

*Marcin Bogdański**

University of Warmia and Mazury in Olsztyn

MODERN THEORIES OF REGIONAL DEVELOPMENT – A REVIEW OF SOME CONCEPTS

JEL Classification: *O18*

Keywords: *regional development, theories of regional development*

Abstract: *Researches on determinants of regional development are an important part of economic thought. And just like the whole economic theory, it was the subject of visible evolution as the whole economy had changed and as we gained some practice in stimulating economic development. However, in the public awareness one can still observe a strong influence of “old” or traditional theories. Many (also some economists) still see regional development as an exogenous process which should be inspired and managed by a central government. Also, there is a strong tendency to consider the main goal of regional policy as artificial leveling of regions’ development. Only recently there has been a visible shift in the approach to the problem of regional development. The aim of the article is to present some most commonly recognized modern theories of regional development, which stand opposite to the traditional approach. It shows the evolution of theories of regional development from exogenous to endogenous concepts, and from the sec-*

© Copyright Polskie Towarzystwo Ekonomiczne Oddział w Toruniu.

Date of submission: June 28, 2011; date of acceptance: April 1, 2012.

* Contact: marcin.bogdanski@uwm.edu.pl, Uniwersytet Warmińsko Mazurski w Olsztynie, Katedra Makroekonomii, ul. Kurta Obzitza 2, 10-725, Olsztyn.

toral to holistic view on this issue. Of course, it does not cover all of the thoughts of a fruitful discussion on this topic. It is rather an inspiration to increase and improve one's knowledge of this topic.

INTRODUCTION

After the World War II models of economic development, including regional development, were based on the assumption that the key role in stimulation of these processes is played by large enterprises as the sources of regional demand and innovation. Growing economies of scale allowed them to successfully compete on international markets and a large network of regional cooperants should allow for reaching convergence at the regional and international scale (Jewtuchowicz 2005, p. 55). The economic policies of many countries based on these assumptions and on dominating, at that time, theory of growth poles and a theory of core and peripheries, have led to a relatively long period of stable economic growth. These policies were realized by a centralized localization decisions and by economic incentives to a potential investors, in order to make them establish their new companies in less developed regions (Benko 1993, p. 42).

However, already in the 60's the first symptoms appeared, showing that this approach towards economic and regional development is inadequate to changing economy. The growing uncertainty on the international markets, the rising elasticity of demand and increasing role of innovations and technological progress neglected the weaknesses of Ford type organization of production process – inertia of large companies and their slow adaptation to ever changing markets. Also, the regional economic policy that have ignored economic calculation in localization decisions led to establishing many “cathedrals in the desert”, that is large plants and companies which were deprived efficient regional background and from this reason were unable to work and to produce their goods efficiently (Rokicki 2007, p. 1). At the same time, the growing success of seemingly weaker regions, like so called Third Italy, raised some fundamental questions on the sources and key factors of regional development (Olechnicka 2004, pp. 62-66).

The facts presented above have burst a lively discussion on the determinants of regional development. As a result, this process begun to be viewed from a new perspective. From then on, the sources of regional development were searched in the endogenous potential of regions, independent from exogenous factors. One of the most important goals in these emerging “bottom-up” theories was to use the regions labor force and natural resources in an efficient and harmonious way. First, it is essential to satisfy the basic needs of people living in a given region, than by using produced

surpluses of goods, going in to new ways of economic activity in order to make the regional economy more diversified (Stawasz 2004, p. 68).

In the 80's some of the theories of „bottom-up” growth were united with the theories of endogenous growth and from that time new theories of regional development were described as the endogenous theories, or theories of development from the bottom. They have highlighted the role of endogenous potential of region, which, because it is immobility, has to be used in the best possible way to create full employment accompanied by a high productivity of other production factors (Stawasz 2004, pp. 68-69). In other words, regional development is a such development whose sources are based on creating, using and improving inner resources on every spatial level: local, regional and national (Domański, Marciniak 2003, p. 136).

