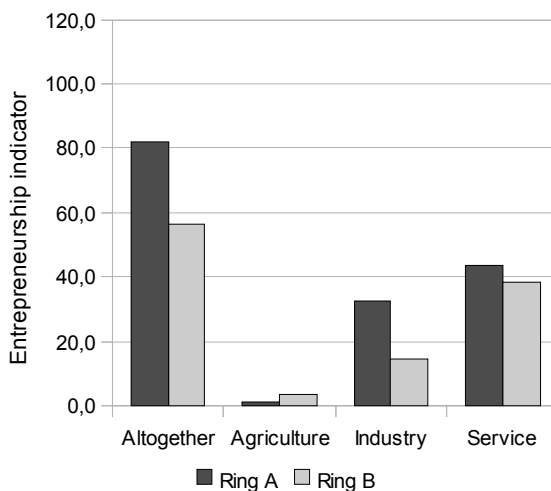


Fig. 7. Diversity of entrepreneurship indicator by sectors of economy in the ring A and B of the suburban zone of Radom in 1995

Source: Own elaboration on the basis of GUS

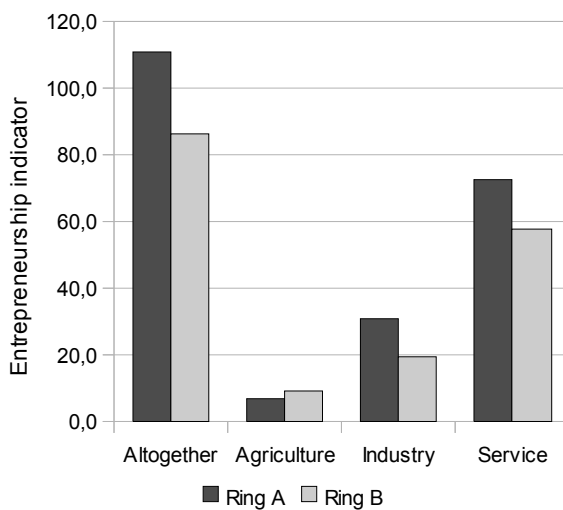


Fig. 8. Diversity of entrepreneurship indicator by sectors of economy in the rings A and B of the suburban zone of Radom in 2005

Source: Own elaboration on the basis of GUS

CONCLUSION

The analysis of the described changes indicates that in the case of two cities of a similar size, Kielce and Radom, more dynamic changes in entrepreneurship took place in the suburban zone of Kielce which, after the administration reform of 1999, has remained the voivodship capital. One can assume that administrative functions are as important for the development of suburban areas as for the development of the city itself.

Moreover, it can be observed that the closer the distance from the central city, the higher the entrepreneurship indicator. Indicators concerning activity in the agricultural sphere are the only exceptions. In this case, correlations may be opposite. The highest values of the entrepreneurship indicators in suburban zones could be observed in the service sector. Taking into consideration the dynamics of changes, in most cases it was similar in both of the analysed rings and does not depend on the distance from the central city.

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