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Innovations of local authorities

Innowacje władz lokalnych

ABSTRACT

The paper analyzes the practice of local authorities in counteracting COVID-19 and in organizing the community space. The purpose of the article is to identify the practices of innovative development of individual territorial communities and local authorities from Poland and the United States in terms of a pandemic. The object of research is public administration and administration at the local and district levels of local self-government. The subject is theoretical and applied aspects of innovative activity of local authorities of territorial communities in terms of counteraction to COVID-19. The research methods include analytical, and descriptive methods of comparative analysis. The results of the research: reorganization of the territorial community space in post-flood conditions can be realized through functional reorganization of social infrastructure objects – libraries as communication hubs, reorganization of abandoned buildings (revitalization) for recreational needs in the format of anticafe, social cafe, etc. The analysis of foreign experience of management and administrative decisions of local authorities to combat the coronavirus pandemic in terms of supporting small and micro businesses has identified the following effects: benefits for the payment of one-time personal income tax; support for critical infrastructure enterprises; special financial incentives for enterprises: compensation of mandatory fees, fees for job creation, etc.; contact and network communications of local authorities with business; preferential discount programs for tenants; promotion of goods and services from local producers

Keywords: local authorities, administration, self-governing, territorial community, community space, COVID-19.

STRESZCZENIE

W artykule przeanalizowano praktyki władz lokalnych w zakresie przeciwdziałania COVID-19 oraz organizowania przestrzeni społecznej. Celem artykułu jest identyfikacja praktyk innowacyjnego rozwoju poszczególnych wspólnot terytorialnych i władz lokalnych Polski i Stanów Zjednoczonych w warunkach pandemii. Podmiotem badań jest administracja publiczna i administracja szczebla lokalnego i powiatowego samorządu terytorialnego. Przedmiotem są teoretyczne i stosowane aspekty działalności innowacyjnej władz lokalnych społeczności terytorialnych w zakresie przeciwdziałania COVID-19. W badaniach zastosowano metody analizy porównawczej. W ich wyniku stwierdzono, że reorganizacja przestrzeni wspólnoty terytorialnej w warunkach transformacji może być realizowana poprzez reorganizację funkcjonalną obiektów infrastruktury społecznej – np. bibliotek – jako węzłów komunikacyjnych, reorganizację opuszczonych budynków (rewitalizację) na potrzeby rekreacyjne w formie kawiarni itp.

W wyniku przeanalizowania zagranicznych doświadczeń z zakresu zarządzania i decyzji administracyjnych władz lokalnych związanych ze zwalczaniem pandemii koronawirusa i dotyczących wspierania małych i mikrofirm zauważono następujące efekty:

- korzyści płynące z tytułu jednorazowego podatku dochodowego od osób fizycznych;
- wsparcie dla przedsiębiorstw infrastruktury krytycznej;
- specjalne zachęty finansowe dla przedsiębiorstw: rekompensata obowiązkowych opłat, opłaty za tworzenie miejsc pracy itp.;
- kontakt i komunikację sieciową władz lokalnych z biznesem;
- preferencyjne programy rabatowe dla najemców;
- promocję towarów i usług lokalnych producentów.

Słowa kluczowe: władze lokalne, administracja, samorządność, wspólnota terytorialna, przestrzeń społeczna, COVID-19.

INTRODUCTION

The global nature of coronavirus disease, which led to the epidemiological state of the pandemic, has united various groups and communities to fight the invisible enemy. Let us add the level of micro-levels – individual businesses and non-profit organizations to the development of some researchers' opinions about the three-level nature of counteraction to COVID-19: international, national and local:

1. International level. The UN has identified three main areas of action at the international level to combat the coronavirus pandemic:

- functioning of the Solidarity Response Fund (created at the WHO initiative to finance the fight against coronaviruses);
- implementation of the UN plan for a global humanitarian response to the pandemic;
- implementation of the UN framework for socio-economic response (A UN framework for the immediate socio-economic response to COVID-19).

