

THE EVALUATION OF A TOWN'S ATTRACTIVENESS: A CASE STUDY OF BALVI CITY

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Abstract. When encouraging polycentric development and thinking about the sustainable development of cities, there is an increased necessity to carry out a much broader evaluation of territories within one research. Such an opportunity is offered by evaluation of the attractiveness of cities. It is a comparatively new category of economic research. Within the framework of the ESF-financed project "Lingual-Cultural and Socio-Economic Aspects of Territorial Identity in the Development of the Region of Latgale", research was done with a view to determine the criteria that would enable researchers to evaluate the attractiveness of cities (on the basis of impartial and subjective data).

The arrangement and evaluation of territories in the aspects of life quality or competitiveness is as essential for the inhabitants (evaluating the level life quality) as for tourists (evaluating safety level) and entrepreneurs (evaluating investment environment). Therefore, the users of results of this research are interested in a certain aspect, but each of them individually does not give a comprehensive concept of the particular territory. In researching city attractiveness, focus is not only on inter-comparison or cities, but an opportunity is also given to find uniqueness or competitive advantage that can help to facilitate its economic growth or to eliminate substantial factors that hinder development. Relevant in research of city attractiveness are the subjective data that show the level of contentment, and such data can be obtained as a result of polling the inhabitants.

Employment and contentment are mutually correlating features, but the latter correlates also with city attractiveness. In the research, attention will be devoted to the significance of research of city attractiveness and analysis based on the aspect of employment.

Key words: attractiveness of the town, Balvi, satisfaction with life in the town, the Latgale region, employment

Introduction

Attraction of inhabitants, tourists and investors is one of the significant territory's development potentialities. Each of these groups can facilitate inflow of financial resources and the economic activity. These are preconditions for the sustainable territory's development.

Polycentric development of late years has become the topic of the day in Latvia and in the European Union (*further – the EU*) because it is interlinked with successful implementation of regional policy. In the center of this way of development is the town as a territorial unit which by using its resources (human, nature, financial) provides its economic growth and supply of services of full value.

Significance of the evaluation of territory's competitiveness is rising. For the evaluation of the town's, region's or country's competitiveness new practical researches and scientifically grounded methodologies appear. As a result of it the towns researched are ranked or the corresponding indexes are allocated which users are the potential investors, inhabitants or tourists. The most popular researches about the territories are related to the quality of life (shown as a

complex or definite sphere evaluation), investments, touring products etc. The aim of the research or the target audience defines its comparatively narrow sphere of the researches.

Each investor after coming to the particular town becomes a part of this territory and not only the investment's environment he thinks to be exciting but also the quality of life. Substantially, the above mentioned researches are planned for the user of this information – the investor, inhabitant or tourist. As a result of this not enough attention is paid to the town, region or country, the territory is not researched all-in-all.

Updating the question about the polycentric development of towns also increases the role of a town, as a territorial unit, development in a region, country and the EU. Accordingly in the practical literature (the normative documentation, planning documents and the like) and scientific literature proposals for new terminology and its interpretation start to appear, for example, city marketing, city image, perfect city, city attractiveness, 'ghost' city etc. The attention is focused on a particular city, its necessities, development potentialities that are offered to the town's existent and potential 'users'.

The aim of the article is to find out the possible aspects of town's attractiveness valuation on the basis of theoretical literature and the Balvi inhabitant's questionnaire.

The tasks of the research: to search theoretical literature about the town's attractiveness; by using the data of the Balvi inhabitant's questionnaire, with the help of statistical calculation, to investigate the town's attractiveness evaluation possibilities.

Research methods

In this research the synthetic and analytic methods are used. The data of the Balvi town inhabitants' questionnaire is the basis of this article. The questionnaire was performed from October 2010 up to January 2011 within the project 'Lingual-Cultural and Socio-Economic Aspects of Territorial Identity in the Development of the Region of Latgale' financed by the ESF. In Balvi 139 inhabitants took part in this questionnaire but 131 questionnaires were valid. Not all of the respondents came up with all the questions of the questionnaire therefore in the article the number of the respondents is shown that is marked as 'n'.

