
Organizational Forms of Entrepreneurship Support: A Case Study

Submitted 22/05/21, 1st revision 22/06/21, 2nd revision 24/07/21, accepted 25/08/21

Tomasz Skica¹, Jacek Rodzinka², Elżbieta Ociepa-Kicińska³

Abstract:

Purpose: The article aim is a diagnosis of the scope of organizational instruments for supporting entrepreneurship available to local government units, determining the degree of use of individual instruments by local government units that fall under the category of organizational forms of supporting entrepreneurship and determining the diversity of the scope and type of support for entrepreneurship used by communes due to the criterion of category of communes.

Design/Methodology/Approach: The analyzes were performed based on 35413 input data. The chi-square and Kramer V coefficients were used in the research.

Findings: The results of the research presented in this study show in most areas a weak relationship between the type of commune and the organizational forms of supporting local entrepreneurship used by it.

Practical Implications: The implementation of the results of the study conducted allow to identify of the most popular tools used in Polish municipalities.

Originality/Value: The debate on the instrumentalization of entrepreneurship support by communes is essential because knowledge on this subject has a strongly applied dimension.

Keywords: Entrepreneurship support instruments, local government, development support policies.

JEL codes: L26, L38, H79.

Paper type: Research article.

Acknowledgement: The project is financed within the framework of the program of the Minister of Science and Higher Education under the name "Regional Excellence Initiative" in the years 2019 - 2022; project number 001/RID/2018/19; the amount of financing PLN 10,684,000.00.

¹Institute for Financial Research and Analyses, University of Information Technology and Management in Rzeszow, Poland, ORCID 0000-0002-5620-610X.

E-mail: tskica@wsiz.edu.pl

²Same as in 1, ORCID 0000-0002-4003-0891, e-mail: jrodzinka@wsiz.edu.pl

³Corresponding Author, Institute of Spatial Management and Socio-Economic Geography, University of Szczecin, Poland, ORCID: 0000-0002-2879-6923.

E-mail: elzbieta.ociepa-kicinska@usz.edu.pl

1. Introduction

The issue of supporting entrepreneurship by local government units is a topic that raises a lot of controversy. In the academic debate a substantial space on this topic is devoted to financial instruments and solutions based on activities that from the expenditure or income side stimulate entrepreneurship. Importantly, the legitimacy of using such solutions is often questioned in the literature, indicating their low economic efficiency.

The importance of supporting local entrepreneurship is usually discussed in the academic literature in a serious context. Starting with the indication that municipalities carry out tasks of administrative, social and economic nature (Łuczyszyn, 2013) and that stimulating a municipality's growth is tantamount to supporting entrepreneurship (via exerting an impact on the conditions for running business activity) (Misiąg, 2000). The role of SMEs in the local and regional development is often underline (Bieńkowska, 2004). The authors of the study entitled "The Local Strategies of Economic Growth. A Guidebook for Municipalities and Local Leaders", in the part dedicated to local entrepreneurship development, indicate that a municipality is concurrently an employer, a principal, a customer and an investor, which implies that practically every activity of a municipality has a direct or indirect impact on local companies. Kuciński (2010) specifies that, at the level of local and regional development, entrepreneurship can be considered in two aspects. The first one is related to entrepreneurship of the municipal authorities, whereas the second one – to the business activity that is actually started up and run.

Entrepreneurship understood as an attitude to business, and entrepreneurship expressed as business activity that is actually started up and run, and how the two manifestations of entrepreneurship influence the local and regional growth (and are dependent on its level) depends mainly on the entrepreneurship of public authorities that coordinate the social and economic life at the local level. Mueller (2006) points out that entrepreneurs' decisions are based on local conditions, which already at the initial stage affect any potential entrepreneurs and are decisive for taking up business activity. The regional factors that describe the entrepreneurial environment include, the number of newly founded business entities per 1000 inhabitants, and the share of small and fledgling business units. Chądryński indicates that local development takes place within a specific territory that constitutes a certain local system, an important element of which is the local community that inhabits the territory (Chądryński, Nowakowska, and Przygodzki, 2012).

On the other hand, Mickiewicz, Rodzinka, and Skica (2016) point out that associating social capital with regional development has been addressed in the literature for a relatively short time. In order to demonstrate the role of local self-governments in the processes of local economy management, it is worth quoting the definition conceived by Blakely, a local economy is a complex process by which the central authorities, using their own resources as well as those belonging to the public

and external partners' capital, stimulate economic development of the administrative unit in question (Łuczyszyn, 2013). A local economy may also be treated as a set of business entities operating within the municipality, with various connections and interdependencies among them.

Kogut-Jaworska (2011) points out that exerting an impact on the local entrepreneurship and attracting external capital is usually a priority of any local policy of economic growth. Stimulation of local economic growth is a task for local authorities which should coordinate activities of all the entities operating with a benefit for the whole local social and economic system. In practice, entrepreneurship support conducted by local government units takes place simultaneously in various dimensions and the activities undertaken within them take into account a wide spectrum of instruments and solutions. Undoubtedly, actions based on financial instruments are by far the most commonly used forms of support implemented by local government units (NIK, 2018).

There are at least several reasons for this. One of them is the conviction of local authorities about the higher effectiveness of financial instruments over other forms of support for economic activity (Skica *et al.*, 2019), another one is that it is much easier to implement solutions in commune that are based on forms of financial support rather than non-financial. The currently applicable regulations make it simpler to adopt a lower tax rate than to develop the entire set of activities that create the so-called 'entrepreneurial climate'. Paradoxically, entrepreneurs are not interested in this type of support offered by communes (Skica and Wołowiec, 2013). Lower tax rates only solve a small part of business problems. What is more, entrepreneurs do not equate financial problems associated with economic activity with fiscalism of communes. In their opinion, it concerns the access to capital, its cost or a protection needed to collect it. This fact is striking regardless of whether we analyze the property tax (Satoła, 2014) or the tax on means of transport (Skica *et al.*, 2011), i.e., two public-law titles most suitable for tax stimulation at the level of local government units.

