

DETERMINANTS OF ENTREPRENEURSHIP AND INNOVATION DEVELOPMENT IN LOCAL AREAS OF ECONOMIC ACTIVITY: A CASE STUDY ANALYSIS

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ABSTRACT

The study focuses on the analysis and evaluation of the determinants of entrepreneurship and innovation development in the local special economic zones. The potential of these areas is growing and has the following features: internal cooperation within the zone aimed at a network model, as well as external cooperation with local entities, thus altering the model of management of the territorial self-government. Among many other specific zones, the particularity of the Wieliczka Special Economic Zone is worthy of special attention due to its economic uniqueness. The town of Wieliczka is a specific region due to its successful restructuring from an industrial area into a service area. The Wieliczka Salt Mine, known as an absolute phenomenon in terms of its close location to Krakow, with strong air pollution – one of the highest levels worldwide - and at the same time offering a range of services including health services focusing on combating health issues caused by air pollution, is of special interest. The focus on this specific region is not merely due to the aforementioned situation but also due to the fact that research conducted in the Wieliczka Special Economic Zone indicates that external cooperation in the local special economic zone lags behind in social activities, such as culture, education and tourism. Simultaneously, enterprises located in the zone are insufficiently oriented towards the development of entrepreneurship and innovation, in spite of the range of instruments of support in existence in this area. Based on these findings, it is recommended that the development of entrepreneurship and innovation in these areas should take account of both the social and the economic aspects. The main research problem is to determine the direction of entrepreneurship and innovation development as important resources determining the competitive advantage of economic activity zones. The study henceforth attempted to contribute to addressing the problem of whether the intensity of the cooperation of entities located in the local special economic zone mobilises companies to develop entrepreneurship and innovations. The research shows that entrepreneurship and innovations inspire the process of shaping the model of economic activity zones.

KEY WORDS

Economic zone, determinants of entrepreneurship and innovation, entrepreneurship of local self-governing authorities.

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Introduction

The concept of areas with special privileges in terms of lowering taxes, state investment support and other economic and financial incentives to establish businesses and operations has been around since at least the 16th century, but the first modern economic zone was founded in Ireland in 1959 (Guangwen, 2003). In 1975, there were still only 79 economic zones worldwide (Global Employment Trends Brief, 2007). Since the beginning of the 21st century, economic zones have gained a global character, having become widespread in many countries. Nowadays, there are various concepts of an economic zone. Economic zones are part of the national economic area in which domestic and foreign entrepreneurs utilise a system of privileges and incentives. The purpose of the incentive system is to locate the latest technologies in the region that create smart specialisations based on the use of local resources (Bogoviz et al., 2016). The policy of economic zones was one of the first to be aimed at regenerating closely targeted local areas, and it has a relatively long history, not only in Poland, but also in the UK and the USA. A number of further special zone initiatives have been introduced more recently, including the Zones Franches Urbaines in France, the Area Contracts in Italy and the Empowerment Zones and Enterprise Communities in the USA. As well as these initiatives, the approach is now found in other European countries (such as Ireland, the Netherlands, Hungary and Russia) and elsewhere (including Israel, Australia, China, Japan, the Philippines and Vietnam). The common feature of these initiatives is the availability of tax subsidies and other benefits in specially designated localities (Potter and Moore, 2000).

In terms of the economy, economic zones are an instrument of economic policy for the development of the whole country, which is achieved by supporting certain regions or sectors. On the other hand, from the perspective of economic geography, it is an element of economic space capable of creating new spatial structures and developing location advantages. In physical terms, these are separate places, geographically speaking, which do business on preferential terms. The zones are oriented towards attracting new investors. The relationships which business entities create with the environment are one of the main factors behind the economic development of the region. Business activity zones are an innovative resource of the commune which help to attract stakeholders, consolidating the competitive advantage of the location of creative investments (Kozłowski and Marszał, 2010). The level of investment in the enterprise is decisive in terms of its influence on the spatial structure of the regional arrangements, leading to the perpetuation or transformation of the spatial structures of the region (Godlewska-Majkowska et al., 2016).

In fact, the economic zones act as the poles of economic growth and therefore have great social and economic impact, both on the regions of their operation and the entire economic system of the state (Bogoviz et al., 2016). The special economic zones are of key significance in terms of the growth in the level of commercial investments, while also significantly increasing the level of investment attractiveness of the region, developing entrepreneurship and creating new jobs. Communities that perceive the positive effects of the activities of the SEZ consolidate new areas, build technical infrastructure (Nagy et al., 2018), while also changing the designa-

tion of the area into a local plan of spatial management, thanks to which the number of special economic zones is constantly rising.

