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## Article

# The growth of the small and medium-sized enterprises in the Polish economy and their influence on the labour market

Comparative Economic Research. Central and Eastern Europe

## Provided in Cooperation with:

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*Suggested Citation:* Kwiatkowska, Walentyna (2010) : The growth of the small and medium-sized enterprises in the Polish economy and their influence on the labour market, Comparative Economic Research. Central and Eastern Europe, ISSN 2082-6737, Łódź University Press, Łódź, Vol. 13, Iss. 1-2, pp. 5-21,  
<https://doi.org/10.2478/v10103-009-0027-2>

This Version is available at:

<https://hdl.handle.net/10419/259034>

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**WALENTYNA KWIATKOWSKA\***

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## **The growth of the small and medium-sized enterprises in the Polish economy and their influence on the labour market**

### **Abstract**

*The small and medium-sized enterprises and self-employment significantly contribute to pro-employment growth in the economy. The main aim of the paper is to describe the determinants of development of SME sector in Poland and to show its significance as a generator of jobs.*

*The article has been structure as follows. Section 2 provides the characteristics and importance of the small and medium-sized enterprises. Section 3 outlines the main provisions of the European Charter for Small Enterprises. Section 4 presents data illustrating SMEs' growth trends and significance in Poland in the years 2003-2007 by the type of an enterprise, employment, and the share in GDP, foreign trade and investment. Section 5 discusses government's policies towards utilising the sector's growth potential for Poland. Section 6 presents major conclusions derived from the earlier discussion.*

### **1. Introduction**

Measures expediting the establishment of new enterprises and a system promoting entrepreneurship are particularly important for Poland, as they would help improve the situation in the Polish labour market and support government's active policy on increasing employment and combating unemployment. They

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are indispensable for making adaptations necessary to follow the Community's guidelines ensuring the achievement of the European employment and entrepreneurship support policy's objectives through the European Charter for Small Enterprises.

Experiences of the developed EU member states show that small and medium-sized enterprises (SMEs) and self-employment significantly contribute to pro-employment growth in the economy. SME formation and growth boost entrepreneurial activity and promise a better labour market situation, because of the new, more productive jobs they create.

The article sets out to describe the significance of the SME sector as a generator of jobs and to present the prerequisites for the sector's growth in Poland.

The article has been structured as follows. Section 2 provides the characteristics and importance of the small and medium-sized enterprises. Section 3 outlines the main provisions of the European Charter for Small Enterprises. Section 4 presents data illustrating SMEs' growth trends and significance in Poland in the years 2003-2007 by the type of an enterprise, employment, and the share in GDP, foreign trade and investment. Section 5 discusses government's policies towards utilising the sector's growth potential for Poland. Section 6 presents major conclusions derived from the earlier discussion.

## **2. The characteristics and importance of the small and medium-sized enterprises**

The SMEs can be distinguished from all other business organizations functioning in the economy based on their measurable properties and qualitative properties. The former have a quantitative character and consist of the size of employment, annual turnover and a balance sheet total.

**Table 1. The quantitative criteria allowing the identification of the micro, small and medium enterprises**

Criteria	Enterprises		
	Micro	Small	Medium
Number of employees	0–9	10–49	50–249
Annual turnover (in million euros)	2	10	50
Annual balance sheet total (in million euros)	2	10	43

Source: an excerpt from the Commission recommendation 2003/361/EC of 6 May 2003, Dz. U. L 124 of 20 May, 2003, p. 36.

The above criteria for identifying the micro, small and medium-sized enterprises have been in force in all member states since 1 January 2005<sup>1</sup>. An important aspect that makes SMEs special among other organizations is their qualitative characteristics, particularly the way they are managed, the in-house relations and the relations between them and their environment (Zadora, 2009, p. 18). Their owners usually perform executive and management roles, mainly within the operational sphere, at their own risk and responsibility. As far as their structure is concerned, SMEs are simple and informal, and the contacts with the employees are both diverse and direct (Safin, 2008, p. 39). SMEs usually do business in the local and regional markets and contact their customers without any intermediaries. Decisions are made promptly, production processes are flexible and the organizations themselves act independently of other entities. The SMEs' main source of finance is savings that the owners and their families have accumulated, because of the limited cooperation between financial institutions and the SME sector and the sector's difficulty in getting external funding.