Publications on the tasks of communes (in the context of stimulating local development) focus on the analysis of the activities of entrepreneurship support centers and job creation. Mountford (2009) was seen an entrepreneurship as a key contributor to social cohesion and inclusion and business creation was seen as a means of job creation. Treller (2014) think that, entrepreneurship is the process of creating an idea and turning it into a business. Entrepreneurial activity creates jobs, creates new enterprises, diversifies opportunities and accelerates the process of local economic development. That's the main reason why municipalities typically employ a range of measures to encourage entrepreneurial development, such as efforts to provide entrepreneurs with the capital, training and technical assistance they need to start and grow their business.

Support for non-governmental organizations and their place in the processes of stimulating entrepreneurship are the object of analyzes of such authors as Ociepa-Kicińska (2019), Dorżyński (2013), Kamińska (2011), Grycuk and Russel (2014) and Fogel (2001). In turn, the issue of measures to strengthen civic participation as an entrepreneurship stimulator is investigated by Betta *et al.* (2010), Doh and Zolnik (2011). Motoyama *et al.* (2014) indicate the role of organizations in supporting entrepreneurship perceived through the prism of NGOs, raising the importance of multi-faceted impact on entrepreneurship support. The authors emphasize the need to diversify activities aimed at supporting various types of entrepreneurship and the inability to treat organizational support as universal. Katimertzopoulos and Vlado (2017) express a similar approach, emphasizing the importance of diverse organizational support for the creation of new entities and supporting the activities of entities already operating on the market.

The presented situation indicates a certain objective problem, which part of all communes does not seem to notice. Conducting support policies based on fiscal aspects is not only ineffective (or at least not as effective as local authorities would expect), but it also limits the resources at the disposal of local government units that would have a better chance to contribute to entrepreneurship support than misdirected fiscal preferences. This fact is gradually being raised more and more in the literature (Wagner and Sternberg, 2004), and research on this subject seems to clearly support a reorientation of support policy from the most easily available, but at the same time less effective financial instruments to stimulus activities based on organizational solutions with a much more diverse specificity and impact spectrum (Jasiniak and Koziński, 2017). At the same time, while the knowledge about financial instruments is relatively well developed and the consequences of local government policies in the area of supporting entrepreneurship based on these types of instruments are relatively well described, issues connected to non-financial forms of entrepreneurship support, including in particular organizational activities, still show a deficit (Andelić *et al.*, 2015; Lee *et al.*, 2011).

Literature abounds in research dedicated to the links between institutions and entrepreneurship. They were undertaken by Baumol (1990), Sobel (2008), Katimertzopoulos and Vlado (2017) and others. Motoyama and Wiens (2015) and Delic *et al.* (2012) write about the activity and need for communes involvement in supporting entrepreneurship from the institutional side as well. At the same time, none of the studies analyzed the relationship of local government units with institutions in the field of cross-sectoral cooperation for the development and implementation of solutions aimed at stimulating entrepreneurship. Given the above, the article aims to fill the identified research gap, and its purpose is:

- 1) a diagnosis of the scope of organizational instruments for supporting entrepreneurship available to local government units;

- 2) determining the degree of use of individual instruments by local government units that fall under the category of organizational forms of supporting entrepreneurship;
- 3) determining the diversity of the scope and type of forms of support for entrepreneurship used by communes due to the criterion of category of communes using them.

For this purpose, in 2019 was conducted a survey in which 896 Polish municipalities participated (which accounted for over 36% of all Polish municipalities). The analyzes were performed based on 35413 input data. The chi-square and Kramer V coefficients were used in the research. The rest of the paper is organized as follows: the next section discusses forms for local entrepreneurship support. Next, we present a description of the data and research methods applied. Section 4 contains the results of the study. In the final section, we conclude with a summary of our results.

2. Forms for Local Entrepreneurship Support

Local entrepreneurship is sometimes referred to as a social phenomenon, seen especially as a function of competitive behaviours that govern the market and a function of implementing new business enterprises leading to changes on the market (Zieliński, 2014). Entrepreneurship is looking for opportunities and making profits so that it will produce good business performance (Abdullah and Aripin, 2018). Local economic development is built upon four fundamental pillars, economic, social, institution and environmental. These four pillars represent the entrepreneurial environment. In practical sense the relative strenght of these pillars serve to suport overall community prosperity (Treller, 2014). The World Organization of United Cities and Local Governments (UCLG) points out that entrepreneurial development Local or Regional Governments in many countries have set up centres to foster entrepreneurship in their communities, especially by supporting people who wish to create a new MSME (micro, small, or medium-sized enterprise). They assist with such matters as feasibility studies, market surveys, business plans, licensing, and access to capital. They may also offer workshops and seminars, especially for young entrepreneur (The Role of Local Governments in Economic Development, 2014).

In fact, functioning of local government in the context of activities focused on organizational forms of supporting entrepreneurship looks slightly different in practice. First of all, there is a lack of diversity in organizational support for operating companies and newly established business entities. Secondly, research shows a kind of monothematic form of organizational support. The most commonly used activities include consultative and advisory meetings of local government units with representatives of economic self-governments and entrepreneurs' associations, and the least frequently undertaken are activities aimed at establishing economic councils as opinion-making institutions at the local government units. Grycuk and Russel (2014) indicate that 78.6% of the communes surveyed did not participate in any way in creating business environment organizations. This is incomprehensible,

because the levels connecting the activity of local government units and local organizations in activities to support entrepreneurship are very wide. As Huczek (2011) and Wadecka (2003) indicate, these activities may include consultations and inclusion of representatives of local organizations in the design of activities aiming to support entrepreneurship, providing organizations with premises and equipment necessary to carry out activities aimed at supporting local entrepreneurship and, finally, creating monitoring systems of entrepreneurial needs in the area of a given commune, based on close cooperation of local government authorities and non-governmental organizations, enabling the design of solutions that effectively support economic initiatives in a specific area.

On the other hand, as indicated by Filipiak and Ruszała (2009), the activities of the organizations themselves in relation to potential entrepreneurs also indicate some difficulties. These include the growing capital intensity in the provision of financial services, the increasing demand for public sector products, disruptions in communication with commune employees, or the lack of confidence in the real possibility of supporting economic activity for those interested in undertaking it.