In opposition to many other earlier theories of regional development, especially to the classical ones, among the basic assumptions of endogenous theories was the possibility of divergence. It was underlined that the process of capital accumulation and a free trade, as the determinants of economic development, rarely lead to a convergence. Relatively high investment attractiveness of some regions causes the larger inflows of foreign direct investments, which makes mechanism of regional development to be driven by itself (Domański, Marciniak 2003, p. 135). The differences in the ability to create and to adapt innovations and new technologies are also important. Despite the fact that the knowledge and technology as goods are non-exclusive and non-competitive the revenues from their use are spatially diversified. Technology flows and external, technological economies of scale are polarized (Pike, Rodriguez-Pose, Tomaney 2006, pp. 104-105). Its sources can be found in the research personal, which is mainly concentrated in large agglomerations. Also the knowledge and technology flows among a city or a region can be the way of defending their dominant competitive position (Domański, Marciniak 2003, p. 136). It explains why some regions are characterized by a very high growth dynamics, and why some others are the subjects of economic regression. Lastly, the divergence can be caused by the differences in the economic, social, cultural potential of regions. That is why it should not be perceived as a negative tendency, unless the observed differences are so high that they lead to social unrest, growing tensions in central government budget or they would lower the competitiveness of a whole economy (Kuciński 2005, p. 51).

Main directions of researches done among the theories of endogenous growth are the concepts of: industrial districts, territorial systems of production and clusters, New Economic Geography, theory of sustainable development and post-developmentalism. Some of these theories are often described as the network concepts of regional development because of their

strong focus on the role of network linkages between the entrepreneurs, local authorities and financial institutions.

INDUSTRIAL DISTRICTS

This term was first used at the end of 19th century by Alfred Marshall in his work entitled "Principles of Economics". He described industrial districts as social-territorial units characterized by a high activity of entrepreneurs and people. Their presence and cooperation can be described as a perfect diffusion (Pietrzyk 2001, p. 45). A very important role, in the emerging phase of an industrial district, is played by non-market relations between the companies. Also, the key thing is that, despite different interests, there is one higher goal that unites entrepreneurs and force them to reach compromise. Every company functioning in the district specializes in one, sometimes more, stages of production process which is specific to a given region. It allows to reach a high level of specialization based on the rules of cooperation and interplay, which means providing free services to other companies clustered in a district. It improves and accelerates the process of learning and creating and diffusing of innovations. It also improves the information flows (Jewtuchowicz 2005, p. 76). Openness of a district and its wide linkages with companies located outside is the other factor which ensures its high competitiveness (Pietrzyk 2001, p. 45).

The attractiveness of a district isn't only the result of calculation of individual localization benefits, but of the external economies, which company can obtain just by being clustered in the district. The district „provides” companies with many benefits which are related to: knowledge, marketing, local financial services (Jewtuchowicz 2005, p. 76).

The concept of industrial districts was long forgotten, until it was brought back in the 80`s by an Italian economist G. Becattini. He described a specific kind of a district, which evolved in north and northeast Italy in the region called Third Italy. The specification of Italian districts is two-dimensional. First, the network linkages are „build” not only by the entrepreneurs alone, but also by the regional bank institutions and local governments. These networks are also flexible, and they are constantly changed with every new manufacturing process. They are also interdependable, which means that every entrepreneur is linked not only with one company. It can participate in many projects stimulatingly. Secondly, the specific of industrial districts is based on a broad use of technology and innovations in industrial branches which were perceived as traditional. Thanks to these technological innovations, which were the foundations of

their emergence and which were the emanation of their territory, market success is possible to achieve (Jewtuchowicz 2005, p. 78).

A good example of such district are the entrepreneurs clustered in the region of Veneto, north Italy. During the first twenty years of the previous century they were specializing in manufacturing of climbing boots. Constant improvement of quality, focus on innovation and sharing of experiences has allowed this region to be, at present, the world leader in manufacturing some equipment for winter sports. About 7 thousand people work in a circa 500 SME`s clustered in that region. However, which is more important, these companies have 75% share in world market of boots for skiing, 50% share in the market of snowboard boots and 80% share in the production of boots for motor sports (Olechnicka 2004, pp. 40-41).

