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CRITICAL ANALYSIS OF CITY ATTRACTIVENESS FACTORS IN LITHUANIA – POLAND CROSS-BORDER REGIONS: THE VIEWPOINTS OF BUSINESSMEN AND YOUTH

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Abstract

Rapid development of the global dimension of globalization and information technology has determined the phenomenon when not only countries, but also cities began to compete with one another. For this reason, the city is facing the problem of attractiveness for investment, business and living. It is the identification and development of city attractiveness factors, their incorporation in the city's strategic development level and their publicity that is focused on the desire to attract new investors, create favorable conditions for entrepreneurs to develop business in the city, maintain or recover/attract young and highly qualified specialists to the city and thus create as a higher quality of life and economic welfare. This article analyzes the main factors of city attractiveness which were identified by businessmen and young people from Lithuania-Poland cross-border cities Alytus and Elk.

Key words

city attractiveness, cross-border region, Lithuania, Poland.

1. Introduction

In recent decades, an increasing attention of scientists, politicians, businessmen, investors, tourists and even of various events organizations is focused on attractiveness of cities. The cities interrelate in the global urban system and, according to their specific performance in different sectors and activities as well as spheres of influence (regional, national,

international), compete for employment, investments, new technologies, tourists, national projects, preferential policies etc. The most attractive cities are characterized by high investment attraction, the abundance and development of business, highly qualified professionals, developed economic, social and engineering infrastructure, providing maximal satisfaction of various economic subjects groups' demands, positive net migration, high quality of life and

the level of satisfaction of the population and business. It is obvious that the city cannot be attractive in all areas and for all groups of economic subjects. Therefore, the cities, in order to build their competitive with other cities strategies and to manage their attractiveness, first of all specify the target group of the city, which is most important for ensuring its long-term socio-economic growth and competitiveness, identify, develop and create city attractiveness factors, integrate them into the city's strategic development level and actively disseminate them (spread a message to appropriate groups of economic subjects). Only a purposeful and targeted formation and publicity of city attractiveness factors will ensure the city's competitive position against the competing subjects and objects and create or maintain the appropriate economic and social well-being of the city.

It is generally recognized that the country's border cities, remote from the central regions of the country, are often economically 'distant' and are territories of a slower development. Scientists refer to different causes of border regions socio-economic disparities at the national level, ranging from geographic and physiographic characteristics, historical and cultural differences (both within the country and between different countries), language differences between different countries, the lack of coordination of the development process, ending with transportation costs, at the timely introduction of innovation and technological development level, political and institutional factors, and even the specifics of the same cross-border area (which determines the restrictions on personal freedom and economic activity (construction, road infrastructure development, entrepreneurship, new business development)). Despite certain peculiarities of the development of economic activity and specificity of the cross-border region (which can be approached as an opportunity or an obstacle for business development and investment), every city wants to be attractive for entrepreneurs, investors, population or other target groups, and thus achieve a high quality of life and welfare in it.

This article aims to identify the main city attractiveness factors for business, investment and youth to live in Lithuania-Poland cross border region and to provide strategic recommendation for increasing the attractiveness of Alytus and Elk cities.

Methods of the research: systemic, comparative and logical scientific literature analysis; empirical research employing systemic analysis of data from questionnaire study and focus group.

2. The city attractiveness concept and its importance in urban economic development and competitiveness

In the scientific literature, the concept of city attractiveness is often associated with urban economic development and competitiveness. Scientists agree that city attractiveness is an important precondition of competitiveness. L. Litavniece (2014) treats the attractiveness factors as the city's strengths, essential for ensuring a long-term development. The author also treats city attractiveness as a way to strengthen the city's competitive advantage. J.P. Lemaire and M. Viassone (2015) distinguish substantial differences between the city attractiveness and competitiveness concepts, arguing that attractiveness occurs from the visitor's perspective, whereas competitiveness causes interest of the interested parties of the target areas (managers, entrepreneurs). V. Snieska, I. Zykiene (2011) emphasize that attractiveness includes resources available in a specific area: natural, social and economic, also the ability to maintain them and attract the new ones. Attractiveness is perceived as a continuous process, during which the created result contributes to the formation of further result. The authors emphasize that city attractiveness is not fixed, it is constantly changing, as it is influenced by various factors: technological progress, the intensity of competition between other cities, political changes, etc. The scientific literature (Litavniece, 2014; Litavniece, Ežmale, 2012; Snieska, Zykiene, 2011; Sinkiene, Kromalcas, 2010) often emphasizes that city attractiveness is associated with attracting the following main target groups from less attractive areas or their maintenance in the current city: (a) population, concerned about the quality of the living environment, access to education, employment and availability of motivating remuneration; (b) entrepreneurs, concerned about the attractive business development environment, skilled and available labor force and acceptable business results; (c) investors, concerned about the attractive conditions for investment, and acceptable investment results; (d) tourists who wish to familiarize and visit the best-known places in the area and make use of various tourist services.

