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Enterprise Development Programming in Partnership with Local Government, Science and Business. The Example of Rybnik

Abstract: the article concerns the mechanisms of entrepreneurship development in partnership with local government, science and business. The author presents evidence that the sector partnership is crucial for the success of projects developing entrepreneurship in the local and regional perspective. Local government has the resources and capabilities to act as initiators of projects and programs supporting the economic development of the city or voivodeship. At the same time, representatives of local government units must use appropriate operational and management methods in the implementation of the policy of strengthening entrepreneurship. Inter-sectoral collaboration requires the application of organisational solutions allowing for the involvement of units in different fields and basing on various legislation. The author also indicates that the source of the competitive advantage of cities and regions may be the specialisation, as well as the commercialisation of knowledge and technology. In this case, the inter-sectoral partnership is crucial as it conditions the success of economic development programs in its social, economic and political sense. At the same time, the article describes the methods of building the inter-sectoral cooperation. As a basis for the appropriate use of the different potential of the cooperating participants, the authors indicated projects and programs embracing groups of projects. All this is worth being recognised within the framework of strategic documents, such as development plans, strategies, and other records used by local government agencies. The article uses the outcome of the participatory workshops during the preparation of the Rybnik Enterprise Development Program. The aim of the study is the verification of the assumption that the sectoral partnership is crucial to the processes of local and regional entrepreneurship development.

Keywords: business; development; entrepreneurship; local government; partnership; science

Received: 25 October 2016

Accepted: 28 February 2017

Suggested citation:

Kijańczyk, W. (2017). Enterprise Development Programming in Partnership with Local Government, Science and Business. The Example of Rybnik. *Przedsiębiorczość – Edukacja [Entrepreneurship – Education]*, 13, 53–61. DOI: 10.24917/20833296.13.4

Introduction

Programming the development of entrepreneurship is an essential task of local government. Building mechanisms conducive to the emergence of new enterprises and innovative ventures enhances the competitiveness of a given region. Business development based on exploiting the potential of both local government units, as well as the science, education, business environment institutions and entrepreneurs themselves, enhance inter-sector relationships. Implementing joint initiatives based on programs and projects gives the opportunity to build effective pathways to support entrepreneurship.

Entrepreneurship programming in sectoral partnership

Local development depends on many factors. One is civic activism and the involvement of local leaders, actors and institutions in the process of shaping programs for development strategies or business support. As such, it is important that local experts, who can share their experience on the one hand, and, on the other hand, can influence the implementation of projects defined at the level of the prepared strategy, were engaged at the stage of preparation of the programs. “The only way to work is through collaboration between people and organisations and the activity of members of a given community” (Łotowska, 2015: 9). Implementation of development programs based on active communities strengthens the effectiveness of undertaken actions. Therefore, participation in the context of formulation and implementation of the development strategy is a critical issue. “It also means a new context of the city’s economy, highlighted by the innovative aspects of urban policy and defined by the multiplicity of processes and actors involved in decision-making structures and implementing structures (implementation, management)” (Ochojski, 2014: 104).

What can strengthen the ways to implement the assumptions of entrepreneurship support programs in practice, is the cooperation and the ingenuity of experts, groups of people and institutions. Involvement offers many opportunities for successful projects defined at the program level. “For more than twenty years, local and national governments in many countries have been discussing a new type of urban development policy whose common denominator is the affirmation of the positive character and effectiveness of cooperation as a result of access to a variety of resources, including knowledge” (Ochojski, 2014: 104). What is effectively strengthening the process of developing local entrepreneurship is certainly the sector partnership. The most useful model of partnership is the cooperation of local government units, businesses, higher education institutions and business environment organisations.

Within the framework of the Cohesion Policy for the years 2014–2020, the European Commission has defined the concept of Community-Led Local Development (CLLD) (Łotowska, 2015). “The purpose of this tool is to enable local communities to respond to the social, environmental and economic challenges of a given area” (Łotowska, 2015: 5). Partnership, relationship building and joint ventures are the basis of the CLLD. Today, we are dealing with a multidisciplinary action for the preparation and delivery of an urban offer. It also applies to the development of cities, including promoting entrepreneurship. Development accomplished in this way is likely to succeed for many additional reasons. Already at the stage of building cooperation, parties can agree on the effects of joint

ventures, which reduces the risk of conflict. Each of the parties simultaneously learns during the interaction and acquires new experiences. It is important that the responsibility of the parties is also shared, and that the extent of the interaction is indeed increasing.

