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Unlocking lock-in. Emergence, perpetuation and decline of regional entrepreneurship in transitional societies: examples from contemporary Poland

Abstract: This paper examines how the phenomenon of lock-in can initially stimulate entrepreneurship and path creation in transitional societies but eventually impede municipal development. Focusing on three Polish municipalities – Łeba, Łęknica, and Tarnowo Podgórne – we investigate the factors that contribute to the persistence of lock-in and explore strategies to overcome it. Using qualitative analysis grounded in interviews with entrepreneurs, municipal authorities, and residents, and drawing on evolutionary economic geography, neo-institutionalism theory, and the strategy-as-practice approach, we analyze the interplay between geohistorical factors, entrepreneurial practices, and local government legitimacy. Our findings reveal that proactive entrepreneurs, when supported by responsive local governments, can redefine development strategies, foster diversification, and effectively break the lock-in cycle. This study underscores the critical role of collaborative efforts between entrepreneurs and municipal authorities in transforming regional development paths, offering valuable insights for policymakers in transitional economies.

Key words: Regional Entrepreneurship, Lock-in, Strategy-as-Practice, Evolutionary Economic Geography, Transitional Societies

Introduction

Within regional studies, evolutionary economic geography examines the establishment and persistence of developmental paths within specific regions, focusing on agency theory, legitimacy of power, and the role of entrepreneurship in solidifying or overcoming these trajectories (Rainnie 2021). Strategies often aim to overcome lock-in that adversely impacts a region (Goldstein et al. 2023). Interconnecting agency theory and legitimacy, legitimation is viewed as a process propelled by individuals, community members, local authorities, and entrepreneurs,

each utilizing their social skills to shape specific interpretations and leveraging visions for regional development (Benner 2022a). Regulatory changes, state system-building, and absorption of non-local knowledge are essential in promoting technological diversification in peripheral areas, preventing lock-in into path-extension or path-exhaustion trajectories (Trippel et al. 2018, Uyarra, Flanagan 2022). Entrepreneurship is often seen as an underappreciated catalyst for regional diversification, facilitated by industrial related variety, but the lack of strong connections between established industries and the local economy can temper this effect (Hernandez et al. 2022).

While these perspectives allow for isolating individual phases of regional development paths and actor engagement at various stages (Benner 2022b), they overlook the impact of abrupt geopolitical phenomena, which may act as a founder effect or bottleneck, condensing the phases of path development. Understanding new regional path development requires considering a multi-actor approach, regulatory policies, and inter-path relations (Hassink et al. 2019). Arguments suggest that to understand why some regional economies fall into development paths that lose dynamism while others effectively reinvent themselves, we should look for direct links with local geography (Martin, Sunley 2006).

By examining dynamically developing municipalities in Poland, a country that transformed from a centrally planned economy to a market economy due to Leszek Balcerowicz's shock therapy in 1989 (Jackson et al. 2005), we can enrich this discussion with a geohistorically charged perspective (MacKinnon et al. 2019). The selected municipalities, characterized by high levels of entrepreneurship in 21st-century Poland, are located in attractive tourist locations, near important urban centers, or in border areas, emphasizing the direct impact of geolocation. Given that entrepreneurship levels in most of these municipalities are currently declining, the dynamism of changes in the developmental path is also emphasized. By employing the strategy-as-practice approach and drawing on neo-institutional theory, specifically the theory of institutional isomorphism, we aim to reveal the nuanced internal processes of path development against significant geo-historical changes.

Theoretical framework

We argue that introducing top-down and bottom-up research approaches, focused on entrepreneurial actions or local authorities' agency, seems unpromising, as they do not capture the processual characteristics of change. Without considering geohistorical factors that foster entrepreneurial activity and challenge local government, the characteristics determining transition processes will be overlooked. Therefore, qualitative in-depth research based on neo-institutional theory combined with the strategy-as-practice approach may fully understand the mutual relation between entrepreneurs and local authorities in changing the municipality's identity; moreover, the two approaches overlap (Suddaby et al. 2013). The concept of path dependence may help thoroughly explain the determinism

of entrepreneurial praxis during geopolitical changes and their impact on consolidating the municipality's development strategy.

The theoretical framework is organized as follows. Firstly, the concept of the lock-in effect – a state where prior actions, unexpected events, and historical, geographical, or political factors force dominant behaviors that cannot be easily reverted – is introduced against the backdrop of path dependence. Secondly, the term praxis – concrete activities embodying unfolding strategy – is presented in the context of the strategy-as-practice approach. Finally, the idea of coercive isomorphism – external, formal or informal influence on organizations deriving from the problem of legitimacy – is explored in the broader context of neo-institutional theory.

This collage of concepts is presented as co-dependent micro, meso, and macro levels of analysis of organizational change in entrepreneurial municipalities of transitional societies. We equate organizations and municipalities, arguing that municipalities constitute an organizational field.

Deterministic character of lock-in effect on regional entrepreneurship – macro perspective of path dependence conception

Path dependency refers to situations where the current development path is determined by past events and decisions. The limited choices available are influenced by prior decisions, even if the original context no longer exists (Yamoah, Johnson 2020). Examining path-dependent processes helps grasp various types of embeddedness in different models of industrial development without overly socialized perspectives, highlighting the importance of considering the historical context (Ghezzi, Mingione 2007).