The key task of the local authorities is the creation of local development, via the various mechanisms of providing support to entrepreneurship among other ways (Gancarczyk, 2018; Dvorsky et al., 2018), and creating the conditions for innovativeness, a creative process of initiating network cooperation between the stakeholders of the projects in the SEZ. The basic assumption when it comes to cooperation within the network is that it will lead to the achievement of better results, facilitating access to information and knowledge, while also consistently creating new opportunities (Brol, 2008).

Local entrepreneurship, involving all local self-governing authorities, emerges in the pursuit of the improvement of the conditions for conducting business (Meyer and De Jongh, 2018; Szczepańska-Woszczyzna, 2018), while availing itself of instruments such as the following: consolidation of available land, building infrastructure, improving the local legal regulations, taking care of ecology, supporting the development of entities of the business environment (among other things, the development of incubators of entrepreneurship, technological parks, and creating local centres of entrepreneurship and innovations). Marketing aspects are also crucially important. The development of entrepreneurship requires a multitude of stakeholders to have the skill to attract not only tourists, or new managers to the particular place (location), but also new investors (Kožuch, 2001; Niestrój, 2014).

Thus, it is possible to assume that the development of local entrepreneurship depends not only on the binding legal regulations, but also entrepreneurial attitudes and behaviour. Moreover, the competences of

the people who compose the body of the self-governing authorities also play a significant role. Finally, it is possible to refer to the entrepreneurship of the self-governing authorities when the basic level of the self-governing unit indicates, among other things, the ability to acquire new revenues for the statutory aims of the self-governing authorities, as well as the skill of attracting strategic partners and investors. Likewise, it is crucially important to have intellectual resources and appropriate knowledge management (Borowiecki and Siuta-Tokarska, 2013). The availability of human resources of a defined level of competences and skills reassures future investors of the possibility of providing their companies with the appropriate personnel (Francik and Kosala, 2003). It is equally important to create an environment which favours innovations and novel solutions that attract firms which place emphasis on the growth of competitiveness on the basis of technological or product advantage (Francik and Kosala, 2008).

In the context of the aforementioned assumptions, the aim of the study is to identify the key determinants of entrepreneurship and innovations in local special economic zones. In doing so, it seeks to understand the role of territorial self-government in terms of building network ties with a particular identification of the competences of an organisation in terms of territorial self-governing units, while additionally comprehending the role of employee competences in these territorial self-governing units.

1. Theoretical background

1.1. Entrepreneurship of local self-governing authorities and development of economic zones

In the management of local special economic zones, the key role is played by

managerial abilities, which are perceived as the skill of creating a vibe that favours creative activity and motivation to fulfil the specified aims (Nadanyiova et al., 2018). Entrepreneurship in the self-government area signifies, among other things, the skill of searching for, combining and linking the resources by means of the entities of the given sector with the aim of creating social value (Huczek, 2011). It is possible to assume that entrepreneurship is necessary for self-governing organisations to the same extent as the enterprises themselves (Bratnicki, 2001). Local authorities are expected to have the skill of predicting the needs of the inhabitants and stakeholders, but also fulfilling them (Freeman and Moutchnik, 2013; Meyer and Meyer, 2017; Kanyangale, 2017) in an internal and external sense (Nita, 2016). They are also expected to effectively react to problems which occur and the rational allocation of resources (Kliestikova and Janoskova, 2017).

The entrepreneurship of self-governing authorities is made possible by recognizing the features of entrepreneurial management in local communities, as well as the results of this management which is evidenced by attracting entrepreneurs (Krašnicka, 2001: 68). Entrepreneurship in local self-government encompasses both the application of modern methods of managing self-governing institutions, as well as searching for and applying the appropriate innovative composition in terms of the ways to provide public services (Moravcikova et al., 2017). This should lead to the acquisition of additional revenue on the part of the local community, and also indirectly to the improvement of the quality of living standards for the local community. Moreover, this is not only the case in terms of the social dimension, but also the economic dimension. Support for the development of entrepreneurship by the self-gov-

erning authorities is reflected in, among other areas, the creation of innovative conditions for conducting business within the local community. It is done by:

- its inhabitants and external investors,
- enacting stable local laws,
- implementing ethical norms with the aim of integration with the local community,
- building partnerships and cooperation for the purposes of active partnerships reflected in terms of the cooperation between the public sector and business, as well as the NGOs.

Research conducted by Perez et al. (2016) indicates that the adherence of the stakeholders to legislative and ethical issues has a positive impact on decisions pertaining to location, the identification of the client, as well as social responsibility. These findings also confirm the significance of the identification of the stakeholders with the local self-governing authorities as a key mediator in terms of building satisfactory relations.