The problems identified are therefore two-sided. They are not only connected to the side of communes themselves, but they are also a consequence of the stereotypical identification of the process of setting up a business by interested persons mainly with financial problems. This situation is responsible for a kind of paradox. Potential entrepreneurs diagnosing problems standing in the way of establishing a business conquer the role of financial factors, commune (incorrectly diagnosing their significance), try to solve this problem by reducing fiscal burdens, using a moderate system of fees for communal services or free transfer of property for use.

Business environment, however, turns out to be much more complex and highlights the problems associated with running a business in terms of lack of knowledge, specialist competences (financial, legal, industry-related), which will not be solved by applying lower fiscal burdens by local government units. At the same time, the lack of a developed organizational environment in a given area that can constitute an effective support in all of the above areas hinders the overcoming the deficits of knowledge, competence and experience (Zeman-Miszewska, 2006). The need for model resolution of this kind of problems is described, among others, by Broniewska (2012) – Table 1. The author highlights the three levels of cooperation between local government units and NGOs as part of activities aimed at stimulating local development, including entrepreneurship.

The solutions described in the table create a so-called ‘culture of cooperation’ reaching far beyond the provisions of applicable law and constituting (in a manner appropriate for each local community) a separate model of cooperation between business, local government units and non-governmental organizations inscribing in its specificity the development potential, endogenous features and the historical shape of development determinants along with their levels. A similar overtone is

obtained by works analyzing individual voivodships of Poland. Piątyszek-Pych and Wyrwa (2012) analyzing the institutional business environment in the Lubuskie Voivodship, Cebulak (2009) focusing on the Podkarpackie Voivodship, or Dropek (2014) examining the cooperation of organizations and communes in supporting entrepreneurship in the Wielkopolska Voivodship.

Table 1. *Areas of cooperation between communes and non-governmental organizations*

Area no. 1	Area no. 2	Area no. 3
Cooperation of local government units and non-governmental organizations in the area of creating public policy - systematic and orderly actions that are undertaken to solve the most important problems affecting local inhabitants	Cooperation of local government units and non-governmental organizations in the implementation of public tasks - activities undertaken by local government administration as part of laws defining the scope of their public competences	Cooperation infrastructure - includes all locally shaped factors affecting the functioning of NGOs and cooperation between local government sector and the third sector, as well as creating conditions for social activity

Common cooperation principles for three areas

Source: Broniewska, 2012.

These studies are the source of several valuable conclusions that should be treated as an incentive to discuss the research results presented in the following text. The diversity of local government authorities' involvement in the creation and cooperation with governmental organizations to support entrepreneurship varies across voivodships. It is much higher in the western part of Poland, and lower in the eastern part of the country. Secondly, this remark corresponds to the generally lower level of entrepreneurship in south-eastern Poland compared to the western part of the country.

The reason for this (at least to some extent) are historical events, which has been mentioned by e.g., Wysokińska (2017). Thirdly, relations with the institutional environment determining entrepreneurship are also a derivative of objective factors towards communes (remaining outside their responsibility). These include a level of social capital (Skica and Inglot-Brzęk, 2017). As a result, not always activities aimed to create an institutional environment that turn out to be efficient in one region will work equally effectively in other regions of Poland. For this reason, the analysis of the examined issue in territorial cross-section to which a filter in the form of individual categories of municipalities has been imposed has a chance to bring a considerable amount of new knowledge on explaining the issue of institutional forms of entrepreneurship support by local government units.

3. Data and Methods

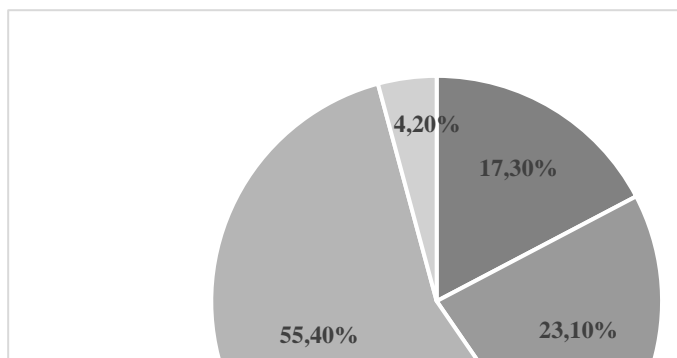
The research was conducted from June to October 2019. The selection of units for the research sample was two-stage. In the first stage deliberate selection was applied,

assuming that 735 municipalities participated in the Polish edition of the Global Entrepreneurship Monitor research project from 2015. In the second stage dependent sampling was used which selected 347 communes from the database of all communes in Poland so as to provide the sample with the same structure as the actual structure of communes in Poland by type. After analyzing the situation and the possibility of effective application, proportional stratified sampling was selected. This choice was mainly determined by the fact that it ensures high efficiency of the sample selection (Kowal, 1998). In addition, dependent randomization was used, i.e., without return.

The municipalities were surveyed using the CAWI/CATI method - the CATI method supplemented the CAWI method for all municipalities from the pool of 735 which did not send back correctly completed questionnaires (352 municipalities in total), and was also the basic tool for examining the selected municipalities (347 municipalities). 513 questionnaires were carried out using CATI method, 84 refusals were recorded, no contact was possible with 102 entities. As a consequence, the study was conducted among 896 local government units, which resulted in the study of over 36% of the entire population.

Additionally, the structure of the units accepted for the study was consistent with the structure of the general population (by type of commune). Despite the fact that some of the units accepted for research came from deliberate selection, by adding an appropriate number of communes of particular types, the appropriate structure and size of the sample was ensured, and thus it can be concluded that the research was representative. The exact distribution of communes in the research sample is presented in the Figure 1.

Figure 1. Structure of the sample by types of local government units



Source: Own elaboration based on conducted research.

In this part, differences between types of communes and individual non-financial entrepreneurship support instruments have been studied. The analysis of diversity omitted missing answers and the "I do not know" response. The point was to show the differences between the communes where the instrument existed and those where it was not used. In order to capture the diversity of support instruments, the

chi-square and Cramer's V coefficients were calculated (the presence of support instruments and the type of local government units are variables presented on nominal scales).

