VILNIUS UNIVERSITY STATE RESEARCH INSTITUTE NATURAL RESEARCH CENTRE INSTITUTE OF GEOLOGY AND GEOGRAPHY

Ligita Smagurauskienė

TERRITORIAL ORGANIZATION OF BUSINESS INCENTIVE SYSTEM IN LITHUANIA

(1998-2008)

Report of Doctoral Dissertation Physical sciences, geography (06P) The dissertation was prepared during the years 2006-2010 at the Institute of Geology and Geography of Nature Research Centre.

Scientific supervisor:

Doc. dr. Donatas Burneika (The Institute of Geology and Geography of Nature Research Centre, Physical Sciences, Geography – 06 P)

Defence of Dissertation is held at Vilnius University board of Geography Science trend:

Chairman

Doc. dr. Julius Taminskas (The Institute of Geology and Geography of Nature Research Centre, Physical Sciences, Geography – 06 P)

Members:

Doc. dr. Boguslavas Gruževskis (Institute of Labour and Social Research, Social Sciences, Economy – 04 S)

Prof. dr. Ramūnas Povilanskas (Klaipėda University, Physical Sciences, Geography – 06 P)

Dr. Darius Jarmalavičius (The Institute of Geology and Geography of Nature Research Centre, Physical Sciences, Geography – 06 P)

Doc. dr. Jurga Mačiulytė (Vilnius university, Social Sciences, Sociology – 05 S)

Opponents:

Doc. dr. Darijus Veteikis (Vilnius University, Physical Sciences, Geography – 06 P).

Doc. dr. Rimantas Dapkus (Kaunas University of Technology, Social Sciences, Economy – 04 S)

Defence of the dissertation will be held at the public meeting of the Geography Science trend on 18 February 2011 at 14.00 in the Meeting Room of the Institute of Geology and Geography of Nature Research Centre.

Adress: T. Ševčenkos str. 13, LT-03223 Vilnius, Lithuania Tel. +370 52 10 46 90, fax. +370 52 10 46 95, E-mail info@geo.lt

The summary of the dissertation is distributed on 17th of January.

The dissertation is available at the libraries of Institute of Geology and Geography of Nature Research Centre and Vilnius University.

VILNIAUS UNIVERSITETAS VALSTYBINIS MOKSLINIŲ TYRIMŲ INSTITUTO GAMTOS TYRIMŲ CENTRO GOELOGIJOS IR GEOGRAFIJOS INSTITUTAS

Ligita Smagurauskienė

VERSLO SKATINIMO SISTEMOS TERITORINĖS ORGANIZACIJOS YPATUMAI LIETUVOJE (1998-2008 M.)

Daktaro disertacijos santrauka Fiziniai mokslai, geografija (06 P)

Vilnius, 2011

Disertacija rengta 2006-2010 m. Gamtos tyrimų centro Geologijos ir geografijos institute

Mokslinis vadovas

Doc. dr. Donatas Burneika (Geologijos ir geografijos institutas, fiziniai mokslai, geografija – 06 P)

Disertacija ginama Vilniaus universiteto geografijos mokslo krypties taryboje:

Pirmininkas

Doc. dr. Julius Taminskas (Gamtos tyrimų centras, fiziniai mokslai, geografija – 06 P)

Nariai:

Doc. dr. Boguslavas Gruževskis (Darbo ir socialinių tyrimų institutas, socialiniai mokslai, ekonomika – 04 S)

Prof. dr. Ramūnas Povilanskas (Klaipėdos Universitetas, fiziniai mokslai, geografija – 06 P)

Dr. Darius Jarmalavičius (Gamtos tyrimų centro Geologijos ir geografijos institutas, fiziniai mokslai, geografija – 06 P).

Doc. dr. Jurga Mačiulytė (Vilniaus universitetas, socialiniai mokslai, sociologija – 05 S).

Oponentai:

Doc. dr. Darijus Veteikis (Vilniaus universitetas, fiziniai mokslai, geografija – 06 P).

Doc. dr. Rimantas Dapkus (Kauno technologijos universitetas, socialiniai mokslai, ekonomika – 04 S)

Disertacija bus ginama viešame Geografijos mokslo krypties posėdyje 2011 m. vasario 18 d. 14 val. Gamtos tyrimų centro Geologijos ir geografijos instituto salėje.

Adresas: T. Ševčenkos g. 13, LT-03223 Vilnius, Lietuva Tel. 8~5 210 4690, faks. 8~5 210 4695, el. paštas info@geo.lt

Disertacijos santrauka išsiuntinėta 2011 m. sausio 17 d.

Disertaciją galima pažiūrėti Gamtos tyrimų centro Geologijos ir geografijos instituto ir Vilniaus universiteto bibliotekose.

INTRODUCTION

The researched problem and the relevance of the study. The modern world is becoming more dynamic and more integrated. Looking at the various trends in science research one can notice research areas also becoming interdisciplinary, not restricted to a competence of a single discipline. The scientists are making comprehensive observations integrated in different fields of knowledge in order not only to analyze the complex constantly changing systems, but also to detect their development, evolution, interaction trends and to reveal the practical aspects, which are able to influence the development at the regional, national or even global levels.

One of the expanding new research fields of geography and of other academic disciplines is the networking research of real-time multi-component systems and their participants, connections and interaction between living and non-living components (Juhiainen, 2007, Jucevičius, 2007, Whitley, 1992, Vilkas, 2009, Killduf, 2003). The world is perceived as a constantly changing variety of systems, in which every system has its individuality and culture as well as is interacting with other systems in order to seek the development goals (Dedijer, 1993). The concept of "learning regions" (Arbonies, 2002, Jucevičius, 2007) provides an new way to look at the concept of a region, in which the territorial aspect is personalized by assuming that a region can develop as a relatively "living organism". R. Jucevičius in one of his papers states that "the success increasingly depends on how the "territory" will be able to use technological innovation, entrepreneurship, education, special knowledge and the transformation of all organizations – public and private ones – from bureaucratic hierarchies" (Jucevičius, 2007).

After more than ten years of trying to define the strategic direction for many development fields for Lithuania one of the most problematic areas remains the territorial organization of the business support system. Unambiguously clear is only one state position, confirmed by numerous scientific studies: for the modern economy in the contemporary conditions beside free market the coordination mechanisms are necessary too (Sūdžius, 2001, Pačėsa, 2000, Jucevičius, 2007). However, regarding the choice of such mechanisms, their establishment and support as well as their implementation, the state does not create a clear strategy till now, though obviously is investing in this field the significant amount of national budget and European Union support funds. Despite the established and for more than ten years operating business support system, still are doubts about its effectiveness - the influence of different its components to the regional development and Lithuanian economy is being assessed in the different ways and the effectiveness is being measured (Viešujų, 2006, Mokslo, 2007, Informacinių, 2009), however, the all mentioned assessments are fragmentary and only partially are achieving the goals of the research. It is because the analysis of system effectiveness is held without analysing the system itself. So the context is lost – the context, which is much broader than it might seem looking at in a superficial way.

This study is the first, in which a geographer attempts to look at the dynamic and multi-component business support system in the territorial aspect, invoking the results of the previous studies, the experience of the scientists and the methods of interdisciplinary research, it reveals the possibly existing connections between the territorial business support system and nuances of development of national economic, which are directly related to sustainable territorial development and use of environmental resources.

The object of the research is the territorial structure of the business support system, its elements, features of its formation and performance.

The aim and the objectives of the dissertation. The aim is to reveal the features of the territorial organization of the business support system in Lithuania in 1998 - 2008.

In order to achieve the specified aim, the following objectives were identified:

- 1. To identify the main formal principles of business support in the context of regional policy.
- 2. To discuss major aspects of the organization of the territorial business support system and business encouragement in some European countries.
- 3. To identify the characteristics of the Lithuanian business support system formation.
- 4. To structure the forms of business encouragement in the country and to evaluate their territorial distribution and availability.
- 5. To identify possible connections between Lithuanian economic development and business support system.

It is important to emphasize that the author in this study has identified the objectives, implementation of which allows to reveal the features of territorial organization of the business support system in Lithuania in the certain period, but does not purport to assess the effectiveness if business support system or its influence on the Lithuanian economy.

<u>The research period</u>: from the beginning of the formation of the system (year 1998) till the beginning of its reform (year 2008).

The novelty and the significance of the study. Considering the studied information sources we can assert that the novelty of the dissertation reveals in several aspects:

- It is the first study focusing on the territorial aspect of business support system.
- The first study systemizing the main forms and measures of encouraging business and assessing their distribution and availability in Lithuania.
- So far there were no studies on potential links between the development of Lithuanian economy and the performance of the territorial business support system. All available researches attempt to assess the performance efficiency of particular system parts and their influence on the development of business in the country, covering only part of the possible indicators (Viešųjų, 2006, Mokslo, 2007, Informacinių, 2009).
- This geographical study is relatively unique because the topic was examined while the researched object was changing as were changing participants of the system, the relationships between them and internal and external factors affecting it. The analysis of changing system was rather complex in the methodological aspect, although a dynamic period covered only three years (the study was conducted 2006 2010, analyzing the period of 1998 2008).
- Lithuanian geographers so far have not paid much attention to becoming more popular among European scientists topics of networking, knowledge-based economy systems, their acting in a territory, links between their components, small and medium-sized enterprises, the impact of support measures on the regional development.

The defended statements:

1. The business support through various measures and territorial infrastructure is one of most effective tools of regional policy.

- 2. The administrative structure of the country determines territorial expression of business support systems in all European countries, therefore rational administrative territorial division of the country is one of essential conditions formatting effective business support system.
- 3. The formation of the territorial business support system was inconsistent, it had no clear strategy, and therefore the system is characterized by clear stage development.
- 4. There is a set of business support measures applied in Lithuania, a series of supporting organizations networks exists, but all support measures do not work as a whole integrated system.
- 5. The creation of working business support system in the country is an important prerequisite for successful encouragement of small and medium-sized enterprises.
- 6. Fairy equable network of public institutions for business support as well as measures distribution in Lithuania, create similar prerequisites for business development in whole territory of the country.
- 7. The territorial differentiation of the use of business support measures is more connected with the motivation of entrepreneurs and differences in activity of entrepreneurs in the country.

The results approbation. Three research papers was written and published on the study topic. The list of publications can be found at the end of the study.

The structure of the study. The structure of the study is based on the dissertation structure approved by the Research Council of Lithuania (RCL) (resolution of RCL from 19 November 2003 m. Nr. VI-4) as well as considering the aim and the objectives of the study:

- 1. the overview of researches, in this part one can find the overview of studies on the dissertation topic published in Lithuania and abroad according to three interdisciplinary directions: the results of research on regional development including the aspect of territorial organization of object, the results of systematic research including the overview of networking principles, the overview of researches on business support (regulation) measures;
- 2. the methodology of the study, in this part, the methodology of the study the methodological aspects of research of the systems and its participants and common methodological aspects of research.
- 3. the results of the research, in this part, the results of the research are presented revealing the formal principles of business support system, some aspects of business support in foreign countries, the territorial organization of business support system in Lithuania, the main connection between territorial business support system and economical development.

The study consists of 140 pages of text (with graphic materials), the reference list consists of 215 positions, there are presented 25 figures, 3 tables in the study.

Acknowledgements. The author wishes to thank the doctoral supervisor doc. dr. Donatas Burneika for the methodological help conducting the study. The Department of Human Geography of the Institute of Geography and Geology, administration of the institute and all colleges and family, who provided conditions for conducting the study. For the provided information and help, the author is grateful to the deputy director of Lithuanian business support agency Kęstutis Juozas Zaborskas, the junior expert of Lithuanian Free Market Institute Vytautas Žukauskas, the representative of Lithuanian innovation centre for Nord-East Lithuania Rimantas Serva, the chairman of the

association of business centres Donatas Žiogas, the director of JSC "Konsultus" Žilvinas Gelgota, the senior specialist of the Ministry of Economy of the Republic of Lithuania Inga Beiliūnienė, the deputy head of business register of the Department of Statistics of the Government of the Republic of Lithuania Dalia Mačiuitienė. The author is grateful to the deputy economic attaché of the Ministry of Economy of the Republic of Lithuanian in permanent European Union representation in Brussels Marija Kazlauskaitė, the head of Information department of Public Library of Ignalina Vanda Berdikšlienė, the language editor of Ignalina district municipality administration Laima Sidorenkienė, the secretary of the development board of Ignalina nuclear power plant (NPP) region Dainius Samkus, the director of Ignalina NPP region business incubator Irina Morozova, the director of Zarasai business information centre Nijolė Elena Šukštulienė, the heads of other Lithuanian business information centres, the heads of business departments of Lithuanian municipalities for the help collecting statistical information, conducting the inquiry.