An example of the application of participation in the preparation stage of the enterprise development strategy by the self-government is the method used by the city of Rybnik. City authorities have decided to prepare a detailed business support plan in collaboration with representatives from science, education and business.

Rybnik Entrepreneurship Development Program

The town of Rybnik is the main centre of the Western Subregion of the Silesian Voivodeship. Its location in southern Poland, near the cities of the Upper Silesian Agglomeration and a short distance to the border with the Czech Republic, allows designing development based on own resources and potentials. Rybnik is inhabited by less than 140,000 inhabitants, giving it the 25th place in Poland regarding population. Rybnik is constantly developing, and its strengths include:

- The concentration of institutions.
- An extensive and varied offer in the fields of education and culture.
- Absorbent labour market.
- The strength of the local economy.
- Efficiency in obtaining EU funds.

Like any city with poviat (district) rights, Rybnik is also looking for additional development impulses. Rybnik's strategic objectives are developed by:

- The strategy of Integrated Development of the City of Rybnik until 2020.
- Development Strategy for the Western Subregion of the Silesian Voivodeship.
- Development Strategy of the Silesian Voivodeship.
- Regional Operational Program of the Silesian Voivodeship.

In April 2016 the President of Rybnik decided to prepare a detailed strategy for the Rybnik Integrated Development Strategy until 2020, i.e. The Rybnik Entrepreneurship Development Program. Workshops attended by representatives from the business, science, education, business environment and self-government sectors took place in late May and June 2016. The topics covered included four areas:

- Forecasting and shaping qualifications in the local labour market in the local government, education, science and business partnership.
- Space and infrastructure for SME development.
- Rybnik's smart specialisation developed in cross-sectoral collaboration.
- Mechanisms for strengthening the business-education-self-government partnership.

As a result of the workshops, a plan for the development of the Rybnik entrepreneurship was created in the thematic areas. Particular attention should be paid to the seminar on mechanisms for strengthening the cross-sectoral partnership. As a result of it, participants defined how organisations would interact in different spheres. The most important factors of cooperation mentioned by the participants included:

- building permanent alliance structures linking business, science, education, culture, social and self-government to:
 - reinforce entrepreneurs' awareness of the benefits of inter-sectoral (company-to-company) and cross-sectoral cooperation (company-entities from other sectors),

- develop institutional organisation of local economic development partners through the use of organisational tools, shared space created for business, as well as financial tools,
- increase the involvement of entities from different sectors in the economic development of Rybnik – science, education, culture, social sector, local government,
- enable information flow platforms for acquiring knowledge about the needs of partners, managing joint projects and functioning of a mutual recommendation system;
- building partnerships for projects supporting the transformation of the local economy into an economy based on innovation and creativity to:
 - support the process of creating leaders in the areas that stimulate the modernisation of the local economic structure,
 - develop a system of the assembly of potentials from different sources for the implementation of innovative and creative projects,
 - enable the flow of knowledge to the city about the directions of change and the predicted trends in economic development in the world;
- organising inter-sectoral and cross-sectoral cooperation opening up the local economy to collaboration with the environment to:
 - reconstruct Rybnik position as a city generating development impulses for the Western Subregion of the Silesian Voivodeship and the functional area located along the A1 motorway,
 - ensure the presence of local entities (especially business and self-government) in networks of supra-local cooperation,
 - use the cross-border position to strengthen Rybnik’s economic position,
 - attract to the city further actors contributing to the strengthening of the local economic structure.

These elements are the basis for the tasks defined in the three thematic workshops. Their implementation may be based on the mechanisms described above.

Partnership in implementing strategic ventures

Implementation of enterprise support programs in a sectoral partnership requires appropriate tools for action. Taking them into a typical model of behaviour increases the efficiency of the application of the steps taken. Nowadays, more and more representatives of local governments decide their policy in the context of the planning of strategic programs, including those that support entrepreneurship. It is because the existing cohesion policy implemented in the framework of the development of European Union regions did not necessarily produce the intended effects. The new paradigm for development approaches implies several principles:

- a. reassessing the development factors, including displaying diversity as a source of socio-economic development,
- b. orienting policy onto strengthening the internal and external relations underlying cohesion policy building,
- c. mobilising local and regional actors by dialogue and public-private partnerships, which will have a positive impact on regional development,
- d. building institutional partnerships and integrating the impact of public entities,

- e. diversifying regional development policy – departing from the universal policy model in favour of a diversified system, depending on local and regional potentials and capabilities (Nowakowska, 2015).