The maintenance /attraction of each target group generates added value to the area: the attraction of population increases consumption, improves the demographic characteristics and creates a community, the attraction of investors promotes business development and economic value creation, reduces unemployment, and increases visibility of the area, attraction of tourists generates revenues in the tourism sector, which contributes to the local financial

well-being. J. Sinkiene and S. Kromalcas (2010) argue that a city equally attractive to all target groups does not exist, and probably this cannot be achieved. The authors draw attention that while shaping the strategies on city attractiveness, it is important first to define satisfying which target group needs will be focused on.

Summarizing the factors of city attractiveness, it is possible to divide them into two groups: basic and distinctive. Basic factors are essential and often identical factors for all cities: e.g. cleanliness of the living environment, adequate supply of housing, good transport connections. Exclusive factors of city attractiveness involve specific buildings in the city character to particular cities, objects or the available natural resources, which determine the status of the city at the national or international level (e.g., the capital city, sea resorts), etc.

The scientific literature (Kilijoniene, Bruneckiene, 2012; Sabonienė, Zykiene, 2012; Van Gorp, 2009) also distinguishes the specifics of cross-border region cities and their inherent attractiveness aspects: (a) investment – for taking advantage of the benefits offered by the state border, e.g. favorable exchange rate in neighboring countries, etc.; (b) tourist – cultural exchanges in cross-border regions often determine a certain uniqueness of tourist resources, unusual for domestic regions located inside the country; the possibility to visit several countries during a single trip, etc.; (c) social – the mobile labor force of the cross-border regions can often take an opportunity to work in the country where working conditions are more favorable.

Analyzing attractiveness of the future city, researchers (Boes et al., 2015; El Segundo, 2014; Sinkiene et al., 2014), define the city as smart, digital, intellectual or ubiquitous. Summarizing the research it can be said that the city of the future will be based on information technology; urban development will be based on the sustainable and responsible development principles, and economic value will be created based on smart specialization. Future city's services will be oriented to create the best quality services to the residents and guests. In the future, cities will compete for innovation, creativity, skilled human capital, because only the harmony in these areas will allow creating attractive products and services to the city. According to V. Snieska and I. Zykiene (2014), the attractive future city will have the following characteristics: (a) easily accessible internationally: a developed range of transport infrastructure within and outside the city; (b) economically viable, with a notable competitive business sector; (c) innovative: modern technology implemented in the infrastructure, business and social sectors; (d) safe:

ensuring public and information safety in the city; (e) healthy: the city population live in ecological environment and promote a healthy lifestyle; (f) interesting: natural and tourist attractions of the city are attractive to the city guests; (g) comfortable: public services ensure comfortable living conditions; (h) distinguished by a responsible community: the population is actively involved in all activities.

Characteristics of an attractive city found in the scientific literature suggest that the economic and social attractiveness of the city is closely interrelated: the environment favorable for business development and investment attracts investment, enhances business development which directly contributes to the city's economic well-being, enhancing the city's attractiveness to live and work and making the city the center of attraction (Glebova et al., 2015). G. Staskeviciute and R. Tamosiuniene (2010) the attractiveness for business and the ability to attract a skilled workforce and investors assign to the key indicators characterizing competitiveness at the macro level. A city attractive for investment is seen as a city with a formed investment-friendly environment and availability of a variety of resources (natural, human, intellectual, etc.) aimed at achieving the economic result of investment empowerment. Investment-friendly environment is characterized by an effective institutional activity, optimal tax system and developed infrastructure. According to J. Sinkiene and S. Kromalcas (2010), territorial attractiveness of the investment climate is positively affected by the following external factors: geographical location, ensuring good accessibility, favorable land prices, local taxes and regulatory requirements and a sufficient and quality supply of labor supply. Scientists (Glebova et al., 2015; Kinda, 2013) have additionally distinguished the market access and competitive operational costs. Investors are seeking for a relatively cheaper, geographically attractive, with adequate resources (logistics, human resources, market size, economic and political stability and operating costs) region or city. It is important to note that potential investors are also concerned about the city's public infrastructure, the quality of public services, the quality of the living environment (a developed social infrastructure, environmental policy, etc.). The survey on the Baltic States investors (Investment..., 2011) includes a statement that the main factors attracting investors in the Baltic countries include the following: geographic location, stability, security, preferential taxes and benefits, access to responsible people in public institutions, low labor costs.

The conducted analysis of scientific literature has justified that the city's economic development is directly linked, however directly dependent on human

resources, living in or visiting the city. Attractive to live, study and work conditions in the city attract, maintain and form the city's labor market essential for economic development, and the labor market which satisfies the needs of business is a factor for enhancing business and investment. Young people are one of the most sensitive and most mobile subjects of the labor market. Young people make an important proportion of the city and the whole country's population. These are the people who create and will create their own city and the country's future. An increasing number of young people acquire a wide range of education, they want to establish their own business or are seeking a career in various areas, by their skills and education they are not lacking behind young people of other European countries, they are mobile and innovative. The youth of today face various economic and social problems that lead to high levels of (qualified) youth's unemployment, declining motivation for work and increasing processes of emigration, thus creating a negative synergistic effect. Individual Lithuanian and Polish cities, as cities of other countries which lack developed businesses that could offer a sufficient number of jobs for young people, are particularly exposed to young people's emigration and not returning to their native city, which is a big loss for the city's economy. According to the 'Eurostat' data, the unemployment rate among young people's less than 25 years of age in the EU countries in November 2014 amounted to the average of 21.9 percent. During this period, the Lithuanian youth unemployment rate was 15.5 per cent and it is by 6.4 per cent points lower than the EU average, while in Poland – 23.2 per cent and it is by 1.3 per cent higher than the EU average. So, the problem of Alytus and Ełk cities, as an attractive city for young people to work and live, is a particularly urgent problem of today and will persist in the nearest future.