SURVEY OF INVESTIGATIONS

Taking into account the goals and the structure of the present dissertation, the survey of research works is divided into three main integrated fields investigated by geographers, economists, sociologists, and experts of political science. In many research works, these fields intertwine in the interdisciplinary aspect.

The experience of regional development studies. The regional aspect of the studies is very important as a kernel of geographical research (Burbulytė, 2005). It provides grounds for relevant elucidation of the research subject. Geographers are not the only ones who analyse various aspects of regional development. Many relevant works including regional development also have been performed by economists. Among exponents of convergence of regional economy can be mentioned Tiebout (1956), North (1955; 1956), Borts and Stein (1964), Williamson (1965), regionų ekonomikos divergencijos teorijų atstovai: Myrdal (1957), Kaldor (1970), Perroux (1950), Hirschman (1958), Boudeville (1966), Friedmann (1966).

Recently, various issues and aspects of regional development have been analysed by different Lithuanian researchers and specialists. Here follows a brief survey of their studies. Analysis of regional policy as a new phenomenon was popular at its start after the restoration of independence and later seeking accession to the European Union. A few research works about the main principles and prerequisites of regional policy were published by R. Bagdzevičienė in germ of its formation (Bagdzevičienė, 2000, 2001). Different aspects of regional policy also were studied by N. Pačėsa (Pačėsa, 2003). A. Astrauskas (Astrauskas, 2004) Damašienė (Damašienė, 2002) and others. The role of self-government in the context of regional development was analysed by Dumčius and Šiupšinskas (Dumčius, 2003). Geographer P. Kavaliauskas devoted much attention to the problems of regional policy and administrative reforms in his scientific studies (Kavaliauskas, 1994, 2005) and in press (Kavaliauskas, 2000, 2001). Researchers from the Institute of Regional Policy and Planning investigated the concept of regional policy (Burbulytė, 2003, 2005) and its problems in the EU context (Šimanskienė, 2006, Šimansikenė, Vaitekūnas, 2006, Burbulytė, Vaitekūnas, 2006). Methods and models of regional social economic development were investigated by A. Kilijonienė, Ž. Simanavičienė and Simanavičius (Kilijonienė, 2010), regional changes of economic and social development were evaluated by Ginevičius and Podvezko (2009) and the uneven

character of Lithuanian regional development by Misiūnas and Svetikas (Misiūnas, 2003). Geographic studies of the contrasts of regional social economic development of Lithuania were carried out by R. Baubinas (Baubinas, 2000) who also introduced the main methodical principles of this kind of investigations (Baubinas, 1996, 1997, 1998, 2002, 2003, 2005; Balevičienė, Baubinas, 1998). Geographer Donatas Burneika devoted his studies to regional differences of Lithuanian economic development (Burneika, 2004, 2005, 2007).

Studies of the territorial differences of economic and SME (small and medium enterprises) development. Most of investigations of SME are based on analysis of statistical information. Mainly they are devoted to the general state of SME in the country (Darulis, 2004, Lietuvos SVV, 2005) and in very rare cases to their regional differences. The works on the territorial differences of economic development also are rare (Baubinas, 2000, Burneika, 2004, 2005, 2007). The majority of publications include general or sector analysis of economic development of the country (Misiūnas, 2003, 2008 metų, 2008, 2009, Baubinas, 1997, 1999, Lietuvos verslo, 2010).

Entrepreneurship have been poorly investigated in Lithuania though the term itself is often used in various studies and projects; mainly in relation with the analysis of entrepreneurship of certain social groups (Verslumo, 2007, Virvilaitė, 2007, Solnyškienė, 2008, Guščinskienė, J. Čiburienė, 2009, Atskirų..., 2005).

Experience of systematic investigations. Systems were analysed by researchers L. von Bertalanffy, K. Bolding, P. Lourens, R. Mokler, Ю. П. Саламатов and others. As analysis of a network is a part of the general theory of systems analysing the interaction between components, it is closely related with the above mentioned fields of research. Theories of "structural holes" (Burt, 1992) and "the strength of weak ties" have been developed (Granovetter, 1983). The network theory reveals important aspects affecting the territorial unevenness of the analysed business support system. Recently, much attention has been paid to analysis of social networks (Vilkas, 2009, Borgatti, Foster, 2003, Kilduff, Tsai, 2003, Juhiainen, 2007).

Business incentive (regulation) measures. The process of business incentive and its influence on economic development became an object of detailed research in 2002 when Lithuania received support from the EU funds. The general goal of most of ordered studies was to analyse the experience of different countries in the field of business support and use this experience for improvement of the Lithuanian business support system or its discrete components (ES ir kitų..., 2005, ES šalių..., 2007, Viešųjų..., 2006, Viešųjų..., 2007, Europos Sąjungos..., 2006, etc.). EU support. Comprehensive investigations, monitoring and generalizations as well as public information about the business support system are fields of activity of the Ministry of Finance of the Republic of Lithuania (LR finansų..., 2010), agencies in charge of control of support measures in different sectors (Lietuvos verslo..., 2010), banks and EU and other institutions (Jakaitienė, 2007). Researchers Gineitienė, 2003, 2005, Garškienė, 2006, Mačys, 2006, Gečas, 2004 and others).

Different practices of business support. Many complex applied investigations discuss different practices of business support (SVV finansavimo, 2004, Informacinių ir, 2009, Viešųjų paslaugų verslui standartizavimo, 2007, Viešųjų paslaugų verslui tinklo, 2006, etc.). Clusterization in Lithuania has been mainly analysed by R. Jucevičius (Jucevičius, 2008, 2009) who also has compiled cluster maps of Lithuanian industry and business enterprises. The activity of business angels has been discussed during business

events and by mass media for some time already. Yet only one comprehensive study has been implemented in Lithuania so far (Europos sąjungos ir kitų..., 2006). The greatest number of publications about innovations has been issued by the Lithuanian Innovation Centre (Jakubavičius, A., 2005 Jucevičius R, 2005, 2008, Strazdas, 2003, Melnikas, Jakubavičius 2003, etc.).

State participation in the SME incentive system, principles of support and regulation and the role of state in SME development have been studied by Dr. N. Pačėsa (Pačėsa, 2000, 2003, 2007). In 2001, Sūdžius distinguished three major attitudes towards the development of small enterprises and the role of the state in this process (Sūdžius, 2001).

In the international context, state participation in the SME incentive system can be analysed in two aspects: studies of the foreign experience organizing business support carried out by Lithuanian researchers (Viešųjų..., 2006, Viešųjų..., 2007, Europos Sąjungos..., 2006, etc.). Studies of foreign researchers devoted to the situation in their countries where emphasis is placed on the discussion of the instruments of EU support system and their advantages (Baterira, 2000, Support, 2000). Complex investigations of the subject under consideration are lacking.

Undoubtedly, there are more studies relevant to the subject under consideration yet the applied method of information search only was helpful in finding some of them. Many studied research works are very interesting and valuable. For this reason, the author made an attempt to use the experience and competence of other authors for supplementing the subject of the present research work.

METHODS

Methodological aspects of investigation of the system and its participants. For a long time, the methods of geographical investigations in Lithuania have been rather conservative. The majority of geographers have supported the classic methods, i.e. employment of the methods of theoretical human geography. Today, researchers of different branches of science including geography more often give thought to the importance of empirical methods. A notion of representation has come into circulation among geographers. Gilmartin has claimed that geography is representation in its broadest sense: interested in and producing written, visual and oral representations (Gilmartin, 2004). Geographer J.S. Jauhiainen has devoted one of his articles to exhaustive discussion of methodological problems of modern geography including representation (Jauhiainen, 2007). Based on the critical remarks made by Thrift (Thrift, 2002, 2007), he points out three key issues of geographical studies: distance, codification and a way of knowing.

The present work analyses a very complicated multi-component and dynamic system with various kinds of ties between animate and inanimate participants therefore direct participation in the system analysing it from the inside and from the outside is an advantage for employment of the empirical research methods expecting to avoid the mentioned problems. The empirical investigation was divided into the following steps generalized by J.S. Jauhiainen based on Soy (1997) and Yin (1984), (Jauhiainen, 2007): establishment and definition of the field of research; selection of the data collection and analysis techniques; preparation to collection of information; collection of the data with

new methodological information; evaluation and analysis of the data; preparation of a report reflecting the research questions and topic.

Much attention is devoted to systematic approach. The term system is here applied to a set of interdependent components embodying closer relationships between each other than the relationships between it and a set of other components. A system always is an object of higher quality than its separate components. A system harmonizes functionality, structural integrity, organization and the mentioned system quality. If any of these elements is lost the system will disintegrate. (*Canamamos*, 1996). Though it is obvious that it is impossible to speak about a perfectly functioning business support system the whole of elements discussed in the present work will be called a system though imperfect and inadequate yet the only possible at the moment.

Based on the system theory, the system discussed in the present work may be described as: social (according to the substance and properties of the constituent elements and relationships), big, complex, dynamic, open, and controlled (according to the general properties of the system: territorial boundaries, integrity, divisibility, uniqueness, indeterminacy, and diversity). The main characteristics of the system under consideration are: functional – business incentive, morphological – a whole of legal persons and provided services by them and progressive – various processes.

The territorial aspect is one of the most important ones of the system under consideration. The business support system has clear territorial expression: it is closely related with the administrative units (both the institutional network and territories of activity), location of the representatives of target groups, system elements and results of the activity of target group representatives in a territory predetermining its social economic development.

The territorial business support system mainly was created by the state yet this is far from guaranteeing positive results. The present work contains analysis of the stages of system development according to G. Altov (Altov, 1984): selection and improvement of elements, dynamization and improvement of the system are related with the system development stages distinguished by the author.

The energy produced by a group of network members raises the interaction into a new level creating a system and their actions within networks are called *networking*, i.e. purposeful action to shape networks (Kilduff, Tsai, 2003, Ibarra, 2005, Vilkas, 2009). The networking theory analyses the role of relationships between components. The activity of the system under consideration actually is based on the ties between network members and their behaviour in the network without denying the external influence factors. The behaviour of network members often is interpreted as a result of their position in the network. However knowledge of structural positions of network members does not mean that their behaviour and characteristics can be predicted for certain (Vilkas, 2009). A position in the network alone is of no use. It is turned into an advantage by the personal faculty of a member to make relevant use of it (Burt, 1992, Granovetter, 1983). This aspect reveals the importance of internal, even personal, links in a network related with the efficiency of action. Business support system is analysed including a survey of support institutions because the results of their activity directly affect the system performance and its territorial peculiarities.

Geographers often investigate the results of human activities apart from the acting persons. Yet humans should not be strictly distinguished from nonhumans, i.e. objects. They should be regarded as elements of coherent hole. The human and

nonhuman participants are called actor-networks (Latoru, 2005). The system analysed in the present study is composed of a great many of components: institutions and their services, different forms of support and receivers of support – enterprises, yet neither of these components could act without humans. Therefore it is important to take into account the "soul" of the system, i.e. people and their interactions creating a series of relationships. As organizations are run by leaders who are responsible for successful business and compete for support, analysis of the networking of leaders is regarded as very important topic of this study. Operative, strategic and personal forms of networking initiated by leaders are distinguished (Ibarra, Hunter, 2007, Vilkas, 2007).

Analysis of business support system and its territorial organization is based on the methods of constructive thinking suggested by the theory of constraints (Goldratt, 2000). The theory of constraints is based on an assumption that any system has one or a very small number of constraints which predetermine a many other consequences. Logical diagrams of causes and consequences lie at the methodical basis of cogitation processes. This method is attaining a universal character and is used for efficient management of any complex and dynamic system. The analysed business support system is marked by permanent changes of internal and external agents and components what makes it a permanently learning and, presumably, improving system. The theory of constraints propagates a systematic attitude towards any viable systems, teaches to regard them as living organisms where all parts must unite efforts not only for survival but also for achieving more of their goal.

General aspects of research methods. The studied time frame. Taking into consideration the stages of territorial organization of business support system (section 3.3.1), the longest possible time interval was chosen – 1998–2008 – representing the most important and longest development stage of the system. It was expected that this time interval would allow complex and comprehensive analysis of the chosen topic regardless of some inconveniences of the choice (large set of data, lack of integrity of available data, etc.).

