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Local Economy in Theory and Practice
Planning and Evaluation Aspects

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ECONOMIC EVOLUTION OF THE LOWER SILESIA SUBREGIONS

Summary: In this article an analysis of the economic situation occurring in the subregions of Lower Silesia was carried out. These subregions were classified according to the nomenclature of territorial units for statistics (NUTS) at the level NUTS 3. An attempt was also made to demonstrate the internal differences occurring in the region. The following figures were subject to this study: the expenditure and revenue budgets per capita, unemployment rate, average monthly gross wage, the number of entities and individuals registered and newly registered in the REGON register, capital expenditure and the gross value of fixed assets in enterprises. The study gathered data series for 2008 and 2010.

Keywords: subregions, socio-economic situation, Lower Silesia.

1. Introduction

This article aims to analyze the economic situation existing in subregions of Lower Silesia and an attempt was made to demonstrate the internal differences occurring in the region. Lower Silesia is located in the south-western part of Poland. It covers an area of 1 994 674 hectares and borders with the Czech Republic in the south, Germany in the west, with the province of Lubuskie and Wielkopolskie to the north and the province of Opolskie to the east. It was created from the former provinces of Wrocław, Jelenia Góra, Wałbrzych, Legnica and small parts of Kalisz and Leszno. It consists of five subregions classified according to the nomenclature of territorial units for statistics (NUTS) on the level NTS 3. These are sub-regions: Jelenia Góra (556.955 ha), Legnica-Głogów (347.299 ha), Wałbrzych (417.940 ha), Wrocław (643.198 ha) and the sub-region of Wrocław (29.282 ha). It can be seen that the sub-regions differ significantly in both size and population density (see Table 1 and Figure 1).

Table 1. Surface and sub-state population of Lower Silesia in December 2010

Territorial unit	Total area [ha]	Total population [person]	The population density [population per 1 km^2]
Lower Silesia province	1 994 674	2 877 840	144
Jeleniogórski subregion	556 955	574 737	103
Legnicko-Głogowski subregion	347 299	448 444	129
Wałbrzyski subregion	417 940	671 490	161
Wrocławski subregion	643 198	550 173	86
Subregion of Wrocław city	29 282	632 996	2162

Source: own calculations based on the data from [Central Statistical Office 2011ab].

Figure 1. Lower Silesian voivodeship – subregions

Source: CSO – Lower Silesia – subregions, http://www.stat.gov.pl/gus/5840_5992_PLK_HTML.htm.

2. The analysis of the economic situation in subregions

The income and expenditure budget, understood as the sum of income (expenditure) of all municipalities located in the area of the individual sub-regions, is an important measure of their socio-economic situation. The amount and character of the budgets of municipalities and their income determine the adaptations of certain strategies of development and the possible implementation of specific communities [Smoleń 2006, p. 38]. It can be assumed that the budget revenue and expenditure are linked, among others, with the level of economic activity, living conditions in the subregion as well as the possibilities and effectiveness of local authorities [Przybyła 2011, p. 431].

It is noteworthy that in all the analyzed units in 2008, budgetary expenditure exceeded revenues. The situation was similar in 2010. Both in 2008 and two years later, in the Wrocław subregion, expenditure and revenue are by far the highest (in 2010, spending, the second largest in terms of the analyzed province, Legnica-Głogów accounted for 74% of the expenditure of Wrocław, revenue accounted for 68% of the revenue of the Wrocław subregion). It is worth mentioning that in 2008 the ratio expenses/revenue performed least favorably in the subregion with the highest level of income. In 2010, on the contrary, the Wrocław subregion was characterized by the highest level of balance between revenue and expenditure. The subregion with the lowest levels of income and expenditure in both periods was the Wałbrzyski subregion (see Table 2).

Table 2. Income and expenditure budgets of municipalities, including cities in the county per capita in 2008 and 2010

Territorial unit	Total expenditure		Total revenue		Expenditure/income	
	2008	2010	2008	2010	2008	2010
	[in PLN]					
Lower Silesia province	3229.90	3724.44	2966.81	3428.5	1.09	1.09
Jeleniogórski subregion	2727.31	3401.78	2664.77	3117.58	1.02	1.09
Legnicko-głogowski subregion	3269.13	3824.52	3151.31	3398.18	1.04	1.13
Wałbrzyski subregion	2379.38	3034.51	2324.50	2672.25	1.02	1.14
Wrocławski subregion	2673.46	3134.47	2564.41	2882.46	1.04	1.09
Wrocław subregion	5046.84	5191.79	4143.11	5010.18	1.22	1.04

Source: own elaboration based on the data from [Central Statistical Office 2011a; 2011b].