Chi-square is used to test whether or not some observed distributional outcome fits an expected pattern (*Chi-Square Testing - an overview (pdf) | ScienceDirect Topics*, b.d., s. 1). The chi-square test analyzes the independence of variables. If $p < 0.05$, there is a relationship between variables, the difference is statistically significant (we reject the null hypothesis). If $p > 0.05$, there is no relationship between studied variables, the difference is not statistically significant (there are no grounds to reject the null hypothesis). The collected source material was analyzed with the use of PS IMAGO 5.1 PRO software. The following formula was used to calculate the variable X^2 .

$$X^2 = \sum_{i=1}^r \frac{(n_i - np_i)^2}{np_i} \quad (1)$$

where:

X^2 – chi-square factor,

n – sample size,

n_i – number in the i -th class, n_i ($i=1, \dots, r$),

p_i – probability that a given random variable will take values from the i -th class.

The Cramer's V measures strength of the relationship between variables. When rejecting the null hypothesis, we first look at approximate significance. For chi-square, Cramer's V lies between zero and one inclusive. Contingency coefficient V lies between zero and one, but will never achieve one (Hsu and Tsai, 2007). The higher its value, the greater the strength of the relationship between features. The strength of the relationship:

$V < 0.3$ - weak relationship,

$0.3 < V < 0.5$ - moderate relationship,

$V > 0.5$ - strong relationship.

Kramer's V coefficient was calculated according to the following formula:

$$V = \sqrt{\frac{X^2}{n \cdot \min(l-1, k-1)}} \quad (2)$$

where:

V – Kramer's V coefficient

X^2 – chi-square factor

n – sample size

l – number of levels of one variable

k – number of levels of one variable

$\min(l-1, k-1)$ – smaller from values $(l-1)$ or $(k-1)$

The Cramer's V coefficient is among all intensity measures based on square contingency the most used one (Hitka *et al.*, 2019).

4. Results and Discussion

The first issue that was in the authors' interests are activities undertaken by commune in order to attract new investors (Table 2). Respondents could indicate actions that are taken in their local government units. Based on literature analysis and previous research, the list of possible actions was limited to ten.

Table 2. Does the municipality carry out activities listed below to attract new investors?

Variant of answer	Overall	Communes			City with poviat rights	Pearson's chi-square	Asymptotic significance (2-sided)	Cramer's V
		Urban	Urban-rural	Rural				
1	74.4	85.2	78.3	68.8	84.2	31.527	.000	.133
2	58.9	65.2	66.2	51.6	89.5	60.074	.000	.183
3	20.1	22.6	26.6	14.3	50.0	62.582	.000	.187
4	29.1	43.2	33.8	20.8	55.3	69.546	.000	.197
5	71.1	72.3	74.9	68.1	84.2	31.023	.000	.132
6	76.2	85.8	79.7	70.2	97.4	57.049	.000	.178
7	11.8	20.0	14.0	4.2	65.8	164.002	.000	.303
8	13.7	22.6	14.5	6.7	65.8	140.177	.000	.280
9	10.4	18.7	10.1	4.2	57.9	139.696	.000	.297
10	10.0	17.4	9.2	3.8	65.8	188.132	.000	.324

Note: (1) marketing activities, external advertising of commune, (2) assistance in finding spare land or premises, (3) assistance in recruitment and training of employees, (4) consultancy, including legal and financial, (5) individual assistance in registering business activities, (6) websites, (7) websites in a foreign language, (8) information and promotion materials in a foreign language, (9) promoting the commune's offer at foreign fairs, (10) separating an organizational unit or position for servicing foreign investors.

Source: Own elaboration based on conducted research.

Analysis conducted with the use of chi-square test and Cramer's V coefficient showed that there was a relationship between activities listed in the survey and the type of commune. In the case of eight of these activities, the relationship should be considered weak, but in the case of two variables: separating an organizational unit or position for servicing foreign investors and websites in a foreign language, the level of Cramer's V ratio allowed the relationship to be described as moderately strong. In the case of these two variables, it can be clearly seen that the share of cities with poviat rights using these activities is much higher than in other types of communes. A subsequent issue that has been analyzed was the location of a special economic zone in the commune (Table 3).

Special Economic Zones are designed to support the development of new investments within the meaning of Art. 2 point 1 of the Act of 10th May 2018 on

supporting new investments. Further analysis shows that there is a relationship between the type of commune and functioning of its own SEZ, and the level of the Cramer's V coefficient shows that the strength of this relationship is at average level. In the next stage of survey, respondents were asked to indicate which of the seven entrepreneurship support instruments are used by their units (Table 4).

Table 3. *Is there a Special Economic Zone in the commune?*

Variant of answer	Overall	Urban commune	Urban-rural commune	Rural commune	City with poviat rights
Yes	30.5	51.0	46.4	12,7	92,1
No	65.1	44.5	46.9	83,7	5,3
I do not know	4.5	4.5	6.8	3,6	2,6
Overall	100.0	100.0	100.0	100,0	100,0
chi-square tests					
		Value	df	Asymptotic significance (2-sided)	
Pearson's chi-square		208.725a	6	.000	
Likelihood ratio		215.005	6	.000	
a. 8.3% of cells (1) have an expected number below 5. The minimum expected number is 1.70.					
Symmetric measures					
			Value	Approximate significance	
N of significant observations		Cramer's V 896	.341	.000	

Source: Own elaboration based on conducted research.

Table 4. *Which of the tools aimed at cooperation with entrepreneurs are used in this commune?*

Variant of answer	Overall	Commune			City with poviat rights	Pearson's chi-square	Asymptotic significance (2-sided)	Cramer's V
		Urban	Urban-rural	Rural				
1	46.7	60.6	48.8	39.5	71.1	59.006	.000	.148
2	52.1	71.6	50.7	44.8	76.3	59.600	.000	.149
3	62.2	76.8	64.3	55.6	76.3	50.287	.000	.137
4	22.8	34.8	24.2	17.1	39.5	62.645	.000	.153
5	13.6	14.8	15.9	9.7	47.4	69.926	.000	.161
6	13.1	14.8	13.0	9.9	47.4	72.702	.000	.164
7	32.8	45.2	24.6	30.2	60.5	50.251	.000	.137

Note: (1) advisory and consultancy, (2) dissemination of information on business financing, (3) dissemination of information necessary to conduct business activity, (4) assistance in establishing business associations, (5) support in recruitment of employees, (6) support in employee training, (7) promotion and dissemination of good practices.

