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GENERALIZATION OF THE POLISH EXPERIENCE OF REGIONAL AND LOCAL SELF-GOVERNMENT BODIES IN THE ADMINISTRATION OF SMALL AND MEDIUM BUSINESS SUPPORT IN THE CONDITIONS OF COUNTERACTION

The impact of the COVID-19 pandemic on the economy and society is systemic, and the response of business and public administration is adaptive and flexible. Scientists are tasked with understanding cause and effect relationships and turning challenges and threats into opportunities and opportunities for development. The purpose of the work is to generalize the experience of Polish local governments in developing administrative and economic decisions to support small and medium-sized businesses, which were forced to curtail their activities in the conditions of COVID-19. Public administration at the level of primary self-government units in the active phase of the coronavirus has demonstrated the high competence of responsible managers. Research methods – descriptive, analytical, generalization methods, comparative analysis. Results. Installed, what in Polish communes and provinces, decisions were made: 1) to mitigate losses in small and medium-sized enterprises by easing the tax regulation of rents for cattle, shops, restaurants, reduction or exemption from land charges, deferred payments, etc.; 2) funds for microcredit for small businesses, which have been rebuilt into logistics or the provision of services through online services; 3) the security policy of local authorities applied to the property of entrepreneurs has been intensified; 4) active work was carried out on payments to employees who lost their jobs, etc.; 5) educational and methodological strikes were conducted to transform small and micro enterprises. Experts point out that the adaptation process for small businesses in the near future will be based on: flexible business strategies – remote work, non-standard working hours; personnel planning – talent retention, adaptability, gender policy; learning and innovation - digital skills, critical thinking; changing relations with employees; working conditions – changing the configuration of a traditional office.

Keywords: public administration, local self-government, small and medium business, business support programs, tax benefits, local taxes.

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УЗАГАЛЬНЕННЯ ПОЛЬСЬКОГО ДОСВІДУ РЕГІОНАЛЬНИХ І ЛОКАЛЬНИХ ОРГАНІВ МІСЦЕВОГО САМОВРЯДУВАННЯ З АДМІНІСТРУВАННЯ ПІДТРИМКИ МАЛОГО І СЕРЕДНЬОГО БІЗНЕСУ В УМОВАХ ПРОТИДІЇ COVID-19

Вплив пандемії COVID-19 на економіку та суспільство є системним, а реакція бізнесу та державного управління є адаптивною та гнучкою. Вченим доручається розуміти причинно-наслідкові зв'язки та перетворювати виклики та загрози на можливості та можливості для розвитку. Мета роботи - узагальнення досвіду польських органів місцевого самоврядування у виробленні адміністративних та економічних рішень з підтримки малого і середнього бізнесу, який вимушений був згорнути власну діяльність в умовах COVID-19. Методи дослідження – описовий, аналітичний, методи узагальнення, порівняльного аналізу. Державне управління на рівні первинних одиниць самоврядування в активній фазі коронавірусу продемонструвало високу компетентність відповідальних менеджерів. Результати. Встановлено, що у польських комунах та провінціях було прийнято рішення: 1) пом'якшити втрати на малих та середніх підприємствах шляхом пом'якшення податкового регулювання орендної плати за худобу, магазини, ресторани, зменшення або звільнення від плати за землю, відстрочки платежів тощо; 2) кошти на мікrokредитування малого бізнесу, яке було перетворено на логістику або надання послуг через онлайніві послуги; 3) посилена політика безпеки місцевих органів влади щодо майна підприємств; 4) проводилась активна робота щодо виплат працівникам, які втратили роботу тощо; 5) проведені навчально-методичні страйки з метою перетворення малих та мікropідприємств. Експерти зазначають, що процес адаптації для малого бізнесу найближчим часом буде заснований на: гнучких бізнес-стратегіях – віддалена робота, нестандартний робочий час; планування персоналу – збереження талантів, адаптованість, гендерна політика; навчання та інновації – цифрові навички, критичне мислення; зміна відносин з працівниками; умови праці – зміна конфігурації традиційного офісу.

Ключові слова: публічне адміністрування, місцеве самоврядування, мале і середнє підприємництво, програми підтримки бізнесу, податкові пільги, місцеві податки.

I. RELEVANCE OF RESEARCH

The Union of Ukrainian Entrepreneurs, together with the Ukrainian marketing group, conducted a representative survey of domestic entrepreneurs, according to which 60% of business owners are still operating in a period of

constraints (mainly large and medium-sized enterprises), and another 29% have stopped working (typical of microbusiness). 51% of enterprises are able to survive only 1 month, and every fourth company – will withstand 2–3 months of work in quarantine and will not go bankrupt [1].