In all the territorial units, the registered unemployment rate in 2010 was much higher than two years earlier (see Table 3). It can be seen that the subregions characterized by the highest level of budget revenue and expenditure were also, in both periods, the areas with the lowest levels of unemployment. The subregion of

Wrocław, despite the rise in unemployment rate to 5.4% in 2010, positively diverged from the other subregions, and thus significantly affected the recorded level of unemployment in the region. The Wałbrzyski subregion, both in 2008 and 2010, was marked by the highest level of unemployment.

Table 3. The registered unemployment rate in 2008 and 2010

Territorial unit	Registered unemployment rate [%]	
	2008	2010
Lower Silesia province	10.0	13.0
Jeleniogórski subregion	13.9	18.3
Legnicko-głogowski subregion	8.8	12.2
Wałbrzyski subregion	17.0	19.7
Wrocławski subregion	9.2	12.8
Wrocław subregion	3.3	5.4

Source: own elaboration based on the data from [Central Statistical Office 2011a; 2011b].

Table 4. Average monthly gross wages in 2008 and 2010

Territorial unit	Average monthly gross wages [in PLN]		2010/2008
	2008	2010	
Lower Silesia province	3135.83	3412.37	1.09
Jeleniogórski subregion	2722.69	2857.49	1.05
Legnicko-głogowski subregion	3710.54	4039.96	1.09
Wałbrzyski subregion	2707.44	2996.30	1.11
Wrocławski subregion	2682.81	2990.49	1.11
Wrocław subregion	3415.39	3675.85	1.08

Source: own elaboration based on the data from [Central Statistical Office 2011a; 2011b].

Table 5. Average monthly gross wages in relation to the national average (Poland = 100)

Territorial unit	Average monthly gross wages in relation to the national average [%]	
	2008	2010
Lower Silesia province	99.3	99.3
Jeleniogórski subregion	86.2	83.2
Legnicko-głogowski subregion	117.5	117.6
Wałbrzyski subregion	85.7	87.2
Wrocławski subregion	84.9	87.1
Wrocław subregion	108.1	107.0

Source: own elaboration based on the data from [Central Statistical Office 2011a; 2011b].

In all the subregions studied, the average gross monthly wage in 2010 was higher than in 2008, with a differing size of the increments. Thus, in the Wałbrzych and

Wrocław subregions, wages increased by about 11%, while in Jelenia Góra by only 5% (see Table 4). As in 2008, the wages in these sub-regions were at a similar level; in 2010, the Jelenia Góra subregion began standing out negatively from the others. It may be noted that only two of the five sub-regions in Lower Silesia, i.e. in the Legnica-Głogów subregion and the Wrocław subregion, the average monthly gross wage was higher than the national average (see Table 5). In other territorial units surveyed in both periods it was significantly lower than the national average. What is interesting is that in addition to the Jelenia Góra district, a slight deterioration of the situation in this respect also took place in the district of Wrocław.

An important measure of economic activity is the number of entities registered in the REGON register and the number of units newly registered in this register. The number of newly registered entities increased in all the subregions in Lower Silesia, compared to 2008, most significantly in the subregion of Wałbrzych (see Table 6). At the same time, this was the only sub-region which recorded a decrease in the total number of entities registered in the REGON register – this can be the sign of many difficulties faced by entrepreneurs in this area. The subregion with the largest number of existing and emerging units per 10 thousand inhabitants was Wrocław. The subregion of Wrocław was characterized by the lowest in the group – but at the same time still growing – number of registered entities.

Table 6. Entities registered and the units of newly registered in the REGON register per 10 thousand inhabitants in 2008 and 2010

Territorial unit	Entities included in the REGON register		Entities newly registered in the REGON register	
	2008	2010	2008	2010
Lower Silesia province	1101	1151	95	116
Jeleniogórski subregion	982	1052	97	116
Legnicko-głogowski subregion	929	976	85	93
Wałbrzyski subregion	1104	1081	82	112
Wrocławski subregion	885	964	94	109
Wrocław subregion	1512	1602	117	143

Source: own elaboration based on the data from [Central Statistical Office 2011a; 2011b].

Capital expenditure was incurred in connection with the reproduction of the used means of production and enlarging their resources. The ability to maintain production at its current level or its growth, testify to the potential of companies and their opportunities to compete. Investment reflects the prospects of companies' growth, their chances of staying in the market and upgrading the production base. They are also bound to the market value of the company [Mielczarek 2004], the gross value held by the company's assets to their initial value, resulting from the purchase price or production cost.

