DEVELOPMENT OF ENTREPRENEURSHIP WITH SUPPORT OF LOCAL SELF-GOVERNMENTS, ON THE EXAMPLE OF BELCHATOW COUNTY

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Abstract: Every country aiming for the highest level of economic competitiveness, thereby providing a better standard of living for citizens and increasing their personal satisfaction, should support the activities of businessmen and people, who want to rise the level of national economy with means of introduced innovations. The smallest national unit supporting the entrepreneurship is municipality. Activities of municipality have indirect or direct influence on local companies. It is particularly seen, that the chances for development of entrepreneurship in particular areas of country and creating regional development based on the entrepreneurship should be searched in the respectively leaded policy of local and regional government, particularly in relation to small and medium companies. Purpose of this thesis is characterization of entrepreneurship in Belchatow county, as well as initiatives of the county’s government are being stipulated, in order to support the establishment of new companies and development of existing companies.

Keywords: local self-government, county, company, management

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Introduction

Entrepreneurship is generally an active, creative and innovative activity of human being in the economic and other than economic zone.

Every country aiming for the highest level of economic competitiveness, thereby providing a better standard of living for citizens and increasing their personal satisfaction, should support the activities of businessmen and people, who want to rise the level of national economy with means of the introduced innovations (Sopińska, Wachowiak 2016). Thus, economic affairs are more increasingly a key item in a strategy pursued on local and regional level (Skowron-Grabowska, Nowakowska-Grunt 2017, p. 97-98). Development of entrepreneurship particularly influences on the economic growth. Thus, the activities oriented on its stimulation and development are required. Entrepreneurship requires the respective stimulation with the established conditions enforcing eagerness for a business activity, what subsequently leads to starting and running a business activity (Lemańska-Majdzik 2012, p. 115-117).

The smallest national unit supporting the entrepreneurship is a municipality. Activities of municipality have indirect or direct influence on local companies. An increasing role of local self-government in the development of local entrepreneurship
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is currently observed (Kubeckowa, Kurzak, Major 2017). A significant instrument being a driving force in local development, particularly from the moment when Poland entered into the European Union, are aid measures obtained by local self-government from foreign resources (Glinka, Gudkova 2011, p. 110-113).

The support of municipality for the entrepreneurship can be divided into two groups: income and expanse instruments. Income instruments are various kinds of tax reductions and exemptions. They comprise of: agricultural tax, property tax, forestry tax, dog-ownership tax, tax for means of transport, inheritance and donation tax, business activity of individuals tax (Kot 2017, p. 54-56). The municipality’s support for entrepreneurship begins with determination of tax rates, that are generally lower that the rates maximally determined by the Ministry of Finance. Whereas, a particular value depends from a municipality’s budget. Municipalities support own citizens with means of remittance, payments in instalments, exempting a taxpayer the payment and collection of tax, or tax deductions (Nowicka-Skowron, Krawczyk-Sokołowska, Mesjasz-Lech 2017, p. 257-258). The most important element in expanse instruments are investments, that influence on the increased investment attractiveness of municipality. Infrastructural investments are i.e. as follows: sewage system, (it improves the standard of living), bypass road (it can lead to the improved conditions for business activity) (Skowron-Grabowska, Nowakowska-Grunt 2017, p. 97-98). Many local self-governments use investments as a way for municipality’s promotion.

Local self-government authorities can efficiently support development of economy, when creating beneficial conditions for such sector (Glinka, Gudkova 2011, p. 110-113).

Stimulation of local economic development with means of local self-government administration’s activities on various levels is obviously well-grounded. It results from one obvious fact, namely companies do not operate in the void, they operate in a physical, social space, with a stipulated legal environment (Kot 2017, p. 54-56). No matter how private companies make independent decision on own matters, theirs chances for operation depend from many factors created by local self-government administration. Purpose of this thesis is characterization of entrepreneurship in Belachatow county, as well as the county’s government initiatives are being stipulated, in order to support the establishment of new companies and development of existing companies.