The above allows drawing some conclusions on SMEs' significance for the economy. SMEs create new jobs, thus increasing employment and making society wealthier. Their direct contacts with customers enable them to respond quickly to the changing market demand, which additionally ensures a more

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<sup>1</sup> The freedom of economic activity act of 2 July.2004 harmonised the Polish definition of the enterprises with the EC's regulation (Dz. U. 2004, no. 173, item 1807).

rational allocation of economic resources (Piasecki, 1998, p. 101). Besides, they function as a resource for the large firms, providing them with various goods and services in fields such as marketing, advertising, transport, data processing, and distribution of goods. Using local labour force and raw materials, SMEs help their regions grow. SMEs are more willing to employ people who are disadvantaged in the labour market (young and older persons, women). Because they are more adaptable and need less time to decide about entering into new areas of business activity, including innovation, they exert an increasingly strong influence on economic restructuring and competitiveness. Besides, SMEs help cushion economic crises.

### **3. Provisions of the European Charter for Small Enterprises**

The European Charter for Small Enterprises was passed by the European Council in Santa Maria da Feira in June 2000 to ensure the effective implementation of the Lisbon Strategy's objectives concerning entrepreneurship development (Strategia Lizbońska (Lisbon Strategy), 2002, p. 10-11). The Lisbon Strategy follows two major lines of action, one addresses the regulatory obstacles to business while the other tackles the enterprise establishment process. The document additionally points up that the legal and administrative regulations should be coordinated and simplified for entrepreneurship development to receive appropriate support. Besides, the need to provide SMEs with better access to finance, mainly the micro loans, and new technologies is emphasised.

The European Charter for Small Enterprises makes the Lisbon Strategy's objectives more specific. Among the ten lines for action, there are the calls for solutions expediting the establishment of new enterprises and for giving them support, particularly in the start-up period. The main lines for action target the following areas (Strategia Lizbońska, (Lisbon Strategy) 2002, p. 202):

- education and training for entrepreneurship,
- cheaper and faster start up,
- better legislation and regulation,
- development of vocational education and long-life learning,
- improving on-line access,
- better conditions for the functioning of enterprises in the Single Market,
- simplification of tax systems and making funding more accessible,
- better access to new technologies,

- promotion of successful e-business models and top-class small business support,
- stronger representation of entrepreneurs' interests at the national and Community levels.

To expedite the implementation of the above priorities, the European Commission has obligated the member states to submit annual progress reports related to the European Charter for Small Enterprises. Besides, a report with the best practices is drawn up annually, for all EU member states to be able to use the best models and the most efficient ways of applying them.

At its summit held in Brussels between 20 and 21 March 2003, the European Council evaluated the progress in implementing the European Charter for Small Enterprises (Hardt, 2004, p. 55). It was agreed then that the laws and enterprise registration requirements were already significantly simplified. The member states reduced their registration charges and some of them even gave them up completely. The introduction of e-registration systems considerably shortened the time the entrepreneurs needed to register their organizations. It was admitted, however, that it was still necessary to improve the introduction of new technologies, simplify tax systems, facilitate access to finance, decrease operational risk and create entrepreneurial culture. Another recommendation concerned the necessity of spreading the idea of entrepreneurship among young people (secondary and tertiary students), who should be made ready to run their own firms. It was also acknowledged at the summit that the SMEs significantly contribute to the Community's economic growth and to the attainment of its employment policy's objectives, owing to the jobs they create and to their increasing competitiveness.