Among the international documents, one should emphasize the 2019 Novel Coronavirus (2019-nCoV): Strategic Preparedness and Response Plan.

2. National level. National coronavirus control strategies have been identified in different countries. It is possible to determine the following strategies:

- a) the Chinese strategy introducing strict quarantine;
- b) the Swedish strategy with its focus on forming collective immunity until the necessary vaccine appears;
- c) British strategy forming collective immunity, but isolating the elderly as a major risk group;
- d) Hong Kong's strategy tracking contacts, quarantine, social distancing, wearing masks and closing schools;
- e) the Ukrainian national strategy focused on introducing quarantine measures to the zone. Among the main legal documents approved by the Ukrainian government, there are a number of resolutions of the Cabinet of Ministers of Ukraine (Pro vstanovlennia karantynu, 2020); (Pro vstanovlennia karantynu ta zaprovadzhenia, 2020); (On Amendments to Certain Acts, 2020).

3. Local level – the level of developing local authorities' decisions to combat coronavirus (Bezzubko & Bezzubko, 2020 p.120-121).

4. Micro level – organizing and implementing anti-epidemiological measures by business and public organizations.

The analysis of the foreign scientists' work supports the conclusion that the forms and methods of counteracting the pandemic are of a wide range. For example, the London School of Hygiene and Tropical Medicine, Oxford Covid-19 Government Response Tracker project, analysed 13 types of activities in more than 100 countries. A Viennese team of scientists has documented 170 types of activities in 52 countries.

1. POLISH EXPERIENCE OF LOCAL AUTHORITIES IN COUNTERACTING THE CORONACRISIS

In this context, the effective experience and timely management decisions of Polish governmental territorial authorities are of practical significance. In various self-governing units of cities and villages, local authorities form sets of anti-crisis measures to promote the business environment and maintain employment. The Union of Polish Cities promptly summarized the anti-crisis experience of Polish cities to be studied and implemented by small towns in exchange for effective administrative decisions. Among the best practices is Malbork's experience. The local authorities of the Polish city of Malbork, given that entrepreneurs are trying to make money, but in the case of their bankruptcy, premises, business offices, other non-residential real estate will be empty, and local authorities will not receive income from rental property, decided to:

- defer payments or arrange them in instalments at the request of the entrepreneur of local taxes – on real estate and vehicles – for the period from March to May 2020 inclusive;
- enable the abolition of tax arrears;
- be exempt from rent until the resumption of activities of entrepreneurs who have closed their premises and completely shut down their activities (but not exempt from payment for utilities such as heating, water, sewerage, and municipal waste);
- in the case of using business premises the tenants of which are still working, but the situation has affected their turnover, they will be able to apply for a rent reduction (Zwolnienia z podatku, 2020).

In Konin, an Entrepreneurship Assistance Package has been adopted that covers three areas: the rent of urban non-residential premises and land plots:

- a) entrepreneurs who rent commercial premises / land plots in Konin will be supported by individual rent reductions;
- b) entrepreneurs who have suspended their activities may apply for a 90% rent reduction for the next 4 months;
- c) entrepreneurs who have lost income due to the epidemic may apply for a 50% pay reduction for the next 4 months; real estate tax: at the entrepreneur's request, property tax for the period from April 1 this year may be deferred or divided into shares; payment for long-term use of real estate: at the entrepreneur's request, payments for permanent use of real estate can be deferred or divided into shares (ZUS dla przedsiębiorców, 2020).

In Sosnowiec, a package of SOS solutions for small and micro enterprises and residents has been developed since the beginning of March. In particular, as for local taxes:

- the deadline for payment of local taxes was postponed from April-June to September 2020;

- tax arrears were restructured at the taxpayer’s request through its distribution: 6 instalments were offered to entrepreneurs whose income for January–April 2020 decreased by 25–50% compared to the same period of the previous year;
- 12 instalments were offered to entrepreneurs whose income for January–April 2020 fell by more than 50% compared to the same period last year;
- administrative implementations were cancelled up to 30 days after the end of the epidemic to entrepreneurs who had debts after March 8, 2020, and whose activities were subsequently limited. This norm applies to business entities that on December 31, 2019, had no tax arrears;
- the term of payment of the annual fee for the permanent use of real estate – land, buildings and structures – connected with business activities during 2020 up to June 30, 2020 was prolonged;
- the rate for the maintenance of land plots in the amount of 1 grosz/m² was reduced from April 15 to the end of 2020.