Belchatow county

The climate supporting development of entrepreneurship in the municipality, being the factor required for economic development, is as follows: territories, human resources, infrastructure, chances for cooperation, chances for application of technology, as well as system of local charges and taxes (Nowicka-Skowron, Krawczyk-Sokołowska, Mesjasz-Lech 2017, p. 257-258). Whereas, additional factors are as follows: municipality’s image, political stability, attractiveness of a city, efficient administration, recreations (theatre, sport), education and mentality of citizens. Current municipality management methods, conscience of the
municipality’s government role, the municipality’s government attitude towards the entrepreneurship and respective treating new and operating business activities by a municipality, all of this is of great importance for the climate supporting entrepreneurship (Brzeziński 2015, p. 5-7).

Belchatow county has many values supporting development of entrepreneurship. Belchatow county has generally a convenient localisation, it is located in the central Poland, in southern part of Lodz Voivodeship. It covers the area of 967.75 sq. km., what amounts to 5.31% of the Lodz Voivodeship area. It comprises of: the municipality of Belchatow city, the municipality of Zelow city and cottages, as well as cottage municipalities: Belchatow, Kleszczow, Kluki, Druzbice, Rusiec, Szczer cow and the cities: Zelow and Belchatow (Stowarzyszenie Animacji i Rozwoju Lokalnego, 2016). National, county and voivodeship routes are crossing territory of Belchatow county. Natural resources are also located on this area. Tertiary deposits are located at territory of this county, existing in the form of layers, covered with quaternary formations (Stowarzyszenie Animacji i Rozwoju Lokalneg o, 2016). Apart from deposits at territory of this county, also very numerous deposits of lignite are located there. Whereas, there are deposits of boulder clay, sand with grit, grit, marls of Upper Cretaceous, Aeolian sand (Roguta 2005, p. 16-20). Brown soils, podsolic soils, black earths, leached earths, swamp soils, alluvial soils are predominant on territory of this county. According to soil quality classification, municipalities located at territory of this county have very low conditions for agricultural crops (Roguta 2005, p. 16-20). Agricultural lands at territory of this county were in 2015 as follows: arable lands (40678.4 ha), grasslands and pastures (13602.1 ha), orchards (337.2 ha). Total area of farmlands amounted to 54617.7 ha, what amount to 56.4% of county’s area. The county’s hydrological network comprises of numerous rivers crossing the Belchatow municipality, and the longest river is Rakowka (21.9 km) (Urząd Statystyczny w Łodzi, 2016). The following reservoirs are located at territory of Belchatow county: Słok Lake, Smugi, Grobla, Święte Ługi Lakes, Duży i Biały Ług, Lubiec, Dziewuliny, Teresin, Fraszka, Imielnia as well as reservoir tanks: Słok Reservoir, Parkowy Reservoir, Wawrzkowizna Reservoir, Patyki Reservoir.

Entrepreneurship in Belchatow county

Government and public administration on various levels in the Belchatow county efficiently support the development of entrepreneurship and aim for the establishment of beneficial conditions in the surrounding for this sector, with simultaneous reduction of unwanted factors resulting from a play of free-market competitive forces (Romanowska 2015).

The activities pursued by local authorities in the described county are generally oriented on economic development. When the citizens are regarded, and particularly the investors, efforts oriented on development and creation of infrastructure are constantly made, as well as local spatial development plans are created. Currently developed plans generally cover residential areas and areas attractive for investments (Stowarzyszenie Animacji i Rozwoju Lokalnego, 2016).
Local self-government authorities promote the entrepreneurship and self-employment with means of various types of trainings, competitions, seminars, pursuing EU projects. Institutions oriented on supporting the development of local entrepreneurship also operate at territory of this county (Stowarzyszenie Animacji i Rozwoju Lokalnego, 2016). One project organized by Belchatow and by District Labour Office in Belchatow was a program called „Own company - a chance for success” (Starostwo Powiatowe w Belchatowie, 2016). This project was generally oriented for unemployed, who wanted to start own business. Competition was based on finding an interesting initiative influencing on the development of local entrepreneurship. It also helped in the acquisition of financial resources for establishment and shaping own company. Thanks to such initiative, 50 new companies have been established (Starostwo Powiatowe w Belchatowie, 2016).

City also strengthens the spirit of entrepreneurship among the learning teenagers, with means of the organised project called “Good student - a firmer future” or “Knowledge is my chance” oriented on the increased professional qualifications in the scope of renewable energy systems and devices. The county’s development in the area of technical infrastructure was also of great importance for the increased economic and investment attractiveness in the region. In the years 2005-2015, new sewage treatment plants were constructed (what reduced contamination of surface waters and groundwater and improved natural environment), estate community heating networks were improved, communication and transport infrastructure was modernized (Stowarzyszenie Animacji i Rozwoju Lokalnego, 2016).

