



Municipality Performance as a Resource for the Territory's Smart Growth

**(Analyses of factors influencing local governments' performance
in Zemgale and Pieriga regions)**

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Theoretical basis of the research



1. Territorial Agenda of the European Union 2020

“The Europe Strategy for smart, sustainable and inclusive growth can only be achieved if the territorial dimension of the strategy is taken into account, as the development opportunities of the different regions vary”

(European Union. Territorial Agenda of the European Union. Towards an Inclusive, Smart and Sustainable Europe of Diverse Regions. 2011.)

2. Local government and community-led local development

“Good quality government institutions may be considered as an essential prerequisite for the development of effective innovation strategies”

(European Commission. The Role of Government Institutions for Smart Specialisation and regional Development. IRC Technical reports. IRC, 2014)

“Community-led Local Development can mobilise and involve local communities and organisations to contribute to achieving the Europe 2020 Strategy goals of smart, sustainable and inclusive growth”

(European Commission. Community-led local development. Cohesion Policy, 2014)



Methodology of the research:

the present research is based:

- on a theoretical assumption that **performance** is an ability of an economic agent, acting in a specific local territory, to produce goods and services, as well as to sell them in the market.

The dynamics of regional performance, includes three phases:

1. **Preconditions of performance** - agents potential to achieve a certain level of performance in a municipality;
2. **Achievement of performance** - agents of a municipality reach a certain level of performance and become players in the national or global economic space;
3. **Result of performance** - to understand the municipality performance, which has been achieved by the performance of agents as one of the factors that influence the performance.

(Stankevics A. The Role of the Higher Education..., 2014)

- on **Triple Helix model** including as elements- the state as a set of institutions, the local governments as local power structures and communities of local people.

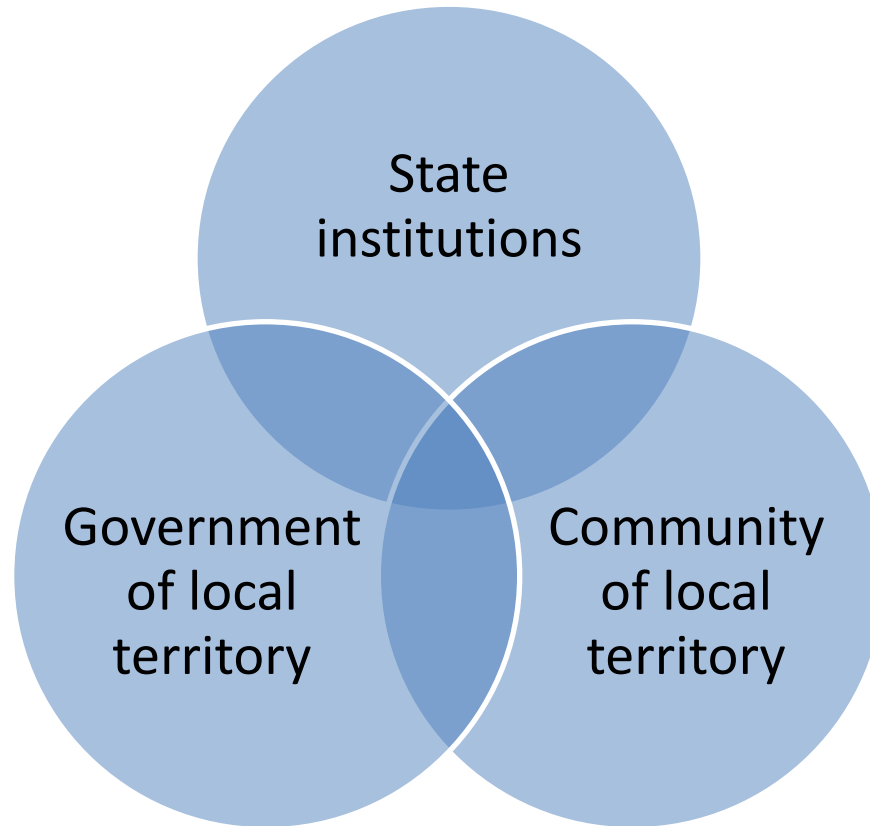
(Ranga M., Etzkowitz H. Triple Helix Systems of Innovation..., 2013)

Methods of the research:

to acquire the opinions on the researched problems, a sociological research method – a questionnaire survey was employed, and a comparative statistical analysis of the acquired data was performed. There were questioned: 1) executives from all Latvia municipalities (n=57); 2) participants of the 2nd Latvian Rural Communities Parliament (n=123); 3) manager and responsible staff members from Iecava municipality (n=4). The acquired data do not reflect the quantitative distribution of one or another opinion in the country; yet, it gives certain insight into opinions existing in the society.