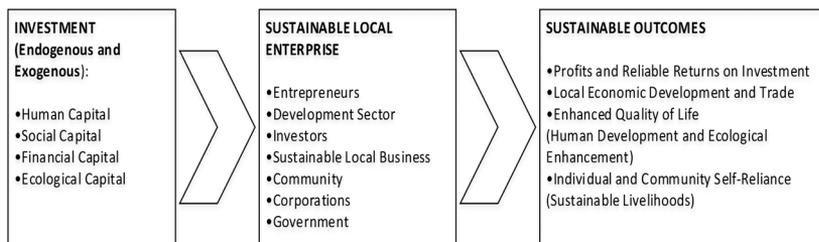
The local self-governing authorities, in the role of a manager activating the socio-economic development of the local community, are responsible for strategic management. Their activities should lead to results that are measured in terms of categories of improving the quality and effectiveness of the services provided by the self-government authorities, as well as increasing social participation in terms of planning public policies. They take responsibility for the creation of entrepreneurship to a degree that exceeds current needs, namely by guiding the development of the community with a vision that had been previously agreed on in a participatory mode with the local community. Hence, one of the areas of entrepreneurial management of the local community is the creation of the vibe of entrepreneurship, which is based on the public-private partnership

(PPP, which is perceived as cooperation between the local community and the commercial entities, including external investors (Grycuk and Russel, 2014).

Typically, a local enterprise starts with a range of existing assets that are then augmented by some type of external investment functioning as a catalyst for increased growth; positive outcomes can then result in virtuous cycles of reinvest-

ment in human, social, financial and ecological capital (Figure 1). A local firm usually commences activities from an array of existing resources that are subsequently expanded by a certain type of external investment acting as a catalyst of growth; the positive results may subsequently lead to a virtuous cycle of reinvestment in human capital, as well as social, financial and ecological capital.

Figure 1. Determinants of local enterprise development



Source: Wheeler et al., 2005.

Entrepreneurship as a dimension of the activity of the self-governing authorities may be perceived to be on at least three levels. One of them is the personal features, attitudes and procedures of the representatives of the self-governing authorities. In this sense the individual representatives of the entities behave in an entrepreneurial way. These individual behaviours are used for the purposes of the improvement of organisational effectiveness. The individual entrepreneurial activities arising from such attitudes of managers and those acting on behalf of the organisations are perceived as organisational performance. Another level of perception of entrepreneurship is the ways of organising and managing institutions and self-governing offices. This also underlines the personal attitudes of the managers; however, this specific way of acting is attributed exclusively to organisational decisions, and as such is attributed to the organisation itself. They are

regarded less as individual actions than organisational actions. Finally, the third specificity is the perception of entrepreneurship as an implemented policy of development that is aimed at inspiring economic activity on a local and regional scale (Makiela, 2018; Richert-Kaźmierska, 2010; Meyer and Meyer, 2016). This in turn is mostly the institutional way of understanding the concept of entrepreneurship, as its objective is to stimulate the individual behaviours necessary for the implementation of entrepreneurial actions of employees as well as managers and people in charge.

The effectiveness of the self-governing authorities in terms of the development of entrepreneurship depends to a large extent on the competences on the level of the territorial self-governing unit as an organisation in this process (Kozuch, 2004: 75). The evolutionary perception of the role of the territorial self-governing unit as an organisation, as well as the role of the employees

of the self-governing authorities, have led to the fact that the attainment of entrepreneurial goals is currently possible thanks to freeing up the possibilities that lie in the market mechanism (Stanienda, 2011).

The position of local communities is clearly changing, while the activity of the inhabitants is shaped by the model of participatory capital, in which they gain a subjective role while also influencing the outlays from the budget of the territorial self-government and the inhabitants decide on local investments and the direction of growth for their local community. The subjectivity of the inhabitants translates to a higher level of relations with the self-governing authorities, thus changing the culture of communication between the stakeholders of the local community. This requires the building of structures and entities in self-government units that are typical of organisations which are based on internal entrepreneurship. The activity of the local self-governing unit is expressed by the development of the entrepreneurial vibe and creativity, creating the instruments that stimulate innovations, the rationalisation of the utilisation of resources, while also encouraging economic freedom (Borowiecki et al., 2018).

In the management of the state self-governing units, the key areas of efficiency are acknowledged to be strategic actions, employee competences, the competences of the organisation, innovations and internal entrepreneurship of the inhabitants and the stakeholders who are advanced in terms of IT technologies (Bojar and Machnik-Słomka, 2014).

In the self-governing units, the level of competences is decisive in terms of development; thus it is crucially important to perceive this and provide support and facilitate improvement (Wojtyra, 2014). This translates to attitudes, values, and specific behaviour, as well as indicators relating to

the procedures and actions of an organisation. They are also the basis of the marketisation of the resources in the local community with the aim of acquiring synergy and the intended effects (Samul, 2016).