Belchatow, in order to stimulate the investors in planning investments at territory of this county, exempts businessmen from company tax, who have headquarters located at territory of special economic zone, as well as companies with averagely 15% of yearly employment increase. A special “Invest Planner” application was also created, that helped investors in finding an ideal localisation for own investment. A businessman can also benefit from the individual investor’s patron support, who helps in contacts with city office employees, helps in formalities related with business entity (Stowarzyszenie Animacji i Rozwoju Lokalnego, 2016).

Kleszczow municipality, having agricultural and industrial character, provides many labour opportunities for own citizens, as well as for the citizens from nearby municipalities. Major goal in the municipality’s activity is development of entrepreneurship. Kleszczow municipality is oriented on the acquisition of investors, promotion and development of local entrepreneurship. It runs trainings for citizens in the area of i.e. foreign language lessons, computer courses, it plays also a role of guarantee-loan fund. Kleszczow municipality participates in the national and international investment fairs, such us PROPERTY Investment Fair, Lodz Energy Fair or EXPO – REAL fair in Munich. The Municipality’s Office in Kleszczow offers legal and financial support in starting own business and its further development. It also cooperates with District Labour Office, in order to inform the investors about the chances for getting new qualifications or the chances for participation in various types of trainings, seminars and courses (https://www.kleszczow.pl/).
Municipality of Zelow and Foundation for Development of the Municipality of Zelow supports local entrepreneurship with means of granting access to the respective room for making business activities of businessmen, granting financial support and loans for newly established companies, as well as for theirs development; organisation of various competitions, that stimulate the entrepreneurial behaviour among young and skilled citizens of Zelow and the surrounding municipalities, i.e. “A chance for job - professional activation of people endangered with social exclusion”, “Counteracting digital exclusion in the municipality of Zelow - we invest in the future” or “Development of small and medium company services: advisory and training services” (www.zelow.pl).

At territory of Belchatow county, institutions supporting development of businessmen entering onto the local market, as well as businessmen operating in many years, are operating. One such institution is District Labour Office. This institution has organised i.e. “First job programme”, that covered five sectors: small and medium companies, education, self-employment, mediation in the employment/information/vocational counselling and volunteerism. 746 people benefited from this program, and 320 people got a job after the end of the program (Starostwo Powiatowe w Belchatowie, 2016). In the scope of “First job” program, “Green labour places” sub-program was organised, that provided opportunity for a trainee program in the Belchatow Forest Inspectorate. District Labour Office grants loans for businessmen, who start new business, as well as for companies that create additional workplaces. Percentage rate for a loan is considerably lower in such case, when compared to bank department.

Another institution is Department of Culture, Education, Health and Sport in the County Authority’s Office (pol. Starostwo Powiatowe). It organises i.e. meetings for learning teenagers with office employees, where the following topics are discussed: labour market, course of a job interview, professional qualifications, methods preventing unemployment and searching for a respective job (Starostwo Powiatowe w Bełchatowie, 2016).

Another institution promoting the entrepreneurship at territory of Belchatow county is Department of Promotion and Development of Entrepreneurship with its headquarters located in the Belchatow County Authority’s Office. Department’s tasks are as follows: promotional activities, making market analyses, coordination of activities with foreign contractors, cooperation with agencies and other units on the national and international scale within the framework of county’s promotion, organisation of trainings, workshops for businessmen and for learning teenagers, free-of-charge support in the area of legal advices and formalities resulting from a business activity held (Starostwo Powiatowe w Bełchatowie, 2015).

ARREKS Business Incubator located at territory of the municipality of Kleszczow pursues regional development of Belchatow county as a major goal, with particular emphasis on the promotion of entrepreneurship and organisational and technical solutions, creating of new workplaces, new organisations and support for companies from the sector of small and medium companies (https://www.kleszczow.pl/).
It grants consulting and training support for every type of company, irrespectively to its size. ARREKS Incubator grants working capital and investment loans for individuals and companies for launching new companies purposes, as well as a support for existing companies. The loans granted by Incubator are more beneficial for investor, when compared to the bank credit granted, as a result of lower percentage rate. The Incubator also supports the activities oriented on the creation of new workplaces/positions, with means of trainings for unemployed, who want to start own business activity.