An interesting campaign of Sosnowiec “Become a local economic patriot”, aimed at intensifying the purchase of goods and services by local producers, is an example of effective interaction with local communities – both business and residential ones. In order to ensure the continuity of investment, an “investment contribution” of PLN 50–100 mln. was made to support local and infrastructure projects for small and micro businesses (SOSnowiec - pakiet wsparcia, 2020). A similar example of package decisions by the city authorities shows the appropriate level of competence of the heads of territorial self-governing units.

In a more systemic context, the activities of local authorities in modern conditions should be transformed from a state of reflecting and overcoming the effects of coronacrisis, the influence of other external factors, to the creative practice of organization or community space transformation. The main factor in developing the territory is the community’s unity, its commitment to improvising.

2. THE AMERICAN PRACTICE OF REORGANIZING THE TERRITORIAL COMMUNITY SPACE

The positive practice of reforming the community space can begin with libraries, which are the first “candidates” to be modernized and transformed, because, in their original form, libraries have, to some extent, lost their reason for existence. The Internet and modern computer technology are creating new opportunities – now books are increasingly becoming electronic, they can be stored on the device, and if you want to get a book, you should open the Internet and buy the book online by downloading it to your computer, smartphone or e-book. In the future, there will be only specialized libraries with rare literature, and there will be only two collections – original publications and electronic copy-scans.

That is why libraries are losing some of their significance and their visitors. However, there is still space to use. To attract young people to this space, you should fill it with interesting content for leisure, education and worldview formation. Therefore, libraries can be turned into hubs – discussion platforms, where there will be, for example, robotics clubs for children, as well as a place for leisure in the format of an anticafe or a social cafe.

An interesting innovative practice of an Anticafe is a public space, the visitors of which are obliged to pay only for the time they stay. Food and drinks can be free or sold, but visitors don’t have to buy them. These places have a greater degree of freedom than classic cafes or restaurants. The main functions of such establishments are working (analog of co-working), developing (an anticafe as a place of training and master classes), entertaining (many anticafes specialize in table games and video games) and creative (the possibility of self-realization, for example, within musical or poetic evenings). As a rule, anticafes consist of one large hall or several rooms within which guests move freely, thus in one of rooms there is a treatment zone where visitors can prepare tea, coffee or eat, take sweets. To most establishments of this format visitors can bring their own food and drinks. The anticafe usually has free internet access via Wi-Fi, and a printer service can also be provided.

A social cafe is a space that operates in the mode of a cafe/restaurant. Its founders agree in advance that they are socially responsible, so more than 50 percent of the income goes to community development. Moreover, visitors to the cafe discuss the community’s needs, propose projects or decide on investment areas.

The US experience (Nove zhyttia, 2019), which can also be used by domestic communities, is a positive experience of using community space. For example, in 2017, the Center for Community and Economic Development at the University of Wisconsin, USA, conducted a comprehensive study of the most interesting examples of converting abandoned buildings in cities and towns with a population of no more than 5,000 people. Of the objects studied, the researchers formed a pool of the most attractive objects in abandoned buildings created by private entrepreneurs with or without the financial support of local communities. This list includes:

1. Grocery store
2. Gallery, catering and entertainment
3. Fitness center
4. Place of community meeting
5. Pet shelter center
6. Art studio and exhibition hall
7. Art space
8. School of Performing Arts
9. School of sound engineering
10. Retail incubator
11. Coffee shop and bistro