In regional and development studies, the concept has gained interest in evolutionary economic geography, unveiling the connection between the current sectoral structure and the introduction of new activities, as well as the development of new industries on the background of branching within a region (Boschma et al. 2013, Essletzbichler 2015, Xiao et al. 2018, Corradini, Vanino 2022). Economists David (1985) and Arthur (1989, 1994) emphasized that subpar technologies can become firmly established as industry norms, leading to prolonged inefficiency.

The expansion of the historically determined pathway brought on by gradual innovations may eventually lead to a state of lock-in (Isaksen, Trippel 2014, Isaksen et al. 2019). Entrenched solutions can hinder the emergence of alternatives due to implicit knowledge-sharing, infrastructural constraints, organizational culture, bureaucratic policy arrangements, poverty traps, and other factors (Pierse 2000, Barnett et al. 2015, Haider et al. 2018).

Despite conceptualizations highlighting the drawbacks of the lock-in phenomenon (Goldstein et al. 2023), we argue that a lock-in state can promote and stabilize cooperation between entrepreneurs and municipal authorities, perpetuating entrepreneurial praxis and ensuring local authorities retain legitimacy.

Being aware of the negative consequences of the lock-in effect for later adaptation of municipalities' development paths, we examine the determinants of breaking out of this unfavorable lock-in state. Therefore, we propose the following research questions:

RQ 1. How can a lock-in state facilitate entrepreneurship development in a transitional society?

RQ 2. What conditions are necessary to break out of an unfavourable lock-in state?

Coercive isomorphism to maintain legitimacy of local authorities – meso perspective of neo-institutionalist theory

In democratic societies, the exercise of power by authorities is based on legitimacy as a crucial component. In regional policy, legitimacy plays an important role in reconciling conflicting interests, where local government enforces legal regulations, and property owners desire freedom to manage their assets (Taylor 2019). Neo-institutionalism highlights cultural and cognitive factors shaping organizations, such as myths, routines, social norms, beliefs, and perceived uncertainty (Selznick 1996). The quest for legitimacy is about answering the needs of social actors, influenced by common sense and understanding, rather than shaping the most efficient organization (Hadler 2015).

The conception of institutional isomorphism states that to achieve legitimacy, organizations encounter isomorphic pressures leading to greater similarity among peer organizations over time (Meyer, Rowan 1977, DiMaggio, Powell 1983). To present themselves as modern, rational, and progress-oriented, organizations must conform to particular models, regardless of regional differences (Fuenfschilling, Binz 2018). Coercive isomorphism compels organizations through formal and informal pressure to conform to dominant practices or adjust to cultural expectations.

We draw upon coercive isomorphism, assuming that local governments are influenced by local entrepreneurs, who represent well-networked voters and major taxpayers. In transitional societies, the pressure exerted by society on local politicians and emphasis on reshaping existing political and business ties are strengthened. The transition from a centrally planned to a free market economy created pressure from central administration to support entrepreneurship in regions and to strategize locally due to local government reform in 1990. Therefore, we propose the following research questions:

RQ 3. How, in the conditions of systemic transformation, do the needs of legitimization of authorities support the emerging entrepreneurship in the municipality?

RQ 4. What is the impact of this relationship between entrepreneurs and authorities on the long-term development of the municipality?

Entrepreneurial praxis as a creative power shaping municipalities' strategy – micro level of strategy-as-practice approach

The strategy-as-practice approach emphasizes doing the strategy rather than strategy itself – it's an activity-based view. Due to the 'practice turn' in social sciences and management studies, there is a growing inclination towards understanding the practical execution of strategy (Jarzabkowski et al. 2021, 2022). It shifts attention from agency, and instead of focusing solely on the organization level, it considers various levels of action and interaction. This approach views strategy as a social and cultural practice embedded in everyday activities and interpersonal dynamics within an organization (Johnson et al. 2003, Jarzabkowski 2004).

A typology of practitioners (those directly involved in strategizing), practices (routinized behaviors tied to strategy), and praxis has been proposed as a fundamental framework. Praxis is an individual, day-to-day micro-level stream of improvised human activities through which strategies are put into action in a wider societal context. It is informed by established routinized practices, induces strategizing efforts through performed actions, and influences other practitioners (Whittington 2003, Jarzabkowski et al. 2007, Jarzabkowski, Spee 2009).

We utilize the term praxis to understand how entrepreneurial actions can lead to strategizing efforts in municipalities and redefine their identities. Praxis is the intersection between practitioners, practices, and strategy, being an intimate relationship between being and doing, intention and action, identity and strategy (Chia, Rasche 2015). We argue that entrepreneurial efforts are acts of strategizing, action, and expression of social identity simultaneously. Therefore, we propose the following research questions:

RQ 5. What is the impact of entrepreneurial praxis on the development strategy of a municipality?

RQ 6. Are there types of entrepreneurial practices that can mitigate the long-term effects of geohistorical factors leading to lock-in?

Methods

The study was conducted in several stages over 2016–2022. During this period, 25 qualitative semi-structured and open interviews were conducted with municipal authorities, entrepreneurs, and members of local associations from 10 selected municipalities: Mielno, Łeba, Karpacz, Władysławowo, Suchy Las, Tarnowo Podgórne, Podkowa Leśna, Lesznówola, Krasocin, and Łęknica. The research focused on municipalities characterized by agglomeration, tourism, or significant human capital resources, with strong representation from the Masovian, Greater Poland, West Pomeranian, and Pomeranian provinces. Subsequently, based on the purposeful selection outlined below, three municipalities – Łeba, Łęknica, and Tarnowo Podgórne – were chosen, where a total of 7 recorded interviews were conducted on-site. The process also involved non-participant observation during the study visits, allowing for a deeper understanding of the local context

(Denzin, Lincoln 2017, Yin 2018). Additionally, desk research was conducted to explore the historical, political, and cultural conditions in each of the studied municipalities, further enriching the analysis and providing a deeper understanding of the interviews, observations, and their broader context (Moore 2006).