Characterization of the questionnaire's respondents:

- By gender: 26% men and 74% women;
- By educational level: higher education 40.5%; secondary education 25.2%; vocational education 23.7%; elementary education 9.9% and 0.8% did not answer to this question.

- By occupation: 48.1% paid employment; works, self-employed person 4.6%; do not work, unemployed 35.9%; leave for child care 0.8% and 10.7% other answer (pupils, students, pensioners).

SPSS program was used for the data processing, with help of which the Spearman correlation rate's calculations were done, charts and pictures formed (graphical method was used).

Results and Discussion

A question then derives what a town's attractiveness is. In the scientific literature there is no unified term definition and also there is no explanation for the town's attractiveness. For example, in the Charter of European cities a concept 'perfect city' is used. In other words, it is important to show and understand how the town has to 'look' in the economic, visual, social etc. spheres in order to take this town as the ideal or attractive. In the research the author uses the concept 'town's attractiveness'.

The town's attractiveness is a comparatively new category of the economic researches which practical part can be seen as methodology for valuation of corresponding territories. Within the previously mentioned project 14 towns of Latgale were researched (they match the categories – national, regional, district consequence) using the objective and subjective data and finally giving a methodology with help of which could the town's attractiveness be evaluated.

The most interesting is the fact that characterizing the town's attractiveness the factors are used. Also within this question there is no consequence. So what are these factors with help of which it is possible to characterize the corresponding town's attractiveness? In the previously mentioned Charter of European cities it is marked that it has to be a perfect place for '*traffic, living working and leisure requirements*'. (European Urban Charter, 1992). The European Commission in their announcement in 2006 to the Parliament and Council emphasizes the city as a center of working place formation to which skillful employees are recruited but it is possible only if there is city's *attractiveness in the spheres of transport, services, environment and culture* (The announcement of the Policy of cohesion and cities, 2006).

Irma Neminei proposes to research the city's attractiveness from six sight points: *business policy, basic services, pleasant environment and the housing policy, traffic, something special and economy of the city*. (Neminei, 2004)

L. van den Berg (alone or with co-authors) has performed many comprehensive researches about the city attractiveness, long-term development, city marketing. In his researches he

emphasizes significance of the city attractiveness in long-term development and defines various factors for target users of each city. The city attractiveness in view of inhabitants is characterized as *good, affordable dwellings in a clean and safe environment, availability and diversity of employment and a generous supply of high-grade services related to education, culture, health care, relaxation, shopping, religion and social security*. (Berg, Meer, Oligaar, 2006) For investors the place is emphasized as an attractiveness factor that can be characterized as *availability of space, land prices, tax rates and other legal regulations, the quality and quantity of the labor supply, the presence of other establishments (suppliers and customers), the market demand, the status of a location, the quality of the living environment and the presence and quality of services in the close vicinity*. (Berg, Meer, Oligaar, 2006) The city attractiveness in view of tourists is *presence of and access to primary as well as complementary tourist products*. (Berg, Meer, Oligaar, 2006)

It has to be concluded that the research of the city attractiveness includes a wide range of questions that are confirmed by the previously mentioned examples. In the author's opinion, some factors and their role can vary depending on the immutable factor – the size of the city and the mutable factor influence – economic, political, and social. Also important is the information that is used to clarify the level of particular city's attractiveness. Using the objective (statistic information) and subjective data (questionnaires, interviews) it is possible to maximum precisely define the level of city's attractiveness. The statistic information is based on definite calculation methodologies, also mathematic calculations and it does not show the human factor – thoughts, opinion, and satisfaction etc. that are significant for the evaluation of attractiveness.