12. Museum
13. Pet food store
14. Hostel (so-called Bed and Breakfast)
15. Telepharmacy
16. Antique shop
17. Florist's
18. Agricultural tourism business (winery, cheese factory, brewery, etc.)
19. Artist's space
20. Car repair
21. Carpentry shop
22. Consignment shop
23. Shared workspace for entrepreneurs
24. Day care for children
25. Educational center (for adults)
26. Center for the elderly
27. Farmer's market (indoors, inside the building)
28. Hairdresser's
29. Laundry
30. Music studio (educational)
31. School business incubator
32. Small production
33. Tourist center
34. Exhibition hall of used cars
35. Sale of used things
36. Youth center (extracurricular education)

This list is not comprehensive, but such objects were opened in old, abandoned or unusable buildings in small cities of America for 5 years – from 2012 to 2017. Indeed, if one looks closely at these objects, even without research it is possible to conclude that most of these facilities are commercial. They are created by private entrepreneurs for profit. However, it should be noted that most enterprising entrepreneurs either bought old private buildings or received them from local authorities under lease agreements on preferential terms (lower rental rate, or the entrepreneur was exempt from a certain type / part of the tax, etc.).

There are other cases when entrepreneurs received grants from local administrations to restore a completely private building by: repairing the facade of the building, doing interior repairs, roof repairs, etc. There were cases of complex grants to fully repair and restore the object (if it was of great value).

In our opinion, the radically opposite cases were also interesting – when the initiative group did not receive any funding, but carried out repairs at the expense of volunteer assistance from the city residents. Yes, agitation campaigns were conducted for this purpose, and volunteers freely spent their time, energy and money to help a neighbor.

Let us focus on some examples that are interesting for the community of cooperation of business, non-governmental organizations, and local authorities in giving a “new life” to old buildings. First, by creating a network of fitness cen-

ters: in the fall of 2015, Stacey College opened a fitness center in the small town of Central City (population – 1,257 people). They organized a fundraiser, and the community supported the initiative, as there was no place available in the city where men and women could actively train and develop their bodies. Combining their own funds and those raised by the community, Stacey bought an old abandoned building that used to house a local lawyer's office in the 1990s. The center was successfully put into operation; however, there were not enough funds for fully-fledged repairs. In order to complete the construction and expand the premises, the owner applied for a grant from the local administration.

Ukrainian communities can not only wait for such initiatives to emerge, but also take them on their own. So, many cities opened sports grounds financed by the local authorities. If desired, the community can open its own sports complex with gyms. There are many modalities of operation – from a non-profit institution that provides services free of charge to a utility company, the money from the operation of which will go to the budget.

Second, by setting up Centers for distribution of homeless pets: the Humane Society is a local community organization that enjoys widespread public support in Neillsville, Wisconsin, with a population of 2,400. Activists noticed a beautiful and visible window on the corner of Main Street at a busy intersection, which had been abandoned for several years. They decided to exhibit homeless pets in store windows on Thursdays and Saturdays, when other events are held in the city center, such as the farmers' market. Volunteers from the district's animal protection organization bring pets there, ready to find new owners so that they can show up in the store window for a few hours. This “move” attracts visitors, as well as draws attention to the problems of homeless animals, and highlights the important role of the pet in the family. Activists say the project helps the community, the city center, and local nonprofits. It not only helps animals find new families, but also encourages people to walk around the city center, promotes communication, and connects them with the community.

NuCara Telepharmacy has been launched in State Center (Iowa, USA) with a population of 1,479 people. Telepharmacies offer a unique way to make health products and services available to residents of small towns. A telepharmacy provides patients in places where they do not have direct contact with the pharmacist with pharmaceutical care through telecommunications. The city conducted an assessment and found that residents needed a pharmacy. The city contacted numerous pharmacy chains, but found out that their community was so small that companies were not interested in investing in the area's business development and sending consultants there. Eventually, two telepharmaceutical companies contacted the administration. Indeed, NuCara Pharmacy uses modern audiovisual technology to al-

low the pharmacist to provide care remotely. The consumer can consult a pharmacist and order drug delivery. A pharmacist who consults consumers and monitors the safety of prescribed medications is in a completely different state.