Use of databases. A few internal databases of institutions were used. Their analysis, filtering and calculations made provided a basis for conclusions about the studied processes. Qualitative and quantitative analysis of the information accumulated in the databases of services, clients and demands of the enterprises in the network of public services to business in the Ignalina NPP Region. The data collected are rather exhaustive and, in author's opinion, may be a better reflection of the actual state-of-the-art in the studied system than a survey of the representatives of small and medium enterprises using questionnaires. The three databases are compiled by a unified method. The processed data from these databases allowed revealing the rarely studied aspects of business people behaviour and attitude towards the business support measures and their territorial organization. The database of the Lithuanian Business Support Agency. The Agency kindly allowed using the database containing relevant information (about 6500 entries) about EU business support utilization in the Lithuanian municipalities in 2004-2008 according to the following measures: Priority 1: Development of social and economic infrastructure; measure 1.2. Priority 2: Ensuring energy supply stability and accessibility and higher energy efficiency. Priority 3: Development of manufacturing sector; measure 3.1, Direct business support; measure 3.2, Improvement of business environment; measure 3.4, and Public tourism infrastructure and services. Using the data of the Lithuanian Ministry of Finance obtained from the signed support agreements (Implementation, 01 01 2009, the data from the Lithuanian Ministry of Finance) about the average sum of money from the EU SF per person of county and the data of the Lithuanian Business Support Agency (LVPA), the amount of support per one person by provided measures was calculated and compared. Using the database of the Ignalina NPP Regional development Agency about the business support utilized in 2004–2009, containing the information about each of the 139 projects, the financial means for every municipality, average project costs and other data were calculated.

Qualitative and quantitative analytical methods and their combinations were applied in the present study. The information was collected from internal and external primary and secondary sources. The unpublished relevant information also was analysed from the initial sources. A popular quantitative research method was employed: *public survey*. The survey method is easily formalized and facilitates analysis of collected data. The surveys pursued two goals. Goal 1: collection of factual information. Goal 2: collection of information about expert opinions. The survey was carried out in the following main forms: *conversation* (with a few tens of famous experts, and heads of institutions in Lithuania, Ireland, Austria, Bulgaria, Sweden and Finland), *electronic interview* (targeted written addresses to Lithuanian and foreign institutions) and survey using *questionnaires* (of all Lithuanian municipalities).

For evaluation of foreign experiences, the following possible data sources were analysed: the Lithuanian Development Agency, attaché of the Ministry of Economy of the RL for economy in Brussels, and other institutions. It turned out that the information available in Lithuanian is concentrated in a few studies which give examples of foreign experience (ES ir, 2005, Mokslo, 2007, Viešųjų, 2006, Viešųjų, 2007). These studies were analysed and the obtained information supplemented with the information about other countries (all EU member states and some other European countries) taken from public sources in foreign websites and documents (Support, 2000, Enterprise, 2010). For deeper understanding of the foreign experiences, the business support institutions were visited in the following countries: Ireland, Austria, Bulgaria, Spain, Finland, and Sweden. For thorough survey, three countries from different European regions were chosen: Ireland, Poland and Finland.

The study also includes public statistical data collected by the Lithuanian Department of Statistics at the Government of the RL. Both direct and calculated (e.g. level of entrepreneurship) data were used. The statistical information about the current situation in the SME sector is rather problematic both due to the status of activities of enterprises (e.g. registered but not operating enterprises) and due to the specific method of statistical data collection in general. Only in very rare cases, it was possible to obtain data about municipalities. Sometimes, the statistical information necessary for diagrams was taken from the cited sources and updated maximally to ensure the consistency, comparability, and representativeness of the analysed data as well as their compatibility with the time frame under consideration.

The level of entrepreneurship of Lithuanian population was calculated for determining the links between entrepreneurship and the number of operating institutions designed for business incentive and providing services on easy terms to starting and advanced business people and enterprises and natural persons planning to start their own business. The most popular technique of calculating the level of entrepreneurship was chosen: the number of SME per one thousand of population. The term entrepreneurship is

applied to a set of natural or attained features allowing perceiving the opportunity to create economic and social values (Measuring, 2008).

Traditional methods were used for processing of statistical data for sketch maps and diagrams: data standardization, recalculation (e.g. according to the types of support), grouping (clustering) according to relevant features, comparison, variation (determining average deviation values), and other. The sketch maps and diagrams were compiled using standard computer programs offering a possibility of work with graphic material. The study includes many schemes allowing visual expression of the information about systematized support measures and some analysed processes.

RESULTS

Formal principles of business incentive system in Lithuania

The role of the state in the business incentive system for small and medium enterprises is an object of discussion in different public circles: state and local administrative institutions, scientists, politicians and business representatives. The forms and methods of support to SME development are very different and the national strategy in this sector is an important task of the internal policy. Scientific sources and mass media abound in different statements concerning business: from promotions of absolute liberalization of business through to its strict regulation and control. According to Sūdžius (2001), there are three principal attitudes towards the development of small enterprises and the role of the state in this process: easy terms and prerogatives are incompatible with the functioning of market laws; SME must have exclusive conditions; SMEs must find their niche where they would be efficient (Sūdžius, 2001). Attention and support for SME development in any acceptable form from the state institutions is a prerequisite of friendly environment for development of private sector recognizing its economic importance and positive effects in terms of long-range prospect.

Lithuania strives to create stable conditions for economic and social development because their permanent improvement is one of the major tasks of a state. A few strategic documents describing the principles and main lines of SME development have been developed and adopted. Analysis of the documents reflecting the intentions of the state in respect to business (Dėl valstybės, 2002, Lietuvos ūkio, 2002, Dėl Lietuvos, 2005, Lietuvos, 2006, Lietuvos 2008, Ekonomikos, 2009, LR finansu, 2009) revealed a few tendencies: with changing political and economic conditions in the country, the principles of strategic documentation also change; formation of new strategic principles does not ensure the continuity of implementation; the strategic documentation sometimes lack integrity. The state offers a great many of measures and forms for SME development which, of course, contribute to business effectiveness and SME transformation in Lithuania. The government sets the guidelines for business development and establishes the priority sectors on a regular basis. Depending on political and economic situation, the priority sectors and support forms change. Yet it should be pointed out that effective utilization of support requires more than the state initiative. Small and medium enterprises also should be eager for development.

Main business regulation principles in Lithuania. Business conditions are one of the main factors predetermining competitive ability of a country. Since 2004, a "Doing Business" investigation has been carried out which allows evaluating legal regulation of

Lithuanian business. The project is implemented in 183 countries. During this time span, Lithuania actually has not improved the measured indices (Doing, 2010). This leads to a conclusion that the solutions of problem situation in Lithuania are inadequate. The Lithuanian Free Market Institute points out three ways of economy regulation (Knyga, 2000).

Legal regulation. In Lithuania, the SME subjects and applied forms of state support are established by the Law of Small and Medium Enterprises of November 24, 1998(LR smulkiojo, 1998). State support to SME subjects also is rendered within the national, county and municipal SME development programmes whose development and implementation is budgeted by the state and municipalities and by different foundations. The starting and operation of SME is regulated by legal documentation of the Republic of Lithuania. The limited space prevents from thorough analysis of the principles of mentioned documentation. Only a few aspects relevant for the present study will be mentioned: there are too many requirements and documents regulating the business environment and business development conditions. Many Lithuanian legal documents are complicated and confusing and can serve as a good basis for complexity of procedures and lack of transparency.

Administrative regulation. Administrative regulation also should be viewed in two aspects: administrative burden — expenditures by business subjects on implementation of the requirements to provide information about their activities and production to state institutions or private persons. This burden is obviously too heavy in comparison with other sectors of activities as is reported in many research works (Čepas, 2006). Control — a whole of business control national and municipal organizations and institutions which are authorized by the laws of the Republic of Lithuania to control business subjects. In 2006, there were 152 national control institutions in Lithuania (Čepas, 2006). Even simplification of administrative procedures, let alone simplification of control principles, would make the business conditions easier.

<u>Economic activity</u>. The economic activity is analysed in the present study only in the aspect of subsidized services to SME by state institutions. The state institutions providing non-commercial information, consultation and office services are market members which unfairly compete with local consultation and information service enterprises.

Regional policy and its influence on business support system development. Analysis of the territorial business incentive system and related processes of economic development of the country inevitably includes the issue of the role of regional policy. For determining this role it is necessary to overview briefly the fundamental aspects of Lithuanian regional policy. Regional policy is an important part of public policy designed for reducing social and economic differences between regions. The Lithuanian Ministry of Internal Affairs informs that Lithuania pursues two regional policies (Lietuvos regioninė, 2009):

I. Regional policy of the EU. In terms of the EU regional policy, Lithuania is a region where the stated aim is to improve its well-being to reach the average economic development level of the EU member states. The EU structural policy is implemented through the support of structural funds including financial assistance to business. This aspect is important for the topic under consideration. Financial assistance of the EU structural funds is accessible to all potential applicants all over Lithuania: business subjects and natural persons who are up to standards. This means that the mentioned

policy also is evenly implemented in respect to the studied phenomenon – support for business development.

- II. For implementation of the national regional policy, territories are identified with the serious social and economic problems which have been classified as priority ones (Dėl LRIAE region, 2002, Dėl probleminių, 2004). These problems are resolved by a complex of economic and social intervention measures embracing different economic sectors. The national regional policy is implemented in Lithuania in two directions (Lietuvos regioninė, 2009):
- Long-range development is aimed at: the improvement of economic well-being and strengthening competitiveness in regional centres. In the light of the chosen topic, this direction is implemented through establishment and strengthening of business support institutions in regional centres.
- Short-term development is aimed at: improvement of the living standards in the problem municipalities. Extra rating points are given to the projects of applicants (for support from structural funds) from the problem municipalities. The projects from the problem municipalities (Dėl probleminių, 2004) have an opportunity to compete on preferential terms with the better projects for the only reason that they will be realized in problem territories. Financial assistance also is given to the enterprises from problem territories by jobcentres (Dėl darbo, 2006). The support measures from the jobcentres are not available to other Lithuanian municipalities. Supplementary support measures (financial and non-financial) are applied to the enterprises of the Ignalina NPP Region (Dėl LRIAE regiono, 2002, IAE smulkaus, 2004) for moderation of social economic consequences of operation and decommissioning of the nuclear power plant. Redistribution of financial means in municipal budgets also can be mentioned as a measure of regional policy.

Small and medium enterprises are among the main instruments of regional policy contributing to minimization of regional development disparities (Pačėsa, 2003). The territorial expression of the analysed business support system can be defined as one of the complex measures of regional development. So far, an integrated view of the regional policy and regional development as a measure of balanced development of the country and as a basis for economic and social welfare is lacking in Lithuania.

Survey of foreign experiences of business incentive

Different kinds of assistance to SMEs are practiced in all member states of the EU. In the last ten years, the concern about SMEs has strengthened. Efforts are put to creation of favourable environment for SMEs development and strengthening of their competitiveness. In the EU member states, special attention is paid to small innovative enterprises creating new working places. Their investment activity is supported and they can receive financial support on preferential terms Mažylis, 2006).

There is a great variety of business incentive measures. Different sources of information contain their various classification patterns (ES ir, 2005, Mokslo, 2007, Viešųjų, 2006, Viešųjų, 2007). The present study views the role of countries in business incentive process irrespective of whether the beneficiaries receive financial (subsidies, grants, tax exemptions, etc.) or non-financial (information, consultation, training, etc) measures because these measures are integrated and can hardly be separated. All EU member states and many countries of the world have business incentive systems. Their territorial distribution is the main topic of the present study.

After the visits to Irish, Austrian, Bulgarian, Spanish, Finnish and Swedish institutions of public service to business and analysis of different sources of information about the foreign experiences in the field of public services (Support, 2000, Enterprise, 2010, ES ir, 2005, Mokslo, 2007, Viešųjų, 2006, Viešųjų, 2007), the main forms of business incentive were classified into three groups according to the role of the state:

- The state creates and largely or completely maintains a system of non-profit organizations providing a wide range of public services (Lithuania, Sweden, Bulgaria, and Poland);
- The state subsidizes or compensates services provided by enterprises and consultants to other enterprises (Germany, Spain, and Finland);
- The state leaves business inciting function to business itself (namely, the services are provided by private consultants).