Source: Own elaboration based on conducted research.

Analysis prepared with the chi-square test and Cramer's V coefficient showed that there is a relationship between the type of commune and answers to this question, however the strength of the connection should be assessed as weak. To refine the knowledge, respondents were asked to indicate what were the forms of consultancy provided to entrepreneurs in the scope of conducting business activity (Table 5).

The analysis of an answer to this question with regard to the type of communes leaves no doubt, the forms of consultancy indicated in the questionnaire form are particularly used in large communes. There is a relationship between the type of commune and the answers to this question, but in a low degree. An important issue that became the object of researchers' interest were forms of promoting communal investment assets carried out by local authorities (Table 6).

Table 5. What were the forms of consulting provided to entrepreneurs regarding the scope of conducting business activity in the commune?

Variant of answer	Overall	Commune			City with poviat rights	Pearson's chi-square	Asymptotic significance (2-sided)	Cramer's V
		Urban	Urban-rural	Rural				
1	40.8	58.1	39.1	34.1	68.4	58.120	.000	.147
2	24.7	33.5	25.6	18.3	65.8	69.071	.000	.160
3	23.8	40.6	20.3	16.7	65.8	101.426	.000	.194
4	28.5	40.6	30.4	21.4	60.5	59.196	.000	.148
5	28.0	37.4	27.1	22.0	73.7	66.480	.000	.157

Note: (1) electronic guidebook published on the commune's website, (2) organization of themed trainings, (3) conducting permanent advice and service center for entrepreneurs, (4) meetings or fairs participated by non-governmental organizations, (5) guides or information materials in paper version.

Source: Own elaboration based on conducted research.

Table 6. What forms of promoting communal investment assets are carried out by local authorities?

Variant of answer	Overall	Commune			City with poviat rights	Pearson's chi-square	Asymptotic significance (2-sided)	Cramer's V
		Urban	Urban-rural	Rural				
1	85.0	86.5	86.0	83.7	92.1	13.084	.159	-
2	63.6	65.8	69.1	58.7	89.5	27.577	.001	.101
3	46.9	54.8	52.2	39.9	76.3	37.149	.000	.118
4	38.7	52.3	39.1	32.1	68.4	44.027	.000	.128
5	24.2	42.6	21.7	16.5	63.2	95.536	.000	.189

Note: (1) communal website or Public Information Bulletin, (2) publications about the commune (brochures, albums, advertisements), (3) participation in rankings and competitions organized for communes, (4) participation in fairs and exhibitions, (5) running a consultation/information center.

Source: Own elaboration based on conducted research.

Communes studied use various forms of promotion in a slightly different manner, the largest communes approach the promotion of investment assets in a comprehensive way, making greater use of the tools available to them. Chi-square analysis proved that all forms, except the first, i.e. use of communal websites and Public Information Bulletin, are associated with the type of commune. The strength of the relationship should always be considered weak. The last issue that researchers studied when analyzing the use of organizational entrepreneurship support instruments was the issue related to the type of support provided by municipal

offices of NGOs (Table 7). In the questionnaire, respondents could indicate eight types of communal support of non-governmental organizations.

Analyzing the results of the research, it can be concluded that there are no considerable differences when it comes to the use of forms of support. Most often respondents indicated that they provide materials and equipment to non-governmental organizations. Almost three-quarters of individuals chose this answer, while the least often, because in slightly more than sixty-seven percent of cases, the fifth answer was chosen, providing assistance to NGOs in national and international networking. No significant differences can be observed if the type of commune is included in the analysis. Chi-square analysis showed that there is a relationship between the type of commune and type of support for NGOs, however, this relationship has meager strength.

Table 7. Did the office support NGOs by applying the solutions indicated in the table below?

Variant of answer	Overall	Commune			City with poviat rights	Pearson's chi-square	Asymptotic significance (2-sided)	Cramer's V
		Urban	Urban-rural	Rural				
1	73.2	67.7	72.0	76.4	60.5	16.339	.012	.095
2	74.7	72.9	71.0	76.8	73.7	20.386	.002	.107
3	72.3	78.1	70.0	71.0	78.9	13.942	.030	.088
4	63.1	71.6	65.2	58.7	73.7	27.244	.000	.123
5	47.4	59.4	47.8	42.7	57.9	30.751	.000	.131
6	54.5	54.8	51.2	54.2	73.7	23.515	.001	.115
7	68.0	67.1	68.1	67.3	78.9	18.261	.006	.101
8	56.1	67.7	52.7	52.6	73.7	42.553	.000	.154

Note: (1) free of charge provision of premises for statutory activities, (2) providing materials and equipment, (3) informing non-governmental organizations about sources of obtaining extra-budgetary funds, (4) promoting non-governmental entities operating in the field of public benefit, (5) providing assistance to non-governmental organizations in national and international networking, (6) providing assistance in establishing non-governmental organizations, (7) appointing a person in the Office to be responsible for contact with non-governmental organizations, (8) patronage over the activities of non-governmental organizations

Source: Own elaboration based on conducted research.

5. Conclusions

Although the issue of organizational forms of supporting entrepreneurship is studied in the literature, the specific aspect on which the authors of the article have focused - the study of the use of entrepreneurship support instruments used by local government units is complex and not fully explained. In the sphere of research dedicated to organizational (non-financial) forms of entrepreneurship support by communes there are no works that could be a reference point for the results obtained in this article. Despite this, the authors made an effort to compare their results with other research findings to the possible extent due to objective (indicated in the introduction) restrictions.