One of the main reserves to increase the employment of young people is raising the level of youth entrepreneurship (establishing new businesses, self-employment and entrepreneurship). However, as noted in the "EU youth work policy implementation report" (2009), only a very small proportion of young people are involved in their own business. In the EU countries self-employment reached only 4 percent of the total number of 15-24 year-old people. Referring to the Survey on business success factors, only less than 15 per cent of all entrepreneurs are under 30 years of age (Zidonis, 2012).

The importance of youth entrepreneurship emerges in the following areas:

- Youth entrepreneurship brings back the isolated and marginalized groups of young people to the

epicenter of economic activities and has a direct positive effect on youth employment. Secondly, new small enterprises established by young people 'revive' local communities, raise the level of competitiveness and thus increase possibilities for the consumer choice.

- Having acquired the necessary skills and abilities, young entrepreneurs prove to be extremely receptive and creative when discovering and exploiting business opportunities, new market trends and responding to the challenges of globalization. It is widely recognized that young entrepreneurs can create new alternatives for the organization of work and new ways of technology use.
- Youth businesses provide young people with the feeling of 'sense' and 'belonging to a community', that helps to shape a young person's identity and facilitates his better adaptation in the society. Promotion and democratization of entrepreneurship provides the youth with a future of their own (Zidonis, 2012; Balderjahn, 2004).

There are specific entrepreneurial issues related to the entrepreneurs' age: they have neither initial financial nor social capital, they are not trusted, and they lack both the business development and general life experience. Thus, through implementation of various projects and initiatives aimed at the development of entrepreneurship among young people, it is possible to increase the level of youth entrepreneurship and solve a whole set of young people's socio-economic problems, and at the same time to keep or return the youth and young professionals to the city, thus contributing to the solution of economic and social problems in the city and ensuring the development of well-being in the future.

3. Research Methodology

Justifying the relevance of a low Alytus and Ełk cities' attractiveness for investment and the lack of business conditions to ensure a competitive business development of both individual people and the economic well-being of the city was based on the economic competitiveness assessment results of 2008–2013 of the Polish–Lithuanian cross-border region cities (Alytus, Marijampole (Lithuania) and Ełk, Białystok (Poland)), comprehensively represented in the authors' other articles (Bruneckiene, Sinkiene, 2015). In addition, studies show that in order to highlight and strengthen individual cities strengths and weaknesses and improve the city's economic competitiveness, it is important to analyze not only the official statistics or dynamics of changes in statistics

data, but also in detail to identify the key reasons for this. Given the fact that during the assessment of economic competitiveness it has been established that one of the reasons that have led to a low Alytus and Elk competitive position among other cities – insufficient investment attractiveness of the city and business conditions, ensuring a competitive business development in the city, a qualitative study of the problem was conducted. The **investors and entrepreneurs questionnaire study** was aimed to find out:

- The opinion of Alytus and Elk cities' companies and investors about investment attractiveness of their city and opportunities to develop economic cooperation with the relevant Polish or Lithuanian companies.
- The opinion of companies and investors who did not select Alytus and Elk cities for investment about the investment attractiveness of Alytus and Elk cities.

The survey was conducted by applying direct and indirect methods. The investigator (researcher) visited the respondents and by communicating directly with them questioned them under a pre-arranged questionnaire form and recorded their answers in the questionnaire. To the other respondents the questionnaire was sent by e-mail, asking them to return the completed form by e-mail as well. In addition, the researcher communicated with the respondent on the phone before and after the questionnaire was sent. Both for direct and indirect survey methods the same questionnaire was used.

Two different questionnaires were prepared for different target groups: A questionnaire for companies operating in Alytus or Elk; A questionnaire for companies which decided not to invest in Alytus or Elk; Questionnaires for the survey on Lithuanian companies have been prepared in the Lithuanian language, for Poland – in Polish.

100 questionnaires were sent to the Lithuanian and Polish respondents, including: 45 companies operating in Alytus city and 15 companies which have not chosen Alytus city, 35 companies operating in Elk and 5 companies which have not chosen Elk city. 42 questionnaires received from the companies operating in Alytus, 13 – from the companies which have not chosen Alytus city, 31 – from the companies operating in Elk and 3 questionnaires from the companies which have not invested in Elk. The questionnaire survey was conducted in July-September of 2014.