NuCara wanted to have a full-size building on Main Street that could be used as a warehouse, a space for teleconsultations, and a site to place orders. At that time, the city did not have a building to meet these criteria. However, the city began repairing a dilapidated building in their historic district. The project took more than a year to implement. Contractors were hired to build new power grids, sewers, central heating, and air conditioning. In addition, the city hired a contractor to renovate and complete the basement. By the way, the city reduced the cost of repairs by engaging volunteers in helping with the construction. The city had already received a \$ 75,000 grant from the Main Street Iowa Foundation before the project began.

It has become common practice for entrepreneurs to specifically select empty/abandoned/dilapidated buildings in areas of the city where the government introduces a special tax regime – Tax-Increment Financing (TIF). It is a method of state/local funding used as a subsidy for reconstruction, infrastructure and other community development projects in many countries, including the United States. The initial intention of the TIF program is to stimulate private investment in areas that have been identified as in need of economic recovery.

Under this mechanism, regional or municipal authorities return to investors the funds given to implement the infrastructure project, from the budget revenues received from the region's tax increase. For example, an investor is building an industrial complex. The investor has paid property tax to the local budget in the amount of \$ 10 mln., and the authorities provide the investor with a subsidy of 50% of this amount and transfer \$ 5 mln. to the investor. This increase in tax revenues is due to the tax base increase, which arose as a result of the funded projects' implementation. Thus, both the people and the government are interested in developing their own business in such areas.

A similar practice of transforming the city space by revitalizing buildings has been implemented in Lviv, Kharkiv, Kyiv, and other cities of Ukraine. For example, Lviv established the "Lem Station" on the basis of a former tram depot. In July 2017, Lviv City Hall announced an investment tender for revitalizing the old depot. The only participant and winner is Lem Station LLC. Even before the competition, the company significantly modernized the middle hangar of the depot: repaired communications, laid the floor and covered the roof. A number of events have already been held: from the instrumental concert of the LvivMozArt festival and the third national stage of the Drone Racing Cup of Ukraine to various discussions. Soon there will be coworking spaces, student campuses, art grounds, workshops, a post office, the

amphitheater, an ecopark, the children's development center and much more. The project leaders want to create a zone of developing creative economy, engineering, and invention in the thoroughly tourist old Lviv.

Lviv has demonstrated a flexible and innovative approach. Thus, in July 2020, the Lviv City Council completed the first annual placement of domestic bonds of local loans for UAH 300 mln. with an 8.5% discount rate. Funds from the operation are expected to be spent on the planned development of the city's infrastructure, in particular road repairs (Naslidky epidemii COVID-19, 2020, p. 88).

CONCLUSION

A systematic approach to tackling the coronavirus crisis at the level of individual territorial communities should be based on a national action program, which in turn takes into account the assistance of United Nations and World Health Organization development programs. At the self-governing level, specific action programs of local territorial communities are correlated with regional programs and other documents and decisions. During two years of active counteraction to the coronavirus, various practices and reflections on overcoming the epidemiological crisis have been developed. The organization and reorganization of public life in a pandemic requires reviewing the organization of local space: the organization of government, decision-making procedures, communications, transport logistics, social assistance systems, the organization of public utilities, etc. Therefore, it has become important to use the experience of reorganizing the space through the functional restructuring of social infrastructure – libraries as communication hubs, revitalization of abandoned buildings for recreational purposes in the format of an antcafe or in the format of a social cafe, etc.

The analysis of foreign experience of management and administrative decisions of local authorities to combat the coronavirus pandemic in terms of supporting small and micro businesses has identified the following effects: benefits for the payment of one-time personal income tax; support for critical infrastructure enterprises; special financial incentives for enterprises: compensation of mandatory fees, fees for job creation, etc.; contact and network communications of local authorities with business; preferential discount programs for tenants; promotion of goods and services from local producers.

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