Industrial and Technological Park of Belchatow and Kleszczow was established in 1993 and it pursues development of innovative offer, that meets businessmen expectations, as a main goal, what may facilitate the economic, efficient and beneficial business activity (Kubik 1998, p. 45-46). This organisation offers the investment areas and surfaces for rental, that are intended for business activity. It also grants free-of-charge consulting services in the scope of tax law, principles of registration and running a company etc. One project organised by Industrial and Technological Park of Belchatow and Kleszczow was “Innovation - a key to success”. Main project goal covered “increase in the number of companies operating on grounds of innovative solutions”. People from whole Poland could participate in such project, when they had an innovative idea and would like to start own business. Consulting services were provided in the framework of this project, with the following scope: establishing a new company (developing a business-plan, an analysis, researches), providing the services and infrastructure required for newly-established organisations (https://www.kleszczow.pl/).

Regional Chamber of Commerce operates at territory of Belchatow county, that represents and protects the interests of Chamber members, provides consultancy the services in organisational, economic, legal and training issues, that are related with running a business activity, it also creates and organises the respective conditions for settlement of disputes in the course of conciliation and amicable proceedings, it supports the economic development in the region, and particularly local and regional development of entrepreneurship. This Chamber supports the economic initiatives of own members, it promotes international and inter-regional business contacts, it modernizes business life, it creates conditions for development, it represents own members in contacts with governmental and non-governmental organizations, it supports cooperation initiatives with other educational and scientific institutions, it protects property of own members, it organises promotional events and fairs, it grants support in the acquisition of financing from the European Union (Starostwo Powiatowe w Bełchatowie, 2016).

Also Economic Forum of Belchatow County is organised at territory of this county. Second edition took place in 2017. Three hundred people participated in this event, including the representatives of institution, local self-government, businessmen from various nationalities, from i.e. Ukraine, Germany, Lithuania. A major Forum task is meeting the companies for knowledge and experience exchange purposes, making business contacts, motivation and inspiration for further development (Starostwo Powiatowe w Bełchatowie, 2016).
Structure of entrepreneurship at territory of Belchatow County

According to Central Statistical Office (pol. Główny Urząd Statystyczny – GUS) in 2015, 8,962 companies held a business activity, 238 were from public sector and 8,721 were from private sector. GUS classifies such business units in the Belchatow County in 8 sections, with regard to the occupied sector of economy (Urząd Statystyczny w Łodzi, 2016).


Discovery of lignite at territory of Belchatow county in 1960 facilitated the establishment of Elektrownia BOT Belchatów SA and Kopalnia Węgla Brunatnego BOT Belchatów SA. It is currently the largest power industry complex in Poland (shortcut: BOT is derived from the names of following cities Belchatow – Opole – Turow).
Knauf Gips KG is one among the largest companies in the construction sector, with Knauf Belchatów Sp. z o.o. company located in Rogowiec, at Gipsowej 3 street (municipality of Kleszczow). Knauf department in Belchatow has three plants: for gypsum plasterboards, construction chemistry and gypsum plasters.

Companies handling with repairs of vehicles are decidedly predominating in the sector of commerce. The sector of transport and warehousing in Belchatow county is based on the companies from transport industry: Emaus Logistics SC, Aspen Company, Miejski Zakład Komunikacji Sp. z o.o., Przedsiębiorstwo Produkcyjno-Handlowo-Uslugowe Batis Sp. z o.o., Transport Towarowy Gabriel Fiszer.

The sector of accommodation and gastronomy is the most developed sector amounting to about several-dozen companies.