On the basis of the questionnaire's data of the Balvi town inhabitants, the author researched whether there are any statistically significant correlations with probability of 95% or 99% between the indications:

- satisfaction with life in town and attractiveness of town characteristics;
- satisfaction with life in town and considering to work abroad;
- attractiveness of town characteristics and satisfaction with life in town;
- attractiveness of town characteristics and considering to work abroad;
- considering to work abroad and satisfaction with life in town;
- considering to work abroad and attractiveness of town characteristics.

Using the SPSS program the correlation coefficient's calculations between the variables were done.

From the findings (Table 1) it can be seen that between the variables satisfaction with life in town and considering to work abroad exists a weak negative correlation $r = -0,217$ with a

probability of 95%. These results testify that by diminishing of desire of Balvi inhabitants to go abroad to find a job, satisfaction with town increases. Wherewith in the aspect of the town's attractiveness research it can be considered that migration of inhabitants is one of the indicators that gives a percept with tendencies of the satisfaction's level in the town with the variable of 95%. Between the variables satisfaction with life in town and attractiveness of town characteristics there is a weak positive correlation $r=0,341$ with the variable of 99%. Causation between these indications enables to draw a conclusion that with the variable of 99% it can be asserted that increase of level of satisfaction with life in Balvi town enables to conclude that the town's attractiveness is increasing. The research of the town's attractiveness cannot be performed only on the basis of the causations mentioned above. Still as a result of regular researches it is possible to define the tendencies of the town's attractiveness.

Table 1

Correlations

(calculations done by the author with the program SPSS according to the data of Balvi town inhabitant's questionnaire)

	Satisfaction with life in town	Attractiveness of town characteristics	Considering to work abroad
Spearman's rho	Correlation Coefficient Sig. (2-tailed) N	Correlation Coefficient Sig. (2-tailed) N	Correlation Coefficient Sig. (2-tailed) N
Satisfaction with life in town	1,000 12	,341** 129	-,217* 113
Attractiveness of town characteristics	,341** 129	1,000 131	-,093 115
Considering to work abroad	-,217* 113	-,093 115	1,000 115

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

From the empiric calculations it can be concluded that one of the aspects that affect the satisfaction with life in town is the employment. The author thinks that the employment can be considered as one of the significant aspects that describes the town's attractiveness. In the Regulation of the European Parliament and of the Council on the European system of national and regional accounts in the European Union the concept 'employment' includes all persons that

participate in productive activity that is a part of the manufacturing within the national accounts. The employed persons are hired workers or self-employed persons. (Regulation of the European system of national and regional accounts in the European Union, 2010)

It follows that the employment can be characterized with statistic data which show the number of employed persons in the labor market. Usually such information is batched by the Central Statistic board and it is publicly available (for example, according to the CSB data of 2010, the average employment level in towns of Latvia was 53.1%). Though, the employment characterizing quantitative showing is not enough in order to evaluate the town's attractiveness in this aspect. Therefore the author uses the data from the questionnaire of Balvi town's inhabitants in order to clarify correlation between the employment and town's attractiveness. As the null hypothesis it is advanced that there exists a direct connection between the satisfaction and the town's attractiveness.

Table 2

Correlations

(calculations done by the author with the program SPSS according to the data of Balvi town inhabitant's questionnaire)

			Satisfaction with life in town	Attractiveness of town characteristics	Occupation
Spearman's rho	Satisfaction with life in town	Correlation Coefficient	1,000	,341**	,225*
		Sig. (2-tailed)	.	,000	,010
		N	129	129	129
Attractiveness of town characteristics	Correlation Coefficient	Correlation Coefficient	,341**	1,000	,141
		Sig. (2-tailed)	,000	.	,109
		N	129	131	131
Occupation	Correlation Coefficient	Correlation Coefficient	,225*	,141	1,000
		Sig. (2-tailed)	,010	,109	.
		N	129	131	131

