

DEVELOPMENT POTENTIAL AND THE LEVEL OF INVESTMENT EXPENDITURE OF RURAL COMMUNES OF EASTERN POLAND IN 2010-2019

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Local development is a process of quantitative and qualitative changes in line with the needs of the local community. The problem in its implementation is the level of financial resources available to municipalities. The assessment of the financial situation was made on the basis of a synthetic measure determined by the Technique for Order Preference by Similarity to an Ideal Solution method. The study covered 484 rural communes in the region of Eastern Poland in 2010-2019. Empirical data was obtained from the Local Data Bank of the Central Statistical Office. Eastern Poland is an area with a low level of development in Poland and in the European Union. The financial situation are determined both by financial, economic, infrastructural, environmental and entrepreneurial variables. The synthetic measure of development ranged from 0.35 to 0.64 in 2019 and from 0.34 to 0.60 in 2010. In 2018, the level of investment expenditure in total expenditure was from 0.00 to 0.47, in 2010, from 0.01 to 0.47. The development process and investment expenses were influenced by, among others birth rate, net migration, the number of the unemployed, the level of own income, economic entities. Poviats authorities should take care to improve the economic potential, which will increase the attractiveness of the area and attract new entrepreneurs and improve the quality of life of the inhabitants. The undertaken activities should focus on achieving social, economic and spatial cohesion. The obtained results may be an important source of information for local government authorities on disproportions between units.