The main forces affecting local territory smartness growth (Triple Helix model)



Research aim: which factor category and its particular factors have most contributed to the growth of a region/municipality and fostered its development?



Territory development index



Regions	TDI, 2013	Municipalities	With positive index	With negative index
Pieriga region	+ 0.932	28	24	4
Kurzeme region	- 0.786	18	6	12
Latgale region	- 1.297	18	0	18
Vidzeme region	- 0.843	26	5	21
Zemgale region	- 0.385	20	4	16

Source: RDIM. <http://www.vraa.gov.lv/en/reasearch/surveys>



Survey primary results from the county executive view

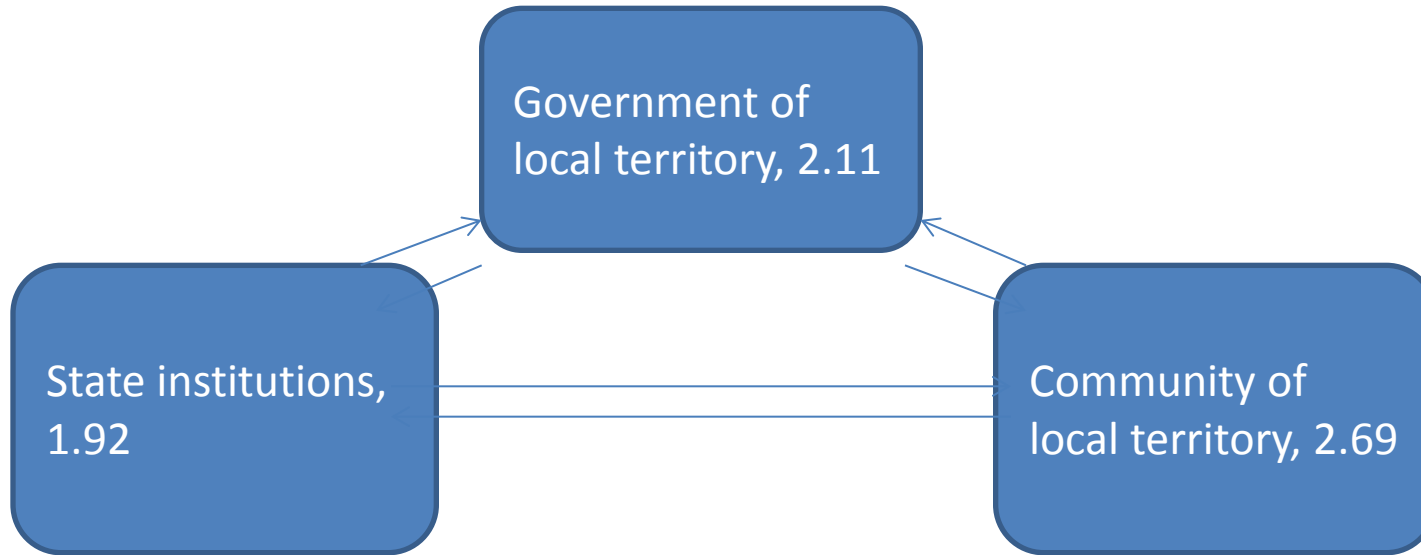
(Evaluation scale from 1 to 5, where 1- very good, 2- good, 3 – rather good than bad, 4 – rather bad, 5 – bad)



Surveyed groups	Impact of		
	State institutions	Local Governments	Community of local territories
Representatives from all municipalities	1,92	2.11	2.69
Representatives from Pieriga region municipalities	2.26	2.15	2.78
Representatives from Zemgale region municipalities	1.83	2.19	2.87
Representatives from Iecava municipality of Zemgale region	2.17	1.5	1.92

Source: Authors' calculations according to the results of the survey

Representatives from all municipalities



Higher importance granted to:

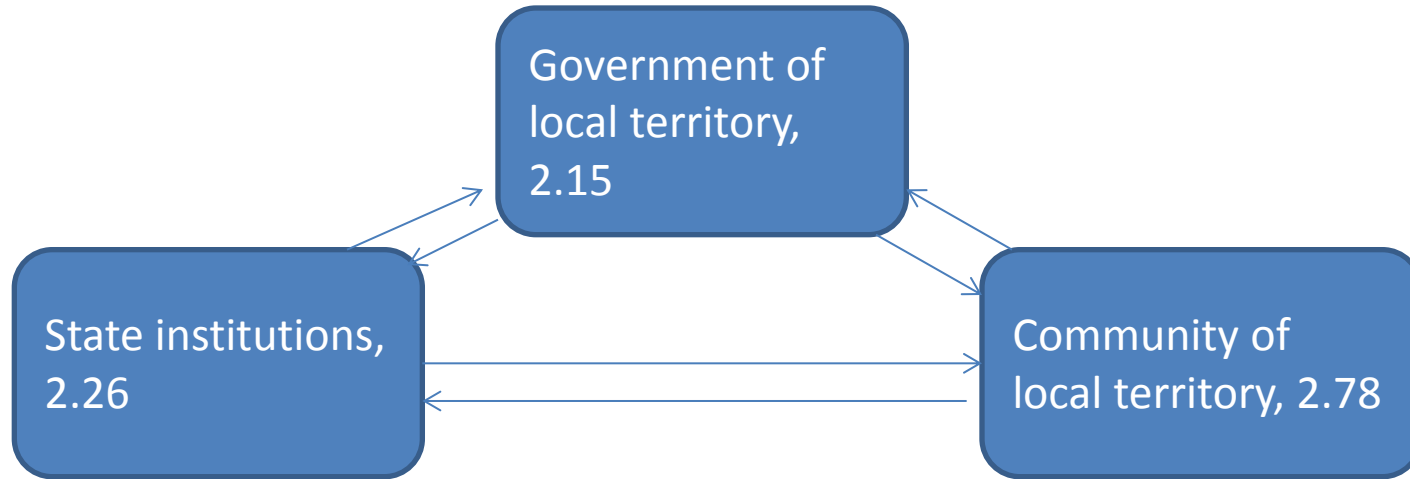
1. Economic situation in the country - 1.61
2. Successful absorption of EU structural funds - 1.72
3. Municipality investment plan and projects implemented comply with the municipality's development programme priority tasks - 1.79

(Evaluation scale from 1 to 5, where 1- very good, 2- good, 3 – rather good than bad, 4 – rather bad, 5 – bad)

Source: authors' calculations based on the survey data



Representatives from Pieriga region municipalities



Higher importance granted to:

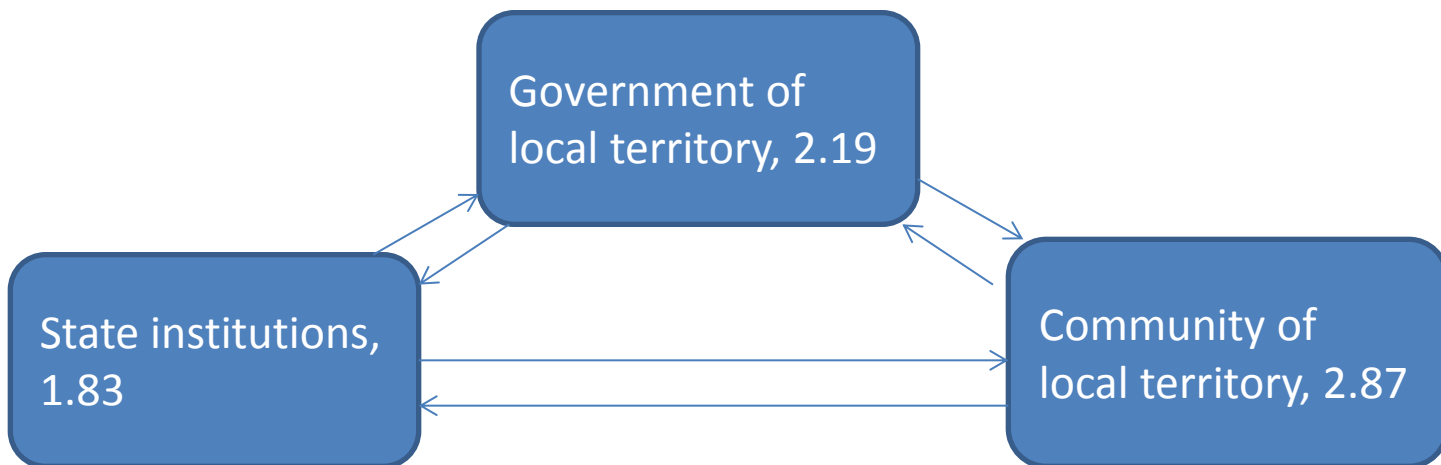
1. Economic situation in the country - 1.71
2. Municipality investment plan and projects implemented comply with the municipality's development programme priority tasks - 1.79
3. Municipal employees' competence - 1.82

(Evaluation scale from 1 to 5, where 1- very good, 2- good, 3 – rather good than bad, 4 – rather bad, 5 – bad)

Source: authors' calculations based on the survey data



Representatives from Zemgale region municipalities



Higher importance granted to:

1. Successful absorption of EU structural funds - 1.5
2. Economic situation in the country - 1.67
3. Earmarked subsidies received - 1.83

(Evaluation scale from 1 to 5, where 1- very good, 2- good, 3 – rather good than bad, 4 – rather bad, 5 – bad)