Areas of influence and ways of shaping public intervention are elements that are updated within a territorial-functional development model. Key areas of the new development programming focus around three elements:

- a. a new approach to strategic planning and programming – exposing territorial capital, concentrating on the main impact areas, strengthening planning for functional and spatial areas,
- b. stronger policy coordination and integration of the territorial dimension – the redevelopment of the financing system for development policy from classic redistribution of resources towards regional development policies (e.g. local contracts), orientation on the results, the creation of comprehensive and multi-sectoral projects,
- c. institutional changes that enhance knowledge absorption and strategic debate – setting up new institutions shaping regional development, strengthening new coordination mechanisms between policies, as well as programs and projects (Nowakowska, 2015).

Functional areas are currently the principal territorial unit subject to development policy. An area of this kind is a distinct area with specific socio-economic and spatial characteristics. The literature also highlights the areas of strategic intervention.

Program and projects as foundations of enterprise development strategy

Entrepreneurship development is crucial to the success of a region. “Stimulation of business and local initiatives facilitates the creation of a harmonious system in which each member of a given local community can play a role. As a result, the sense of participation – so essential for the development of entrepreneurship and local development – increases” (Leśniewski, 2010: 69). The determinants of entrepreneurship development in the local context include local attitudes, local resources, the way in which local authorities operate and the structure and dynamics of the local economy (Kuciński, 1999). Territorial entrepreneurship depends on attitudes and behaviours of local authorities, business entities and local communities. These elements are closely intertwined, and their impact should be towards creating conditions for the potential for new uses of resources (Janik, 2004). All this can have a positive influence on the economic development of a given territory. “Entrepreneurship in local and regional development processes can be viewed from two perspectives. It can be considered by analysing the behaviour of the local authority and, consequently, talking about the entrepreneurship of local government units. It can also be found by examining the attitudes of local communities and economic entities towards undertaking and conducting business” (Kuciński, 2010: 24).

Among the tools supporting the development of entrepreneurship, the following can be distinguished:

- financial tools affecting businesses: banking instruments, leasing, loan and guarantee funds, seed funds, local taxes and charges,
- non-financial instruments affecting the enterprise: business incubators, technology transfer centres, training institutions, research institutes, special economic zones,
- interregional initiatives: Euroregions, cross-border cooperation and other cooperation agreements,

- tools used by the public sector: laws, resolutions and other legal acts, European Union programs, government agencies (Polish Agency for Enterprise Development, Industrial Development Agency, Polish Information and Foreign Investment Agency, National Center for Research and Development) (Saar, 2011).

These elements of entrepreneurial development are a classic set of tools that build entrepreneurship. In this context a local government is one of the partners in the process of strengthening entrepreneurship. But what if traditional actions are not enough? “In practice, there is a close relationship between the development of the region and the sector of small and medium-sized private enterprises. They are most often found in the founders’ homes; those businesses use local resources, the owners pay taxes there, and create a climate for further investment, which results in regional disparities in development” (Saar, 2011: 17).

Local government has the resources, including finances, which allow it to play a leading role in building an entrepreneurial culture. Some of the tools listed above do not depend on local government, so a palette of opportunities set at this administration level should be prepared. Such a solution also supports the fact that entrepreneurial development tools can be tailored to local needs.

Irrespective of the chosen ways of developing entrepreneurship, what makes it possible to implement such policies are programs and projects. Local government has the resources and capabilities to act as the initiator of projects and programs supporting the economic development of the city or voivodeship. At the same time, the representatives of local government units must apply appropriate management and operational methods in implementing the policy of strengthening entrepreneurship. Cross-sectoral cooperation requires the implementation of organisational solutions that allow for the involvement of entities operating in different fields and based on various legislation. Selected programs and projects may be included in strategic documents, such as development plans, strategies and others, applied to local government units. What further enhances the ability to generate innovative projects is creativity. Implementation of undertakings supporting entrepreneurship may be based on:

- a. public-private partnership,
- b. project partnership,
- c. industry/sectoral partnership,
- d. local/cross-sectoral partnership (Bondaruk, 2015).

Development of entrepreneurial competencies based on cooperation

What builds the development of entrepreneurship is sectoral collaboration and mutual learning of organisations and individuals. The participation of local governments, entrepreneurs, universities and business environment institutions enables verifying the behaviour of particular structures. It should be noted that the representatives of these environments work by different objectives and guidelines as well as different legislation. The combination of experience and knowledge, as well as the realisation of joint projects, to which each party contributes its resources and competencies, provides the opportunity to work effectively in strengthening entrepreneurial initiatives. “The challenge for the knowledge economy is the network economy and the network society. Mutual relationships between the business sector, business support institutions and the public sector

may thus find a new form of communication that will lead to a more intensive local community development” (Saar, 2011: 127).