Municipalities for the qualitative study were selected based on a linear regression model, choosing those with exceptional levels of entrepreneurship compared to other regions in Poland. An additional criterion was identifying unusual observations in explanatory variables related to human capital, social capital, tourism, and agglomeration. Municipalities were selected based on the number of businesses listed in the National Official Register of the National Economy Entities (REGON) from 2002 to 2021, relative to every 10,000 inhabitants of productive age. A nationwide regression model was developed, and those selected for qualitative analysis stood out due to notably high entrepreneurial activity. A critical focus was the observed halt in business growth after 2000 in the studied instances.

To gather relevant insights, three versions of the questionnaire were developed, tailored to the specific needs of local entrepreneurs, authorities, and associations. In cases where interviews were conducted ad hoc, they were open-ended. Interviews always involved a representative of the municipal authorities, such as a mayor or reeve. In the municipalities of Łeba members of local associations were also interviewed. In Tarnowo Podgórne, interviews were conducted with local authorities and members of a local entrepreneurs' association, which extended an invitation to one of its meetings.

It is worth noting that in the case of Łęknica, there was a high refusal rate among entrepreneurs, despite prior declarations of willingness to participate in the study. This reluctance might stem from the area's historical association with smuggling activities before joining the EU, which may have influenced local entrepreneurs' attitudes, particularly their distrust or hesitation toward outsiders. Statements from representatives of local government were corroborated by residents, albeit with the caveat that respondents did not consent to being recorded.

The article utilized case studies as a research method to analyze the interplay between lock-in, entrepreneurial praxis, and the legitimization of local authorities. This approach was chosen for its capacity to uncover the complexity and context-specific dynamics of regional development, allowing for a detailed examination of localized socio-economic trajectories (Ellram 1996). By focusing on three municipalities – Łeba, Łęknica, and Tarnowo Podgórne – case studies facilitated the identification of critical turning points in their developmental paths and the mechanisms sustaining or disrupting the lock-in state. Moreover, this method aligned with the goals of exploratory research, offering a flexible framework to scrutinize and refine existing theoretical perspectives (Czakoń 2006). By integrating qualitative data from interviews, non-participant observation and desk research, the study illuminated the socio-technical and institutional processes shaping regional entrepreneurship, providing actionable insights for policymakers seeking to foster sustainable development in transitional societies.

Research sites

The primary objective of this study was to pinpoint municipalities where the pace of entrepreneurship has markedly slowed or even begun to decline relative to the rest of the nation. This approach provides a lens through which to view the possible adverse ramifications of the initial 90s lock-in, shedding light on its impacts on the subsequent developmental path of these municipalities.

Table 1. Stopping the development of entrepreneurship in municipalities

	Number of enterprises in 2002 exceeding the average count in other parts of the country (%)	Number of enterprises in 2021 exceeding the average count in other parts of the country (%)	Difference between 2002 and 2021
Tarnowo Podgórne	66%	69%	3%
Łeba	236%	233%	–3%
Łęknica	76%	29%	–47%

Source: own elaboration based on data from BDL (Local Data Bank).

Based on this analysis, three municipalities were selected: Łeba, Tarnowo Podgórne, and Łęknica. Łeba, a coastal municipality in the Pomeranian Voivodeship with a population of 3,601 (2019), is known for summer tourism, expansive sandy beaches, and proximity to Słowiński National Park and Natura 2000 sites. Tarnowo Podgórne, a village in Greater Poland with a population of 6,918 (2021), neighbors Poznań and has attracted entrepreneurs since the early 1990s. Thanks to a local plan prioritizing residents' quality of life and numerous local plans organizing economic development, it is considered one of the best places to live near Poznań. Łęknica, a town in the Lubusz Voivodeship with a population of 2,478 (2019), located on the border with Germany, is most known for the border market "Polenmarkt", despite its proximity to Muskauer Park, a UNESCO World Heritage Site.

These municipalities developed above average compared to the rest of the country but recently declined rapidly. Tarnowo Podgórne continues to grow in the number of businesses but much slower than in the 90s. Łeba has seen a minor decrease (4%) over 19 years. Łęknica has experienced a substantial decline over the years, as much as 47 percentage points. Each underwent rapid development in the 90s, followed by a decrease in the number of businesses after 2002.

Research results

Łeba

In tourism, there was such a boom until the mid-1990s, but in 1997, a small crisis began, a crisis that continues to this day and we can see that, well, maybe not a

complete crisis, but a slowed economic development and people have to manage on their own. And now we have a monoculture in the tourism industry here.

Tourism developed strongly in Łeba in the 90s due to closures and layoffs in local businesses after the collapse of the centrally planned economy. It was possible to earn enough in one season of providing accommodations to build a second home, making investing in seaside tourism highly profitable. The size and quality of the seaside beach accelerated this development, excluding alternative paths and creating its own ecosystem of functioning enterprises.