Many European countries have developed institutional business support systems related with medium-size or large administrative units. As has been observed, the business inciting function is being performed by multifunctional institutions responsible for regional development (regional development agencies etc.) (Ireland, Austria, Spain). The functions of business support institutions in these countries are more wide-ranging and include larger territories than in Lithuania.

The integration of business support system into the general European context may take different ways. Country's being a member state of the EU only shows the comparability of financial instruments of regional policy: support of structural and other shared funds. Yet the level of integration rather depends on the activity of system members and networks. The following common features are characteristic of the business support systems and their mutual integration in EU member states:

- Many systems are composed of a few or several networks: institutions and organizations with different functions, density, location, etc.
- Branch organizations join the networks within and outside the country developing regional, international and shared European networks. The organizations participate in the international networks individually or as national associations.
- As the systems of each country are very complicated only their smaller or bigger parts cooperate outside the country.
- The networking includes a few layers: some organizations and networks participate at other initiatives and some do not participate anywhere or limit themselves only by formal internal relationships.
- Business support systems of all European countries interact. In this sense, there are no isolated countries. The interactions are stronger or weaker yet all countries have a possibility to interact. (E.g. Byelorussia together with the neighbouring countries can use the EU support measures for strengthening the trans-border cooperation. This incentive can be realized through improvement of business support measures.
- The interaction can be long- or short-dated (through projects or by joining into associated structures).

In Europe, there are many network organizations uniting the institutions and networks of public services to SME. The European Association of Development Agencies and the European BIC Network are among the largest networks of business and innovations (in 2010, the BIC Network had 570 business support members from 45 countries of the world (18 countries are not member states of the EU) and more than

3000 specialists. The BIC Network unites more than 200 business and innovation centres), etc. (EBN, 2008, EURAD, 2008).

Territorial organization of business incentive system in Lithuania

Development history of business incentive system in Lithuania. Since the restoration of independence, the business support system of Lithuania has been unceasingly developing. On the one hand, the state takes certain planned steps in creating participants of the system and maintenance of functions. On the other hand, business itself declares demand for services, support and incentive through participation in the national processes. The theoretical vision of perfect business support system is multicomponent in terms of participants, processes, expected results and different interests. The main two interests, however, are the following ones:

Incentive party and its expectations. Having decided to support trade, the state selects forms of support taking into consideration the trade demands and peculiarities of economic development what predetermines the territorial implementation of support measures: creation of regional financial assistance funds (SME support programme for Ignalina NPP Region)(Ignalinos, 2008), networks of support institutions in local municipalities (network of institutions of public service to trade)(Dėl paslaugų, 2003), counties, etc. The state also plans the return of investments, i.e. the effect of support. Seeking effect, measures are taken to encourage the enterprises to behave in such a way in which they would not behave under the conditions of free market.

Beneficiaries and their expectations. The response of trade to incentives varies. The general prevailing attitude of entrepreneurs is that incentives are "inconvenient" or not the ones necessary. It should be recognized that in many cases the support mechanism is too cumbersome especially in comparison with the West European experience (ES ir, 2005, ES ir, 2006, ES šalių 2007) and the support alternatives are not variable enough to satisfy all possible demands of trade. Three groups of SME can be distinguished according to behaviour in respect to incentive measures: active, transitive and passive. The There always is a gap between the mentioned two interests. It should be corrected by improvement of the business support system.

Bearing in mind the territorial aspect of business support system it could appear most convenient for beneficiaries to receive the necessary support measures possibly closer to the locality of operation. Yet even sufficient quality and assortment of local services cannot eliminate the subjective factors of the intensity of use. The SME attitude towards the territorial business support measures is based on the opinions of entrepreneurs from the Ignalina District (Ignalinos, 2002-2009, Ignalinos AE, 2003-2009, Zarasų, 2002-2009): the attitude "closer–easier" is prevailing in utilization of the local financial support measures. Due to weaker rivalry (applicants usually are limited by the territorial aspect), the probability of receiving support from municipalities or regional support funds is higher (80 % of SME-applicants). The attitude "farther-better" is prevailing in respect to non-financial means of support: information, consultations and training. Sometimes, the decentralized non-financial support measures are inadequately evaluated.

It is obvious that the business support system will never reach the level to satisfy the expectations of trade and administration representatives. Therefore the process of formation should be viewed as a permanent one divided into certain development stages distinguished by specific features:

- Formation of the business support system (1990–1997). This stage is marked by few forms of business incentive and low support intensity. From the standpoint of territorial organization, this stage was most highly <u>centralized</u>: almost all business support measures and institutions were concentrated in the largest Lithuanian cities.
- Advance of the business support system (1998–2008). This stage was distinguished for appearance of a big number of business support institutions, measures and forms and for easy availability of support. <u>Decentralization</u> of business support measures was intensive: the absolute majority of business support measures were "taken down" to municipalities and implemented through the primary institutions of public service to trade. Of course, the EU support strengthened the intensity of development process. Yet the process of intensive development was rather sporadic and without a clear strategy.
- Stagnation of the business support system (since 2009). This stage has been marked by a reform of the business support system, financial hard times for trade, support institutions and state, and stagnation of financial and non-financial support. Territorial <u>decentralization</u> of business support institutions and services was excused by optimization of administrative structures aimed at sparing financial means.

A few trends were characteristic of the system development: permanent increase of the number of legal persons (public service institutions for business, business associated structures, persons rendering commercial assistance); permanent increase of services to business (both state to business and business to business). There were only fragments of increase of the system's efficiency, improvement of the quality of services and standardization of services and their prices.

As business support system is expected to be directed to the end beneficiary – enterprise and its contribution to economy – it should harmonize the relationships between two parties. Successful relationships between these two parties serve as a medium for functioning of the system. It is not only important to know the system but also the position of an enterprise (beneficiary) in it. There are a few prerequisites important for successful relationships between benefactors and beneficiaries.

The state is the benefactor of incentive measures. The state should develop attractive business incentive measures taking into consideration the actual needs of the enterprises on the one hand and strategic trends of SME development on the other. The supply of support measures contributes to forming the demands. Accessibility is easier when the services are closer to the beneficiaries and the receipt mechanism is simpler. Yet not only efficient territorial organization is necessary for this purpose but also active marketing.

According to territorial accessibility, the institutional structure may be classified into three main groups which reveal all levels available to entrepreneurs for state support:

- I. Local level. Initial support provided by municipalities. The institutions of this level must be decentralized to a rational degree matching the level of entrepreneurship. In recent years, these services have been available to any Lithuanian enterprise at a distance of not more than 50 km from the locality of operation of the enterprise (Smagurauskienė, 2008).
- II. Regional level, expected to be a transitory one, is poorly developed in Lithuania. Non-financial support enterprises in county centres prevail. At the time under

consideration, only one regional financial support centre operated in the Ignalina NPP Region (Ignalinos AE, 2008). III. *National level* provides specialized financial and non-financial support. The support measures are rather variable and actually available to all small Lithuanian enterprises.

It is not optional for any enterprise willing to use the support to pass the all mentioned levels. When the problem and benefactor are clearly identified, an enterprise may apply directly. **Enterprise** is a beneficiary of support. For successful operation of support system, activity of beneficiaries also is necessary. In author's opinion, entrepreneurship — ability of identifying demands and possibilities of their implementation, i.e. ability of "taking" the support — is the main prerequisite.

The balance between the interests of benefactor and beneficiary, ability of planning the desirable support results and determining the most effective support directions by one party and ability to receive support by the other are prerequisites of successful functioning of the system. The territorial accessibility of services is an important factor for business support efficiency.

The main forms and sources of business support in Lithuania. The number of support measures for small and medium enterprises in Lithuania in the period under consideration varied. The greatest number of support measures has been developed since 2004 predetermined by accession to the EU and EU support to new member states and by development of the institutional network of services to business. The trend persisted until the end of the discussed time frame. As a survey of all possible support measures is a difficult task, an attempt in the present study is made to discuss as many of them as possible. The most vivid way to describe the support principles is to classify them into two categories: "State to business" (S2B) and "Business to business" (B2B) (without analysing the benefit of business to state). Analysing the first principle, it is expedient to distinguish two main support forms: *direct support* in the form of subsidies, grants and compensations; *indirect support* public services on preferential terms, tax exemption, credit guaranties, and export insurance on preferential terms, legal incentives and favourable political decisions.

The national budget, budgets of municipalities and EU and other funds are the main sources of state support to business in Lithuania. In the light of the discussed topic, it would be relevant to discuss the state support to business classifying it into two types: financial and non-financial support.

The second principle "B2B" also can be split into two types: answering the *internal demands*, when entrepreneurs unite into associated structures or other kinds of groups designed for resolution of the business problems by joining efforts, and answering the *external demands*, when entrepreneurs render assistance to entrepreneurs (consultations, developing projects, bank services, etc.).

Non-financial state to business support.

Public services. Public services are provided through the network of public services institutions.

Legal incentives. The main legal incentives for enterprises in the environment of permanently changing legislation are special conditions for business subjects meeting the criteria for small and medium-sized enterprise.

Political solutions reflect the attitude of the state towards and actions made by it for business support. The provisions for business development in the national strategic

administrative documentation affect adoption of legal acts and direct or indirect support for business.

Other measures. Though not as frequently as the above mentioned ones, the following other measures are applied for business support: indirect subsidies, monopoly preferences, possibilities to use state possessions on easy terms, possibility to control the market, trade prohibitions and customs. (Knyga, 2000). The state universities establish non-profit trade information and career centres and develop other incentives.

Non-financial business to business support.

Association-based structures (representing objects): associations, public organizations, unions, confederations, alliances, leagues etc. There are 727 organizations of this kind (2007). These organizations have a network structure and from the point of view of territorial distribution can be classified into three groups: national, regional and local (Verslininky, 2010).

Clusters are geographically interconnected enterprises engaged in a common activity. So far in Lithuania, the units similar to clusters can be defined as agglomerations. (Jucevičius 2008).

National technology platforms. A national technology platform (NTP) is an association of enterprises and research institutions in a sector of economy. The first NTP was established in Lithuania in 2005. Today, there are 26 of them. (Nacionalinių 2009).

Financial state to business support.

National support. Every year, state budget assignments are allotted to various projects. Entrepreneurs may receive support directly by application or indirectly through the projects of enterprises which have received support already (Lietuvos verslo, 2009).

European Union structural funds support. Since 2004, Lithuania has had an opportunity to use the EU structural funds support. Some measures of EU SF are designed for improvement of business environment. In 2007–2013, over 1.5 billion Lt are allotted from the EU structural funds for business support in Lithuania.

Foreign countries funds support. There are very many financial support funds in Lithuania and in other countries. These funds encourage various business incentives: innovations, cooperation, know-how exchange, qualification extension and training courses, etc (Šiaurės, 2010, Leonardo, 2010)...

Municipality funds support. The municipal institutions can render financial support for SME development from ad hoc funds which have been established since 1998. The number of municipalities funding SME has been steadily growing: from 26 of the total of 56 municipalities in 1998 to 54 of 60 municipalities in 2006. The support from the municipal support funds can be used by SME subjects registered in the territories of municipalities.

Regional funds support. Since 2003, a programme for SME development has been implemented in the problem Ignalina NPP Region including the municipalities of Ignalina Zarasai districts and Visaginas town municipality (Ignalinos AE, 2004).

Micro-credits. In Lithuania, the credits for starting small and medium enterprises are very small. *Micro-credits* up to 25 000 EUR (in equivalent currency) are given on easy terms with smaller than is common interest (2008 m. I pusmečio, 2008, Investicijų, 2009).

Tax exemptions. There is income tax exemption for individual enterprises and non-profit units provided in Lithuania. The municipal councils could exempt from land tax before 2009.

Guarantees. Since 2002, the guaranties institution INVEGA has been providing micro-credit guarantees for credit institutions, business establishment credit guarantees for new SME's and business development credit guarantees for enterprises. To the SME subjects who made use of INVEGA guarantees, up to 50 % of the bank interest are compensated by the state (2008 m. I pusmečio, 2008, Investicijų ir verslo, 2009).

Labour Exchange support. The Labour Exchange is granting local employment initiative projects to enterprises creating new jobs, employing and training persons additionally supported on the labour market. (Dėl darbo vietų 2006; Įdarbinimo 2006; Dėl darbo įgūdžių 2006).

Financial business to business support.

Commercial banks. In 2009, there were 9 commercial banks with the Lithuanian banking licence, 7 branches of foreign banks, 5 representatives of foreign banks in Lithuania. Besides, there were 191 EU banks operating without establishing a branch and credit unions. (Investicijų, 2009).