Youth survey was aimed at finding out characteristics of a city attractive for young people to live and work, distinguish the current Alytus and Elk cities unattractive characteristics and incentives to

improve the city's attractiveness proposed by the youth. Youth survey was conducted through the project 'Business without Borders' implemented by Alytus and Elk municipal administrations (Project No. SPF/1.2/PL-E/01). During the project two youth leader camps were arranged in Alytus and Elk cities. The camp was attended and comments were made by thirty 17-23 year-old people from Alytus and thirty from Elk, studying in senior classes of high school and the first year at university or college. Young people have been questioned by applying the Focus group methodology, where a group discussion was led by two moderators. In total 4 focus groups of 15 people were formed (2 Lithuanian and 2 Polish groups (such an arrangement was aimed at eliminating the language barrier and ensuring knowledge of the topic under discussion). The duration of each Focus group was 1 hour.

4. Factors, forming Alytus and Elk cities' attractiveness for business and investment

The conducted survey of Alytus and Elk cities' entrepreneurs revealed that both the Lithuanian and Polish entrepreneurs have selected a particular location for business and investment based on similar factors, corresponding to the assumptions outlined in the scientific literature. Some of the most important investment attracting factors in Alytus and Elk cities involved the established Alytus Industrial Park and Elk Science and Technology Park investment package and the availability of public services for business. These factors were named by 75 per cent of the surveyed investors from the Lithuanian and by 65 per cent of investors from the Polish side: the infrastructure fully accessible to the production and business, tax relief, local municipality's interest in attracting new investors (66.67 per cent of the surveyed entrepreneurs from Alytus a rapid clearance in the municipality assigned to the factors that strongly influenced their decision, while 40.39 per cent of Elk entrepreneurs – flexibility of the municipality with regard to their requirements). For the entrepreneurs of Alytus and Elk cities the investment attractiveness of city was strengthened by the activities carried out by major and the national and internationally well-known business leaders in the city: this factor was named by 56.5 per cent of Alytus entrepreneurs under survey and by 55.5 per cent of the Elk city respondents.

Both Lithuanian and Polish entrepreneurs to the factors that strongly affected their decision (respectively 58.33 and 45.33 per cent of the respondents) assigned cheaper labor force than in other major

cities of the country. About 50 per cent of Alytus and Ełk cities' entrepreneurs named personal contacts as a very important argument for the choice on local investment. Entrepreneurs of both cities indicated that their decision was significantly affected by attractive real estate purchase/lease prices (approved by 66.67 per cent of the surveyed Alytus entrepreneurs and 40 per cent of Ełk entrepreneurs). The cities' close location to foreign markets is also considered as one of the key factors accounting in particular for their choice of Alytus city. Investors and entrepreneurs from Lithuania emphasized that Alytus is located close to the Polish border, and considered this as an economic springboard to Western Europe. Accordingly, investors and entrepreneurs from the Polish side emphasized that Ełk city is located close to the Lithuanian border, where a close co-operation with Lithuanian businessmen opens the way to Eastern Europe and Russia.

Not all factors distinguished by the entrepreneurs coincide, which proves the specificity of attractiveness of the cities from different countries for business and investment. The sufficiency of skilled labor force was assigned to very important factors by 75 percent of Alytus entrepreneurs and low competition in the market – by 33.33 percent. To a large extent these arguments are related to the specifics of the city: Alytus has a well-developed science and education infrastructure, supplying the labor market with a qualified labor force of working-age.

Low competition shows the potential of unexploited market in Alytus.

Factors that slightly influenced the choice of Alytus and Ełk cities involve lower than the average land and property taxes and awareness of the city internationally. Alytus businessmen also stated that their decision to invest in Alytus was slightly influenced by the development of the road infrastructure and convenient access to major metropolitan areas. Accordingly, prompt clearance in the municipality had a slight effect on the Ełk entrepreneurs' decision to invest in Ełk.

Systematized survey information is presented in table 1, where two groups of factors affecting attractiveness are distinguished.

The first group involves strategic factors that can be considered as the instruments of Alytus and Ełk cities' investment attractiveness and positioning the business environment. These factors have been identified as the main and most attractive factors for investors and entrepreneurs. They directly create the city's well-being, investment attractiveness and business environment, and at the same time, through the measures facilitating an efficient use of the basic factors, form the city's competitiveness. The second group of factors - basic factors; these are the factors having a slight effect on the decision to start a business or invest in Alytus and Ełk cities. They usually involve factors that are common to all similar territories competing with each other, so they do

Tab. 1. Factors, forming attractiveness of Alytus and Ełk cities for business and investment

FACTORS	Respondent distribution	
	Alytus city	Ełk city
STRATEGIC		
The functioning Alytus Industrial Park and Ełk Science and Technology Park	75 percent	65 percent
Attractive real estate purchase / lease prices	66.67 percent	40 percent
Activities of major business leaders carried out in the city	56.5 percent	55.5 percent
Inexpensive labor force	58.33 percent	45.33 percent
Proximity of Foreign markets	58 per cent	40.1 percent
Personal contacts	50 percent	48.39 percent
Sufficiency of skilled labor force	75 percent	
Operative administration of solemnities in the municipality	66.67 percent	
Low competition in the market	33.33 percent	
Municipalities flexibility given to the investor's requirements		40.39 percent
BASIC FACTORS		
Lower than the average land and real estate taxes	63.64 percent	61.29 percent
Awareness of the city internationally	50 per cent	60 percent
Well-developed road infrastructure	58.33 percent	
Convenient access to major metropolitan areas	50 percent	
Operative administration of solemnities in the municipality		35.48 percent

Source: own studies.

not have any special exclusivity in terms of attracting investment in Alytus or Elk cities; however, they matter when making a decision to invest in principle. The factors are set out in the table in the order of their significance.