Results of the study carried out by the Supreme Audit Office (NIK, 2018) are very intriguing. The questionnaire survey supplemented with conclusions from the inspections showed that the communes implemented training, consulting and information activities for entrepreneurs in various ways. Communes with distinct results took the initiative to set up organizations and associations of entrepreneurs.

Those communes were members or founders of local government associations supporting economic development and entrepreneurship. communes did not have a special offer for beginning entrepreneurs, nor did they draw up a separate and comprehensive offer for entrepreneurs already operating in their area, but at the same time almost eighty percent of municipalities declared taking action to attract new investors. The results obtained indicate a certain dissonance between the declared, undertaken and implemented measures to stimulate entrepreneurship.

Part of the Supreme Audit Office's study results were consistent with the results of authors' research. Less than a half of communes assisted entrepreneurs with advice or consultations. Communes quite extensively cooperated with non-governmental institutions in activities aimed at stimulating entrepreneurship. Over one fifth of the communes helped in establishing associations and organizations of entrepreneurs. Municipalities disseminated information necessary to establish and conduct business activity or to finance it.

The authors' research has shown that local government units provide NGOs with materials and equipment, as well as premises for statutory activities. They inform them about the possibilities of obtaining funds as well. commune support for entrepreneurship does not have to be directly related to capital involvement. A similar position on non-financial forms of entrepreneurship support is presented by Grozdanic *et al.* (2009). Unfortunately, as research shows (OECD, 2003), in the opinion of entrepreneurs, assistance in the form of consultancy provided at local level by specialized institutions is inadequate and does not meet the expectations of its addressees.

Woodward (2001) studied the weaknesses of the entrepreneurship support system in Poland, which are based on the institutional environment system. The need to strengthen the cooperation of municipalities with non-governmental organizations is also raised by Cebulak (2009). According to his position, these organizations perform advisory, training, information, financial, pro-innovative and business functions in relation to enterprises. Author emphasizes that these functions were pointed out by entrepreneurs with whom these institutions cooperated. However, from the commune point of view, this cooperation was not sufficient. Author indicates that the effectiveness of business environment institutions depends on e.g., the quality of the service offer, the level of financial resources allocated to operations and the stability of the institution.

Wilson (2008) also writes about the importance of business support centers and incubators aimed at supporting entrepreneurship. The results of Dorożyński's (2013) research indicate a positive impact of business environment institutions (BEIs) on the region's development, BEIs affect the development by providing various services to entrepreneurs. They contribute to improving the efficiency of economic activity, creating new entities and developing human and social capital. Dorożyński draws attention to the fact that the majority of BEIs cooperate with local government units in the scope of attracting investors (both domestic and foreign) and postulates that local government authorities should further develop this cooperation emphasizing its productive character.

Fogel (2001) presents a slightly different opinion on the studied issues. Author examined small enterprises operating in Hungary. The results obtained indicated that the most desirable forms of non-financial assistance are: creation of a business network, training in management and entrepreneurship, technical assistance, mainly in the field of management, development of the IT system and use of services of incubation centers and industrial parks. A large part of surveyed companies declared their willingness to obtain external assistance. Fogel's research was carried out among enterprises and analyzed their needs, yet it seems that they can in some sense be compared with the results of the authors who analyzed the studied issue presenting the offer of communes supporting and cooperating with BEIs. The results clearly showed that Polish communes use support tools that seem to be appropriate for the needs of entrepreneurs and BEIs.

Jarczewski (2007), Lichota (2016), Pastusiak and Keller (2014), Miłaszewicz (2011), and Wang (2013) wrote about the positive impact of special economic zones (SEZ) operating in Poland on the economy itself. According to the results of the authors mentioned, special economic zones operated in over thirty percent of the surveyed units and communes were able to acknowledge their positive impact on economic development. SEZs were especially popular in cities with poviats rights and urban communes. This location of economic zones is justified by the results of Wagner and Sternberg (2004).

Authors pointed out that rural areas and regions with a declining population are less likely to observe positive changes in the area of entrepreneurship growth. It is the urbanized regions with a high population density and high population growth rate that show higher rates of emerging entrepreneurs, thus the location of SEZ in urban areas is explainable. None of the approaches included in the literature analyzed such a comprehensive and wide range of communes tools aimed at supporting entrepreneurship. As a result, the following article is a significant value added to the analyzed issue.

The results of the research presented in this study show in most areas a weak relationship between the type of commune and the organizational forms of supporting local entrepreneurship used by it. Only the part of an analysis concerning

forms of attracting new investors with the identification of an organizational unit or position for servicing foreign investors and websites in a foreign language indicates a strong relationship with the type of commune. The conclusions from the results indicate that division of organizational tools for supporting entrepreneurship in the context of types of communes is not justified. At the same time, results of the study conducted allow to identify the most popular tools used in Polish municipalities.

These observations do not allow for drawing radical conclusions about the effectiveness or ineffectiveness of specific organizational tools, however, combined with a similar extensive analysis of financial and non-financial tools in individual types of municipalities, they may allow to find answers to the questions on which comprehensive activities of municipalities determine the level of entrepreneurship in their area. It should also be emphasized that specific tools are interrelated, for example, the functioning of a special economic zone in the commune. At the same time it provides information on the use of public aid in this area, for example in the form of tax exemptions.