The main benefit was monetary gains, but extreme seasonality became entrenched. In coastal municipalities, the season lasts only for two summer months, with most companies suspending activities after August. Outside the season, only a few percent of tourist businesses are active.

Due to this development trajectory, the actual number of residents is rapidly decreasing, with young people leaving for better opportunities in larger urban areas. The decrease in inhabitants impacts the indicator of entrepreneurship level, where a lower number of inhabitants per company results in a higher score. Therefore, the increase in this indicator in 2020 and 2021 in Łeba does not necessarily mean a real increase in entrepreneurship.

Urban chaos has arisen over the years, cementing the town's character as a seasonal resort with a carnival-like atmosphere and kitschy appearance, partly due to illegal entrepreneurship. It is draining for residents, and land prices have significantly increased.

The entrepreneurial praxis and workplaces created are seasonal, making it difficult for municipalities to function. The infrastructure has grown too large relative to the off-season population, and social pathologies like alcoholism are developing. Urban chaos hinders attracting wealthier and foreign clients. The development model chosen in the 1990s is currently hindering the municipality's development.

The key legitimizing action became counteracting seasonal unemployment, ensuring financial security for the municipality and residents. However, the desire to achieve high profits began to attract entrepreneurs from outside the municipality, focused solely on extremely seasonal activities:

It sounds something like this: come to Łeba, buy a plot of land, build a house, and within two months, because we have seasonality, you will earn enough money for another plot of land and house, a new car, you can buy your children an apartment in Tricity or Warsaw, and still have enough for a living for the whole year.

Locals believed outsiders should not be hindered in their business, creating isomorphic pressure on municipality authorities not to intervene. Although authorities hoped for higher tax revenues, it turned out only 30% to 50% of entities operating pay taxes to them. The problem was the nature of small entrepreneurs operating seasonally and burdening the infrastructure.

Currently, local authorities aim to attract larger entrepreneurs who can conduct year-round business, in line with residents' expectations. There is a shift in legitimized actions from those mainly benefiting local entrepreneurs to those providing better quality of life and year-round jobs. The problem of excessively developed infrastructure was previously legitimized by attracting as many tourists as possible. The authorities want to attract families with children and wealthy people.

In summary, the geohistorical conditions directly affected the praxis of entrepreneurs. Residents were suddenly forced to become entrepreneurs, and their chaotic activities co-created the municipality's development strategy. Local authorities, facing unemployment, were subject to isomorphic pressure to accept urgent actions of inhabitants. Huge initial profits attracted external investors, for whom Łęknica became a space for seasonal activity focused on maximizing profits. The initial benefits of the lock-in state after the collapse of local enterprises accelerated entrepreneurship but ultimately led to depopulation and a business model based on leasing land to external entrepreneurs. Due to the aging population, local entrepreneurs do not strongly support new legitimization factors of the authorities.

Łęknica

Łęknica is a small municipality bordering Bad Muskau, Germany, with the Muskauer Park, a UNESCO World Heritage Site. Paradoxically, Łęknica is not a tourist destination. After systemic changes, a large bazaar was created, becoming one of the largest in Europe, with about 3,000 commercial places, providing significant revenues and employment:

After 1989, when the borders were opened, one of the largest bazaars in Europe was created within one year, with about 3000 commercial places. The municipality had incredible revenues from this, and was one of the richest places in Poland per capita.

The transition from a centrally planned economy to a market economy brought about systemic changes that resulted in the emergence of huge cross-border trading opportunities, leading to a state of lock-in and entrenchment of the development trajectory of the municipality. Despite being listed as a UNESCO site, the municipality has become a hub for trade and services, with its functioning characterized by decisions made in the 1990s. Although the bazaar has become a highly profitable place, it is also extremely disorganized:

It is quite specific. It was created in the year 1990 when everything collapsed, and people started setting up tables. Later on, some stalls were added, and this bazaar looks rather messy... it doesn't look aesthetically pleasing at all.

The search for legitimization by municipal authorities led to certain pathologies, such as not pursuing tax debtors. The rapid development allowed for excessive municipal expenses and jobs in municipal offices.

Local authorities are trying to establish cooperation with Bad Muskau to jointly obtain EU funds and build a partnership. Although the park attracts about 400,000 tourists annually, Łęknica lacks hotels to accommodate them. Entrepreneurs' actions hinder the proposed tourism development direction despite the presence of UNESCO sites. The entrepreneurial praxis is focused on generating profits by servicing wealthier German clients, primarily through the bazaar and petrol stations.

Tarnowo Podgórne

Tarnowo Podgórne is a rural municipality near Poznań. The quick adoption of spatial development plans made it attractive to investors. The personal involvement of the former mayor was crucial. The established spatial plan became a lock-in state, solidifying the development trajectory.

Residents cooperated with local authorities, financially supporting infrastructure development, accelerating the municipality's growth:

When it comes to other utilities such as water, telephone, or gas, for example, it was done thanks to these active residents. Social committees were established, and people contributed to this infrastructure, but it was created very quickly.

This type of coercive isomorphism led to a situation in which the municipality authorities built a business-friendly and investor-supporting office. The focus was solely on customer orientation and their fast service. Despite limited resources of investment areas that should have led to a slowdown in the development of the municipality, this did not happen. Although the growth of entrepreneurship has slowed down, the municipality has a very high standard of living and is still developing. In Tarnowo Podgórne, a strategy was adopted to encourage the settlement of very wealthy citizens. The municipality now focuses on attracting wealthy citizens, supporting single-family homes over large housing estates. Attractive areas were identified away from industrial zones, offering residents high infrastructure and education levels.