Poland approved the European Charter for Small Enterprises in April 2002. The Charter's lines for action are compatible with the Lisbon Strategy's objectives and they aim at helping SMEs grow. In implementing the lines for action, the structural funds will have an important role to play, as well as Polish enterprises' eligibility for aid under the EU programmes. An active government's policy towards this group of enterprises backed by policies implemented by local governments and the mobilisation of individual initiatives will also be necessary. In Poland and in other member states measures reducing the institutional and administrative, capital and educational obstacles are important to improve the conditions for starting and running SMEs and to boost their growth.

#### 4. The SME sector's influence on the basic macroeconomic indicators in Poland

Entrepreneurial activity started expanding dynamically already in the first years of the systemic transition in the Polish economy, resulting in a fast growing number of micro, small and medium-sized private enterprises that became an important factor shaping the ownership restructuring processes in Poland and increasing the private sector's share and role in the economy. Moreover, owing to the jobs they created, the enterprises helped mitigate the negative economic and social effects produced by the liquidation and restructuring of the state-owned enterprises, such as mass redundancies and growing unemployment.

The growth of the SME sector in Poland shows quite strong, although varying dynamics.

**Table 2. Enterprises entered into the REGON system in Poland between 2003 and 2007**

Years	Total	0–9	10–49	50–249	>249
2003	3643992	3463245	144618	30106	6023
2004	3670915	3485970	149159	30029	5757
2005	3718521	3528198	154643	30174	5506
2006	3740741	3548677	156408	30219	5437
2007	3794422	3599259	159426	30266	5471
Year 2003 = 100					
2004	100.7	100.6	103.1	99.7	95.6
2005	102.0	101.9	106.9	100.2	91.4
2006	102.6	102.5	108.1	100.4	90.3
2007	104.1	103.9	110.2	100.5	90.8

Source: Raport o stanie sektora małych i średnich przedsiębiorstw w Polsce w latach 2007–2008, the Polish Agency for Enterprise Development, Warsaw 2009, p. 265, calculated by the author.

Between 2003 and 2007, the total number of private enterprises registered in the REGON system increased by 4.1%; for the small enterprises the rate was 10.2%, but for the micro firms the increase was not so marked (less than 4%). The medium-sized organizations did not significantly change their number, growing by 0.5% only (160 new entities), and the number of the large ones decreased by 9.2% (by 552).

**Table 3. The micro, small and medium enterprises as shares of all REGON-registered firms in Poland between 2003 and 2007 (%)**

Year	Total	0–9	10–49	50–249
2003	100.0	95.0	3.9	0.8
2004	100.0	94.9	4.1	0.8
2005	100.0	94.9	4.1	0.8
2006	100.0	94.9	4.2	0.8
2007	100.0	94.8	4.2	0.8

Source: Raport o stanie sektora małych i średnich przedsiębiorstw w Polsce w latach 2007–2008, the Polish Agency for Enterprise Development, Warsaw 2009, p. 265, calculated by the author.

With a rate ranging from 94.8 to 95%, the micro firms were the largest group among all registered private businesses. In the period 2004–2007, the micro and small firms together constituted 99% of the entire population of registered private firms. The shares of the medium and large organizations were stable (0.8% and 0.2%, respectively).

Not all enterprises filing for registration become really active organizations in the same year.

**Table 4. The active SMEs as shares of the REGON-registered firms between 2003 and 2007**

Years	0–9	10–49	50–249
2003	48.1	29.6	47.7
2004	47.4	29.7	46.6
2005	45.8	28.8	47.2
2006	46.6	28.3	48.7
2007	47.6	28.3	51.1

Source: see table 1, p. 266.

The data in table 4 show that less than half of the micro and medium-sized firms were active. In 2007 the situation was better than in the previous years, particularly regarding the share of the active medium-sized enterprises that exceeded 50%. The proportion of the active small enterprises in the registered population was relatively low, slightly exceeding 28%, but the fact that the rate stopped falling is a good sign.

Generally, measures are needed to support active functioning of the registered, micro, small and medium enterprises, as this approach will increase the number of steadier jobs in the Polish economy. It is worth noting that the



share of the active large organizations in their registered population was growing systematically between 2003 and 2007 (from 44.9 to 59.3%), thus contributing to a larger number of active jobs.