The volume of investment outlays in enterprises and gross fixed assets value per 1 inhabitant in 2009 were analyzed due to the scope of available data. In the studied group of subregions, the highest level of investment with a gross value of fixed assets in the enterprise sector was characterized by the Wrocławski district (per 1 inhabitant – 5582 PLN).This is probably due to locating many new investments in close proximity to the city of Wrocław but, at the same time, outside its administrative boundaries. The sub-region of Legnica-Głogów and the sub-region of Wrocław were characterized by the high level of the analyzed value. It is worth noting that these territorial units were also characterized by the high level of investment in previous years. In the other two sub-regions, investment and the gross value of fixed assets per capita amounted to a much lower level. The value of the examined characteristic in the weakest sub-region, Wałbrzych, in 2009 was 34.8% of the size appropriate for the best area.

Table 7. Investment outlays in enterprises and the gross value of fixed assets on 1 inhabitant in 2009

Territorial unit	Capital expenditure and gross value of fixed assets [in PLN]
	2009
Lower Silesia province	3669
Jeleniogórski subregion	1975
Legnicko-głogowski subregion	5136
Wałbrzyski subregion	1943
Wrocławski subregion	5582
Wrocław subregion	4380

Source: own elaboration based on the data from [Central Statistical Office 2011a; 2011b].

3. Conclusions

The analysis showed that the economic situation of Lower Silesia subregions is highly varied. The subregion of Wrocław, the smallest of the tested subregions, limited in its territory to the administrative borders of the capital of the province – Wrocław – proved to be the strongest economically. This subregion was characterized by the best values for most measures adopted to study the economic situation, while the remaining were ranked above average.

Strongly associated with the province of Wrocław, the subregion surrounding Wrocław was characterized by worse values of the analyzed measures. The relatively low unemployment rate (less than the average specific for the region) and the increase of the average monthly gross wages, are probably the result of the ongoing investment process in the subregion and the population commuting to work in Wrocław. At the same time, this phenomenon gives rise to the positive assessment of developments in the subregion.

The economic situation of the subregion of Legnica-Głogów can be assessed positively. The level of income and expenditure, the registered unemployment rate, investment in enterprises and the gross value of fixed assets, presents itself favourably in comparison with the average specific for the region. Both in 2008 and in 2010, the average monthly gross wages and salaries were by far the highest in this subregion. This is probably related to the functioning in the subregion of one of the largest Polish companies – the Mining and Metallurgical Combine Copper "Polish Copper" joint-stock company. At the same time, one can be surprised by the relatively small number of entities registered in the REGON register and newly registered individuals. This suggests that the desire to move away from the monoculture copper industry in the subregion, even if included in the strategic documents, is difficult to achieve. In the Jeleniogórski subregion the small level of investment in enterprises and the gross value of fixed assets, related to the high unemployment rate and the very low level of average monthly gross wage (with relation to the size of the average for the region, or in relation to the national average) can lead to migration, and hence the loss of an important endogenous factor of development.

The Wałbrzyski subregion, particularly affected with the (initiated in 1989) transformation of the system, despite long-term actions aimed at improving the socio-economic situation (e.g. the creation in 1997 of the Wałbrzych Special Economic Zone) still clearly differs from the average value appropriate for the entire province .

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PRZEKSZTAŁCENIA GOSPODARCZE W SUBREGIONACH DOLNEGO ŚLĄSKA

Streszczenie: W artykule przeprowadzona została analiza sytuacji ekonomicznej występującej w subregionach Dolnego Śląska klasyfikowanych, zgodnie z Nomenklaturą Jednostek Terytorialnych do Celów Statystycznych (NTS), na poziomie NTS 3. Podjęta została również próba wykazania wewnętrznych zróżnicowań mających miejsce w regionie. Badaniu poddane zostały następujące wielkości: wydatki i dochody budżetów w przeliczeniu na mieszkańca, stopa bezrobocia rejestrowanego, przeciętne miesięczne wynagrodzenie brutto, liczba podmiotów zarejestrowanych oraz jednostki nowo zarejestrowane w rejestrze REGON, nakłady inwestycyjne i wartość brutto środków trwałych w przedsiębiorstwach. Do badania zgromadzono szeregi danych dla roku 2008 i 2010.

Słowa kluczowe: subregiony, sytuacja społeczno-ekonomiczna, Dolny Śląsk.