Summarizing the survey results, it is possible to conclude that Alytus and Elk cities' attractiveness for investment and business was majorly determined by the following factors: establishment of a public business support infrastructure, including the investment conditions package, and attractive labor and real property acquisition costs. Investors were impressed by a convenient geographic location of the cities, close to foreign markets, as well as by the fact of major companies operating in the city. It should be noted that for the start-up of a business, the efficiency of municipalities' work with investors and personal contacts have been distinguished among important factors as well.

The entrepreneurs who did not invest in Alytus and Elk described the factors, which would encourage them to transfer their business respectively to Alytus or Elk city: (a) formation of the attractive for investment image of the city (Alytus and Elk); (b) a clear and stable business development strategy in Alytus and Elk cities; (c) fast approval of decisions in the City Council; (d) co-financing of the youth entrepreneurship promotional projects; (e) co-financing of creation of new jobs; (f) partial reimbursement of youth employment related costs.

5. Factors, forming Alytus and Elk cities' attractiveness for young people to live and work

Analysis of ideas expressed by both Lithuanian and Polish young people reveals similar trends and the same order of assessment priority for different areas of the city (stated in the order of significance):

1. Learning conditions: (a) the established opportunities to learn (to acquire higher or vocational education) with interesting, attractive and modern programs of studies; (b) educational institutions provide conditions to undergo practice in business companies.
2. Working conditions: (a) great job choice (large companies operate in the city and provide many different jobs); (b) attractive for young people remuneration (corresponding to their qualifications and experience); (c) flexible employers who are concerned about youth employment, not afraid to train the employee themselves and provide training to the employee; (d) unexploited market to start a new business.

3. Living conditions: (a) budget accommodation: a possibility to have your own or rent housing; (b) a well-functioning public transport (running both in the evenings and at weekends); (c) easy access to the city from outside; (d) good layout of urban space for parking; (e) safe city both day and night; (f) the city is characterized by developed information technology (WI-FI available in the city); (g) abundance of places for spending leisure time (night clubs, movies, the zoo, circus, the established network of internationally well-known companies or branches in the city (McDonald's, KFC)); (h) promotion of the active lifestyle options: natural areas in or around the city (lakes, rivers, forests, mountains); sport facilities (sports clubs, bike trails, sports fields); (i) abundance of cultural and sporting events (the possibility of meeting famous people) (young people are especially attracted by foreign musical groups arrival in the city); (j) the city promoting the organic industry and nature protection policy; (k) the city with its own history (Old Town, historic objects); (l) modern architecture in the city; (m) abundance of shopping centers, providing shopping opportunities; (n) urban environment designed for children and residents with physical disabilities (playgrounds, clean parks, environment adapted for disabled children); (o) friendly, active and tolerant population; (p) a developed health care infrastructure.
4. Political situation: (a) local authority's focus (strategy and measures) on young families; (b) the city actively cooperates with other domestic and foreign cities.
5. The image of the city: The city known among young people throughout the country.

Summarizing the factors distinguished by the youth and attractive for them to live and work, it can be said that the essential characteristics are directly related to the factors which have an immediate affect or affect them every day: learning, work and life. Most attractive characteristics that attract or keep young people in the city are the following - learning conditions and career opportunities (earnings). Living conditions are classified as less important factors. If the city is attractive to live, but it lacks learning and career opportunities and does not provide opportunities for higher remuneration, such a city is considered less attractive. Thus, young people consider the city attractive if, compared to other cities; it provides advantageous learning and career opportunities and prospects. Meanwhile the areas that are more general and do not apply to the respondents directly (the political situation and image of the city) have been identified much less frequently. Characteristics

Tab. 2. Characteristics of unattractiveness of Alytus and Elk for young people to live and work and measures