TERRITORIAL SYSTEMS OF PRODUCTION (TSP)

Observations of industrial districts and their steady evolution have inspired some researchers to distinguish another concept of regional development – the theory of territorial systems of production (TSP). TSP is a special type of regional economic organization system, which had emanated from the industrial districts, but with one important difference – they include all types and forms of manufacturing that are spatially integrated. Hence it is impossible to point out one, ideal model of TSP; instead there are a lot of their variations, spatial configurations in one single concept of territorial system of productions (Pietrzyk 2001, p. 53-55). The factors which are essential to establish and to evolve for TSP are (Chądzyński 2007, p. 185):

- the will and ability for cooperation of entrepreneurs clustered in TSP. It is also important to know how to manage the system of cooperation-competition;
- openness, both for the local actors localized in the system and for the outer environment;

Very important to shape the specific regulations typical to TSP, which also decides about their competitiveness, is the partner approach to create efficient relations between the private and public sector. It turns to be specially effective and useful during the crisis conditions and in the necessity of changing the regional production profile during the times of uncertainty (Pietrzyk 2001, pp. 55-57).

The specific forms of TSP organization may be very diversified. That is why one could point out at least for trajectories of TSP development depending on the relations with territory (Pietrzyk 2001, pp. 57-58):

- Trajectory based on science – it relates to new technologies, products and organization forms of production. It emanates from the geographic proximity and different form of relations of entrepreneurs cooperating with each other in research and development (R&D);
- Trajectory based on a strategic role of entrepreneurs – it uses the externalities created when the manufacturing process is organized on a large scale. It is also strongly based on higher level services and agglomeration effects;
- Trajectory based on a rejection of hitherto production profile – manufacturing profile of the region is reorganized and modernized (also by creating innovations) with the use of competencies and capital acquired in earlier stages of development. This strategy is most useful and desired in regions that have to face the problem of restructuring traditional manufacturing branches;
- Trajectory of diversified development – it is the form of manufacturing organization which is based on endogenous potential of region. However, its main goal isn't the creation of innovation and knowledge. It rather uses available innovations to produce goods (with a high added value) specific only to a given region;

Very characteristic types of TSP (according to some authors, its higher form of development) are technological districts, also called territorial systems of innovations or technopolies. The basic differences between TSP and technological districts are as follows. First of all, the informal character of relations between the local and regional actors is replaced by a professional one. Also, the vertical integration of companies is replaced by a diagonal one with the cooperation ways going through various types of manufacturing and services (Pietrzyk 2001, pp. 55-57). The concept of technological districts strongly emphasizes the strategic role of innovations and a strong orientation on creation of new technologies and knowledge. The feedback created by innovations let this system to be exceptionally dynamic. Although there are some doubts, if this strategy, based on a tacit knowledge and learning by doing, without any effort paid to research and development (R+D) could be effective to stimulate regional development in the long term (Asheim, Clark 2001, p. 808); it seems that, at least in the early development stages of region, it can improve the dynamics of regions economic growth.

CLUSTERS

One of the theories that have played an important role in shaping regional policy goals and tools, was the concept of clusters. The idea was created by Michael Porter. He defined clusters as groups of entrepreneurs and connected them with different institutions (bank, universities, local leaders and authorities) which are working in the same, or similar, manufacturing branch. They are one of the types of network, where spatial proximity of various actors (not only productive ones) creates some kind of community and improves the frequency of their contacts and relations (Jewtuchowicz 2005, p. 89). It allows for using the economies of large scale quicker or in a more efficient way. It also improves the process of product development, distribution networks allowing to widen the competitive advantage of a cluster (McDonald, Huang, Tsagdis 2007, p. 40). The value of cluster as a whole is bigger than the sum value of every entrepreneur alone, because the connections created between companies, which are at the same time cooperating and competing, are building an added value. It also creates three groups of positive effects (Olejniczak 2005, pp. 28-29):

- Increase in efficiency of companies and sectors localized in cluster. It is the result of: availability of qualified labor force and other production factors, easier access to market and technical information and also to institutions and quasi-public goods and services;
- Improved ability to innovate, by mutual observations and imitations. It results in introducing the most efficient solutions used by a partner or competitor and in a lower costs of developing and initiating of innovations in a cluster;
- Incentives to create new companies thanks to an easier entry into the market (lower costs, better information) and by the “spillovers” of companies. It can also be a result of drawing new companies from related or complementary sectors;

Porter’s starting point in creating the concept of clusters is the so-called localization paradox. According to this well known paradox, in a modern economy goods are manufactured locally, but sold globally. Thus, if the manufacturers want to hold their competitive advantage it is essential to cluster them in spatial hubs of producers working in the same sector and cooperating with them institutions. It induces competition, which forces the companies to improve their competitiveness, but it also creates potential to start new joint ventures. This enables to stand out for the challenges which couldn’t be faced by a one company alone (Reid, Carroll, Smith 2007, p. 45).

