

# LOCAL ECONOMIC DEVELOPMENT- PRACTICAL WORKSHOPS CONNECTING LOCAL GOVERNMENT AND ORGANIZATIONS ON THE EXAMPLE OF THE OTWOCK DISTRICT

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## INTRODUCTION

In the world of globalized economy, local socio-economic structures are gaining importance again. The economies of European countries, including Poland, are mostly based on SMEs, which constitute the majority of all enterprises, employing more than half of the employees of the national economy.

In this context, local initiatives should be considered, bringing together entrepreneurs operating in the area, local government bodies and scientific centres, which, by working together, influence local development. The aim of the article is to show the importance of the SME sector against the background of global entrepreneurship trends. The authors ask the question whether local government can stimulate local entrepreneurship in the SME sector and consider the effectiveness of Local Economic Development workshops on the example of the Otwock powiat.

Workshops of Local Economic Development, organized on the model of the American workshops, developed practical effects in the form of ready-to-implement projects. Moreover, they revived the network of local contacts vital for regional entrepreneurship.

## The structure of global entrepreneurship and SME sector

Local economic movements and the organization of entrepreneurship at the regional level have been noticed in the global economy since the end of the 19th century as pragmatic reactions to structural changes. Drawing on the considerable autonomy of the local government and business networks, a wide range of promotion and development policies were created, despite the poor legal basis. It is in the last 20-30 years that the incidence of local economic initiatives has become greater. This applies not only to the activities of local governments, but also to central government efforts to catalyze development at the local level and to the efforts of various community development organizations to improve the economic and social conditions in specific neighborhoods. The activities of various community economic development initiatives exist in parallel with more formalized local government and private sector initiatives.

The structure of entrepreneurship in Poland does not differ much from the structure of entrepreneurship in the European Union. Thus, micro and small enterprises account for 98.9% of all enterprises in the Union, 0.9% are medium-sized enterprises (EUROSTAT, 2022), while large enterprises account for 0.2%, which is the same as in Poland.

In 2021-2027 EU is pursuing an SME strategy in several directions, including:

- EISMEA responsible for the development and implementation of the European Innovation Council, innovation ecosystems, single market, consumer policy and interregional investments in innovation, provides information support for enterprises,
- Late Payment Directive to prevent payment backlogs,
- examines the impact of new legal regulations on the SME,
- supports digital transformation.

In Poland, the strategic document regulating the policy towards SMEs is the Strategy for Responsible Development, which assumes: structural changes in the sector, new forms of activity and cooperation, and modern support instruments.

## Methodology of Local Economic Development

Workshop A – Analysis of economic components in the local community	Workshop B - Analysis of the 4 Principles of Economic Development in the Local Community	Workshop C – creating proposals for economic projects that stimulate economic development in the local community	Workshop D – evaluation and selection of proposed economic projects to be implemented in the local community
It helps workshop participants analyze the components: access to capital, economic environment, infrastructure, human resources and quality of life in the local environment that affect the conditions conducting business activity on their territory.	Helps workshop participants understand and apply 4 proven principles of local economic recovery, that contribute to economic recovery in their area: 1. Capturing local income (reducing the outflow of money spent elsewhere), sealing cash outflow leaks. 2. Support for existing enterprises and local business. 3. Encouraging the creation of new enterprises. 4. Searching for and attracting (from outside) needed new businesses to the community.	Participants take summarize of the economic conditions of the community and develop a vision for the community. Workshop helps them develop concrete project proposals for local economic recovery this environment, helping to realize the vision.	The workshop helps the participants to select the most important projects of local economic development which local society can implement in its area. Determination of pitfalls and threats, assignment of tasks in project implementation, deadlines, beneficiaries, assessing the risks and benefits of project implementation are the most important stages of this workshop. During the workshops, participants will create new proposals and ideas for economic projects. They will be able to draw up action plans for a wide range of projects that will initiate local economic development.

## Conclusions

The Local Economic Development workshops have real benefits for the local community. They develop economic and social projects with the support of a group of dissidents. In addition, it integrates the local community: entrepreneurs, research centers and administration providing services serving the self-government community and strengthens the economic environment.

Activities organized by/for a small local enterprise are not only well perceived by the community, but are also beneficial for the local labor market. They integrate entrepreneurs and administration, giving an impulse to establish cooperation and implement new economic projects. In Poland, as in most European countries, the economy is based on the SME sector, building a strong middle class. Supporting this group through activities initiated by the local government and research centers and based on new financial mechanisms develops a strong economy resistant to shocks and crises.