The basic element in the competences of an organisation is that of employee competences, which are associated with the possibility of availing oneself of soft resources, skills, knowledge, creativity and the involvement of the people associated with the particular organisation. The competences of the organisation are the resources and an element of knowledge management in an organisation, which conditions the building of long-lasting competitive advantage. These competences should be supported, accumulated and codified by the organisation to make it possible to avail themselves of said competences in order to achieve their aims. Employee competences are a resource of knowledge management in an organisation, particularly as part of tacit knowledge, while it is partially possible for the organisation to make use of them. Efficient knowledge management by an organisation should motivate the employees to share knowledge, which significantly enhances the decision-making processes (Szczepańska-Woszczyzna, 2018).

Employee competences consist of the knowledge, predisposition, skills, intellectual abilities, values and attitudes which the employees avail themselves of in order to carry out their work well (Jabłoński, 2011: 49; Stabryła, 2012: 322-328). An example of the significance of employee competences is the creation of a system of advisory services for firms. In the desire to improve the competitiveness of local enterprises, self-governing units encourage the utilisation of external sources of support. The role of the local self-government is to create the conditions to support firms located on the local market, while also to restrict irregularities in terms of its

functioning (Boter, 2006). The activities of self-governmental bodies leading to the creation of special economic zones are not just based on the willingness to ensure the appropriate entrepreneurial climate for local enterprises to flourish. It also takes into consideration the need to develop local communities, due to the fact that those responsible authorities mainly represent the public administration whose main objective is to implement the mechanisms of local community development. A range of different activities are drivers for those stakeholders, and it is possible to categorise those determinants which will be the subject of discussion in the following section.

1.2. Categories of determinants and instruments of entrepreneurship and innovation

The fundamental determinant of entrepreneurship and innovation in local special economic zones is employee competences. They are required in the processes of self-governmental management, which is directly decisive in terms of the potential of entrepreneurship in the local community.

The next significant determinant, from the viewpoint of creating the process of entrepreneurship and innovations, is creating favourable conditions for infrastructure. Infrastructural support is of special importance as it creates conditions for improving activities with regards to the time and quality of actions. Also, the infrastructural factor is important from the point of view of so-called technisation, the definition of which comes together with globalisation. Improvements from a technological point of view are generally recognised and, from the perspective of special economic zones, their importance is even greater due to the fact that they are characterised by the concentration of organisations of a business nature.

The next determinant is attracting external investors with effective marketing and promotion activities; this may also be supported by the well-organised infrastructural area of the special economic zone as well as by subsidiarity for investors or promotion of the legal regulations relating to entrepreneurship and investments. Those factors may also be accompanied by an innovative approach to the processes of spatial management, which refers to the areas of business operations undertaken by incoming entities to the special economic zone. What should be underlined in this context is the issue of external investors, though this is not just an exclusive group of interest. Investors who are invited to participate in improving the local surroundings, with special attention paid to the economic zone, may also originate from the closer environment. The issue of attracting investors, and in the Polish context especially investors from abroad, is based on the possibilities of obtaining a higher foreign investment rate as well as decreasing the unemployment rate, especially with regard to the local social environment. Therefore high expectations are perceived, not just when setting up the special economic zone, but also in the further stage of its expansion and preparation for the invitation of new entities to be located there. Such actions may lead to the next determinant, which is reactivating social participation; this does not just refer to the higher engagement rate when the employment rate is taken into consideration. Foreign direct investments, especially in terms of their infrastructural nature, lead to better preparation for employment conditions. They also lead to the generation of workplaces, which is vital from the Polish perspective. Better living conditions due to the higher income rate resulting from professional engagement make it easier for human actions towards mutual interac-

tions. This results in the activation of social participation. What is also important and in line with the above is balancing actions in terms of improving the living standards of the inhabitants with actions in the sphere of economic development. This is accompanied by activities facilitating the preservation of environmental values and the above categories are treated as the next determinants of entrepreneurship and innovation. Higher living standards of the inhabitants may lead to the next determinant, which is the possibility of obtaining the image of the local community that is friendly towards entrepreneurship. However the function which characterises the abovementioned determinant is building this image. In cases where the authorities, representing the stakeholders whose objectives are of a managerial nature, manage the functioning of an economic zone in a way which means the local community begins to have trust in those activities, their openness towards entrepreneurship expands. This should also include internal and external networking of the actors of the economic processes, and this refers to the stakeholders from businesses and public administration units. In the case of the inclusion of educational units into the processes of building an entrepreneurial environment, the next determinant appears, which is the development of professional education with the aim of building human capital that is correlated with the needs of the local labour market and potential investors alike. The issue of human capital is of special interest when it comes to investors' expectations. As they analyse the opportunities which are reasons for the conditions offered by the authorities establishing special economic zones, it may be problematic for them to obtain the adequate labour resources, which means people with proper education and attitudes or simply linguistic abilities. Therefore the

local communities and authorities should take care to introduce effective marketing activities that serve the promotion of the zone among investors.