Although this concept is strongly influenced by other theoretical works on regional development (including industrial districts and territorial systems of production), there are several important distinctions between them. Firstly, as the clusters can cover from a few up to a dozen production chains, industrial districts are limited only to one type of manufacture. Also, in the concept of clusters there is a weaker emphasis on agglomeration effects to, at the same time, underline the importance of cross-sector externalities. Finally, the most important attribute of cluster theory, is considering competition as the fundamental factor in creating a competitive advantage of a territory. This competition can be observed in three dimensions: between the companies localized in a cluster, between the clusters and, in the same cases, in the global scale (Olejniczak 2005, pp. 29-30).

The competitiveness of nations and regions is based on interactions between four key factors creating so-called diamond of competitiveness (Jewtuchowicz 2005, p. 89):

- Skilled labor force and the infrastructure essential to the industry;
- Specifications of local demand for goods and services provided by the industry;
- Presence of related (supportive) and supplying industries;
- Strategies, structures and competitive nature of entrepreneurs located in a cluster.

In other words, Porter points out that the system of industrial clusters is highly determined by social and institutional factors specific only for a particular culture and social structure. It explains why some countries and regions are able to specialize in a very specific types and forms of manufacturing. For example, Germany and its economy characterized by a high discipline in management and a relatively large share of banks in a financial system (which means acceptance to a relative long term of return on investment) are predisposed to develop such industrial branches like chemistry, optics or machinery (Grosse 2002, p. 37).

NEW ECONOMIC GEOGRAPHY

At the beginning of the 90's of the twentieth century a new theory has emerged, which until now, has played an important role in understanding the process of regional development – New Economic Geography (NEG). One of its precursor is thought to be Paul Krugman, who recently was awarded for its achievements with Bank of Sweden Prize in Economic Sciences in Memory of Alfred Nobel.

Very characteristic to the New Economic Geography is fact that it unites various thoughts of other theories (like the neoclassical and demand theories or a new growth theory of P. Romer) to explain the reasons of spatial concentration of economic activity. It also allows to understand the process of regional divergence (Churski 2009, p. 1). According to Krugman and others, the key determinant of the spatial polarization of economy is the process of urbanization and metropolization of space. Economic environment of big cities provides entrepreneurs with strong externalities like agglomeration effects, which drive the process of regional divergence. In order to explain the sources of agglomeration effects, NEG researchers are reaching to the heritage of urban economics started by von Thünen and the theories of regional development of such authors like Isard, Lösch or Christaller. As Krugman points out, the concept of von Thünen explains in a very exact manner how the revenues from economic activity are related to the distance from the central place, but one thing it did not explain is: which mechanisms have led to the creation of that center (Fujita, Krugman 2004, p. 141).

In order to understand the process of concentration of economic activity Krugman describes a model of a hypothetic economy with two regions. At the beginning, in a steady state, entrepreneurs in two sectors – agriculture and industry – are equally placed in the space. Homogenous agriculture goods are manufactured only with the use of labor force with constant economies of scale. On the other hand, industrial goods are heterogeneous and their production is characterized by growing economies of scale. Like in the first case, also here the only production factor is labor force, but when agriculture workers are immobile, industrial workers are perfectly mobile. Both groups raise demand for agriculture and industrial goods. The last assumption made by Krugman is that there are no costs of transportation for agriculture goods, and as for the other products, their transportation cost increase along with the distance. By including factor of time, it is possible to observe some characteristic dependencies in a given economy. One can distinguish two opposite forces – one of them is the source of concentration of economic activity, and the other leads to its dispersion. The latter is mainly caused by the lack of mobility of agriculture workers (Fujita, Krugman 2004, p. 145).