References:

- Abdullah, I.A., Aripin. 2018. The Effect of Entrepreneurship and Regulation Policy on Competitive Advantage. *European Research Studies Journal*, 20(4A), 298-307.
- Anđelić, S., Čukanović-Karavidić, M., Karavidić, S. 2015. Organizational support and institutional environment for entrepreneurship development. *International Review*, (3-4), 8-14.
- Baumol, W.J. 1990. Entrepreneurship: productive, unproductive, and destructive. *Journal of Political Economy*, 98(5), 893-921.
- Betta, M., Jones, R., Latham, J. 2010. Entrepreneurship and the innovative self: a Schumpeterian reflection. *International Journal of Entrepreneurial Behaviour & Research*, 16(3), 229-244.
- Bieńkowska, B. 2004. Lokalne uwarunkowania rozwoju przedsiębiorczości. In: *Przedsiębiorczość stymulatorem rozwoju gospodarczego*, edited by: J. Brdulak, M. Kulikowski. Warszawa: Instytut Wiedzy, 152.
- Broniewska, M. 2012. Model współpracy administracji publicznej i organizacji pozarządowych jako instrument wspierania społeczeństwa obywatelskiego i przedsiębiorczości w regionie. *Zeszyty Naukowe Uniwersytetu Szczecińskiego*, (724), 33-43.
- Cebulak, J. 2009. Instytucje otoczenia biznesu jako czynnik wspomagający rozwój przedsiębiorczości w woj. podkarpackim. *Przedsiębiorczość-Edukacja*, (5), 198-207.
- Chądzyński, J., Nowakowska, A., Przygodzki, Z. 2012. Region i jego rozwój w warunkach globalizacji. Warszawa, Wydawnictwo CeDeWu, 70.
- Chi-Square Testing—An overview (pdf) | ScienceDirect Topics. (b.d.). Pobrano 12 kwiecień 2021. <https://www.sciencedirect.com/topics/biochemistry-genetics-and-molecular-biology/chi-square-testing/pdf>.
- Delic, A., Alpeza, M., Peterka, O. 2012. Role of entrepreneurship support institutions in development of the economy of eastern Croatia—case of Centre for

- Entrepreneurship Osijek. Economy of eastern Croatia yesterday, today, tomorrow, 1, 32-42.
- Doh, S., Zolnik, E.J. 2011. Social capital and entrepreneurship: An exploratory analysis. *African Journal of Business Management*, 5(12), 4961-4975.
- Dorożyński, T. 2013. Instytucje otoczenia biznesu a rozwój przedsiębiorstw – ujęcie regionalne. *Zarządzanie i Finanse*, 11(1), 135-150.
- Dropek, K. 2014. Działania samorządu terytorialnego wspierające przedsiębiorczość w gminach województwa wielkopolskiego. *Studia Oeconomica Posnaniensia*, vol. 2, no. 2, (263), 36-54.
- Filipiak, B., Ruszała, J. 2009. Instytucje otoczenia biznesu. Rozwój, wsparcie, instrumenty. Difin, Warszawa, 144 i nast.
- Fogel, G. 2001. An analysis of entrepreneurial environment and enterprise development in Hungary. *Journal of Small Business Management*, 39(1), 103-109.
- Grozdanic, R., Savic, B., Vucic, M., Cvijović, N. 2009. Basic institutional infrastructural support needed for the development of women's entrepreneurship in Serbia. *Female Entrepreneurship and Local Economic Growth*, 157-219.
- Grycuk, A., Russel, P. 2014. Zaangażowanie jednostek samorządu terytorialnego w Polsce w tworzenie instytucji wspierających przedsiębiorczość. *Studia BAS*, 1(37), 65-83.
- Hitka, M., Kucharčíková, A., Štarchoň, P., Balážová, Ž., Lukáč, M., Stacho, Z. 2019. Knowledge and Human Capital as Sustainable Competitive Advantage in Human Resource Management. *Sustainability*, 11(18), 4985. <https://doi.org/10.3390/su11184985>.
- Hsu, Y., Tsai, T. 2007. EZLID: A SAS Macro for Local Item Dependence Assessment. 10.
- Huczek, M. 2011. Organizacje pozarządowe wspierające lokalną i regionalną przedsiębiorczość. *Państwo i Społeczeństwo*, 11(2), 31-57.
- Inglot-Brzęk, E., Skica, T. 2017. Kapitał społeczny jako czynnik determinujący skuteczność instrumentów wspierania przedsiębiorczości. *Samorząd Terytorialny*, (7-8), 57-82.
- Jarczewski, W. 2007. Specjalne strefy ekonomiczne w gminach. *Samorząd Terytorialny*, 7-8, 89-96.
- Jasiniak, M., Koziński, J. 2017. Tax incentives as an instrument attracting investors to Special Economic Zones. *e-Finanse*, 13(2), 36-44.
- Kamińska, A. 2011. Wpływ instytucji otoczenia biznesu na rozwój małych i średnich przedsiębiorstw w regionie lubelskim. *Barometr Regionalny*, (1)23, 53-65.
- Katimertzopoulos, F., Vlados, Ch. 2017. Local support mechanisms for entrepreneurship: The approach of local development and innovation institutions. *International Journal of Business and Economic Sciences Applied Research (IJBESAR)*, ISSN 2408-0101, Eastern Macedonia and Thrace Institute of Technology, Kavala, Vol. 10, 30-41.
- Kogut-Jaworska, M. 2011. Instrumenty pobudzania rozwoju gospodarczego na obszarach lokalnych. In: *Rozwój lokalny i regionalny. Teoria i praktyka*, edited by: A. Szewczuk, M. Kogut-Jaworska, M. Zioło. Warszawa: Wydawnictwo C.H. Beck: 189.
- Kowal, J. 1998. *Metody statystyczne w badaniach sondażowych rynku*. Wydawnictwo Naukowe PWN, Warszawa-Wrocław, p. 27.
- Kuciński, K. 2010. *Przedsiębiorczość a rozwój regionalny w Polsce*. Warszawa, Difin, 20.
- Lee, L., Wong, P.K., Der Foo, M., Leung, A. 2011. Entrepreneurial intentions: The influence of organizational and individual factors. *Journal of business venturing*, 26(1), 124-136.