In the process of stimulating entrepreneurship in territorial self-government, increasing significance is given to instruments that may be effectively used thanks to the appropriate organisational and employee competences of the self-governing units. These instruments are as follows:

- organisational, encompassing the creation and streamlining of the existing procedures and activities in the sphere of serving an entrepreneur as a client;
- promotional, primarily the creation of the communication channels with entrepreneurs, potential investors, as well as other stakeholders;
- advisory and training aspects that initiate and substantively strengthen the vibe of entrepreneurship, advocating knowledge among the inhabitants in the sphere of entrepreneurial behaviour, while also developing local competences and skills in the sphere of conducting and developing enterprises in the local community.

The effective utilisation of the employee competences of the self-governing units, as well as the skilful application of the aforementioned types of instruments, enables the realisation of the tasks of the local communities, which is a crucially important condition for the development of entrepreneurship. These are, among others, activities of the self-governing units that are geared towards the following:

- development of an intelligent internal technical infrastructure, primarily an integrated system of road transport;
- activities promoting the local community, both in the sphere of promotion geared towards potential investors, as well as tourists;

- releasing special economic zones, attractively located plots of land for investment – adjusting the local law to the needs of investors by means of propositions for tax incentives.

Other activities leading to the shaping of the vibe of entrepreneurship include the following:

- creating centres of direct service for potential investors and entrepreneurs,
- a pro-entrepreneurial style of management of public affairs;
- promotion of undertakings of a public-private partnership nature;
- an expanded multi-level social communication/consultation system, promotion of the social participation model in terms of taking decisions that are important for the development of the self-governing units.

A particular type of activity for the sake of supporting entrepreneurship in the local community is associated with the application of expenditure tools, namely increasing investment outlays by the self-governing units on socio-economic development, including, among other things, developing available land for investment – thus increasing their attractiveness to potential investors.

The utilisation of the instruments described is aimed at engaging and attracting external stakeholders to invest in the special economic zones, strengthening the potential of the zones, while simultaneously consolidating the potential of the particular zone.

1.3. Conceptualisation of local special economic zones

The local special economic zones (SEZ) are assigned areas which are prepared for investments that match the needs of potential investors, which are most frequently created by the self-governing units. They function by virtue of the Act dated 20

October 1994 relating to special economic zones (Law Gazette No. 123, pos. 600), Ordinance of the Council of Ministers with regard to opening the particular zones, as well as regulations of the zones and plans for the management thereof. The model of the functioning of the zones must be strictly adjusted to the identified needs of the entrepreneurs that are associated with the concepts of management which they apply. The location of activities is one of the factors that is determined by the philosophy of activities of the enterprises, while also being a real condition which a firm must take into account when implementing a specific concept of management (Lisiński et al., 2012 b).

It is possible to define the special economic zone as an investment zone created by the local community or with the understanding of the local community, for instance as in the case of the special economic sub-zones, formalised (an act enacting the special economic zone and/or local plan of spatial management) on the grounds of a regulated legislative state, usually compact, which constitutes the property of the managing party that is prepared from the viewpoint of infrastructure (communication access, development of sites) as the result of the strategic development policy of the local community (Wojtyra, 2014).

A special economic zone is “a separated and developed area of investment that meets the needs of the potential investors that are most frequently created by the local self-governing units” (Stanienda, 2011). Hence, these are separated territories of the country, the objective of which is to fulfil the function of investment areas. These areas may be characterised as possessing multi-aspectual preparation in terms of fulfilling their tasks. Self-governing units have a wide spectrum of possibilities for improving the development of entrepreneurship

in those areas. They also may influence the entrepreneurial behaviour of business entities operating within special economic zones through a wide spectrum of factors that they have access to. A multitude of enterprises undertake various types of undertakings associated with the optimisation of their business activities, which is done by means of strategic alliances, or changes in the location of the business activities conducted. Such a situation indirectly determines changes in terms of location. This, on the other hand, is the effect of the need to ensure good conditions of conducting business activities on the territory as well as the conditions of the existence of territorial self-government within this territory (Jabłoński, 2011; Stabryła, 2012).