The greatest burden in the context of the COVID-19 pandemic falls on regional and local authorities – local governments. The quality of life of the population in conditions of constraints, as well as the state of survival of economic entities and local enterprises will depend on the set of administrative and economic decisions, the impact on the local and regional economy, MSB. The economic behavior of small and medium-sized business entities is adapted to the economic crisis. Separate entrepreneurs, mostly in the field of trade, transferred their own business to the Internet in order to stay in the market. Other companies, for example, catering companies offer food for take out or home delivery. But a large number of small and medium-sized enterprises in the field of services forced to completely stop their activities: restaurants, hairdressing salons and beauty salons, fitness studios, beauty salons, repairs of clocks, electronic devices and the like.

In various countries, some experience of economic regulation of the activity of management entities in unpredictable circumstances has been accumulated. The local government of Ukraine in this list is not an innovator and an effective manager. As of April 2020, on the website of the Association of Ukrainian Cities, it was not possible to find information about a complex of measures to support the local business-environment, first, micro and small enterprises, and to simplify the regime of their functioning in pandemic conditions [2]. Even more, in response to the government's decision to introduce a quarantine with appropriate restrictions on the activity of management entities, municipal enterprises and the like, the city head of Kharkiv did not issue a decision of the city council within a week to stop passenger metro services, and the city head of Zaporizhia did not restrict city traffic before May passenger transport.

II. POLISH EXPERIENCE IN THE IMPLEMENTATION OF REGULATORY STANDARDS FROM TERRITORIAL LOCAL GOVERNMENT ENTITIES

In this context, the meaning used is acquired by the effective experience and operational administrative decisions of Polish ruling local government units. In various self-government units of towns and villages, local self-government bodies form packages of anti-crisis measures to help the business environment and to maintain workload. The union of Polish cities operatively generalized the anti-crisis experience of Polish cities for studying and introducing into small towns, exchanging effective administrative decisions. Among the better practices, experience the city of Malbork. The local authority of the Polish city of Malbork, due to the fact that entrepreneurs want to earn, but when they go bankrupt, the room, tangible offices, other non-residential real estate will be empty and the local authority will not receive income from the real estate lease, made a decision that was applied:

- postponement or repayment by installments on the entrepreneur's requirement of local taxes – on real estate and transport resources – for the period from March to May 2020, inclusive;
- umożliwienie skasowania podatkowego zadłużenia;
- exemption from rent for the resumption of the activity of entrepreneurs who have closed their premises and fully suspended their activities (this does not exempt from the payment of municipal services such as heating, water, sewage and municipal waste);

- if tangible premises are used, tenants who are still working, but the situation has shortened their turnover, they are able to provide a demand for a reduction in rent [3].

In the city of Konin, the introduction of "Aid package for entrepreneurs" was adopted, which covers three directions: lease of non-residential city premises and plots of land:

- a) entrepreneurs who lease commercial premises / agricultural plots at the city of Konin, will maintain an individualistic reduction in rent;
- b) entrepreneurs who have suspended their activities may provide a need for a 90% reduction in rent for the next 4 months;
- c) entrepreneurs who lost their income due to the epidemic may state the demand for a 50% wage reduction for the next 4 months;
- d) property tax: at the request of entrepreneurs, property tax for the period from April 1 this year can be deferred or broken into parts;
 - i) long-term use fee: at the entrepreneur's desire, payments for unlimited use of real estate objects can be deferred or divided into parts [4].

In the city of Sosnowiec, at the beginning of March, the SOS decision package for small and micro enterprises and residents was worked out. In particular, after local taxes:

- the deadline for paying local taxes for April-June has been moved to September 2020;
- implemented restructuring of the tax debt based on the taxpayer's requirement by its division: 6 installments for entrepreneurs were proposed, whose income for January – April 2020 decreased by 25–50% compared to the same period last year;
- 12 installments have been proposed for entrepreneurs whose income for January – April 2020 has decreased more than 50% compared to the same period last year;
- deletion of administrative entries up to 30 days after the suspension of epidemics to entrepreneurs in which debt arose after March 8, 20, and whose activity was limited over time. This standard is applied to management entities which, as of December 31, 2019, had no tax debt;
- extension of the deadline for the payment of the annual wage for the permanent use of real estate objects – land, structures and buildings, related to economic operations for 2020 before June 30, 2020;
- reduction from April 15 to the end of 2020 of the rate for maintaining agricultural plots in the size of 1 grosz / m².

The campaign of the city authorities of Sosnowiec "Become a local economic patriot", aimed at activating the purchase of goods and services of local producers, is interesting – it is an example of effective cooperation with a local company – both with business and with residents. In order to ensure the continuity of the investment, an "investment contribution" of 50–100 million was made zlotys to support local and infrastructural projects for small and micro-business [5]. A similar example in the sets of decisions on the side of city councils proves the appropriate level of competence of the heads of local government units.