In Tarnowo Podgórne, a survey is conducted annually to assess residents' needs. Respondents now emphasize entertainment and sports. One result is the construction of thermal baths. The village has restaurants, cafes, a shopping center, and a gym, catering to both residents and workers from foreign corporations. The authorities have introduced an efficient system of social participation in decision-making.

Entrepreneurs attribute their praxis to Greater Poland's culture, believing thriftiness stems from history:

But it's also upbringing. These are certain patterns that come from the family. (...) In my opinion, this is the main determinant of whether someone wants to do something or not.

According to local entrepreneurs, their local praxis is inspired by a set of Greater Poland traditions and norms. In contrast to their development trajectory, they present the western territories of Poland, where people were resettled after World War II. These areas did not achieve economic success after the systemic change. The entrepreneurial praxis in Tarnowo Podgórne is also created through the association of entrepreneurs in a local organization. On the one hand, it is a platform for joint actions. On the other hand, it is a place for exchanging ideas with the municipality. Praxis and legitimacy are created together, which is an element that distinguishes it from other cases.

The model of functioning of the municipality is transformed from a municipality mainly focused on profit to a municipality striving for stable development and a high standard of living. Cooperation between local authorities seeking legitimacy, as well as cooperation from local entrepreneurs co-creating a local strategy within their praxis, makes it possible to break the lock-in state and the previously established development trajectory of the entrepreneurial municipality.

Discussion

The three case studies share the influence of systemic transformation, leading to rapid economic changes and increased unemployment (Jackson et al. 2005, Myck, Oczkowska 2018, Churski, Kaczmarek 2022). Despite over two decades passing, the adopted developmental trajectory still influences decisions (Yamoah, Johnson 2020). Łeba and Łęknica remain under a strong lock-in state, while Tarnowo Podgórne redefined its strategy and built a new identity. This demonstrates how entrepreneurial praxis and a shift towards diversification can redefine development trajectories in transitional societies (RQ5–6).

In Łeba, the collapse of manufacturing facilities, proximity to the sea, and attractive beach led to a lock-in state where it is impossible to depart from a tourist monoculture based on replication of business models (Boschma et al. 2017). This situation exemplifies how lock-in states initially stabilize economic activity but later hinder diversification efforts, as authorities struggle to adapt to long-term developmental needs (RQ1–3). The legitimacy of authority has changed and is no longer associated with unemployment and job search. The authorities now seek to change the municipality's character and break seasonality, as related diversification has led to path exhaustion (Frenken 2017). The entrepreneurial praxis focuses on profit, seasonality, and is determined by the aging population, hindering branching diversification (Hernandez et al. 2022). The current state aligns with the theory of Fuenfschilling & Binz (2018), where entrepreneurs as dominant actors force changes in procedures and functioning of the municipality.

In Łęknica, the town remains dependent on the cross-border bazaar market and proximity to Bad Muskau, crucial during times when Poland was not part of

Schengen and smuggling was important. The persistence of this lock-in demonstrates the challenges of overcoming entrenched economic models, particularly when local governance prioritizes immediate economic benefits over diversification (RQ2–3). The situation is accepted and legitimized, as the municipality can finance its activities through taxes, and local entrepreneurs prioritize profit over workplace appearance, indirectly affecting the municipality's strategy (Jazabkowski et al. 2021). The relationship between entrepreneurial praxis and the need for legitimacy has a deterministic character, causing the lock-in state to persist (Fuenfschilling, Binz 2018). Entrepreneurs' actions hinder the proposed tourism development despite UNESCO sites, highlighting how local governance often accommodates short-term economic interests to maintain legitimacy (RQ3–4).

Tarnowo Podgórne is a municipality that, in its early stages, was focused on attracting external investors. The key element of the municipality's functioning was spatial management and land sales. Entrepreneurs were extremely profit-oriented, and the municipal authorities accepted this approach by seeking to