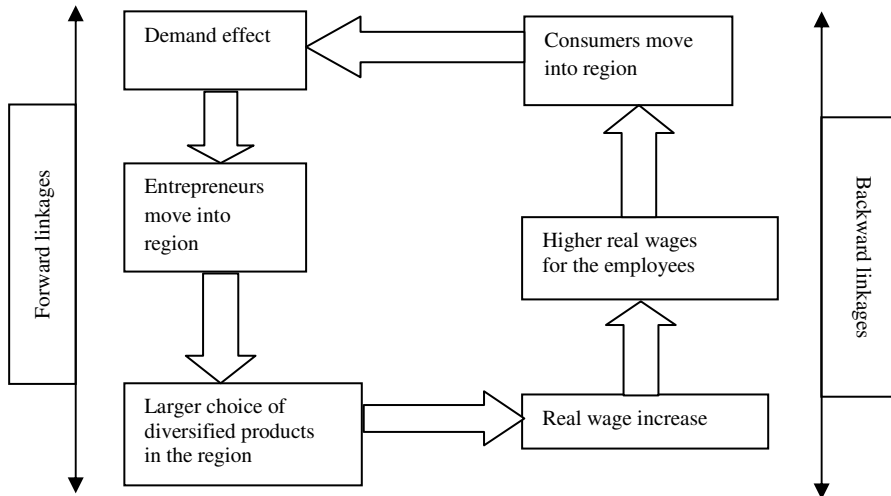
To explain the cause of concentration of production, one has to refer to the assumptions typical for neoclassical economists (Eckey, Kosfeld 2004, p. 2):

- Consumers are interested in maximizing their total utility;
- Workers are interested in maximizing real wages;
- The main goal of entrepreneurs is maximizing of their profits;

– Strong competition reduces the profits to zero.

By taking these assumptions, it is possible to explain why companies and workers tend to concentrate in space of a region. It is shown in figure 1.

Figure1. Circular causation through linkage effects



Source: Eckey, Kosfeld (2004, p. 2).

When a new group of consumers comes into the region (it can be caused by any reason: migration, increase in number of population), a new demand emerges. This new demand can only be satisfied by new entrepreneurs. A concentration of manufacturers on relatively little space generates positive agglomeration effects like: gaining access to a bigger markets and qualified labor force, cheaper supply or intensification of process of mutual learning. This, in combination with strong competition, forces the companies to improve their offer of goods and services. Furthermore, their goods are sold at lower prices. This means that the real income of workers increase. In a result a new group of consumers can migrate into region.

Krugman's first model was a great inspiration for further researches, in which the model of analyzed economy was gradually improved to reflect real processes appearing in the economy of region. In another model, Fujita and Krugman made the assumption that the production of agriculture goods requires both land and labor force (but this time workers are homogenous

and fully mobile), and that the transportation costs for both kinds of goods are increasing with the distance (Fujita, Krugman 1995). Subsequent analysis has expanded the scope of research to: a dynamic analysis of a equilibrium at the labor and real estate market and another factor of production – capital (Fujita, Mori 1997), higher number (up to 80) of regions and cities placed in the analyzed economy (Fan et al 2000), variable transportation costs (Mansori 2003) and also a detailed inquiry into different kinds of agglomeration effects (Murata, Thisse 2005).

Conclusions of all of these researches are the same. The factors which are responsible for a dispersion of economic activity in space are so-called centrifugal forces, which consists of: agglomeration costs, diversified skills of labor force, differences in real wages and, on some conditions, transport costs. If these forces are strong enough, they can lead to a regional convergence. On the other hand, a tendency to concentrate production can be a result of: existence of demand for heterogeneous goods, vertical linkages between companies and economies of scale (Allonso-Villar 2007, pp. 61-62). Krugman adds to this list the presence of agglomeration advantages and the occurrence of knowledge spillovers, which can be explained as a process of accelerated and improved transfer of knowledge between different companies. It is a result of their spatial proximity (Fujita, Krugman 2004, p. 156).

Agglomeration advantages can be described in four dimensions (Quingley 1998, p. 131):

- Scale economies in production, within firms and in consumption;
- Shared inputs in production and consumption;
- Lower transaction costs in production and consumption;
- Statistical economies in production and consumption.

According to researchers related with NEG a tendency for concentration is always stronger. This explains why, in recent years, one can observe growing clustering of production in larger cities and metropolises. The validity of important thoughts typical to New Economic Geography was confirmed by numerous empirical studies on the economies of the United States of America and the European Union (Rokicki 2010, p. 1).