**Table 5. Employment in the SMEs and in large enterprises in Poland between 2003 and 2007**

Year	Total	Micro 0–9	Small 10–49	Medium 50–249	Large >249
2003	8,139,235	3,396,685	953,636	1,478,707	2,310,207
2004	8,160,688	3,383,470	967,301	1,461,519	2,348,398
2005	8,287,502	3,403,095	972,030	1,494,052	2,418,325
2006	8,556,132	3,474,574	976,451	1,542,386	2,562,721
2007	8,969,302	3,592,817	1,007,453	1,619,286	2,749,746

Source: Raport o stanie..., op. cit., p. 266.

**Table 6. Employment dynamics in the SME sector in Poland between 2003 and 2007  
(2003=100)**

Enterprises	2003	2004	2005	2006	2007
Total	100.0	100.3	101.8	105.1	110.2
Micro	100.0	99.6	100.2	102.3	105.8
Small	100.0	101.4	101.9	102.4	105.6
Medium	100.0	98.8	101.0	104.3	109.5
Large	100.0	101.6	104.7	110.9	119.0

Source: calculated by the author based on data in table 5.

From the perspective of our discussion, it is important to evaluate SMEs' contribution to labour demand. Between 2003 and 2007, employment increased in the private sector by more than 830,000 people (10.2%). In the last year of the period, the micro, small and medium-sized organizations were employing 6,219,500 persons, i.e. by 390,500 more than in 2003. Interestingly, in the medium-sized enterprises employment grew considerably (by 9.5%) following the general rate of growth, because more organizations in this size category became active. The numbers of workers employed by the micro and small firms increased similarly in 2006 and 2007, i.e. by over 2% and 5%, respectively. The large organizations considerably augmented their employment, by around 440,000 people (19%), as a result of a growing number of active jobs.

**Table 7. The SME sector's shares in total employment in Poland between 2003 and 2007 (%)**

Enterprises	2003	2004	2005	2006	2007
Total	100.0	100.0	100.0	100.0	100.0
Micro	41.7	41.5	41.1	40.6	40.1
Small	11.7	11.8	11.7	11.4	11.2
Medium	18.2	17.9	18.0	18.0	18.1
All SMEs	71.6	71.2	70.8	70.0	69.4
Large	28.4	28.8	29.2	30.0	30.6

Source: calculated by the author based on data in table 5.

A look at employment structure in the selected years (see tab. 7) reveals the major change trends. Most people worked in the micro, small and medium enterprises that accounted for 69-71% of total employment. In other words, they employed more people than the large organizations. The micro firms' contribution to employment was the most significant (over 40%).

**Table 8. SMEs' employment structure by economic section in Poland in 2007 (%)**

Employed in	Micro	Small	Medium
Total	100.0	100.0	100.0
Manufacturing	13.3	35.2	50.5
Construction	11.8	10.4	9.6
Trade and repairs	35.9	29.7	18.7
Hotel and restaurants	4.0	3.3	1.4
Transport, storage and communication	7.5	4.7	5.1
Financial intermediation	2.4	0.5	0.4
Real estate and business services, science	14.3	9.9	10.9
Education	1.4	0.8	-
Healthcare and welfare	4.5	3.0	0.9

Source: Raport o stanie..., op. cit., calculated by the author.

In 2007, most persons employed by the micro firms (around 36%) traded and provided repair services, which is a natural consequence of the large number of micro firms in this section (over 33% of all micro forms). The second largest section was real estate and business services, which accounted for 14.3% of employment and for 17% of micro firms. Regarding the small, and especially the medium-sized enterprises, manufacturing and trade and repairs had the highest percentages of employment. The same sections also had the highest rates

of active organizations. There were 22% active small firms in manufacturing and over 20% in trade and repairs; for the medium-sized the rates were around 30% and 12%, respectively. The next sections were real estate and business services and construction, where employment varied within 9-10%.

Enterprises' growth is mainly driven by investment activity that improves their market position and helps deal with their competitors, as well as providing a rationale for modernising their production processes.