Venture capital funds (VCF). They are investment funds established by professional venture capital investors who usually provide capital to unlisted and, sometimes, start-up companies following the adopted rules of investment of the fund. The activity of VCF is distinguished for a combination of the risk of investment and high returns (Rizikos, 2006). The individual investment model – "business angels" – in Lithuania is in the early stage of development (ES ir kitų valstybių neformalių, 2006, Europos Sąjungos, 2006).

Territorial distribution of business support institutions and availability of services. The institutional network is part of business support system and one of the forms of its territorial expression. Therefore the development of institutional network is concurrent with the development of business support system itself. At first sight, the institutional structure of business support system appears easy to identify yet it is important not only to take into consideration the location of an institution but also the specific features of services offered by it (field of activity, number of employees, and number of customers).

As the structure of business support organizations is rather uneven, often without permanent offices, hardly identifiable territorially, very dynamic and available to a narrow circle of beneficiaries it is not analysed in the present study. Attention is focused on the structure of state-supported network of these institutions and specific features of its activity.

The basic part of institutional business support structure is represented by institutions providing public state-subsidized services for business and functioning as a network of institutions of public services for business. The other part is represented by other state-supported institutions providing specialized services for business on regional and national levels. Thus public services for SME in Lithuania are provided by the subjects of the public sector. Usually the economic subjects participate in the system of public services after winning competitions for public services or as co-partners with the state institutions.

The maximal number of business support institutions was characteristic of the second half of the time frame under consideration: 2005–2008. The changes are discussed in other sections. They were rather even: the trend of increasing number of support institutions and services persisted throughout the analysed period.

The institutional Business Service Network is composed of institutions of services for business: business information centres (42) and business incubators (7) as well as innovations support network (the Lithuanian Innovations Centre with 5 embassies and 9 science and technology parks).

At the end of the period under consideration, the Business Service Network included 42 business information centres and 7 business incubators. The institutions of the Business Service Network (BSN) were established in 49 municipalities of 60. S few specific features of their territorial distribution should be pointed out: business incubators were established in some largest Lithuanian cities (Vilnius, Kaunas, Šiauliai, Telšiai, and Alytus) yet they are absent in Klaipėda and Panevėžys. Many small Lithuanian municipalities (Birštonas, Prienai, Neringa, Pagėgiai, Kalvarijos, and Trakai) have no such centres. Kaunas has two business support institutions.

At the end of the studied period, the *innovations support network* included the Lithuanian Innovation Centre with its embassies in different Lithuanian regions – Kaunas, Šiauliai (North Lithuania), Panevėžys (Nort East Lithuania), Alytus (South Lithuania) – and 9 science and technology parks (STP): STP in Vilnius, Park of High and Information Technologies in Kaunas, technology park in Šiaurės Miestelis (Vilnius), STP in Klaipėda, Park of Information Technologies in Visoriai (Vilnius), STP of Šiauliai University, "Technopolis" in Kaunas, STP of Lithuanian Institute of Agriculture, and STP in Panevėžys. The Lithuanian parks are classified into three groups according to their regional impact: national parks (Vilnius and Kaunas STP), regional parks (Šiauliai and Panevėžys STP) and regional parks which promise to become national ones (Klaipėda STP)(Mokslo ir, 2007).

Other institutions providing public service for business: youth business centres. The youth business centres operating in Anykščiai, Tauragė, Mažeikiai, Zarasai and Švenčionys districts since 2006 provide public services for business: information, consultations, youth events (Jaunimo, 2008). The Lithuanian Agency of Economic Development was established in 1997. In 2010, this institution was reorganized into two public institutions: "Investuok Lietuvoje" (invest in Lithuania) and "Eksportuojančioji Lietuva (Lithuania exporting). The public institution The Lithuanian Business Support Agency (LBSA) administrates the EU financial support and national financial means for business (regional branches: Vilnius–Alytus in Vilnius, Kaunas–Marijampolė in Kaunas, Klaipėda–Tauragė in Klaipėda, Šiauliai–Telšiai in Šiauliai, and Utena–Panevėžys in Utena) (Lietuvos, 2009).

Though the state is developing and implementing various mechanisms and measures of support for small and medium business on a regular basis a systematic attitude towards business support is lacking. There are a few evidences of the lack of systematic attitude.

- The institutional network of public service providers is developed chaotically without development and activity strategy.
- The periodically changing models of service subsidizing and financial support to institutions produce an adverse effect on the stability of the institutional activity and on the quality and succession of provided services.
- The cooperation and communication between the institutions of public services is minimal and based on the personal initiative alone. The stable links are an exception.
- There is no central institution coordinating and controlling the functioning of public service institutions and distribution of functions.

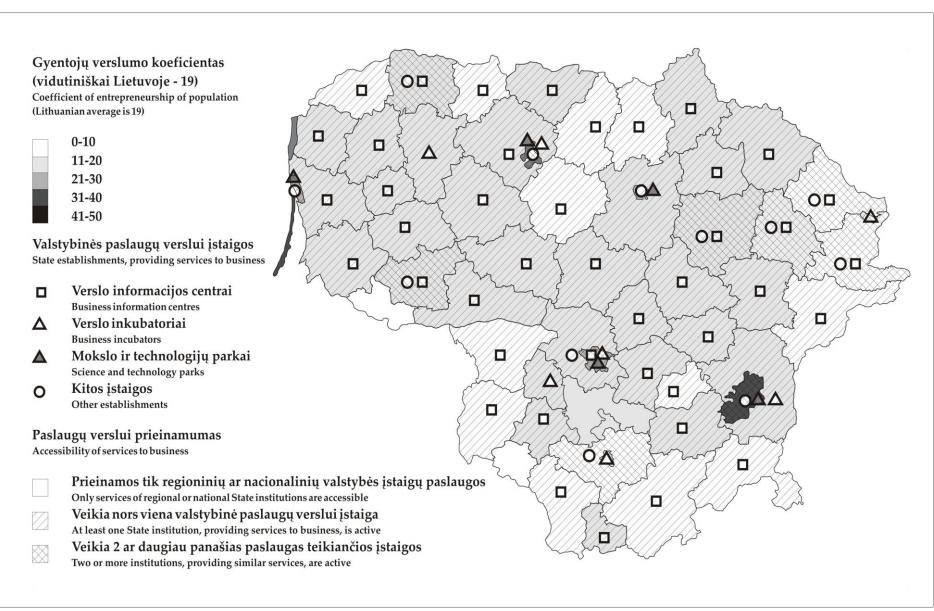


Fig. 1. Level of entrepreneurship of population in Lithuania and accessibility of services to business.

Generalizing it can be stated that though there are almost 100 institutions providing public services to small and medium business in Lithuania, the interaction between them is minimal and the networking lacks integration and sufficient standardization even at the level of identical institutions.

From the territorial point of view, the network of business support institutions is rather dense and even. Business information centres and business incubators alone are established in 49 municipalities (of 60). In many of these municipalities there also operate other state-supported institutions providing business services on easy terms (the structure of the institutions is shown in detail in Fig. 1).

It should be noted that the institutions of business support network and other state institutions providing services for small and medium business concentrate either in the largest Lithuanian cities or in peripheral municipalities where the level of entrepreneurship is lower than the average. As a rule, in the peripheral municipalities, the institutions are established due to favourable conditions – the projects implemented in problem territories receive financial support on relatively easy terms in – and due to expected effect of institutional activity. On this basis, the youth business centres, the Ignalina NPP Regional Development Agency and others have been established. Meanwhile, the big cities concentrate the institutions providing a wider spectrum of services (business incubators) and serving specific groups of customers (science and technology parks). Their customers are more advanced that the starting entrepreneurs. In these cities, the state-subsidized institutions compete with private providers of services.

The function of all business support institutions established by the state can be in a simple form described as business incentive in their operation areas (from training entrepreneurship through to improvement of business environment and establishment, support and development of enterprises). Finding the links between the activity of institutional business support network and other state-supported and private institutions and the level of entrepreneurship is a difficult task because of the ambiguity of the notion "entrepreneurship".

As it can be seen on the entrepreneurship mapping scheme of Lithuanian inhabitants, the level of entrepreneurship around the country is similar and it is close to the average. The lowest level of entrepreneurship is in Pagėgiai (5), Ignalina, Akmenė ir Kalvarija (7) municipalities. Higher-than-average level is in Kaunas (26), Klaipėda (27) and Šiauliai (21) cities, and the highest level is in Vilnius city (36), Palanga (32) and Neringa (48) towns.

In summary, it can be said that the relation between a number of business service institutions and entrepreneurship in municipalities is:

Direct: when there is higher-than-average entrepreneurship of inhabitants and more than one business incentive institution, since there is higher demand for services, greater number of potential customers, and greater number of legal persons running specific activities (for example, customers of science and technology parks).

• Inverse: when institutions are established in the municipalities with lowerthan-average entrepreneurship rate (one of the main aims of state-funded institutions is to incite entrepreneurship and to support the establishment of small and medium-sized enterprises)

Importance of small and medium business development for country's economy. All authors analysing small and medium business emphasize its importance of country's economy (Informacinių, 2009, Darulis, 2004, SVV, 2006, SVV, 2002,

LR ūkio 2010, 2008 metų, 2009, Lietuvos SVV, 2005, Rudzikis, 2008). Successful SME development is in direct relationship with and one of the most important factors of successful development of country's economy in general.

The structure of Lithuanian enterprises according to the number of employees is similar to that of the EU enterprises. SME's with fewer than 250 employees make the absolute majority (99.4 %) of all Lithuanian enterprises. They employ 70.6 % of all employed individuals in the country (Lietuvos MVI, 2008). 74 % of all Lithuanian enterprises are micro-enterprises (ME) with up to 9 employees (this figure actually has not changed since 2003). The distribution of ME in the counties is very uneven. The counties with the big Lithuanian cities as their centres concentrate the greater part of ME. In the Vilnius County, the number of ME accounts for one third of all operating ME. Another one third of ME operate in the Kaunas and Klaipėda counties. In 2003, the GDP created by ME exceeded two thirds of the country's total and has not decreased since then. The GDP per capita has grown from 12.5 Lt (1998) up to 29 thou Lt (2008) and accounted in 2008 for 55 % of the EU average. In 2000, the portion of SME in the total value added (TVA) accounted for 55.7 % and this part has been steadily increasing (64 % in 2008). The value of commodities and services created by ME has been growing every year. In other words, the role of the enterprises in the Lithuanian economy has been gaining increasing importance (Informaciniu, 2008).

The small and medium business has to distinguishing properties: sensitivity to market changes and flexibility which allows regulating the development trends of these enterprises through support measures and in this way resolving the national and regional economic problems. Small enterprises are first to respond to market changes, more easily adapt themselves to these changes, find new markets and fill the free niches in them.

Territorial links of business support systems with the trends of economic development. In 2007, a territorial survey of Lithuanian economy was carried out in the context of regional and global trends (Lietuvos ūkio, 2007). The obtained results not only exhaustively reveal the trends of economic development but also are closely linked with the studied topic once again proving its relevance. The trends of economic development can be divided into two groups. The illustrating conclusions of the present research will be discussed in relation with the specific features of territorial business support system:

Knowledge-based development. I is related with the faculty of and conditions for acquiring and practical implementation of knowledge. This trend is closely related with the business support system via its different components: firstly the indirect support, i.e. the state to business and business to business support using non-material measures – dissemination of knowledge through information, consultations and training. The major role in this context is played by the territorial institutional network (business information centres, business incubators, regional branches of the Lithuanian Innovation Centre, Science and Technology parks, etc.), providing public services, and organizations of associated business structures (regional and branch associations of business structures, clusters, STP, etc.), the most flexible group of small and medium enterprises easily adapting to the changing environment.

<u>Flexibility-based development</u> is the faculty of taking market challenges. The streamlined functioning of business support system provides a possibility for business to benefit not only from new knowledge and financial support but also from practical advanced state-supported recommendations in the fields of business development and international business what guarantees a permanent operative assistance in daily activity

of enterprises resolving problems and filling the gaps of competence. The more professional and easily accessible (in terms of financial and time expenditures) is the support the smaller is the probability of mistakes made by the enterprises. Meanwhile, a successful development of enterprises is in direct relation with a successful economic development of the country.