Sector of real estate market services is dominated with Belchatow real estate agencies. Biuro Obsługi Nieruchomości "Nieruchomość" is one of the oldest in this sector of industry. Companies from the financial and insurance sector are generally local departments of national and international financial institutions. It particularly covers banks. At territory of Belchatow county i.e. the following companies run a business activity in this sector: Getin Noble Bank SA, Bank Spółdzielczy, Bank BPH SA Oddział Belchatów, Bank Ochrony Środowiska SA Oddział Operacyjny Belchatów, Bank Spółdzielczy w Kleszczowie, Bank Polska Kasa Opieki SA Oddział I (wraz z dwoma filiami), ESBANK Bank Spółdzielczy Oddział w Kleszczowie, Alior Bank Odział w Żelowie, ING Bank Śląski SA Oddział w Belchatowie, Invest-Bank SA Oddział Belchatów, Bank Crédit Agricole Oddział Belchatów, Bank Poczty Odział Belchatów, Bank Zachodni WBK Oddział Belchatów, neoBANK Oddział Belchatów, Bank PKO BP Oddział Belchatów, Bank PKO BP Oddział Żelów (Urząd Statystyczny w Łodzi, 2016).

![Figure 2. Size of companies in Belchatow county, with respect to the sector of business activity](image)

Source: Own elaboration according to GUS data (Urząd Statystyczny w Łodzi (2016))
Activity in the sector of insurances is pursued by i.e. the following companies and agencies: Powszechny Zakład Ubezpieczeń SA Inspektorat Bełchatów, UNIQA Towarzystwo Ubezpieczeń na Życie SA, UNIQA Towarzystwo Ubezpieczeń SA, AXA Ubezpieczenia, Agencja Autoryzowana TUiR Warta SA, Agencja Usług Finansowo-Ubezpieczeniowych Alina Hyżak, Vesta Pośrednictwo Ubezpieczeniowo-Finansowe (Urząd Statystyczny w Łodzi, 2016).

With respect to division into 8 sectors, according to the criterion applicable in GUS researches, in the year 2015 the number of companies in particular sectors was as follows: 141 companies in the sector - agriculture, forestry, hunting and fishery; 934 companies in the sector - industry; 860 companies in the sector - construction; 1112 companies in the sector - trade, repairs of vehicles; 2472 companies in the sector - transport and warehousing; 455 companies in the sector - accommodation and gastronomy; 267 companies in the sector - financial and insurance activity; 356 companies in the sector - real estate market services. From all companies registered at territory of Bełchatów county, in 2015 the largest group of companies was in transport and warehousing sector and vehicle trade and services sector (Urząd Statystyczny w Łodzi, 2016).

Conclusions

Development of entrepreneurship is required for the provision of economic growth. At the same time, efficiently operating companies induce competitive force in a particular region. Thus, the respective activities are required, that form supporting conditions for starting and running a business activity, as well as the activities supporting development of currently existing companies. Responsibility for the execution of activities stipulated above is generally borne by local self-government.

Belchatów county authorities orient own policy on the economic development, with application of city’s investment assets and its beneficial localisation in the central Poland, good access to the communicational infrastructure. Belchatow is located at territory abundant with natural resources, thus the county’s self-government introduces many tools encouraging investors for starting and making activities at this territory. The following undertaking supporting development of entrepreneurship, from all tools available, has operated the best: Scientific and Technological Park. Tax reliefs for businessmen are also important.

Literature


ROZWÓJ PRZEDSIĘBIORCZOŚCI PRZY WSPARCIU SAMORZĄDÓW NA PRZYKŁADZIE POWIATU BELCHATOWSKIEGO

Streszczenie: Każde państwo chcące osiągnąć jak najwyższy poziom konkurencyjności gospodarczej, a przez to zapewnić obywatelom lepszy standard życia i tym samym zwiększyć ich osobiste zadowolenie, powinno wspierać działania przedsiębiorców oraz osób, które chcą podwyższać poziom gospodarczy kraju poprzez wprowadzanie innowacji. Najmniejszym organem w kraju wspierającym przedsiębiorczość jest gmina. Działania gminy mają pośredni lub bezpośredni wpływ na lokalne firmy. Szczególną uwagę zwrócono na to, iż szans dla rozwoju przedsiębiorczości w danych regionach kraju i dla kreowania rozwoju regionalnego opartego na przedsiębiorczości należy upatrywać w odpowiednio prowadzonej polityce władz lokalnych i regionalnych, szczególnie w odniesieniu do małych i średnich przedsiębiorstw. Celem niniejszej pracy jest dokonanie charakterystyk przedsiębiorczości powiatu bełchatowskiego oraz wskazanie inicjatyw władz powiatu, których celem jest wspieranie powstawania nowych i rozwoju już istniejących przedsiębiorstw.

Słowa kluczowe: samorząd, powiat, przedsiębiorstwo, zarządzanie