Characteristics of the current unattractiveness of the city		Proposed city attractiveness enhancing measures	
Alytus	Elk	Alytus	Elk
Characteristics of learning environment			
Unsatisfied demand for places to undergo practice	Promote cooperation between Lithuanian universities and colleges and enterprises of Alytus for undergoing practice	Insufficiently interesting, attractive and modern university studies programs	For Elk universities, in cooperation with the Polish universities-leaders and Elk enterprises to develop modern studies curricula. Improve the qualifications of teachers, attract new professionals to educational institutions
Characteristics of working environment			
Lack of jobs for young people		To encourage businesses to admit students for undergoing practice; Improve the city's investment and business environment by attracting new businesses or promoting the establishment of new or development of the existing businesses; Encourage the youth's self-employment, by providing preferential conditions to be granted a credit to start a business; Setting up more places for the refresher or retraining courses organized by the labor exchange.	
Characteristics of living environment			
Small and decreasing number of young people in the city		Create cooperation and excellence networks among young people and companies in the city	
Inefficiently functioning public transport (rarely running and crowded transport, the Lack of buses at a later time of the day)		Optimize the flow of public transport Post a precise schedule in the bus stops	
There is no city 'card'	Establish a single student ticket for the whole urban transport	Lack of car parking spaces	For the local self-government authorities and non-governmental organizations to seek for sponsors Prepare and implement EU funded projects
		There is no airport There is no electric train going to Korsze	Lobbying activities of the local government are focused on building an airport in or near Elk city and functioning of the electric train
WIFI is not available in public areas		Install the free wireless internet access in public areas.	
Intolerant community towards foreigners		Implementation of events for developing public tolerance	
Unenlightened streets, broken video cameras, few city officials on duty		Fix the city's streets lighting, repair video cameras. Ensure safety by patrolling officers	
Many abandoned buildings and areas (e.g. the central station)	For the local self-government authorities and non-governmental organizations to seek for sponsors Prepare and implement the EU funded projects Improve the investment and business environment of the city, attracting new businesses or promoting the establishment of new or development of the existing businesses	Insufficient number of night clubs and dancing floors	Improve the city's investment and business environment, attracting new businesses or promoting the establishment of new or development of the existing businesses
Lack of spaces for youth gatherings in the city (ramps for bicycles, etc.)		There is no network of internationally renowned companies or branches (McDonald's, KFC)	
		Insufficient number of shopping centers where you could buy fashionable clothes	

Characteristics of the current unattractiveness of the city		Proposed city attractiveness enhancing measures	
Alytus	Elk	Alytus	Elk
The urban environment is not designed for children and young people with physical disabilities		For the local self-government authorities and non-governmental organizations to seek for sponsors. Prepare and implement EU funded projects	
Characteristics of political environment			
Little support for youth self-employment		Dissemination of information on the markets outside the local market. Creation of spaces designed for promoting youth entrepreneurship	
Visibility and Promotion			
Little awareness of the city among young people all over the country		Develop the image of the city designed for young people (e.g. Elk – a city of events and walking); Organize more cultural (e.g. in Elk – hip-hop) and sports (athletics, soccer) events; Organize and more widely advertise cultural events taking place in the city areas; Widely advertise urban spaces (e.g. in Elk – ‘Promenade’ (a space designed for walking)); Clean up the water bodies and adjust them to the public needs; In Elk – to renovate the city castle and use it for the city’s image.	

Source: made by authors.

of a city attractive for young people do not differ between Lithuanian and Polish population.

Current characteristics of unattractiveness of Alytus and Elk cities identified by the research, as well as the proposed measures for increasing the city’s attractiveness are presented in table 2.

6. The importance of co-operation between cross-border region cities for enhancing city attractiveness

The problems of individual social – economic groups (investors, entrepreneurs and the youth) which are closely interrelated will be solved slower, unless comprehensively approached, because these groups often overlap or have similar problems. Modern companies have realized that their own economic objectives and the company’s competitiveness are directly related to the city’s economic and social welfare and progress. Therefore, the business leaders are increasingly making their competitive strategies based on the shared value concept, when the company’s competitiveness is combined with the city’s development. Only the company’s strategic actions focused on not only improving the company’s competitiveness but also on the creation of the city’s welfare, in the long term perspective ensures and generates extra benefit to the company from the city’s welfare. Thus, implementation of the share value concept principles within the city’s economic value creation process would ensure a long-term

economic competitiveness of both the companies and the city, and this is a mandatory condition for ensuring the city’s economic growth. Thus, an active co-operation between the municipality, entrepreneurs and young people has become not an issue of fashion but rather a necessity and an essential condition for maintaining the city’s competitiveness and welfare. Moreover, international economic cooperation undoubtedly benefits to both cities of different countries, so the establishment, development and maintenance of economic relations is an important, and, under the context of globalization, essential condition for increasing competitiveness and welfare of the city.

Although the research has revealed that financial or ‘hard’ (i.e. infrastructural) measures are most valued in Alytus and Elk cities, but the most recent analysis of scientific literature suggests that the development of cooperation, experience and competencies networking, partial assumption of business risks is becoming an important factor in making a decision to start and build a business. So, the implementation of new, innovative and smart ideas and initiatives would promote business development both in Alytus and Elk (see table 3, introducing additionally recommended business development measures, not included in the strategic urban development plans).