SUSTAINABLE DEVELOPMENT

In the last dozen of years, this theory has gained a growing recognition among the theorists and practitioners of regional development. In this concept, regional development is seen in a holistic way, by including various categories and factors of development – from economical ones, through

social and cultural, to ecologic. This term was first used in 1972, but even so, there is still no agreement on such fundamental issues like: how to define sustainable development or how to conceptualize its determinants and measures, not to mention the strategies of introducing sustainable development.

B. Pointek defines the very essence of sustainable development as the will and determination to provide a constant improvement in the quality of life of nowadays generations by preserving proper relations between three kinds of capital: economic capital, human capital and natural capital (Pi-ontek 2002, p. 27). Special attention is paid to ensure that the process of economic development will have a permanent character – also by using automatic mechanisms which give it a “clean” nature by eliminating side effects to the environment (Korenik 1999, p. 37). In its assumptions, the concept of sustainable development is aimed at integrating economic, social and environmental goals to achieve overarching goal, which is the improvement the living conditions of present generations, while allowing for future growth (Pike et al 2006, pp. 113-115). The tools supporting sustainable development mentioned are, among others: creation of trade networks that have local character and that are oriented on local needs, and environment-friendly tax system.

One can distinguish two approaches to the problem of sustainable development, especially taking into account the relations of human vs. nature (Pike et al 2006, p. 115):

- “Weak” development – sometimes it is described as a shallow environmental approach, in which development is regarded as a process of anthropogenic nature. It emphasizes the need to increase material resources of man, but with maintaining compromise with nature. The use of renewable energy sources, the search for substitutes for non-renewable resources and more efficient utilization and recycling of waste should do it.
- Strong development – in the comparison with weak development it inverts the relations of human with nature – nature is now considered as the most important resource, which has to be protected with absolute care. It stems from a deep critique of the capitalist organization of production as a system which is not able to ensure a rational use of natural resources. In this approach, it is the human who has to adjust to the laws of natural environment. Wealth is understood in non-material way, as well-being and harmonious coexistence with nature.

The term ‘sustainable development’ is often replaced with ‘eco-development’. Its most important attributes are (Kupiec 2008, p. 25):

- Unification of economic, social and ecological aspects of development;

- At the same time ensuring social justice (including intergenerational), economic growth and environment protection;
- Rational use of natural resources;
- Ensuring intergenerational safety for environment;
- Endeavor for spatial cohesion;
- Incorporation of sustainable development requirements for legal, economic and management system.

POST-DEVELOPMENTALISM

Nowadays one can also observe a growing interest in the concept of post-developmentalism. It is a very heterogeneous group of theories in which modern, linear, cumulative and neutral approach to knowledge is criticized. Knowledge is seen as a resource which is complex, contradictory and subjective, determined by intuition and culture. And since there is no objective truth which describes reality (every culture has its own sense of truth) one cannot talk about universal theories of economic development, which would be efficient both in highly developed regions of rich North and in poor South. Post-developmentalism is also characterized by, a specific to postmodernism, methodological eclecticism and criticism of contemporary social doctrines (Goncalves 2006, pp. 1151-1155).

The concepts of post-developmentalism are in opposition to the strategies of regional development, which are described as *Europecentrism* or *Strategies of best possible way*. These strategies were only successful in the highly-developed countries of the Northern Hemisphere. Also, they are being imposed on the poorer countries and regions of the South by the system of loans granted by International Monetary Fund and World Bank. In reality, they only preserve the dominant position of rich countries, being a new kind of economic colonialism.

According to the protagonists of post-developmentalism, the previous understanding of economic development and the way for its stimulation suggests that the only way for poor nations the catch up with the most developed countries is to copy their culture, institutions and economy structure. However, this strategy is doomed to be unsuccessful because non-urbanized regions will always be less competitive than urbanized ones, the country will always be poorer than a city, the industrial sector is always more productive than the agricultural one and so on (Cavalcanti 2007, pp. 89-90). Modern theories of regional development are also criticized for not resolving the real problems of poor regions, but only proposing the replacement of one economic system by another, transition from traditional

to modern economic structures, which are also imperfect (Piasecki 2007, p. 23). Imposed development theories will always be ineffective, unless they respect the customs and habits of local cultures. It is also important not to create unnecessary technological and social distance between the countries offering and profiting from economic support (Cavalcanti 2007, pp. 90-91). A region can only be thought as developed if the people living there consider so. This does not mean that material wealth is essential. On the contrary, material wealth is considered as the source of some kind of enslavement and dependency (Pike et al 2006, pp. 117-118).