Previously, analyzing the experience of Polish local self-government units, it should be pointed out that conceptual self-government bodies in the conditions of an epidemic located and organized the life security of citizens, and at the second stage – they developed aid packages for local entrepreneurs in order to maintain the workload of employees and simplify the regime of running economic activity – taxation in part of the local taxes

and collections, registration, license renewals and the like and the placement of orders for communal appointment products and services; investment aid and the like. It is the economic nature of the anti-crisis administrative decisions that must be strengthened in the public administration as long as the native local business could function and pay taxes after the quarantine is over.

III. REGIONAL ACHIEVEMENTS OF ANTI-COVID-19 ADMINISTRATION BY SMALL AND MEDIUM BUSINESS

The Kuyavian-Pomeranian Voivodeship has gained its own experience in the fight against the pandemic and the system of funds supporting small and medium-sized enterprises. Already in September, the first investment microgrants financed under the Marshal's anti-crisis package were delivered to small companies throughout the voivodeship. The Kuyavian-Pomeranian voivodeship program for counteracting the Covid-19 epidemic and mitigating its effects in the social sphere and in the economy also offers entrepreneurs grants for working capital and liquidity loans, as well as subsidies to the salaries of the staff of welfare and care institutions, purchases of equipment and medical personal protective equipment for hospitals and a mechanism for supporting social economy entities.

By helping entrepreneurs, we save the existence of enterprises and jobs, as well as tax revenues, i.e. the state budget and local government budgets. Therefore, the economic part of the package is the largest – PLN 675 million (75% of the total). Nearly PLN 120 million is a pool for subsidies, we allocate half a billion PLN for loans, and PLN 92 million for support tools available in poviats labor offices (subsidizing salaries and social security contributions) [6].

Investment microgrants granted by the Torun Regional Development Agency (TRDA) are very popular. They are intended for enterprises with the status of micro, small or medium, operating in the Kuyavian-Pomeranian Voivodeship, which have experienced a decrease in income of at least 25%. TARR has already conducted two calls for proposals. As a result of the first, nearly 800 companies were granted support, its total value exceeds PLN 30 million. The first contracts will be signed later this month. 380 applications submitted in the second recruitment are being assessed; soon the announcement of the date of the third recruitment with an allocation of PLN 25 million:

- 800 granted microgrants up to 60,000 PLN for a total of PLN 30 million;
- first contracts in September;
- 380 applications from the second call for proposals are being assessed;
- soon the third call for proposals with an allocation of PLN 25 million.

The said support is provided by the operator – TRDA. Expenses to be financed under the Investment Support Fund must comply with the following catalog and fit into the given support scheme:

a) purchase of tangible fixed assets and intangible assets related to the diversification of the company's operations by introducing new products / services or introducing a new method of production / provision of services for entrepreneurs affected by COVID-19;

b) purchase of tangible fixed assets and intangible assets related to the implementation of investments in an enterprise participating in the supply chain of products and

services essential for counteracting and limiting the effects of COVID-19;

c) purchase of an air filtering device as part of the equipment of a point of sale.

Working capital grants are non-returnable support up to PLN 50,000 for micro and small enterprises that have suffered the most in the current recession. The grants are intended for enterprises that recorded a decline in economic turnover by at least 70% during the selected one month in 2020 starting from March 1, 2020 compared to the previous month or compared to the corresponding month of last year due to economic disruptions in the effect of COVID-19. Currently, the evaluation procedure of 1,700 applications that have successfully passed the initial verification is ongoing. The pool of funds is over PLN 47 million. Agreements with beneficiaries will be signed successively in September and October:

- grants for working capital up to 50,000 PLN;
- pool of funds: PLN 47 million;
- 1700 applications are being assessed;
- contracts in September and October.

The support in question will be provided by the operator – Kuyavian-Pomeranian Credit Fund and will be used to finance working capital – financing the current operations of the company, the situation of which has worsened due to COVID-19. The amount of support will depend on the number of employees, in accordance with the adopted unit rate, but may not exceed the amount of PLN 50,000 for one entrepreneur.

Local enterprises also have at their disposal (also granted by KPCF) liquidity loans (e.g. for salaries, up to PLN 1 million, interest rate from 0%, for 6 years). 36 contracts with entrepreneurs have already been concluded here, 106 more applications are currently under consideration:

- liquidity loans up to PLN 1 million;
- 36 concluded contracts;
- 106 applications are under examination.

KPCF started granting a special Liquidity Loan to companies whose financial liquidity is at risk due to the COVID-19 pandemic. Micro, small and medium-sized enterprises based in the Kuyavian-Pomeranian Voivodeship can apply for a Liquidity Loan from the Kuyavian-Pomeranian Credit Fund.