Tab. 3. Recommended measures for enhancing the city's attractiveness for investment and business

Goal	Objective	Measure	Recommended additional measures
To create favorable conditions to start and develop a business, to promote entrepreneurship in the population	Improve informational business environment and develop the provision of public services	Organization of business conditions analysis and research	Analysis of the city entrepreneurs' needs, identifying weaknesses in the business environment and development opportunities.
		Provision of consulting and training services	Placing the basic tips for business start-up and development on the city's municipal website. Development and empowerment of the section 'Ask an expert or Specialist advice' on the municipal website.
		Implementation of business development promotional projects	Setting the calendar and the map of the planned for implementation and implemented business development projects.
	Increase the competitive-ness of business companies	Development of business and scientific partnerships and networks	Establishment and empowerment of the city competencies network: <ul style="list-style-type: none"> - Identification of the city's competences; - Formation and institutionalization of the city competence network; - Creation of technological environment, ensuring functioning of the city competence network.
		Creation of clusters	Implementation of the cooperate through competing culture: <ul style="list-style-type: none"> - Dissemination of the benefits of clustering; - Organization of events on clustering problems.
		Organization of business exhibitions and missions, aimed to increase exports of goods and services	Targeted organization of conferences/forums and exhibitions 'Economic cooperation between Alytus and Elk'. Organization of bilateral missions to and from Poland and meetings with Polish entrepreneurs.
	Promote entrepreneurship and employment of the population	Subsidizing the start-up costs of new enterprises	Establishing the monitoring on effectiveness of the use of support and long term liabilities.
		Subsidizing the creation of new jobs	Increasing the supply of premises, customized for business development: <ul style="list-style-type: none"> - Arrangement of abandoned and the municipality-owned buildings and their rental to business;
		Provision of support to startup businesses	Establishment of preferential conditions for young people to start a business: <ul style="list-style-type: none"> - Partial reimbursement of interest to young people who have started a new business; - Establishment of STARTup support groups, ready to share their experience and help the started business; - Formation of the business ideas bank;
		Specialist training and retraining	Identification of the forgotten professions and creation of apprenticeship programs. Education of entrepreneurial generation: <ul style="list-style-type: none"> - Establishment of a system for identification of entrepreneurial children and their education for entrepreneurship.

Goal	Objective	Measure	Recommended additional measures
To improve the image of the city and create attractive conditions for investment	To create favorable conditions to attract private investment	Improvement of the city's industrial and commercial zones infrastructure	Improving the quality of road infrastructure: – Setting the map of the city roads quality; Improving the Internet accessibility and speed: – Establishment of Wi-Fi zones in the city; Improving the quality of electricity supply; – Creating conditions for the establishment of powerful transformer stations; – Increasing the city's lighting.
		Construction of residential buildings for highly skilled specialists	Establishing conditions of providing highly skilled specialists with accommodation: – Temporary grant of social apartments for skilled specialists to accommodate and settle in the city; – Establishing conditions of land acquisition for skilled specialists.
	Improving the image of the city, encouraging investment and incoming tourism	Formation and improvement of the image of the city	Creation of entrepreneurial spirit in the city: – Arranging the alley of the city's deserving residents in the city center and appointing an individual nominal tile to them or arranging the 'Honorary Park' where the city's deserving people or enterprises could plant a nominal tree and take care of the tree; – Publication of the city's calendar and installation of social advertisements on the city streets, with the city's deserving individuals' thoughts, attitudes or the companies' vision/strategic slogans; – Establishment of the section 'Business city' on the municipal website, where the success stories, the city entrepreneurs' thoughts, reflections and suggestions could be constantly presented.

Source: made by authors.

Alytus and Elk cities are located in Lithuania and Poland cross-border region, apart from each other within a small distance. In addition, there is an established bilateral (between Lithuania and Poland) economic confidence at both countries' level, a close and long-term co-operation between Alytus and Elk municipalities, a variety and abundance of business companies create excellent conditions for the development of economic cooperation which will generate mutual benefit not only to individual business companies but to the cross-border region cities and the entire socio-economic development as well. Incentives on enhancing economic cooperation between Alytus and Elk cities are presented in table 4.

The positioning of the city means creation of a clear and desired image of the city in the mind of the target group, which distinguishes it from the other cities-competitors. In the global competitive arena positioning starts at the national level, so the city, in order to remain attractive and known, has to re-think self-presenting messages in order to highlight the characteristics of the city that are attractive to the target groups. In particular, it is important to formulate the directional image of the city concept, because if failing to do this properly, there is still a possibility to miss the overall functional, urban, stylistic, aesthetic unity, thus forming an eclectic, organically heterogeneous face of the city. Alytus and

Elk cities, implementing joint marketing communications, should commonly convey such messages on the Lithuanian-Polish cross-border region cities' investment, business and living environment, which build confidence in the cities.

The evaluation of the survey results resulted in distinguishing the following essential factors, forming Alytus and Elk cities' attractiveness for investment and business that positively represent the city:

- In the Lithuania–Poland cross-border region cities, well-known national and global companies operate, and their positive feedback is the best reliable recommendation for the cross-border region cities.
- In the Lithuania–Poland cross-border region cities, Alytus Industrial Park and Elk Science and Technology Park are functioning, which, for the developed infrastructure, ensure a fast start of new activities.
- Alytus Industrial Park and Elk Science and Technology Park, a significant long-term land and property tax relief is applied.
- The Lithuania–Poland cross-border region cities have operating industrial-commercial areas, with a developed engineering infrastructure and a number of already operating companies.