One of the state-ordered researches carried out using the methods of the Theory of Constraints (TOC) identified 4 problems of SME in Lithuania (Efektyviai, 2007). Å problem is an obstacle or constraint encumbering the movement towards the set goal. In this context it is important to find out the ways how business support system functions in the larger SME system and how it is related with the general welfare of the SME system. The "Fair Business Tree" constructed by a team of scientists revealed the key problem of SME system: "Society does not feel the positive influence of SME on their life standards". It also pointed out four related problems in the resolution of which the business support system is of primary importance: low entrepreneurship culture, too strict conditions for starting business, insufficient financial support and material resources, and insufficient entrepreneurship competence. Systems of business support may strongly contribute to resolving the problems provided that they do not turn into a state problem. Only adequately supported and not reformed thoughtlessly they can serve as a tool of improvement the situation with SME and concomitantly contribute to growing the value added bearing in mind that this group of enterprises creates the greater part (60 %) of the GDP.

The portion of GDP created by SME shows the importance of small and medium business. As was already mentioned, small and medium enterprises account for 2/3 of the total GDP. Geographer D. Burneika has analysed the specific patterns of GDP distribution in municipalities (Burneika, 2007, 2008). The author of the present study compared the results reported by D. Burneika and the sketch map of GDP per capita from the country's average with the sketch maps reflecting other studied indices and found out the following regularities:

- The relative country's GDP indices are related with the indices of the level of entrepreneurship. The value of GDP created in the municipalities with the greatest number of SMEs per 1000 thou of population exceeds the average. These are municipalities of big cities: Vilnius, Kaunas, Klaipėda, Šiauliai, Panevėžys and Neringa and Visaginas municipalities.
- In the territories marked by higher GDP and entrepreneurship indices, the number of provided business support measures is higher and the number of operating business support institutions is more than two. It cannot be stated for certain that the activities of the mentioned institutions affect the mentioned indices. Rather the institutions in these municipalities are established as a result of stronger demand for business services and a great number of customers.
- Analysis of the assimilation intensity of support to business shows that the greatest levels of support utilization are not characteristic of municipalities with greater numbers of support institutions and enterprises (Birštonas, Kazlų Rūda, Druskininkai, Visaginas, and Molėtai municipalities).

As was mentioned, the author does not attempt to evaluate the effectiveness of the system or its influence on the Lithuanian economy understanding that the objectively measured indices alone (the compositions of which are an object of discussions) are unable to reveal this objectively complicated phenomenon to the full. However, the compared indices show that relationships may be variable and not always logically explainable. In the author's opinion, an overall evaluation of the relationships between business support systems and economic development require taking into consideration the subjective factors (traditional activity, susceptibility innovations, experience, etc.) which are permanently discussed yet not measured unless during fragmentary surveys.

There are tens of types of support available to Lithuanian entrepreneurs. Every enterprise can benefit at least from one type of support. In the territorial aspect, every enterprise working in the territory of Lithuania can get direct primary consultation, actual information and practical help no farther than 50 km from its office let alone the information available via different communications. Despite the mentioned, seaming favourable, conditions to benefit from the support for putting the ideas into life, project funding and business development, there can be observed sharp differences in assimilation of financial support in different Lithuanian counties and municipalities. Two main forms of financial assistance, differences of assimilation of support rendered by these forms and causes of assimilation differences are discussed below.

Assimilation of EU financial assistance to business.

The analysis of the statistics of the Ministry of the Finance for the years 2004– 2008, the support assimilated by the Lithuanian municipalities after joining the EU according to the Lithuanian Single Programming Document (SPD) for years 2004–2006 and Cohesion Fund Strategy for years 2004-2006 (totally 5.9 billion Lt. and 3545 projects) showed obvious territorial differences: Tauragė and Telšiai counties succeeded less in assimilating the support (under 300 million Lt.), whereas Vilnius, Kaunas, Klaipėda, Šiauliai and Panevėžys counties were the leaders (over 500 million Lt). However, according to the relative figures of the average amount of EU SF grants that go to one inhabitant of the county according to the signed grant contracts in Lt., the leaders are Utena (1313), Panevėžys (1229), Alytus (1224) counties, and the lower-than-average rates (975) are characteristic of Telšiai (868), Tauragė (855) and Kaunas (764) counties. According to assimilated support through special measures (Development of social and economic infrastructure – 1.2 Ensuring energy supply stability, availability and higher effectiveness – and development of economic sector (3.1. Direct business support, 3.2. Improvement of business environment, and 3.4. Public tourism infrastructure and services), the greatest relative benefit (in Lt) was gained by Marijampolė (406), Panevėžys (346), and Šiauliai (323) inhabitants. The least benefit was gained by inhabitants of Vilnius (20) and Klaipėda (82) counties.

According to statistics on assimilation of EU SF assistance by the above mentioned special measures (together with the national co-funding) provided by the Lithuanian Business Support Agency, the situation is slightly different. The municipalities of the largest Lithuanian cities were able to absorb the largest amount of support for Business Environment Improvement (in million Lt): Vilnius city (208), Kaunas city (123), Panevėžys city (101), Šiauliai city (100), Klaipėda city (78). Among the leaders, there are also Kazlų Rūda (62) and Druskininkai municipalities due to implementation of some large projects. In the period 2004–2008, the average of assimilated support per municipality was around 21 million Lt aimed at improvement of business conditions.

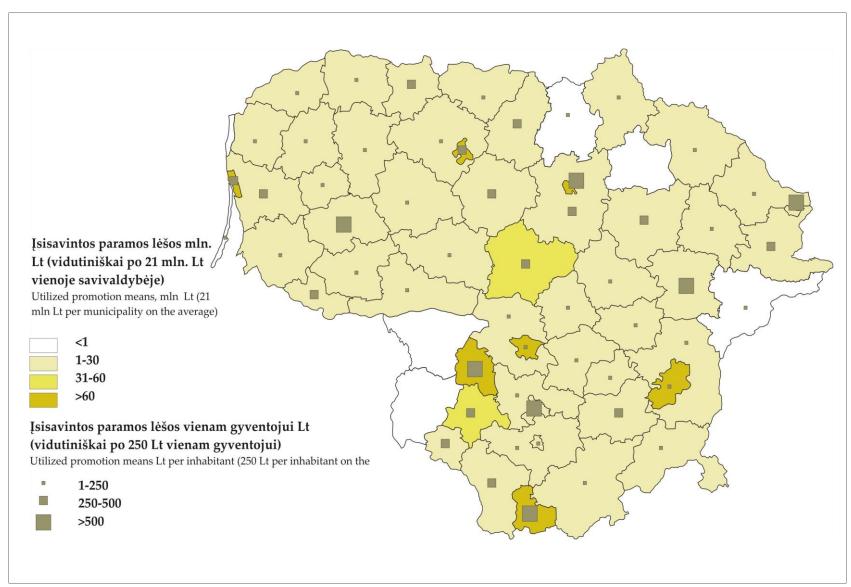


Fig. 2. Utilization of EU structural funds in Lithuanian municipalities according to special measures for business (1, 2; 3.1; 3.2; 3.4) in 2004-2008

According to the data on the funding for business environment improvement assimilated per inhabitant (data for 01.01.2009) Lt, the inhabitants of small municipalities which implemented some large projects gained the biggest benefit. These were Birštonas (3836), Kazlų Rūda (3533), Druskininkai (1087), Visaginas (898), Molėtai (712) municipalities. The average per inhabitant was 250 Lt of assimilated support for business projects. The analyzed figures were lower for 38 municipalities than the Lithuanian average. Municipalities of Kupiškis, Vilkaviškis, Palanga and Šakiai were not able to utilize any of the support.

Municipal funds support to business. Municipal financial assistance to small and medium business is one of the state support forms with a very well defined territorial expression. Municipal institutions may render financial assistance for SME development from the established SME support funds. Only SME subjects registered in the municipal territories may benefit from the financial support rendered by municipalities. In this way, the competition is reduced and the probability of receiving support considerably increases. Municipalities have been rendering support to business since 1998. In this year, 26 of 56 municipalities allotted means to SME support funds. Since 1998, the number of municipalities allotting money to the SME funds has been steadily increasing. In 2004 and 2005, even 54 municipalities of 60 allotted money to SME support funds (LSVVPA, 2005). Every year, the sums of allotted money have been increasing. In 2005, 5.8 million Lt were used for this purpose. Since 2006, the sum of money for SME support has increased up to 39.7 million Lt though the number of funds has not grown. Analysis of the whole period of functioning of SME support funds which coincides with the studied time frame show (according to the data submitted by municipalities) the leaders of SME support are Pakruojis, Marijampolė, Ignalina, Kupiškis, and Ukmergė municipalities. Some municipalities, e.g. municipalities of Ignalina and Vilnius, had no SME support funds yet managed to render financial assistance in other forms (creation of new jobs in Ignalina or targeted project subsidies in Vilnius).

Regional support to business. The present work contains a brief survey of the only Lithuanian regional fund. Due to the problem situation in the region, the entrepreneurs of this region have best possibilities to benefit from support in comparison with entrepreneurs from other localities. In six years, 124 projects were subsidized. The support amounted to 26 million Lt (the average of 106 thou Lt per project). Judging by the number and value of created jobs, this fund has been rather effective. It has contributed to creation of 592 jobs (the average value of one job amounts to 44 thou Lt). The enterprises of Visaginas municipality have managed to assimilate the greatest portion of support money (37 %). 30 % of the support money were assimilated by the enterprises of the Ignalina District.

Determining factors of the territorial differences of support assimilation. It is rather difficult objectively to determine the decisive factors of support assimilation due to lack of investigation data (to author's knowledge, this kind of investigations have not been carried out) yet basing on the practical experience of working with projects and enterprises, two groups of factors can be distinguished: formal and non-formal. Analysis of territorial differences of support assimilation also leads to presumption that the level of entrepreneurship and traditional activity play an important role in this process.

The main problem of the system. Based on some principles of constructive thinking offered by the theory of constraints (Goldratt, 2006) a series of problems were identified by the author which are characteristic of the territorial business support system

and are responsible for the consequences that encumber smooth functioning of the system. The identified series of problems may be combined into one: the territorial business support system is not controlled. Some of its components that are under control do not create premises for successful functioning of the system. The separately developed institutional networks and groups of services are insufficiently integrated. There is no long-date uniform strategy. The evaluation and improvement system has not been developed. Therefore, the following prerequisites can be pointed out as indispensable for smooth functioning of the territorial business support system: development of unified system control mechanism, learning and improvement on a regular basis, development of cooperation networks, and individual attitude.

The territorial development trends of business support system. The period of stagnancy of business support system ended at the end of the time frame under study, i.e. in 2009. This development stage can be classified as an exceptional one due to the problems of different order yet of similar long-lasting consequences to business support: economic recession, which affected all components of successful development of the country and spontaneous reform of the business support network implemented incorrectly and at the wrong time. Within a broader context, an assumption can be made that the business support system will survive and continue to develop as is evident from the international tendencies of developing the sector of small and medium business which is gaining weight in the general economic development of the countries. Every prude government seeks to support the rapidly developing sector which indirectly contributes to resolution of other problems of the state (unemployment, tax collection, growth of GDP, etc.). International integration of network organizations also is gaining momentum predetermined by integration of markets and business interests. Yet the primary support, easily and rapidly available in the regions not far from the offices of companies, retains its importance.

As business support measures are practiced in all EU member states, it can be expected that the system of support to business will not die in Lithuania but only will attain a somewhat cyclic character between the second and the third stage with rises and falls in the process of improvement *ad infinitum*.

