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The Role of Municipal Enterprises in Poland in Creating Socio-Economic Development

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Abstract

The role and task of an enterprise or, in general, a municipal entity in Poland has traditionally been limited to the role of an entity performing the municipality's own tasks. Municipal companies provide so-called public utility services, which are most often difficult to store and whose provision is so-called uninterrupted. Hence, some researchers consider them primarily as an executive element of the commune's activities. However, in the 20th century, there was a phenomenon of de-municipalization of some services, such as telecommunications and energy services. Through the processes of transformation, for example, into commercial law companies, commercialization and privatization, these enterprises have acquired yet another meaning. They began to play the role of creators of municipal economic life, on the one hand, by performing tasks entrusted to them by the municipalities, and, on the other hand, by implementing their own development strategies. The degree of independence of such strategies depends on the industry in question. The waste management industry is most susceptible to this type of transformation. Enterprises in this industry, in addition to traditional waste collection and management, have entered the field of circular economy, energy transformation and the preparation of natural fertilizers. They began, together with other enterprises from other municipal industries, to create the foundations for, among other things, energy independence. Having certain capital at their disposal, they became a contractor of infrastructure investments and a potential partner for investment funds, also using public support. For example, in Poland, the Polish Development Fund co-finances water supply investments by taking over a block of shares in such a commercialized enterprise for a specified period until the enterprise repays its liabilities. In this way, they also relieved municipalities from exceeding the level of public debt. There were also proposals to use the capital of municipal enterprises in good financial condition as shares in local or regional development funds supporting, for example, local entrepreneurship or the development of urban services.



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