Source: authors' calculations based on the survey data



Iecava municipality from Zemgale region

(performance pace – territory development index, 2009 - 2013)



I Low pace

Low pace Auce – 86
Sala - 65

II Pace below the average

High level Aizkraukle +29

Low level Dobeles -54

Akniste – 60

Jaunjelgava – 68

Viesite – 72

Koknese – 41

Krustpils – 77

Nereta - 89

III Pace above the average

High level Bauska + 40

Ozolnieki + 19

Low level Plavinas – 66

Jelgava – 61

Jekabpils – 76

Tervete - 69

IV High pace

High level - Iecavas +26

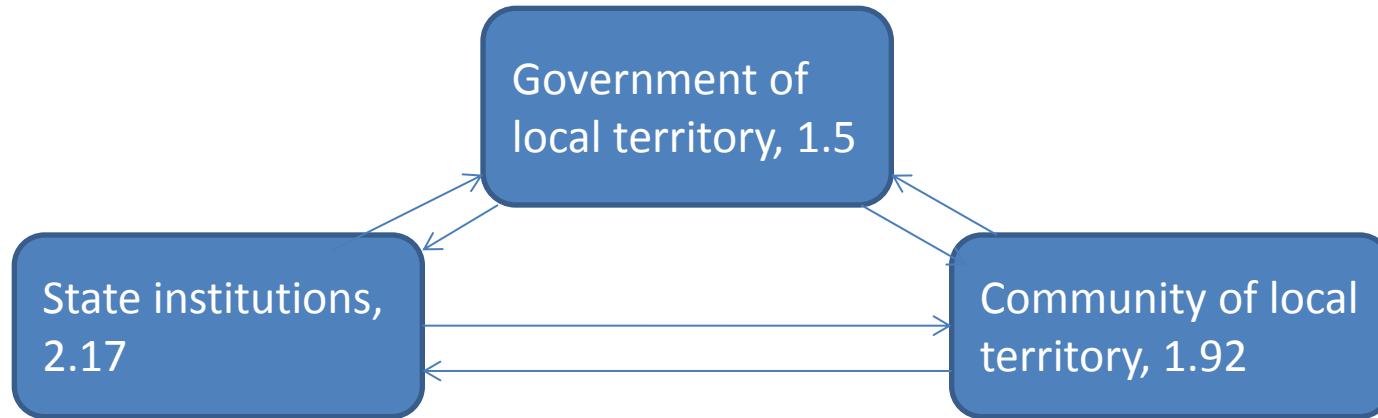
Low level Rundale -75

Skriveri – 62

Vecumnieki - 51



Representatives from Iecava municipality of Zemgale region



Higher importance granted to:

1. Purposeful and coordinated performance of deputies in developing and implementing the municipality's development strategy - 1.0
- 2a. Results of the municipality's development programme are systematically evaluated and the population is informed about the results - 1.25
- 2b. The municipality creates favourable conditions for the activity of NGOs and other social groups, engaging them into the municipality's development - 1.25
3. Activities of some social groups in implementing and spreading innovative ideas bringing change - 1.5

(Evaluation scale from 1 to 5, where 1- very good, 2- good, 3 – rather good than bad, 4 – rather bad, 5 – bad)

Source: authors' calculations based on the survey data



Conclusions I

1. Analysis of the processes in Latvia performed within the present research proves:

- a/ the perspective stated in the EU 2020 and 2050 strategies that the conditions and opportunities for development within the European Union have to be viewed not only in the national and regional aspect but also in the aspect of local territories;
- b/ differences among local territories within a region are often larger than the differences in average indicators among the regions of the country.

2. On the whole, the key factors of capacity mentioned by the surveyed municipality representatives are as follows :

- on the part of government institutions:
 - 1/ economic situation in the country;
 - 2/ earmarked subsidies received;
- on the part of municipalities:
 - 1/ municipality investment plan and projects implemented comply with the municipality's development programme priority tasks;
 - 2/ successful absorption of EU structural funds:
- on the part of the population, none of the first three most important factors were mentioned.



Conclusions II



3. At the same time, a few distinctive and important features became apparent:

1/ Pieriga region's representatives (the region with the highest territory development index in the country) highlighted municipal employees' competence as one of the three most important factors, particularly their competence in development planning, project management and financial management.

2/ representatives of Zemgale region's Iecava municipality (the municipality with the fastest increase in the number of economically active business structures during the years of the economic crisis):

- stressed the role of communication between the local government and the municipality's community;
- emphasised the unity of the council in tackling priority problems;
- highlighted active social groups among the three most important factors, thereby stressing the role of the "bottom-up" approach.

4. The research results prove that the Triple Helix Model as a reflector of interaction of important factors functions.



ACKNOWLEDGEMENTS

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**Thanks
for attention!**