The investment activity of the micro, small and medium-sized enterprises is presented in table 9.

**Table 9. SMEs' investment outlays and their dynamics in Poland between 2003 and 2007**

Enterprises	2003	2004	2005	2006	2007
	in million zlotys				
Total	77,397	90,392	99,972	114,340	144,279.6
Micro	10,088	11,364	11,842	14,179	18,320.8
Small	10,680	11,689	10,613	12,845	15,826.6
Medium	16,259	21,944	21,703	28,041	34,759.2
Large	40,370	45,395	55,815	59,275	75,373.0
investment dynamics, 2003=100					
Enterprises	2003	2004	2005	2006	2007
Total	100.0	116.8	129.2	147.7	186.4
Micro	100.0	112.6	117.4	140.5	181.6
Small	100.0	109.4	99.4	120.3	148.2
Medium	100.0	134.9	133.5	172.5	213.8
Large	100.0	112.4	138.3	146.8	186.7

Source: Raport o stanie..., op. cit., p. 270, calculated by the author.

According to the data, the enterprises spent larger and larger amounts on investment projects in the analysed period. Between 2003 and 2007, the total investment spending of the micro, small and medium enterprises rose from 37,027 million to 68,906.6 million zlotys, being, however, still smaller than in the large enterprises. Investments were growing throughout the period, but in 2006 and 2007 their increases were the strongest vis-à-vis 2003, especially in the medium-sized enterprises, by 72.5% and 113.8%, respectively. The micro firms also assigned quite considerable amounts to investments (40.5% and 81.6% in the years 2006-2007), but in the small ones the trend was less distinct (20.3% and 48.2% in the same years).

**Table 10. SMES' shares in total investment activity in Poland between 2003 and 2007 (%)**

Enterprise	2003	2004	2005	2006	2007
Total	100.0	100.0	100.0	100.0	100.0
Micro	13.0	12.6	11.8	12.4	12.7
Small	13.8	12.9	10.6	11.2	11.0
Medium	21.0	24.3	21.7	24.5	24.1
Large	52.2	50.2	55.8	51.8	52.2

Source: Raport o stanie..., op. cit., p. 270, calculated by the author.

The micro and small enterprises decreased their share in the volume of investments between 2003 and 2007, from 26.8% to 23.7%, but the medium enterprises' share increased. In all the analysed years, the large enterprises accounted for the largest portion of investment activity (over 50%), owing to their eligibility for a wider range of financing options, including loans.

Poland's membership in the European Union gives enterprises more opportunities to export. In the group of exporters, the small and medium enterprises can also be found. Table 11 shows SMEs as the proportion of all exporting and importing organizations between 2007 and 2008.

**Table 11. SMEs <sup>a)</sup> as the proportion of all exporters and importers in Poland between 2007 and 2008 (%)**

Enterprises	2007	2008
<b>Exporters</b>		
Total	100.0	100.0
Small	46.7	45.8
Medium	40.4	41.7
<b>Importers</b>		
Total	100.0	100.0
Small	47.2	47.4
Medium	38.8	39.5

<sup>a)</sup> without micro firms (0-9 employees)

Source: calculated by the author based on J. Orłowska, Handel zagraniczny przedsiębiorstw MŚP w latach 2007-2008, [in:] Raport o stanie sektora..., op. cit., p. 48.

The table shows that between 2007 and 2008 the small and medium-sized enterprises increased their share in the total number of exporters from 87.1% to 87.5%, following the growing share of the medium-sized

organizations. The number of the small and medium-sized exporters grew larger, from 13,804 to 14,262. The SME sector's share in the group of importers also rose in the analysed years, from 86.0% to 86.9%. Most importers in the sector were small enterprises (7,677 in 2008) that outnumbered the medium ones (6,396 in the same year). The total number of importing SMEs also increased between 2007 and 2008, rising from 12,685 to 14,073 organizations.

The role the SMEs play in Poland's economy can be well illustrated by the sector's contribution to GDP.