The above reasoning, accompanied by other factors, has led to an expanded definition. According to this revised attempt, a special economic zone is a separated area that is prepared for an investor. The area has its economic specificity in terms of the special designation as an area of development in the industrial-services sector that constitutes a local centre of economic development. Thanks to this, they develop local development aims, such as increasing the level of competitiveness of the area and vivifying it in relation to the neighbouring communities, while also increasing the number of business entities and all that goes with this, in terms of creating new workplaces, the development of technical infrastructure, and diversification of the employment sector (Wojtyra, 2014).

Hence, a key role in creating the special economic zones and the effective acquisition of investors is played by the territorial self-government. The tasks of designating the zones, regulating the legislative state of the property in the zones defining its profile, and marketing and promotional activities all lie in their hands, with the aim of attracting the interest of firms looking to

locate their businesses in the zones. All these activities should be correlated with the strategic policies of development of the local communities and result from the priorities that are jointly established by the key stakeholders: the representatives of the territorial self-government authorities and officials, local entrepreneurs, NGOs and the inhabitants themselves (Moura and Forte, 2013).

Special economic zones offer various benefits (Freeman and Moutchnik, 2013; Wheeler et al., 2005). At the national level, direct benefits include investments, job creation and the expansion of exports, whereas the indirect benefits involve the transfer of technology and know-how, as well as the facilitation of institutional liberalisation. At a local level, the benefits for human resources entail the increase in income and acquisition of professional skills, often described as the "spillover effects" (Clarke, 1982; Rubin and Richards, 1992; Moura and Forte, 2013; Godlewska-Majkowska et al., 2016). On the basis of local economic zone operations, in order to increase competitiveness and attract the greatest number of potential investors, a special regime of realisation of the commercial activities of enterprises in the region must operate as follows:

- investors acquire the infrastructure constructed with the support of financial grants out of the state budget for business activity development;
- residents get significant customs privileges on the basis of an operating regime of a free customs area;
- a number of tax preferences are given;
- financial preferences are formulated, first of all, by preferential rent for the plots of land acquired by an investor;
- a one-window administration system facilitating the simplification of the system of relations with public authorities (Bogoviz et al., 2016).

The dynamics of the economic and social processes occurring in a local community are characterised by a high level of variability. The fundamental condition of acquiring and maintaining enterprises of long-lasting market competitiveness is their ability to innovate. Another important factor is having the potential for innovativeness at their disposal, as well as the possibilities of implementing organisational and technological innovations, while also creating brands.

In carrying out local undertakings, particularly of an innovative nature, the significance of network cooperation between the participants of these projects increases. Cooperation within the framework of the network is assumed to lead to the achievement of better results, facilitating access to information and knowledge, while constantly creating new possibilities (Lisiński et al., 2012 a, b; Sadaf et al., 2018).

In a competitive market, the territorial self-government creates an environment for entrepreneurship by supporting the processes of creating innovations. One of the features of territorial self-governing units, particularly at the level of local communities, is the increase in significance of the relationships between the participants in the economic game (territorial self-government, enterprises, universities, and social organisations) (Bojar and Machnik-Słomka, 2014).

The conceptualised ideas of local stakeholders leading to the creation of special economic zones may be defined as the effects of entrepreneurial behaviour, which furthermore can be categorised as resulting from the need to increase regional potential, the possibilities of creating preferential conditions, the needs of regional promotion and looking for possible funding as the source of an increased local community level of entrepreneurship. The underlined categorisation exemplifies the

range of possible determinants of an entrepreneurial nature, leading to the emergence of ideas for special economic zone creation and plans for their operation. The idea for the functioning of special economic zones does not expire with the declaration of its purpose of existence, but encompasses the entire process of planning and managing. The specificity and uniqueness of the Wieliczka special economic zone refers to its regional characteristics. Its location within the agglomeration of Krakow and possible purposes of entrepreneurial engagement of actors from industry, science and public administration make this example especially interesting. This is also the effect of a variety of observations made by authors, which allow for further analysis and deeper research results in terms of a case study.

2. Determinants of entrepreneurship and innovation in the Wieliczka special economic zone

In September 2008, the concept of land development was laid out in the *Spatial Program Project for the Wieliczka Special Economic Zone (WSEZ)*. Its aim was the detailed spatial concept which encompassed the establishment of functional zones, an outline of the process of realisation, as well as the functional and spatial principles of the particular sections of the WSEZ. This concept encompassed the local communities of a territory of approximately 216 hectares, located in Węgrzce Wielkie and Kokotów. In the spatial structure of the areas of the WSEZ, important elements of nature were marked, around which recreational areas were designed (watercourses, water reservoirs).

In accordance with the further local spatial development plans of the concept of the WSEZ following consultation with the

inhabitants of the neighbouring areas, its surface area was altered. This resulted from the changes in the priorities of the *Development Strategy of the City and Community of Wieliczka in 2015-2022*, while the strategic aim was entered into the strategy of conducting pro-investment policy for

the community, thus ensuring sustainable development supported by modern infrastructure in the zone and its environs. The aims and actions favouring the development of entrepreneurship and innovations in the WSEZ are stipulated in Table 1.