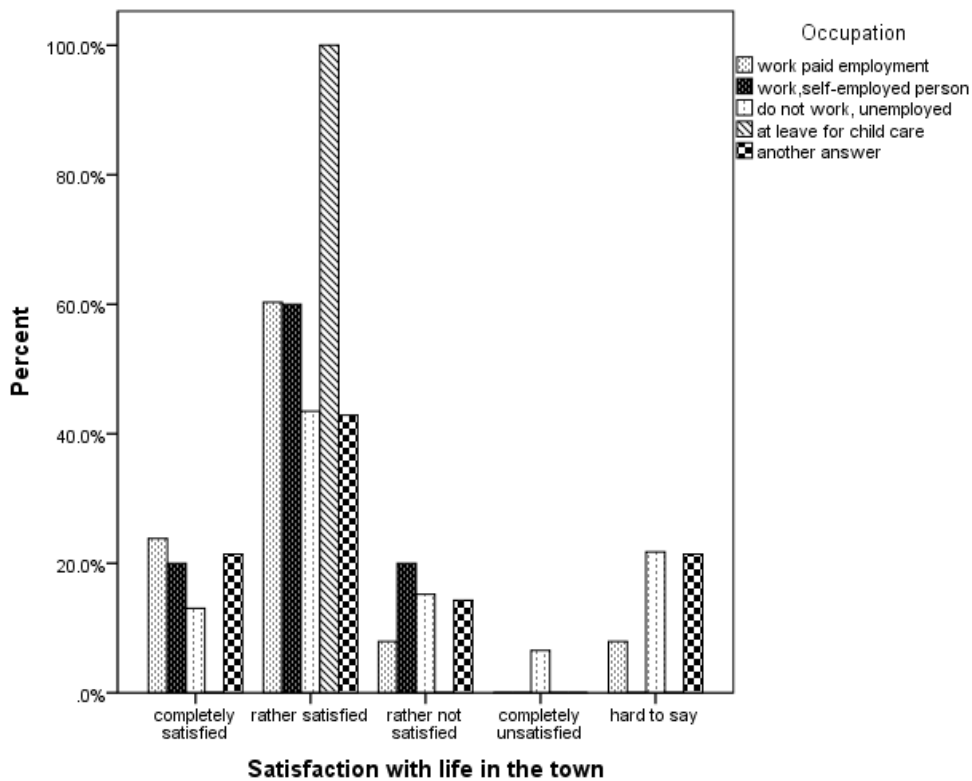
** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

The empiric calculations show that a direct statistically significant probability between occupation and attractiveness of town characteristics does not exist. Wherewith, the null hypothesis is rejected. Though a weak positive correlation $r=0.225$ with probability of 95% exists between occupation and satisfaction with life in town. That means that by increase of employment, the satisfaction with life in town also increases. Wherewith, by analyzing the data of the questionnaire the level of satisfaction can be used in the corresponding sphere and accordingly interpreted the results obtained can be related to the town's attractiveness.

Analyzing the satisfaction with life in Balvi town according to occupation of the respondents (image 1) it can be concluded that in general 72.09% of the respondents' answers can be categorized as 'completely satisfied' and 'rather satisfied' that indicates that the majority of the respondents are satisfied that is ensured by the well organized infrastructure, sport and recreation facilities.

Analyzing according to the occupation (image 1) it can be concluded that 84.13% of people working paid employment feel satisfied with life in the town. That confirms the previously obtained empiric results. 56.52% respondents that are unemployed or do not work are 'completely satisfied' and 'rather satisfied' with life in the town. However, exactly 21.74% respondents of this category cannot evaluate the level of satisfaction (it is hard to say). The author considers that it could be explained with the situation when a person who is unemployed or does not work is in the dark about his future. Therefore evaluation of the satisfaction with life in the town is very hard. Though, exactly this situation confirms that the satisfaction with life in the town may not and cannot be evaluated using only one aspect.