The theories of post-developmentalism emphasize the need for searching new determinants and measures of economic development, which will be consistent with the regions' social determinants. What is significant here is the rejection of the capitalist approach to the economy as it awakes tension and conflicts, particularly between poor and rich. Each entity has the right to their own understanding of wealth and development and the right to choose a way to achieve it. The greatest value of these theories is contained in the indication of the role of cultural factors as important stimuli for development.

CONCLUSIONS

The aim of this paper was to present the evolution and to describe some modern theories of regional development which have influenced the most understanding of this process. One can observe here a visible evolution from theories of balanced development to the theories of polarization, from the exogenous to the endogenous theories and from looking at the regional development in a very selective way to the holistic approach, which sees regional development in a broad context of economic, cultural and technological determinants.

The appearance of the endogenous theories in the second half of the twentieth century enabled to see the process of regional development in a new dimension. According to these concepts, regional divergence could be explained by the differences in the endogenous potential of region. It can be hitherto level of development, quality of human and social capital, system of linkages between regional entrepreneurs, innovative environment. As a result, the goals and tools of regional policy were re-devalued. The new approach was aimed mainly at leveling the endogenous potential of regions. The process of regional development is seen this way in the theories of: industrial districts, territorial systems of production, clusters, also partly in the New Economic Geography. Also, the common feature of all of these theories is the strong emphasis on the crucial role of linkages

(both formal and informal) between companies in stimulating regional development. Hence these theories are often described as network theories of regional development.

The theory of sustainable development looks at the economic processes from the perspective of consequences it can cause in the future. It is postulated to manage the development in way that will preserve proper relations between production factors and will increase the quality of living of present generations without limiting this possibility for the future.

Post-developmentalism rejects most of the thesis of previous theories (especially those from the mainstream economy) because they do not answer the needs and capabilities of poor regions. There is a need for searching new strategies of development that will respect the specifics of a given region and its society.

Presented theories were chosen subjectively by the author. Although the choice was preceded by the literature studies it did not covers all the various threads in the discussion on the determinants of regional development. However the author is hoping that this paper will be an inspiration to a deeper study on the subject.

LITERATURE

- Allonso-Villar O. (2007), *A reflection on the effects of transport costs within the new economic geography*, "Review of Urban & Regional Development Studies", Vol. 19, Issue 1.
- Asheim B., Clark E. (2001), *Creativity and Cost in Urban and Regional Development in the "New Economy"*, "European Planning Studies", Vol. 9, No. 7.
- Benko G. (1993), *Geografia technopolii*, Wydawnictwo Naukowe PWN, Warszawa.
- Cavalcanti J.G. (2007), *Development versus enjoyment of life: a post-development critique of the developmentalist worldview*, "Development in Practice", Vol. 17, No. 1.
- Chądryński (2007), *Nowe koncepcje rozwoju – w kierunku rozwoju lokalnego*, [in:] J. Chądryński, A. Nowakowska, Z. Przygodzki (red.), *Region i jego rozwój w warunkach globalizacji*, Wydawnictwa Fachowe CeDeWu.pl, Warszawa.
- Domański R., Marciniak A. (2003), *Sieciowe koncepcje gospodarki miast i regionów*, Polska Akademia Nauk, Komitet Przestrzennego Zagospodarowania Kraju, Warszawa.