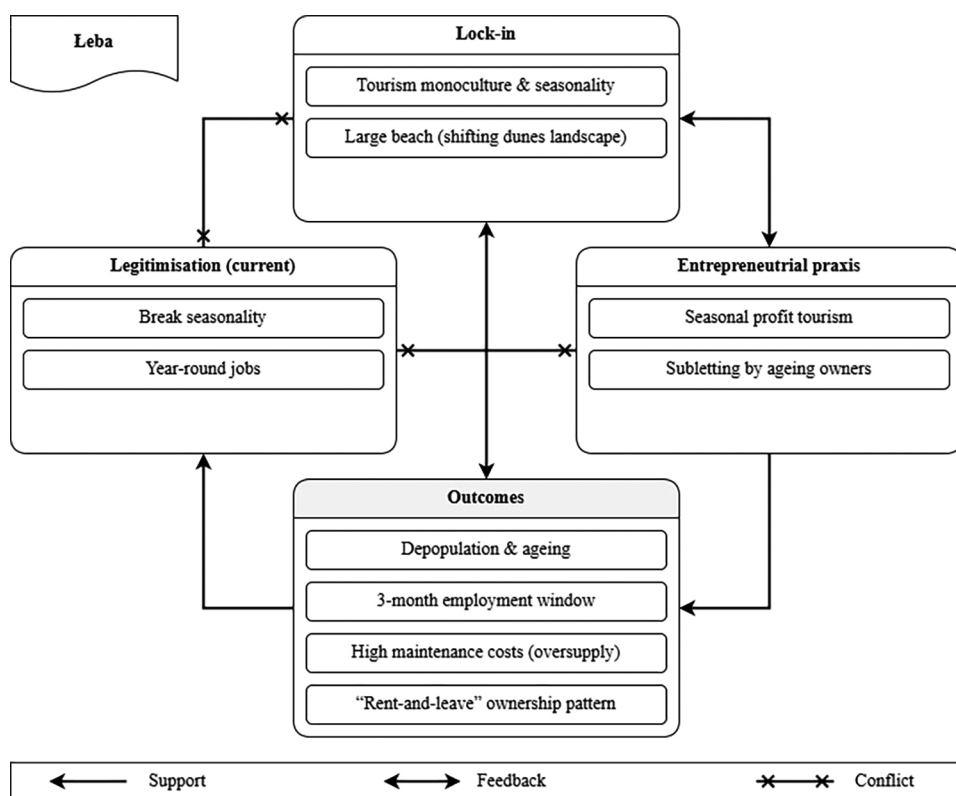


Fig. 1. Relationship between lock-in, legitimization and praxis in Łeba

Source: own elaboration.

build new jobs and generate high tax revenues, therefore allowing to emerge an entrepreneurial ecosystem (Sorenson 2017). Tarnowo Podgórne is a case where the initial lock-in is transformed due to socio-technical alignment (Boschma et al. 2017). This case also illustrates how collaborative efforts between local authorities and entrepreneurs fostered conditions for breaking out of the lock-in state and achieving sustainable development (RQ4).

The municipality is moving away from being focused on the quantity of entrepreneurs and is increasingly focused on attracting wealthier citizens to increase its revenue. There is a strong relationship between entrepreneurial praxis of those living in the municipality and the new legitimization of the authorities, therefore easing tension between capture and autonomy (O'Hare 2018). The municipality is becoming an excellent place to live. Its new identity is based on attractiveness for residents, not investors. The previous industrial lock-in is still present in Tarnowo Podgórne, but its scope is deliberately limited, thus enabling path diversification, leading to the establishment of institutions in unrelated industries (Benner 2022b). Entrepreneurial praxis has a strong impact on this

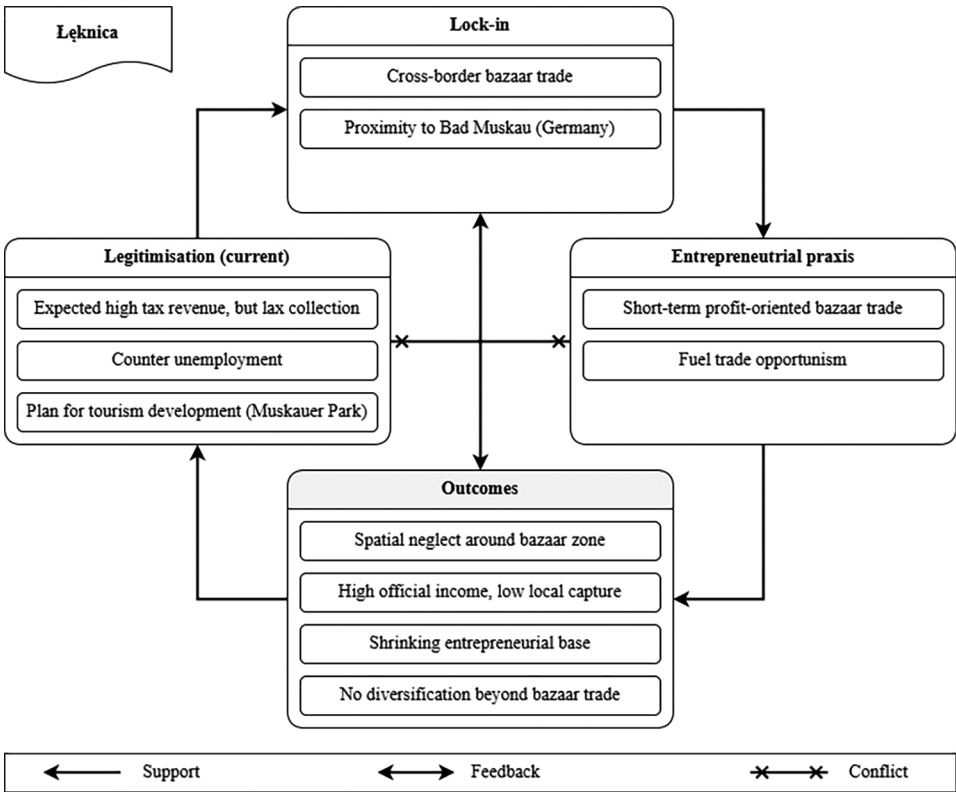


Fig. 2. Relationship between lock-in, legitimization and praxis in Łęknica
Source: own elaboration.