The loan amount depends on the needs and possibilities of the entrepreneur, and can be up to PLN 500,000. PLN in the case of micro and small enterprises and up to PLN 1 million in the case of medium-sized enterprises. The entrepreneur will have up to 6 years to repay the loan taken. The interest rate on the loan will change from one year to the next: in the first year it will be 2.09%; in the second and third years: 2.34%, and in the fourth to sixth years: 2.84%. The entrepreneur will be able to apply for a grace period in the repayment of principal and interest installments, which may last up to 6 months (which means that for the first six months, the borrower may be exempt from repayment of loan installments).

An additional convenience for companies is also the possibility of using the so-called "Credit holidays". Once in the first year of the loan, and once in the second year, the entrepreneur has the right to take advantage of two months of "vacation", during which he does not have to pay the loan installments.

The loan can be used for current, working or investment expenses, such as:

- employee salaries;
- infrastructure use costs;
- stocking up;
- public and legal obligations;
- repayment of commercial liabilities;
- other expenses necessary to ensure business continuity.

There is an ongoing international partnership cooperation between the cities of Bydgoszcz and Ningbo, in addition to many study visits related to the exchange of experiences in the field, among others. From the municipal economy, public transport and education, there are also meetings on supporting entrepreneurship on the part of the local government. The partner city – Ningbo, as part of the fight against the COVID-19 pandemic, provided Bydgoszcz with free personal protective equipment [7]. 20 thousand the masks will go to municipal nurseries, social welfare homes, care and treatment facilities as well as care and education centers. Over the last three years, we have spent over PLN 1.2 billion on investments, without incurring a single zloty to finance these investments. Nearly PLN 800 million was financed from the city's own funds, and about PLN 500 million was provided by the European Union.

IV. DEVELOPMENT PROSPECTS FOR SMES IN THE MOISTURE OF THE SECOND WAVE COVID-19

Quarantine and the coronavirus have severely shaken the economy, forcing entire companies to adapt to new, more complex realities. The biggest blow came only to the travel industry and airlines. However, small and medium-sized businesses are the basis of a healthy and developed economy in the country. Many analysts say the world won't go back to normal until small and medium-sized businesses are reborn.

Ukrainian entrepreneurs find themselves in difficult living conditions – the multiplier effect of the spread of the virus in the country under various scenarios will lead to a GDP decline of 4–9% this year due to company closings and a significant reduction in employment. Small and medium-sized business owners say incomes have fallen by 25–50% compared to the pre-quarantine period, and have already laid off 10–25% of workers. Large companies have a loss in profits of 10–25%, a 25% staff reduction is foreseen by the end of restrictive measures [1].

Obviously, the positive effects of the pandemic are visible in the entire area of sales, marketing and distribution, which translates into the Internet space of shops, warehouses and offices. The development of cashless transactions and the entire "cash industry" have

moved the quarantine. 52% of people who had never bought goods online before, and ordered food delivery online, did so for the first time during the quarantine. 35% of people bought drugs online. The number of contactless payments increased significantly – by 39%.

The demand for the Internet has contributed to the development of virtual and augmented reality technology. In the near future, the most active companies will use a variety of video streams to promote and sell goods, but later technologies that allow you to "try out" a variety of furniture or appliances from an online store at home will become more common. But now comes the problem: there are few devices that can use virtual reality technologies.

The main outcome of a pandemic is that companies rethink their philosophy and go beyond simply making money. The most important thing should be to offer the consumer the value, not the goods or products. Resource management will in principle give way to an ecosystem economy. Therefore, in our opinion, companies that are integrated into the digital economy thanks to reliable and secure digital payments, and their customers and partners focused on supporting local brands, will have economic growth.

V. SUMMARY

In the methodological plan, there is an understanding that a high level of shadow. Ukraine's economy is a kind of airbag for the survival of enterprises. On the other hand, the possibilities of the legal market are narrowing due to the decline in purchasing power and the development of inflation. Under these conditions, the winners will be companies that manufacture products, provide services and work remotely via online platforms or small groups to allow the pandemic to spread.

Today, businesses have a feeling of crisis, layoffs, the transition to the internet and the search for new business models. Further government decisions are needed in the form of temporary tax breaks or significant reductions (tax holidays, temporary abolition or reduction of local taxes). According to the results of the research on the administrative activities of Polish self-government bodies, one can be considered rational and moderate. First, the worst-hit areas should be exempt from income tax: cultural institutions (cinemas, etc.), tourism enterprises. Secondly, it is imperative that all employers are able to obtain partial help for their employees in the event of a reduction in their time and amount of work, to prevent the spread of the pandemic. Third, a moratorium should be introduced on all company inspections by the end of the year, so that entrepreneurs have the opportunity to "get out" of the crisis economically and not get involved in administration.

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