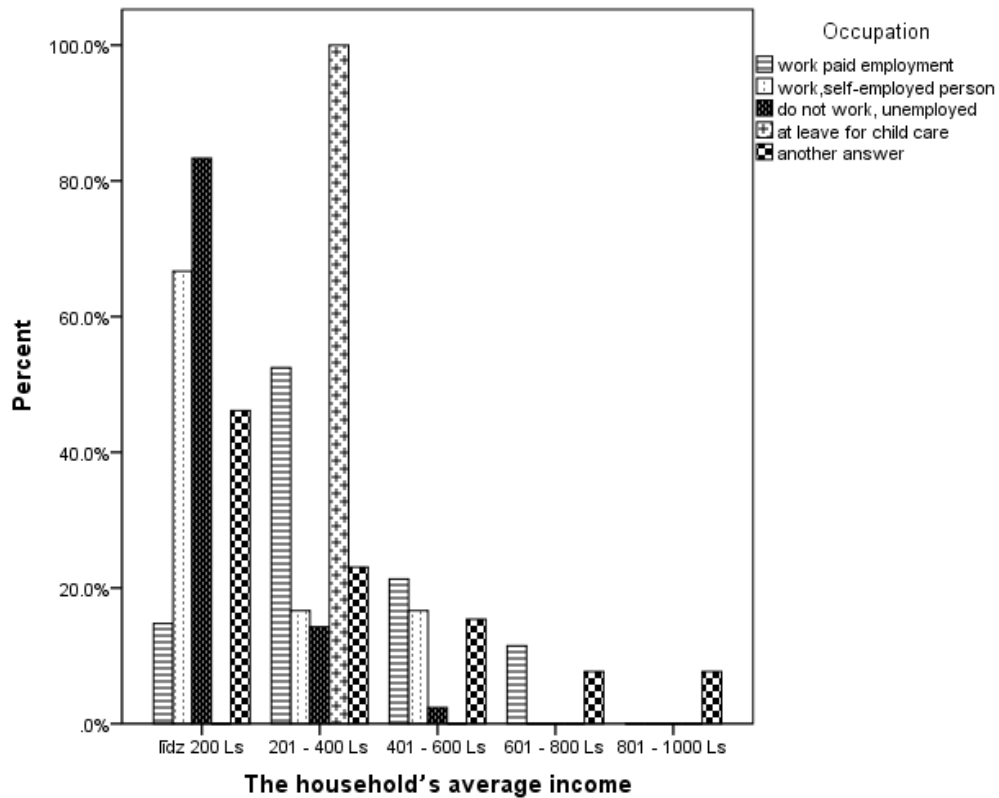


Source: calculations done by the author with the program SPSS according to the data of Balvi town inhabitant's questionnaire

Image 1 Satisfaction with the life in Balvi town and occupation of the respondents, n=129

Characterizing employment, the income level is also a very significant factor (see image 2). 43.90% respondents the average income for a household is up to Ls 200, the major dominance in this category are unemployed or people that do not work – 64.81%. Also the empiric calculations testify that there is a weak negative correlation $r=-0,455$ with the probability of 99% between the occupation and the household's income level. By decrease of inhabitants' employment, the average income for a household is decreasing correspondingly. As a result of chain reaction, correspondingly decreases the level of satisfaction and town's attractiveness.

52.46% respondents (image 2) that work paid employment the average income for a household is between Ls 201 – 400. This can be explained both with the level of average salary for people working in the public sector, and also with the minimum salary level in the country.



Source: calculations done by the author with the program SPSS according to the data of Balvi town inhabitant's questionnaire

Image 2 Occupation and the average income for a household, n=123

The level of income and employment do not have a direct impact on the town's attractiveness researches though they are background factors which analysis gives a more complete and profound percept about the town's development tendencies and potentialities.

Conclusions

1. Researches of town's attractiveness are significant and with help of them it is possible to carry out a complex evaluation of the territory using different significant criteria for all target groups.
2. The town's attractiveness correlates with the level of satisfaction ($r=0.341$) that means that it is a way how to form a questionnaire so that the data could be used for the measurement of the town's attractiveness.

3. There is no direct correlation between the employment and town's attractiveness but using the data about the satisfaction with life in the town it is possible to define the influence of employment on the town's attractiveness.
4. Employment affects satisfaction of the Balvi town's inhabitants.

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