- Eckey H.-F., Kosfeld R. (2004), *New Economic Geography – Critical reflections, regional policy implications and further developments*, “Volkswirtschaftliche Diskussionsbeiträge”. No. 65/04.
- Fan W., Treyz F., Treyz G. (2000), *An evolutionary new economic geography model*, “Journal of Regional Science”, Vol. 40, Issue 4.
- Fujita M., Krugman P. (1995), *When is the economy monocentric? von Thünen and Chamberlain unified*, “Regional Science and Urban Economics”, Vol. 25, No. 4.
- Fujita M., Krugman P. (2004), *The new economic geography: Past, present and the future*, “Papers in Regional Science”, Vol. 83, No. 1.
- Fujita M., Mori T. (1997), *Structural stability and evolution of urban systems*, “Regional Science and Urban Economics”, Vol. 27, Issues 4-5.
- Goncalves B.T. (2006), *Epistemological dependancy – cognitive relativism in development thinking*, “Journal of International Development”, Vol. 18.
- Grosse T.G. (2002), *Przegląd koncepcji teoretycznych rozwoju regionalnego*, „Studia Regionalne i Lokalne”, nr 1(8).
- Jewtuchowicz A. (2005), *Terytorium i współczesne dylematy jego rozwoju*, Wydawnictwo Uniwersytetu Łódzkiego, Łódź.
- Korenik S. (1999), *Rozwój regionu ekonomicznego na przykładzie Dolnego Śląska*, Wydawnictwo Akademii Ekonomicznej im. O. Langego we Wrocławiu, Wrocław.
- Kuciński K. (2005), *Regionalne aspekty koniunktury gospodarczej*, [in:] J. Kaja i K. Piech (red.), *Rozwój oraz polityka regionalna i lokalna w Polsce*, Oficyna Wydawnicza Szkoły Głównej Handlowej, Warszawa.
- Kupiec L. (2008), *Jaki rozwój?*, [in:] A. F. Bocian (red.), *Rozwój regionalny a rozwój zrównoważony*, Wydawnictwo Uniwersytetu w Białymstoku.
- Mansori K. (2003), *The geographic effects of Trade Liberalization with increasing returns in transportation*, “Journal of Regional Science”, Vol. 43, No. 2.
- McDonald F., Huang Q., Tsagdis D. (2007), *Is there evidence to support Porter-type cluster policies?*, “Regional Studies”, Vol. 41.
- Murata Y., Thisse J.F. (2005), *A simple model of economic geography à la Helpman-Tabuchi*, “Journal of Urban Economics”, Vol. 58, Issue 1.
- Olechnicka A. (2004), *Regiony peryferyjne w gospodarce informacyjnej*, Wydawnictwo Naukowe SCHOLAR, Warszawa.
- Olejniczak K. (2005), *Nowe teorie rozwoju regionalnego w praktyce Unii Europejskiej*, [in:] A. Adamczyk, J. Borkowski (red.), *Regionalizm, polityka regionalna i Fundusze Strukturalne w Unii Europejskiej*, Centrum Europejskie Uniwersytetu Warszawskiego, Warszawa.

- Piasecki R. (2007), *Ewolucja teorii rozwoju gospodarczego krajów biednych*, [w:] R. Piasecki (red.), *Ekonomia rozwoju*, Polskie Wydawnictwo Ekonomiczne, Warszawa.
- Pietrzyk I. (2001), *Polityka regionalna Unii Europejskiej i regiony w państwach członkowskich*, Wydawnictwo Naukowe PWN, Warszawa.
- Pike A., Rodriguez-Pose A., Tomaney J. (2006), *Local and Regional Development*, Routledge, London and New York.
- Piontek B. (2002), *Koncepcja rozwoju zrównoważonego i trwałego Polski*, Wydawnictwo Naukowe PWN, Warszawa.
- Quigley J. M. (1998), *Urban Diversity and Economic Growth*, "Journal of Economic Perspectives", Vol. 12 No. 2.
- Reid M., Carroll M. C., Smith B. W. (2007), *Critical steps in the cluster building process*, "Economic Development Journal", Vol. 6, No. 4.
- Stawasz D. (2004), *Ekonomiczno-organizacyjne uwarunkowania rozwoju regionu – teoria i praktyka*, Wydawnictwo Uniwersytetu Łódzkiego, Łódź.
- Churski P. (2009), *Rozwój regionalny w warunkach transformacji gospodarczej i integracji europejskiej*, <http://www.staff.amu.edu.pl/~chur/bibliografia/ROZWOJ%20REGIONALNY%20W%20WARUNKACH.pdf>, (6.03.2009).
- Rokicki B. (2010), *Teoria ekonomiczna a regionalne zróżnicowanie rynku pracy*, <http://www.rynekpracy.edu.pl/?strona=podstawy-teoria-ekonomiczna>, (30.03.2010).