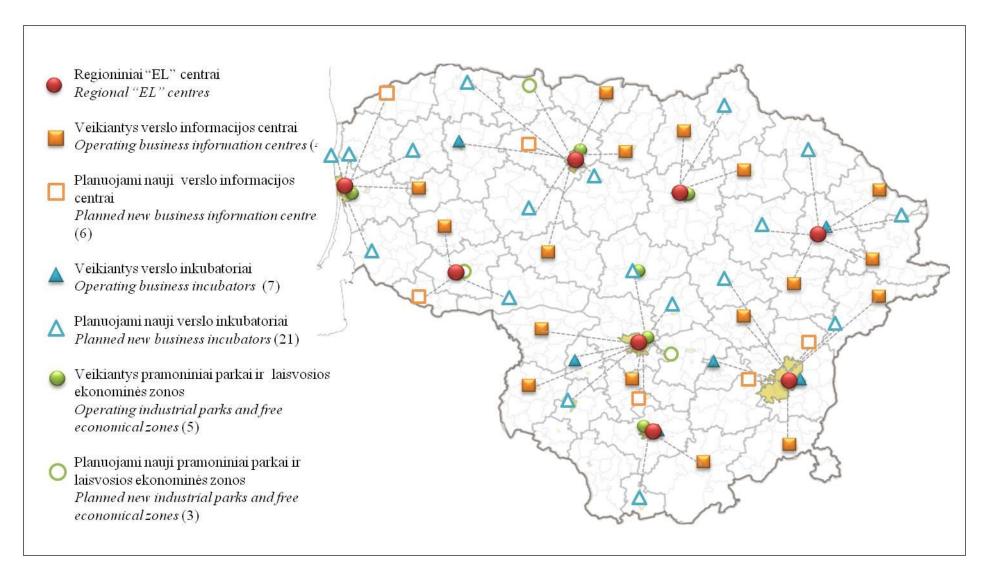


Fig. 4. The territorial conception of developing network of services to business offices by establishing "Exporting Lithuania" with its subordinated institutions. Based on the data of the Ministry of Economy of the Republic of Lithuania.

CONCLUSIONS

- 1. The Lithuanian Government is constantly setting the guidelines for business development, is identifying priority supported areas, but while the political and economical situation is changing, there is appearing a lack of continuity and complexity of support measures for small and medium-sized enterprises.
- 2. All European countries apply territorial business support measures, closely related with administrative units, therefore the success of Lithuanian administrative reform is directly connected to performance of business support system and equable economical development in the country.
- 3. Lithuanian institutional infrastructure for business encouragement in territorial aspect is fairly developed, the network from more than 100 state-owned institutions is frequent and equable. All over Lithuania, entrepreneur can use subsidized by the state services furthest 50 km from the place of his activity.
- 4. The fragmental networking is establishing between institutions in the country, many support measures are applied, and however territorial business support system is not full-fledged, because there is no common system development and activity strategy.
- 5. Lithuanian entrepreneurs have got good conditions to use tens of support types: state financial and non-financial support (state to business), internal and external financial and non-financial support from entrepreneurs organizations (business to business).
- 6. It is impossible to make a statement that business support system has got its final and maximal shape, that entrepreneurs as well as authorities are satisfied with it, therefore the development of the system was analysed as a continuous process dividing it into certain stages with typical features: formation (years 1990 1997), development (years 1998 2008), stagnation (from 2009).
- 7. There exist a direct correlation between the number of institutions providing the services to business and entrepreneurship in municipalities. In those municipalities, there population entrepreneurship level is higher than average (19), higher demand causes that more than one business support institution work, and reverse correlation exist then more than one institutions is established in a municipality, where the entrepreneurship is lower than average, hoping to encourage entrepreneurship and business development.
- 8. The territorial differences in support allocation in Lithuania are more connected with the differences in entrepreneurship level than with development of territorial support system. The municipalities with higher than average entrepreneurship level have allocated more than average EU findings according to all measures (Vilnius, Kaunas, Klaipėda, Neringa, Šiauliai municipalities) than those, where the entrepreneurship level is lower (Švenčionys, Šalčininkai, Varėna, Kalvarija, Pagėgiai, Skuodas municipalities).

- 9. The relative rates of GDP in municipalities correlate directly with rates of entrepreneurship and with number of business support institutions, however the larger amount of financial support per capita was allocated by municipalities, where GDP rates are not higher than Lithuanian average (Birštonas, Kazlų Rūda, Druskininkai, Molėtai municipalities), therefore it can be asserted that the support is reducing the gap of economical development in the country.
- 10. The main factors contributing to successful allocation of support in companies and municipalities are formal: realistic evaluation if a project is necessary and if company development strategy fits aims of support programmes, territorial dislocation, stable financial situation of a company, sufficient resources, meeting of formal criteria, readiness to take commitments and non-formal: ability to identify the need for support, ability to use information and practical assistance, positive approach to support. The entrepreneurship level and traditional public activity in the region contribute also.

LIST OF PUBLICATIONS

Smagurauskienė L. (2008). Teritorinė institucinė verslo skatinimo sistema Lietuvoje. *Annales Geographicae*. Nr. 41(1–2): 90-102. - ISSN 1822-6701.

Smagurauskienė L. (2009). Finansinė verslo skatinimo sistema Lietuvoje. *Annales Geographicae*. Nr. 42(1-2): 55-66. - ISSN 1822-6701

Smagurauskienė L. (2010). Territorial organisation of business support system In Lithuania, *Journal of Baltic Studies* (pateikta spaudai).

Smagurauskienė L. (2010). Teritorinės verslo skatinimo sistemos formavimasis ir raida Lietuvoje. *Annales Geographicae* Nr. 43. ISSN 1822-6701

CURRICULUM VITAE

Name, Surname: Ligita Smagurauskienė

Birthdate and place: 27 September 1977 m. in Ignalina

Contacts: Ligita@ignalina.lt

Education:

2006-2010	The Institute of Geology and Geography of Nature Research
	Centre. Doctoral studies of geographical trend.
2005	Kaunas University of Technology. Certificate of business
	administration master's studies programme (PA Nr. 001330)
2003-2004	Vilnius University. Certificate of additional bachelor's level
	studies in economics (NS Nr. 001767)
1999-2001	Vilnius University. Master of General Geography and
	Landscape Planning qualification degree. (M Nr. 0140437)
1995-1999	Vilnius University. Bachelor of Social Geography
	qualification degree. (B Nr. 972248)
1983-1995	Ignalina Ceslovas Kudaba secondary school. School-leaving
	certificate with merit.

SANTRAUKA

Tiriamoji problema ir darbo aktualumas. Šiuolaikinis pasaulis darosi vis dinamiškesnis ir integruotesnis. Žvelgiant į įvairių mokslų tyrimų tendencijas galima pastebėti, kad tyrimų sritys taip pat tampa tarpdisciplininės, neapsiribojančios vieno mokslo kompetencijomis. Mokslininkai kuria kompleksines, integruotas įvairių mokslų įžvalgas, siekdami ne tik išanalizuoti sudėtingas, nuolat besikeičiančias sistemas, bet ir įžvelgti jų vystymosi, kitimo, sąveikos tendencijas bei išgryninti praktinius aspektus, galinčius turėti įtakos regiono, šalies ar net viso pasaulio vystymuisi.

Besiplečianti nauja geografijos ir kitų mokslų tyrimų sritis - tai realiu laiku veikiančių daugiakomponenčių sistemų ir jų dalyvių, ryšių bei sąveikos tarp "gyvų ir negyvų" komponentų, tinklaveikos tyrimai (Juhiainen, 2007, Jucevičius, 2007, Whitley, 1992, Vilkas, 2009, Killduf, 2003). Pasaulis suvokiamas kaip nuolat kintanti sistemų įvairovė, kur kiekviena sistema turi savo individualybę ir kultūrą bei sąveikauja su kitomis sistemomis siekdama vystymosi tikslų (Dedijer, 1993). "Besimokančių regionų" sąvoka (Arbonies, 2002, Jucevičius, 2007) suteikia galimybę naujai pažvelgti į regiono sampratą, kur teritorinis aspektas suasmeninamas darant prielaidą, kad regionas gali vystytis kaip santykinai "gyvas organizmas". Prof. habil. dr. R. Jucevičius vienoje iš savo publikacijų teigia, kad "sėkmė vis labiau priklauso nuo to, kaip "teritorija" sugebės panaudoti technologines inovacijas, enterprenystę, švietimą, specialiąsias žinias ir visų organizacijų – viešųjų ir privačių keitimąsi nuo biurokratinių hierarchijų į mokymosi tinklus" (Jucevičius, 2007).

Daugiau nei dešimtmetį Lietuvai bandant sufokusuoti daugelio vystymosi sričių strategines kryptis, viena problemiškiausių sričių išlieka teritorinė verslo paramos sistemos organizacija. Vienareikšmiškai aiški tik viena valstybės pozicija, kurią patvirtina daugelio mokslininkų tyrimai: siekiant modernios ekonomikos šiuolaikinėmis sąlygomis šalia laisvosios rinkos būtini ir koordinaciniai mechanizmai (Sūdžius, 2001, Pačėsa, 2000, Jucevičius, 2007). Tačiau dėl pačių mechanizmų parinkimo, sistemos kūrimo ir palaikymo bei teritorinės realizacijos valstybė nesukuria aiškios strategijos iki šiol, nors, kaip matyti, į šią sritį investuoja ženklų procentą nacionalinio biudžeto bei Europos Sajungos paramos lėšų. Nepaisant jau sukurtos ir daugiau kaip dešimti metu veikiančios verslo paramos sistemos, iki šiol abejojama jos efektyvumu – įvairiais būdais siekiama įvertinti atskirų jos komponentų įtaką regionų vystymuisi bei Lietuvos ūkiui apskritai, matuoti efektyvumą (Viešųjų, 2006, Mokslo, 2007, Informacinių, 2009), tačiau visi minėti vertinimai yra fragmentiški ir užsibrėžtus tyrimų tikslus pasiekia tik iš dalies. Taip atsitinka todėl, kad nagrinėjamas sistemos efektyvumas, neišnagrinėjus pačios sistemos. Taigi prarandamas kontekstas, kuris yra gerokai platesnis nei galėtų atrodyti pažvelgus paviršutiniškai.

Šis darbas – pirmasis mėginimas geografo akimis pažvelgti į dinamišką ir daugiakomponentę verslo paramos sistemą teritoriniu aspektu ir pasitelkus ankstesnių tyrimų rezultatus, mokslininkų patirtį bei tarpdisciplininius tyrimų būdus įžvelgti galimas teritorinės verslo paramos sistemos sąsajas su šalies ūkio vystymosi niuansais, kurie betarpiškai susiję ir su tvariu teritorijų vystymusi bei aplinkos išteklių naudojimu.

Tyrimo objektas – teritorinė verslo paramos sistemos struktūra, jos elementai, formavimosi ir veikimo ypatumai.

Darbo tikslas ir uždaviniai. <u>Tikslas</u> – atskleisti verslo skatinimo sistemos teritorinės organizacijos ypatumus Lietuvoje 1998 – 2008 m.

Siekiant užsibrėžto tikslo buvo suformuluoti šie uždaviniai:

- 1. Nustatyti pagrindinius formaliuosius verslo skatinimo principus regioninės politikos kontekste.
- 2. Aptarti pagrindinius kai kurių Europos šalių teritorinės verslo paramos sistemos organizavimo ir verslo skatinimo aspektus.
- 3. Identifikuoti Lietuvos verslo skatinimo sistemos formavimosi ypatumus.
- 4. Susisteminti verslo skatinimo formas ir priemones šalyje bei įvertinti jų teritorinį pasiskirstymą bei prieinamumą.
- 5. Identifikuoti galimas Lietuvos ūkio vystymosi sąsajas su verslo skatinimo sistema. Svarbu akcentuoti, kad autorė šiame darbe nustatė uždavinius, kurių įgyvendinimas leidžia atskleisti verslo skatinimo sistemos teritorinės organizacijos ypatumus Lietuvoje tam tikru laikotarpiu, tačiau nepretenduoja įvertinti verslo skatinimo sistemos efektyvumo ar itakos Lietuvos ūkiui.

<u>Tyrimo laikotarpis</u>: nuo sistemos formavimosi pradžios (1998 m.) iki sistemos reformos pradžios (2008 m.).

Darbo naujumas ir jo reikšmė. Atsižvelgiant į išnagrinėtus informacijos šaltinius galima teigti, kad darbo naujumas atsiskleidžia keliais aspektais:

- Tai pirmasis mokslinis darbas nagrinėjantis teritorinį verslo skatinimo sistemos aspektą.
- Pirmasis darbas, susisteminantis pagrindines verslo skatinimo formas ir priemones bei įvertinantis jų pasiskirstymą ir prieinamumą Lietuvos teritorijoje.
- Iki šiol nebuvo nagrinėtos galimos Lietuvos ūkio vystymosi sąsajos su teritorinės verslo skatinimo sistemos funkcionavimu. Visi aptikti tyrimai buvo nukreipti į sistemos dalių veiklos efektyvumo ir įtakos verslo vystymuisi šalyje vertinimą, apimantį tik kai kuriuos galimus rodiklius (Viešųjų, 2006, Mokslo, 2007, Informacinių, 2009).
- Šis geografijos mokslo darbas sąlyginai išskirtinis tuo, kad tema buvo nagrinėjama keičiantis nagrinėjimo objektui sistemos dalyviams, santykiams tarp jų bei juos veikiantiems vidaus ir išorės veiksniams. Besikeičiančios sistemos nagrinėjimas metodiniu požiūriu buvo gana sudėtingas, nors dinamiškas laikotarpis apėmė tik trejus metus (darbas rengtas 2006 2010, nagrinėjant 1998 2008 m. laikotarpi).
- Lietuvos geografai iki šiol nedaug dėmesio skyrė Europos mokslininkų darbuose vis populiarėjantiems tinklaveikos, žinių ekonomika pagrįstų sistemų, jų elgesio teritorijoje, santykių tarp jų komponentų, smulkaus ir vidutinio verslo, paramos priemonių įtakos regionų vystymusi tyrimams.