- Lichota, W. 2016. Efektywność finansowa specjalnych stref ekonomicznych w Polsce. *Gospodarka Narodowa*, (1)281, 99-130.
- Łuczyszyn, A. 2013. Nowe kierunki rozwoju lokalnego ze szczególnym uwzględnieniem peryferyjnych ośrodków w metropoliach. Warszawa Wydawnictwo CeDeWu, 24, 25, 31, 32.
- Mickiewicz, T., Rodzinka, J., Skica, T. 2016. Lokalne i regionalne czynniki wspierania przedsiębiorczości. Klasteryzacja, promocja, doradztwo i kapitał społeczny. Warszawa, Wydawnictwo C.H. Beck.
- Miłaszewicz, D. 2011. Specjalne strefy ekonomiczne jako narzędzie modernizacji gospodarki. *Studia i Prace Wydziału Nauk Ekonomicznych i Zarządzania*, 22, 7-34.
- Misiąg, W. 2000. Wspieranie przedsiębiorczości przez samorząd terytorialny. Warszawa, PAB-Font.
- Motoyama, Y., Wiens, J. 2015. Guidelines for local and state governments to promote entrepreneurship. Available at SSRN 2580321. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2580321.
- Motoyama, Y., Konczal, J., Bell-Masterson, J., Morelix, A. 2014. Think locally, act locally: Building a robust entrepreneurial ecosystem. *Act Locally: Building a Robust Entrepreneurial Ecosystem*, 1-16. <https://pdfs.semanticscholar.org/3b65/67ee7c6b827be53a64d939aa67a1bc2ba0ae.pdf>.
- Mountford, D. 2009. Organising for local development: The role of local development agencies: Summary Report. Working document, CFE/LEED, OECD.
- Mueller, P. 2006. Entrepreneurship in the Region: Breeding Ground for Nascent Entrepreneurs? *Small Business Economics*, 27, 41-58. <https://doi.org/10.1007/s11187-006-6951-7>.
- NIK: Wspieranie przedsiębiorczości przez gminy. Lata 2014-2017, Najwyższa Izba Kontroli, Warszawa 2018. <https://www.nik.gov.pl/plik/id,17395,vp,19964.pdf>.
- Ociepa-Kicińska, E. 2019. Instytucje otoczenia biznesu w Szczecińskim Obszarze Metropolitalnym. In *Społeczno-gospodarcze otoczenie rozwoju lokalnego i regionalnego*, edited by K. Brzozowska. Szczecin: Wydawnictwo Uniwersytetu Szczecińskiego, 117-130.
- OECD. 2003. South East Europe Region: Enterprise Policy Performance – A Regional Assessment. Organisation for Economics Cooperation and Development and European Bank for Reconstruction and Development.
- Pastusiak, R., Keller, J. 2014. Wpływ Specjalnych Stref Ekonomicznych na gospodarkę Polski. *Zeszyty Naukowe Uniwersytetu Szczecińskiego*, nr 802 *Finanse, Rynki Finansowe. Ubezpieczenia*, nr 65, 167-177.
- Piątyszek-Pych, A., Wyrwa, J. 2012. Analiza potencjału instytucji otoczenia biznesu w zakresie świadczenia usług wspierających rozwój przedsiębiorczości w regionie lubuskim. *Zeszyty Naukowe Uniwersytetu Szczecińskiego*, 723, 47-66.
- Satoła, Ł. 2014. Wpływ polityki podatkowej gmin na poziom przedsiębiorczości (na przykładzie podatku od nieruchomości). *Nierówności Społeczne a Wzrost Gospodarczy*, 40, 238-247.
- Sivaev, D. 2013. How should we help business grow? Delivering business support. *Local Economy*, 28(7-8), 906-910.
- Skica, T., Kiebała, A., Wołowicz, T. 2011. Stymulowanie lokalnej konkurencyjności gmin na przykładzie podatku od środków transportowych. *Studia Regionalne i Lokalne*, 2(44), 118-139.

- Skica, T., Rodzinka, J., Lesniowska-Gontarz, M. 2019. Assessment of use and the degree of effectiveness of LGU business support instruments in Poland. *Transformations in Business & Economics*, 18(3), 272-290.
- Skica, T., Wołowicz, T. 2013. The instruments of stimulating entrepreneurship by local government units (LGU's). *Economic research-Ekonomska istraživanja*, 26(4), 127-146.
- Sobel, R.S. 2008. Testing Baumol: Institutional quality and the productivity of entrepreneurship. *Journal of Business Venturing*, 23(6), 641-655.
- The Act of 10th May 2018 on supporting new investments. *Dz. U.* 1994 Nr 123 poz. 600.
- The Role of Local Governments in Economic Development. 2014. UCLG Policy Paper. <https://proyectoallas.net/wp-content/uploads/2018/01/The-Role-of-Local-Governments-in-Economic-Development.pdf>.
- Treller, G.E. (Ted). 2014. Building community prosperity through local economic development. An Introduction to LED Principles and Practices. Federation of Canadian Municipalities/International Technical Assistance Project "Ukraine Municipal Local Economic Development".
- Wadecka, J. 2003. Partner przedsiębiorcy. *Ogólnopolski informator krajowego systemu usług dla małych i średnich przedsiębiorstw*. Warszawa, 5-6.
- Wagner, J., Sternberg, R. 2004. Start-up activities, individual characteristics, and the regional milieu: Lessons for entrepreneurship support policies from German micro data. *The annals of regional science*, 38(2), 219-240.
- Wang, J. 2013. The Economic Impact of Special Economic Zones: Evidence from Chinese municipalities. *Journal of Development Economics*, 101, 133-147.
- Wilson, P. 2008. Fostering entrepreneurship and innovation through business incubators: a comparative analysis of the role of European business and innovation centers. Doctoral dissertation, Newcastle University. <https://theses-test.ncl.ac.uk/jspui/handle/10443.1/1026>.
- Woodward, R. 2001. SME support in post-communist countries: moving from individual to cooperative approaches reflections on the Polish case. *MOST: Economic Policy in Transitional Economies*, 11(3), 275-294.
- Wysokinska, A. 2017. Institutions or culture? Lessons for development from two natural experiments of history. Lessons for Development from Two Natural Experiments of History. http://www.iceg.uniparthenope.it/Submission_files/Wysokinska.pdf.
- Zeman-Miszewska, E. 2006. Instytucjonalne formy wspierania przedsiębiorczości. *Prace Naukowe Akademii Ekonomicznej we Wrocławiu*, 1116, 687-691.
- Zieliński, K. 2014. *Formy i przejawy współczesnej przedsiębiorczości w Polsce*. Warszawa, Difin, Warszawa 2014, s. 14 from Davidson, P. 2008. *The Entrepreneurship Research Challenge*. Chetenham-Northampton (MA), Edward Elgar Publishing Ltd., 15-17.