Table 1. Directions of activities conducive to the development of entrepreneurship and innovation in the Wieliczka Economic Activity Zone

Type of aims/support	Description of activities
General aim	Creation of an environment for the growth of employment and the WSEZ on the basis of entrepreneurship and innovation, location rent in the environs of Kraków, local human capital, common history and complimentary strong attributes of the metropolitan area of Kraków.
Detailed/specific aims	<ol style="list-style-type: none"> 1. Creation of conditions for the development and institutionalisation of various forms of cooperation leading to the establishment of the zone of economic activity. 2. Supporting development of human resources and administrative-institutional potential of the Wieliczka Special Economic Zone. 3. Supporting local initiatives in the sphere of entrepreneurship, supporting cooperation with scientific centres in the field of research and the implementation of innovations.
Chosen forms of support	<ol style="list-style-type: none"> 1. Creation of advanced levels of competitiveness – cluster initiatives. 2. Cooperation with universities. 3. Meeting and institutionalisation of entrepreneurs of the WSEZ with potential investors. 4. Supporting the development of the business community of the WSEZ. 5. Promoting financial tools supporting the sector of SMEs and institutions supporting entrepreneurship, enhancing the attractiveness of the business environment and culture of innovation, while also increasing the quality of public services addressed to entrepreneurs. 6. Development of the local labour market. 7. Coordination of cooperation between entities supporting entrepreneurship, e.g. Agency for Regional Development, chambers of commerce, etc. 8. Actions undertaken within the framework of cooperation between entities involved in research and development and the sector of enterprises aimed at the innovative development of the business environment. 9. Cooperation in the creation of products supporting the culture of innovation (e.g. educational activities, academic entrepreneurship, innovation portals, joint action aimed at implementing strategies and innovations, etc.). 10. Investment in public infrastructure that is essential for the development of entrepreneurship and innovation (science parks, incubators of entrepreneurship, industrial parks, innovation centres, etc.). 11. Cooperation in the other areas of R&D, including supporting the integration of the academic and commercial zones.

Source: Own elaboration.

In 2016, PMDG conducted qualitative research on the firms, all of which operated on the WSEZ market. Significant information was gained from the report, which was created within the framework of the Małopolska Market Observatory project. Detailed personal interviews (IDI) were also carried out - the respondents were asked questions referring to issues associated with the conditions in the WSEZ area, which included the process of creating firms and the business conditions offered, as well as - among others - the range

of offers for investors, market evaluation, including a market oriented towards shaping relations, interest in the development of human intellectual capital in their firms, cooperation between firms and universities, participation in the R&D sector, interest in cluster integration, and a strategy of stabilisation for firms on the market.

The results of their study indicate that the presence of enterprises in the WSEZ signifies that it treats the neighbouring market as an area for natural expansion. There is a trend of cooperating with universities

and investing in the development of human resources, which is leading to the improvement of the quality of human capital in the region. On the basis of the interviews with firms located in the WSEZ, the study's findings highlighted interesting results. One such point was that the firms are first and foremost interested in acquiring qualified employees and logistics partners at this stage of development of the WSEZ, yet are not interested in creating network ties. This referred to authors' observations confirming the need to rely on investors on the local labour market to a large extent. The negative correlation in terms of creating ties may be explained as the need for the initial development and strengthening of the competitive position of newly established entities.

The next result is that the firms from the WSEZ are interested in the development of compatible systems of infrastructure that would allow them to rationalise costs and quickly display revenue and profits. They are less interested in cooperation in the sphere of creating innovations, or the flow of knowledge and information. This is in line with the theoretical findings from the previous sections, according to which the infrastructural determinants are listed as important from the point of view of investors. The finding is also positively correlated with other findings specifying the need for the adequate infrastructural preparation of company operations. This could be treated as the minimum requirement while the proposals for entities locating their capitals in new areas are being discussed. The examples of other economic zones, not only Polish ones, may underline the correctness of these findings.

Furthermore, firms expect the local government to create a centre of entrepreneurship and innovation with the aim of creating a culture of entrepreneurship among the local stakeholders, while also a partner-

ship approach to shaping entrepreneurial relations. These results, however, are not a standard requirement in the case of other findings. The existence of the technology transfer units or innovation transfer units are not must-have elements of economic zones, though support from the public authorities is expected by investors, however.

The firms indicate that the local market is weak, while the developed market of purchasers lies outside the local area, which may be treated as an exclusive finding when discussing the WSEZ area. The specificity of other zones may differ significantly and the decision pertaining to capital location may be the effect of the promising local trade perspectives.