Ginamieji teiginiai:

- 1. Parama verslui per įvairias skatinimo priemones ir teritorinę infrastruktūrą vienas efektyviausių regioninės politikos įgyvendinimo instrumentų.
- 2. Administracinė šalių struktūra nulemia verslo skatinimo sistemų teritorinę raišką visose Europos valstybėse, todėl racionalus teritorinis administracinis šalies suskirstymas yra viena iš esminių sąlygų efektyviai verslo paramos sistemai formuoti.
- 3. Teritorinės verslo paramos sistemos formavimas vyko nenuosekliai, neturint aiškios strategijos, todėl sistemai būdinga aiški stadijinio pobūdžio raida.

- 4. Lietuvoje taikoma aibė verslo paramos priemonių, veikia keliolika paramos organizacijų tinklų, tačiau paramos priemonių visuma neveikia kaip vientisa sistema.
- 5. Veikiančios verslo skatinimo sistemos sukūrimas šalyje svarbi prielaida sėkmingam smulkaus ir vidutinio verslo vystymuisi paskatinti visuose šalies regionuose.
- 6. Gana tolygus viešųjų verslo paramos institucijų tinklas bei priemonių pasiskirstymas Lietuvoje, sukuria panašias prielaidas verslo vystymuisi visoje šalies teritorijoje.
- 7. Verslo paramos priemonių panaudojimo teritorinė diferenciacija, daugiau susijusi su verslininkų motyvacijos ir aktyvumo teritoriniais skirtumais šalyje.

Rezultatų aprobacija. Darbo tema parengti keturi, publikuoti trys moksliniai straipsniai. Publikacijų sąrašas pateikiamas leidinio pabaigoje.

Darbo struktūra. Darbo struktūra suformuota remiantis Lietuvos mokslo tarybos (LMT) patvirtinta disertacijos struktūra (LMT 2003 m. lapkričio 19 d. nutarimas Nr. VI-4) bei atsižvelgiant į darbo tikslą ir uždavinius. Darbas sudarytas iš trijų pagrindinių dalių:

- tyrimų apžvalgos, kurioje aprašyti disertacijos tema Lietuvoje ir užsienyje atlikti tyrimai pagal tris tarpdisciplinines kryptis: regioninės plėtros tyrimų patirtis, apimanti objekto teritorinės organizacijos aspektus, sisteminių tyrimų patirtis, apimanti tinklaveikos principų apžvalgą, verslo skatinimo (reguliavimo) priemonių tyrimų apžvalga;
- <u>darbo metodologijos</u>, kurioje pateikiama darbo metodologija sistemos ir jos dalyvių tyrimų metodologijos aspektai ir bendrieji tyrimo metodologijos aspektai.
- tyrimų rezultatų, kur pateikiami gautieji tyrimų rezultatai, atskleidžiantys formaliuosius verslo skatinimo sistemos principus, kai kuriuos užsienio šalių verslo skatinimo patirties aspektus, verslo skatinimo sistemos teritorinę organizaciją Lietuvoje, pagrindines teritorinės verslo skatinimo sistemos sąsaja su ūkio vystymosi tendencijomis.

Darbas susideda iš 140 psl. teksto (su grafine medžiaga), literatūros sąrašą sudaro 215 pozicijų, darbe pateiktos 25 iliustracijos, 3 lentelės.

Padėka. Autorė dėkoja darbo vadovui doc. dr. Donatui Burneikai už metodinę pagalba rengiant darba, Geografijos ir geologijos instituto Visuomenės geografijos skyriui, instituto administracijai ir visiems kolegoms bei artimiesiems, sudariusiems sąlygas parengti disertaciją. Už suteiktą informaciją, konsultacijas ir pagalbą šio darbo autorė dėkinga Kęstučiui Juozui Zaborskui, VšĮ Lietuvos verslo paramos agentūros direktoriaus pavaduotojui, Vytautui Žukauskui, Lietuvos laisvosios rinkos instituto jaunesniajam ekspertui, Rimantui Servai, Lietuvos inovaciju centro atstovui Šiaurės Rytų Lietuvoje, Donatui Žiogui, Verslo centrų asociacijos pirmininkui, Žilvinui Gelgotai, "Konsultus" direktoriui, Ingai Beiliūnienei, Lietuvos Respublikos Ūkio UAB ministerijos vyriausiajai specialistei, Daliai Mačiuitienėi, Statistikos departamento prie Lietuvos Respublikos Vyriausybės Ūkio subjektų registro skyriaus vedėjo pavaduotojai. Lietuvos Respublikos ūkio ministerijos ekonomikos atašė pavaduotojai Lietuvos nuolatinėje atstovybėje Europos Sąjungoje, Briuselyje, Marijai Kazlauskaitei, Ignalinos viešosios bibliotekos Informacijos skyriaus vedėjai Vandai Berdikšlienei, Ignalinos rajono savivaldybės administracijos kalbos tvarkytojai Laimai Sidorenkienei, Ignalinos atominės elektrinės (AE) regiono plėtros tarybos sekretoriui Dainiui Samkui, Ignalinos AE regiono verslo inkubatoriaus direktorei Irinai Morozovai, Zarasų verslo informacijos centro direktorei Nijolei Elenai Šukštulienei, kitų Lietuvos verslo informacijos centrų, Lietuvos savivaldybių verslo skyrių vadovams autorė dėkinga už pagalbą renkant statistinę informaciją, vykdant apklausą.

IŠVADOS

- 1. Lietuvos Vyriausybė nuolat nustato gaires verslo plėtrai, išskiria prioritetines remtinas sritis, tačiau keičiantis politinei ir ekonominei situacijai, pasigendama paramos smulkiam ir vidutiniam verslui priemonių tęstinumo bei kompleksiškumo.
- 2. Visos Europos valstybės taiko teritorines verslo skatinimo priemones, glaudžiai susietas su administraciniais vienetais, todėl Lietuvos administracinės reformos sėkmė tiesiogiai siejasi su efektyviu verslo paramos sistemos funkcionavimu, ir tolygia ūkio plėtra šalyje.
- 3. Lietuvos institucinė verslo skatinimo infrastruktūra teritoriniu požiūriu yra gana gerai išvystyta, daugiau kaip 100 valstybinių įstaigų tinklas tankus ir tolygus. Bet kurioje Lietuvos vietovėje veikiantis verslininkas valstybės subsidijuojamas paslaugas gali gauti toliausiai 50 km atstumu.
- 4. Šalyje formuojasi fragmentuota tinklaveika tarp institucijų, taikoma daug paramos priemonių, tačiau teritorinė verslo paramos sistema nėra pilnavertė, nes nėra bendros sistemos kūrimo ir veiklos strategijos.
- 5. Lietuvos verslininkai turi geras sąlygas pasinaudoti keliomis dešimtimis paramos rūšių: valstybės finansine ir nefinansine parama (Valstybė verslui), verslininkų organizacijų vidine ir išorine finansine bei nefinansine parama (Verslas verslui).
- 6. Konstatuoti, jog paramos verslui sistema suformuota galutinai ir maksimaliai, tenkina tiek verslo, tiek valdžios atstovus, neįmanoma, todėl sistemos vystymasis nagrinėtas kaip tęstinis procesas, skaidant jį į tam tikrus savitais bruožais pasižyminčius etapus: formavimosi (1990 1997 m.), vystymosi (1998 2008 m.), sąstingio (nuo 2009 m.).
- 7. Paslaugas verslui teikiančių įstaigų kiekio ir verslumo savivaldybėse priklausomybė yra tiesioginė. Savivaldybėse, kurių gyventojų verslumas didesnis už vidutinį (19), dėl didesnės paslaugų paklausos veikia daugiau nei viena verslo skatinimo įstaiga, ir atvirkštinė, kai daugiau nei viena verslo skatinimo įstaiga įkurta savivaldybėse, kuriose gyventojų verslumas mažesnis nei vidutinis, tikintis, kad įstaigų veikla paskatins gyventojų verslumą ir verslo plėtrą.
- 8. Pasinaudojimo parama teritoriniai skirtumai Lietuvoje daugiau susiję su verslumo nei su paramos sistemos išvystymo teritoriniais skirtumais. Savivaldybės, kurių verslumo lygis aukštesnis už vidutinį, panaudojo daugiau nei vidutiniškai ES lėšų pagal visas priemones (Vilniaus, Kauno, Klaipėdos, Neringos, Šiaulių), nei tos, kuriose verslumo lygis mažesnis (Švenčionių, Šalčininkų, Varėnos, Kalvarijų, Pagėgių, Skuodo).

- 9. Santykiniai BVP rodikliai savivaldybėse tiesiogiai siejasi su verslumo lygio rodikliu ir verslo paramos institucijų skaičiumi, tačiau daugiau finansinės paramos vienam gyventojui panaudojo savivaldybės, kuriose BVP nėra didesnis už vidutinį Lietuvoje (Birštono, Kazlų Rūdos, Druskininkų, Molėtų), todėl galima teigti, kad parama mažina ekonominio išsivystymo skirtumus šalyje.
- 10. Pagrindiniai sėkmingą paramos panaudojimą įmonėse ir savivaldybėse lemiantys veiksniai yra formalieji: realus projekto poreikio įvertinimas ir įmonės plėtros strategijos atitiktis rėmimo programų tikslams, teritorinė dislokacija, stabili įmonės finansinė padėtis, pakankami resursai, atitiktis formaliems kriterijams, pasirengimas įsipareigoti, ir neformalieji: gebėjimas identifikuoti paramos poreikį, gebėjimas pasinaudoti informacija ir praktine pagalba, pozityvus požiūris į paramą. Įtakos taip pat turi verslumo lygis ir tradicinis visuomenės aktyvumas regione.

PUBLIKACIJŲ DISERTACIJOS TEMA SĄRAŠAS

Smagurauskienė L. (2008). Teritorinė institucinė verslo skatinimo sistema Lietuvoje. *Annales Geographicae*. Nr. 41(1–2): 90-102. - ISSN 1822-6701.

Smagurauskienė L. (2009). Finansinė verslo skatinimo sistema Lietuvoje. *Annales Geographicae*. Nr. 42(1-2): 55-66. - ISSN 1822-6701

Smagurauskienė L. (2010). Territorial organisation of business support system In Lithuania, *Journal of Baltic Studies* (pateikta spaudai).

Smagurauskienė L. (2010). Teritorinės verslo skatinimo sistemos formavimasis ir raida Lietuvoje. *Annales Geographicae* Nr. 43. ISSN 1822-6701

CURRICULUM VITAE

Vardas, pavardė: Ligita Smagurauskienė

Gimimo data, vieta: 1977 m. rugsėjo 27 d., Ignalina

Kontaktai: Ligita@ignalina.lt

Išsilavinimas:

2006-2010 m. Valstybinis mokslo institutas Geologijos ir geografijos

institutas. Geografijos krypties doktorantūros studijos. Mokslinių tyrimų kryptis: ekonominė ir regioninė geografija.

2005 m. Kauno technologijos universitetas. Verslo administravimo

magistrantūros studijų programos pažyma (PA Nr. 001330)

2003 – 2004 m. Vilniaus universitetas. Ekonomikos papildomųjų bakalauro

lygio studijų sertifikatas (NS Nr. 001767)

1999 – 2001 m. Vilniaus universitetas. Bendrosios geografijos ir

kraštotvarkos magistro kvalifikacinis laipsnis (M

Nr.0140437)

1995 – 1999 m. Vilniaus universitetas. Visuomeninės geografijos bakalauro

kvalifikacinis laipsnis (B Nr. 972248)

1983-1995 m. Ignalinos Česlovo Kudabos vidurinė mokykla. Atestatas su

pagyrimu.