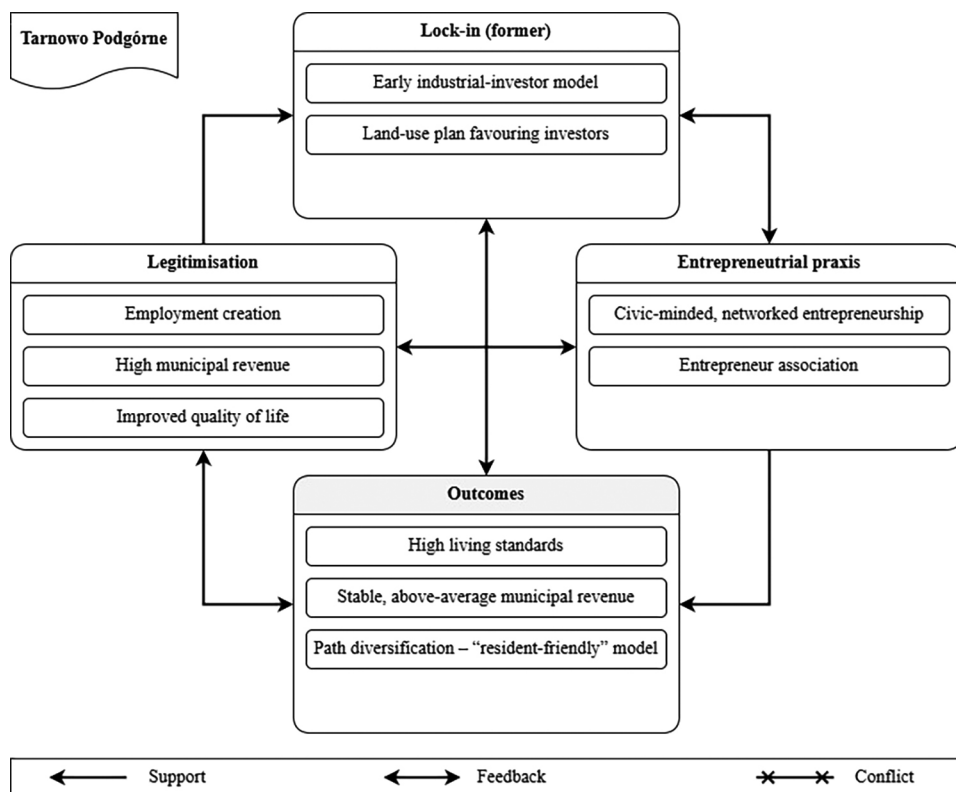


Fig. 3. Relationship between lock-in, legitimization and praxis in Tarnowo Podgórne
Source: own elaboration.

process through its influence on local government, bringing micro-level actions supporting building networks between social structures and supporting institutional arrangements (Grillitsch 2019). This influence is effective thanks to an organized form through an association. In addition, entrepreneurs emphasize the tradition of Greater Poland – highlighting thriftiness but also caring for their environment. Thus, the initial lock-in is transformed through a change in the municipality's identity.

This case is particularly valuable for theory as it provides a nuanced understanding of how entrepreneurial praxis, the persistence of a lock-in state, and the quest for legitimacy by local authorities interact to redefine a municipality's developmental trajectory. Tarnowo Podgórne demonstrates that breaking free from a lock-in state requires proactive and participatory governance capable of balancing short-term economic needs with long-term diversification strategies. The role of entrepreneurial praxis in this process is particularly notable, as it not only influences local strategies but also fosters a collective identity and shared vision for sustainable development (RQ5–6). This interplay highlights the importance of aligning institutional reforms, cultural values, and entrepreneurial actions to

facilitate transformative change. By emphasizing these interdependencies, the case extends theoretical discussions on how transitional societies can navigate path dependencies and unlock new developmental opportunities.

Limitations and prospects for future research

The study is deeply rooted in the geohistorical context of Poland, tied to systemic transformation and the country's entry into the European Union. While this contextual focus provides valuable insights into the dynamics of emerging entrepreneurship in transitional societies, it limits the generalizability of findings to other regions or economies. The historical and socio-political uniqueness of Poland during its systemic transformation makes it challenging to apply these results directly to countries with different trajectories of economic or political change.

Additionally, the study is limited to three municipalities, which, while carefully selected, represent specific types of regional economies: coastal tourism (Łeba), border trade (Łęknica), and suburban agglomeration (Tarnowo Podgórne). This narrow focus excludes other potentially relevant contexts, such as industrial regions, rural areas with agricultural dependency, or metropolitan centers with diverse economic profiles.

The young age of the Polish market economy further restricts the scope of analysis, as the research primarily addresses sectors with relatively low barriers to entry, such as the HORECA sector and trade. More advanced sectors, such as technology or manufacturing, remain unexplored, which limits the understanding of how lock-in dynamics might manifest in higher-complexity industries.

Moreover, the term "lock-in", while central to the study, is inherently evaluative and may carry normative connotations. Its usage in this research emphasizes its negative effects on regional development but does not fully explore cases where lock-in may have a stabilizing or protective role in preserving local economies or cultural identity.

Finally, the study relies heavily on qualitative methods, such as interviews and non-participant observation, which, while valuable for exploring complex socio-economic phenomena, are subject to biases. Respondents' reluctance to participate (e.g., in Łęknica) and the inability to record some interviews may have limited the depth and reliability of the data. Future research could complement qualitative insights with quantitative methods, such as large-scale surveys or econometric modeling, to provide a more comprehensive picture.

Conclusions

This study demonstrates the complex, two-sided nature of lock-in effects in transitional societies: on the one hand, they can act as stabilizing forces that spur rapid entrepreneurial activity during systemic transformations; on the other, they can entrench narrowly focused development paths that hinder long-term

innovation and diversification. The experiences of Łeba, Łęknica, and Tarnowo Podgórne underscore how geo-historical conditions, entrepreneurial praxis, and legitimacy-seeking behaviors by local authorities interact to either perpetuate or overcome path dependency.