One of the most important factors in the development of a knowledge-based economy is intellectual capital. It is often more important than other enterprise resources. The potential of people, their education, their networks, and their experience, make the initiatives taken by entrepreneurs potentially successful. “Innovation is an indispensable element of business development. It allows the company to stay on the market, compete effectively and multiply its revenue” (Saar, 2011: 17).

Transfer of knowledge and technology as a source of competitiveness of local government units

Can local governments compete? the answer to this question is affirmative. The sources of competitive advantage of cities and regions may be their specialisation and technological and non-technological innovations. In this case, the cross-sectoral partnership is a key factor in the success of the mission of developing economic programs, both in a social, economic and political sense. Knowledge and technology are the sources of a region’s competitive advantage. “Regional specialisation emphasises the role of endogenous potentials in enhancing the competitive position of the region taking into account the sustainability of development” (Malik, Dymek, 2014: 15). “The innovative activity of enterprises corresponds to the competitiveness of the region mainly in the context of its indirect competition, i.e. through the competitive capacity of its local companies. These capabilities are shaped by the regional environment that allows businesses to gain competitive advantage” (Łyżwa, 2014: 97).

Local governments can directly create conditions conducive to the development of innovative activities. It is based on the animation of cooperation with universities and R&D units. The construction of adequate infrastructure, including the creation of technology parks, networking to build clusters and participation in research and development projects, are the core capabilities of local government units in the context described. In addition to the obvious benefits of successful projects, the transfer of knowledge and technology allows for creating relationships between partners. At the same time, jobs that require appropriate qualifications and experience are created in a given area. It means that they are more durable than workplaces in factories operating in economic zones. “However, the relationship between business innovation and the competitiveness of the region is two-way – not only does the competitive region shape the business environment by supporting their innovativeness, but the innovations of enterprises influence the competitiveness of the region” (Łyżwa, 2014: 97). “The change of an individual company changes its internal situation and customer relationships, as well as influences its relationships with other businesses in the region” (Łyżwa, 2014: 102).

Innovation development can be defined within the Entrepreneurship Support Program. Local governments may establish an additional strategy document in the form of a local innovation system. “Innovative activities within the local innovation system are directed at the involvement of local governments in various types of undertakings: scientific, technical (infrastructural), organisational, financial and commercial” (Bondaruk, 2015: 17). Entities necessary for inclusion in the preparation of innovation strategies with entrepreneurs are certainly local authorities and representatives of public administration,

local businessmen, NGOs, R&D institutions and universities, local stakeholders, as well as politicians and business environment organisations. “Creative industries and innovative actions in cities and the process of cooperation are the foundation of urban development” (Ochojski, 2014: 103).

One of the primary goals of creating innovation support policies in local governments is strategic management so that the local economy can absorb innovation and generate indigenous innovation from its potential (Bondaruk, 2015). Factors supporting innovation are people living in the area, factors and determinants of the growth of local entrepreneurship, the presence of higher education institutions in a particular field, access to R&D infrastructure and technological and non-technological innovations. “Inclusion of local authorities in innovative ventures that contribute to the transfer of knowledge and technology with an appropriately profiled investment offer creates incentives for entrepreneurs and potential investors” (Bondaruk, 2015: 56). “The main driving force behind the development of businesses, regions and countries are innovations, which, through diverse engagements, is also a driving force in science and technology” (Kownacka, 2015: 49).

Conclusions

The development of entrepreneurship depends on many factors. Support of local government units in this respect is critical. Programming the development of new businesses, in the partnership of the local administration, science, education and business, requires the building of close relationships between partners. At the same time, the indicated model of entrepreneurial attitudes development can be more efficient than traditional ones, which are stimulated only by the local government influencing the economic development of the area. By the analysis of strategic documents of the city of Rybnik, as well as by conducted participatory workshops with the representatives of local government, science, education and enterprises, the following conclusions regarding the development of entrepreneurship can be drawn:

- The sectoral partnership is crucial to the success of undertakings that develop business.
- Local government must use appropriate management and operational approaches to implement enterprise policies.
- Knowledge and technology are the sources of a region’s competitive advantage, also in the context of specialisation.

A system for monitoring the development of local entrepreneurship is also an important factor in the development of an enterprise. Systems of this type should indicate the effectiveness of partner activities. It is, however, a matter worth describing in subsequent scientific papers.

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