The firms indicate strong business contacts outside the WSEZ, e.g. participation in the Cracow Chamber of Commerce, participation in economic projects, the acquisition of EU funds, and so on. This, however, still remains within the Cracow agglomeration.

The firms indicate the following as key barriers to the development of entrepreneurship and innovation of a firm: the lack of an effective local system of support for such projects; the lack of sufficient information and knowledge about the market; the lack of cooperation between science and business; the administrative weakness of the self-governing authorities; bureaucracy and the unstable local law. Indications of the lack of such elements are quite frequent where expectations are concerned; however, those issues are of a different nature. They are rather defined as barriers when incentives are being discussed.

The evaluation of the local reality of the analysed firms constitutes a great contrast with the declarations in this sphere of the administration of self-government at the level of the local community and provincial self-government. It is also in line with the appraisals presented by the Regional

Development Agency in Cracow, the Chamber of Commerce in Ostrawa, the Chamber of Industry and Commerce in Cracow, the Malopolska Regional Development Agency in Cracow, as well as the self-governing units and their associations.

It is necessary to note that despite the general declarations about the need to support business in a SEZ, local self-governing units do not perceive economic issues as a key area of cooperation. This is due to the perception and objectives of local authorities towards social needs. Support for businesses is not the objective as such, but rather the instrument for supporting local communities as well as social policies through the realisation of economic initiatives. Support, with reference to economic issues, transforms indirectly into support of a social nature, such as making it easier for citizens to find interesting jobs, as well as the possibilities of implementing cutting-edge technologies which can attract the local communities. Another important element is the possibility of gaining social profits from the public relations activities of businesses and corporate social responsibility initiatives such as those undertaken by global companies, as organisational culture may introduce new methods of operation for local companies and societies.

Conclusions

The paper aimed to find out whether the intensity of the cooperation between entities located in the local special economic zone mobilises companies to develop their entrepreneurship and innovations. Entrepreneurship and innovativeness in a SEZ is an attractive aspect in terms of creating the culture and environment for entrepreneurship, which is a condition for the level of competitiveness of the local entities. Moreover, these aspects also contribute to providing equivalent development opportunities in areas located near the met-

ropolitan area and large cities. The process of increasing attractiveness in terms of the location of the areas that are slightly urbanised favours the processes of deglomeration, which is aided and abetted by the competitive price of investment areas, the improved transport conditions, as well as the growing potential of the resources of human capital. Likewise, this is also helped by the high level of availability of EU funds from the ROP programs for the development of cooperation between business and science with the funds allocated for innovative investments. In the analysed area, the effects of entrepreneurship development are clearly visible in social capital, as well as in the fields of culture, education and tourism. A worrying phenomenon, however, is the low level of cooperation between local business and the entities established in the WSEZ. In the case of the majority of firms operating in the WSEZ, the markets of the neighbouring regions and the national market dominate the local market.

The aforementioned implications therefore mean that the development of cooperation supported by the local authorities constantly remains at the stage of bilateral contacts and projects. A significant level of dispersal in terms of institutional and instrumental cooperation means that it is difficult to indicate the direction that would allow for the strengthening of cooperation in the economic field. Henceforth, in attempting to resolve this issue, it will be necessary to indicate the possible realisation of cluster cooperation. The development of a cluster in the WSEZ is possible, but network cooperation should be connected with the logistics sector and creative industries which are developing in this area. Further possible recommendations can include the potential involvement in cooperation by the stakeholders of the administrative sector, territorial self-government, science and

enterprises. Moreover, as the findings substantiated that culture and education are areas in which the local entities of WSEZ perceive the greatest possibilities of integration, cooperation in these sectors can likewise prove beneficial.

Overall the study showed that that entrepreneurship and innovation acts as a catalyst in the peripheral areas of the metropolitan area that encourages new forms of regional and local cooperation. Nevertheless, it is difficult to separate the natural tendencies and desire of the enterprises to develop entrepreneurship and become involved in R&D projects. The cause of this should be viewed in terms of the lack of conviction of entrepreneurs as to the effectiveness of such cooperation. Another barrier is the limited financial possibilities of firms, which are convinced that the purchase of new solutions of the know-how type shortens the technological gap with competitors.

In conclusion, as long as such sectors as the logistics and processing industries remain connected with regional specialisation, then existing cooperation may transform into cluster cooperation. This cooperation has its roots in typical social activities (as already mentioned, the bilateral EU projects mainly carried out by the local self-governing units and NGOs), but in favourable conditions it may also encompass economic activity that brings economic benefits and contributes to the development of the regions by means of strengthening the regional specialisation.

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