The research illustrates that lock-in effects can initially foster entrepreneurship by providing a “safe harbor” for entrepreneurial activities during systemic transformations (RQ1). In Łęknica, the boom in cross-border trade following the collapse of state-run industries created rapid opportunities for profit and employment, while Łeba leveraged its natural assets for tourism to counteract industrial closures. These examples align with path dependency theory, demonstrating how early stabilization within a specific trajectory can stimulate entrepreneurial activity. However, these early gains often embed regions in development paths that constrain their long-term adaptability.

Prolonged reliance on a single industry often leads to path exhaustion, creating rigid structures that hinder diversification and innovation (RQ2). Łęknica’s dependency on the bazaar economy and Łeba’s focus on seasonal tourism illustrate the detrimental effects of path dependency, where prior decisions lock municipalities into self-reinforcing cycles. Tarnowo Podgórne, by contrast, exemplifies how institutional entrepreneurship and strategic alignment can foster path creation through proactive governance, public-private partnerships, and transparent spatial planning. These findings underscore the importance of institutional flexibility in overcoming unfavorable lock-in states (Hassink et al. 2019).

The study also highlights the role of legitimacy-seeking behaviors in shaping the developmental trajectories of municipalities during systemic transformation (RQ3). In all three municipalities, local authorities initially sought legitimacy by supporting entrepreneurial ventures that addressed unemployment and economic instability, a behavior consistent with neo-institutional theory (Taylor 2019). However, this short-term focus on economic stabilization often reinforced lock-in states by aligning governance with narrow, profit-driven entrepreneurial practices (e.g., tourism in Łeba or bazaar expansion in Łęknica).

The long-term impact of the relationship between entrepreneurs and local authorities further shaped the developmental trajectories of the studied municipalities (RQ4). In Łęknica and Łeba, local authorities became constrained by their early dependency on entrepreneurial praxis focused on immediate gains, which perpetuated coercive isomorphism and limited innovation. Conversely, Tarnowo Podgórne’s authorities adopted a more balanced approach, actively engaging with entrepreneurial associations to foster diversification and improve quality of life. This illustrates how collaborative governance can shift institutional focus from short-term gains to long-term resilience.

The findings also demonstrate the critical role of entrepreneurial praxis in shaping municipal development strategies (RQ5). In Łęknica, entrepreneurial praxis centered on maximizing immediate profits from cross-border clients, effectively sidelining opportunities for leveraging UNESCO heritage sites. Tarnowo Podgórne’s entrepreneurial associations, however, exemplify how micro-level

strategizing can facilitate institutional alignment and guide municipalities toward more diversified, resident-centered development strategies (MacKinnon et al. 2019).

Finally, this research underscores how innovative and cooperative entrepreneurial practices can mitigate long-term lock-in effects (RQ6). Tarnowo Podgórne demonstrates the transformative potential of collective action, entrepreneurial networks, and future-oriented strategies. These findings expand theoretical discussions on the conditions enabling path creation and breaking lock-in, particularly in transitional societies where systemic transformations shape governance and entrepreneurship. This example is particularly significant for theory, as the literature provides limited evidence of situations where lock-in was successfully overcome (Goldstein et al. 2023).

Conflict of interest

The authors declare that they have no conflict of interest and assures that the work is the result of their own creation. The division of work on the article was as follows:

- Conceptualisation: GS (50%) PK (50%),
- Methodology: GS (30%), PK (70%),
- Research organisation: GS (20%), PK (80%),
- Formal analysis: GS (80%), PK (20%),
- Writing: GS (80%), PK (20%).

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Jak przełamać efekt uwięzienia (*lock-in*)? Narodziny, rozwój i upadek przedsiębiorczości regionalnej w społeczeństwach transformacyjnych – przykłady ze współczesnej Polski

Zarys treści: W artykule podjęto analizę, jak zjawisko efektu uwięzienia (*lock-in*) może początkowo sprzyjać rozwojowi przedsiębiorczości i tworzeniu nowych ścieżek rozwoju w społeczeństwach przechodzących transformację, ale z czasem może hamować rozwój gmin. W tym celu przebadano trzy polskie gminy – Łebę, Łęknice i Tarnowo Podgórne – aby zidentyfikować czynniki, które przyczyniają się do utrzymywania stanu *lock-in*, oraz strategie jego przewyżczenia. Wykorzystano analizę jakościową opartą na wywiadach z przedsiębiorcami, władzami gminnymi i mieszkańcami, a także odwołano się do ewolucyjnej geografii ekonomicznej, teorii neoinstytucjonalnej oraz podejścia „strategii jako praktyki”. Przebadano wzajemne relacje między czynnikami geohistorycznymi, przedsiębiorczą praktyką a potrzebą legitymizacji władz lokalnych. Wyniki wskazują, że proaktywni przedsiębiorcy, wspierani przez otwarte na współpracę władze lokalne, mogą redefiniować strategię rozwoju, sprzyjać dywersyfikacji i skutecznie przełamywać stan *lock-in*. Podkreślono kluczową rolę współpracy między przedsiębiorcami a władzami gmin w transformacji regionalnych ścieżek rozwoju, oferując cenne wskazówki dla decydentów w gospodarkach przechodzących transformację.

Słowa kluczowe: przedsiębiorczość regionalna, efekt uwięzienia (*lock-in*), strategia jako praktyka, ewolucyjna geografia ekonomiczna, transformacja systemowa w Polsce