Tab. 4. Incentives on enhancing economic cooperation between Alytus and Elk cities

Measure	Incentives
Organizing analysis and research on business conditions	<ol style="list-style-type: none"> 1. Development of a common Alytus and Elk cities' information platform, which would involve entrepreneurs and schools – so that the entrepreneurs could get involved in business training activities in schools so that not only the theory is taught. Established working groups which would meet regularly and analyze the efficiency of ongoing actions. 2. Implementation and publicity of the joint Alytus and Elk municipal activities, where the entrepreneurs could meet, communicate and exchange contacts.
Development of the business and science partnership networks	<ol style="list-style-type: none"> 1. Continue discussions on the purposefulness and possibilities of recovering the Polish-Lithuanian Chamber of Commerce activities.
Organization of business exhibitions and missions, in order to increase exports of goods and services	<ol style="list-style-type: none"> 1. Organization of specialized exhibitions and missions in Alytus and Elk cities.
Specialist training and retraining	<ol style="list-style-type: none"> 1. Development of common leaders and talent education programs. 2. Organization of the joint labor/professional youth camps 3. Extension of functioning of the social entrepreneurship school in Putinų gymnasium by involving the other schools in the city of Alytus and Elk. 4. Placement of good business practices in the virtual environment and their use in the learning process in schools.
Formation and improvement of the image of the cities	<ol style="list-style-type: none"> 1. Implementation of joint marketing communications actions.

Source: made by authors.

- The Lithuania–Poland cross-border region cities have attractive real estate purchase/lease and labor force prices.
- The Lithuania–Poland cross-border region cities have a sufficient variety of skilled workers.
- The Lithuania–Poland cross-border region cities are located close to the Belarusian and Russian markets; These cities can be used as an economic springboard to Western and Eastern Europe.
- In the Lithuania–Poland cross-border region cities, labor drain is relatively low, posing no threat to the staff turnover: a relatively small emigration.
- The Lithuania–Poland cross-border region cities have built the ongoing development of business-oriented policies.
- The Lithuania–Poland cross-border region cities have enabled the scientific and business partnerships: a developed science and education infrastructure, implementation of international exchanges.
- The Lithuania–Poland cross-border region cities promote the employment of young people.

7. Summing up

The specificity of the concept of city attractiveness, analyzed in the article, reflects an increasingly growing interest of the scientists, practitioners,

policymakers, businessmen, investors and society in this problematic and justifies the relevance and timeliness of the topic. The most attractive cities are characterized by high investment attraction, the abundance and development of business, highly qualified professionals, developed economic, social and engineering infrastructure, providing maximal satisfaction of various economic subjects groups' demands, positive net migration, high quality of life and the level of satisfaction of the population and business. It is obvious that the city cannot be attractive in all areas and for all groups of economic subjects. Only a purposeful and targeted formation and publicity of city attractiveness factors will ensure the city's competitive position against the competing cities and create or maintain the appropriate well-being of the city.

The city which will be attractive in future stands out with certain features: is easily internationally accessible, economically livable, innovative, safe, and healthy, interesting for city visitors, comfortable to live, has responsible society.

Alytus and Elk cities' attractiveness for investment and business was majorly determined by the following factors: establishment of a public business support infrastructure, including the investment conditions package, and attractive labor and real property acquisition costs. Investors were impressed by a convenient geographic location of the cities,

close to foreign markets, as well as by the fact of major companies operating in the city. It should be noted that for the start-up of a business, the efficiency of municipalities' work with investors and personal contacts have been distinguished among important factors as well.

The survey of Alytus and Ełk cities' entrepreneurs showed that personal contacts are a very important factor affecting the decision to invest in a particular city.

The economic development of a city depends on availability of human resources, who live or visit the city. Youth activities in a city play a big role for city vitality and for this reason cities are oriented to attract young people to study, work and create business. Conditions for working, studying and living attract and retain labor market necessary for economic development and investment promotion. By losing its young people, the city loses its potential and the possible added value, as well as efforts and resources invested in a young person's education. Therefore, it is important to monitor and try to manage the emigration of young people from the city both from the social and economic perspective.

The entrepreneurs who did not invest in Alytus and Ełk described the factors, which would encourage them to transfer their business respectively to Alytus or Ełk city: (a) formation of the attractive for investment image of the city (Alytus and Ełk); (b) a clear and stable business development strategy in Alytus and Ełk cities; (c) fast approval of decisions in the City Council; (d) co-financing of the youth entrepreneurship promotional projects; (e) co-financing of creation of new jobs; (f) partial reimbursement of youth employment related costs.

The survey of Alytus and Ełk cities' youth show, that the most attractive characteristics that attract or keep young people in the city are the following – learning conditions and career opportunities (earnings). Living conditions are classified as less important factors. Meanwhile the areas that are more general and do not apply to the respondents directly (the political situation and image of the city) have been identified much less frequently. Characteristics of a city attractive for young people do not differ between Lithuanian and Polish population.

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