**Table 12. SMEs' shares in Polish GDP between 2003 and 2007 (%)**

Enterprises	2003	2004	2005	2006	2007
Micro	32.0	31.3	31.4	31.0	30.1
Small	7.5	6.8	7.3	7.4	7.3
Medium	8.5	9.5	8.8	9.3	10.0
All SMEs	47.9	47.6	47.5	47.7	47.4

Source: Raport o stanie sektora małych i średnich przedsiębiorstw w Polsce w latach 2007-2008, [www.parp.gov.pl](http://www.parp.gov.pl)

Table 12 shows that SMEs contributed a relatively stable portion of GDP, exceeding 47% in the examined years. The contribution was the largest in 2003, around 48%, while in 2007 it was by 0.5 percentage points lower. The numerous active micro enterprises in the SME sector contributed over 30% of GDP, the medium sized accounted for ca. 9-10%, and the small ones for approx. 7-7.5%. Their shares prove that SMEs are moderately developed, so stimulation of their investment and innovative activities, and particularly providing them with modern IT and specialist knowledge seems recommendable. Notwithstanding the growing number of enterprises having computers with access to the Internet, the tool is still underutilised in their operations.

For private entrepreneurship to expand in Poland, the obstacles impeding the growth of the micro, small and medium enterprises must be overcome. The main types of the obstacles are (Kawecka-Wyrzykowska, Synowiec, 2004, pp. 155-160):

- insufficient availability of physical and financial capital,
- entrepreneurs lacking managerial skills (necessary to manage, market, innovate),
- low creditworthiness (this particularly hurts the micro firms),
- limited investment options,
- unsatisfactory quality of products and services.

The external factors, such as legislation and the current stage of the business cycle at home and abroad, also impose constraints. Their influence suggests that the SME sector could benefit from some systemic support measures.

## **5. Government's policy towards the SME sector**

The SMEs' role and responsibility for job creation and generating labour demand are substantial. However, to motivate them to create jobs some specific requirements have to be met in order to release their growth potential. The requirements should help reconcile the long-term job creation mission with enterprises' current aim of earning profits (Golinowska 2004, p. 32-33).

The macroeconomic factors providing SMEs with growth opportunities consist of measures rationalizing public finance, ensuring investment-friendly tax systems, reducing the bureaucratic burden and red tape, strengthening institutions that support enterprises (Training and Advisory Centres, venture capital funds, incubators of entrepreneurship, technological parks), including better cooperation between the R&D sphere and the economy (Szczepaniec, Jurkiewicz, 2009, p. 34-41).

The SME sector will not be able to grow and create jobs, if the sector-specific requirements allowing the SMEs to have better chances of competing in the free, single European market are not met. The most important of the requirements are:

- extending the advisory system for entrepreneurs to cover all aspects of a running a firm. An SME owner has to perform several functions that the large organizations carry out through their dedicated personnel (marketing, IT, financial etc.), frequently having no specialist knowledge of all the areas;
- measures improving SMEs' access to capital by extending the loan guarantee fund system. The usually low value of their fixed assets, particularly in the micro and small firms, makes it difficult for them to present collaterals and get loans. A good example of such a system is venture capital funds;
- availability of important business information, e.g. on cooperation opportunities, export and innovation opportunities, laws in force in the single European market;
- pushing for the development of a business-friendly infrastructure;
- legislative changes reducing labour costs, particularly the non-wage costs;

- financial support for innovation and commercialisation activities, as well as the introduction of quality systems to enterprises;
- promoting the concept of businesses' ethical and social responsibility for job creation;
- SMEs' participation in the working out of vocational training programmes, as well as apprenticeship, internship and vocational preparation programmes to ensure their better fit with the local labour markets' demand.

Another objective in the government's policy for SMEs is supporting their export activities. Larger exports guarantee that output will grow too and that jobs will not only be retained but also created. For the objective to be achieved, the system providing export information and spreading knowledge about the legal and administrative requirements in the single EU market should be extended. Besides, the budget funds should be used to help the participation of the Polish SMEs in foreign exhibitions and the establishment of cross-border commercial cooperation. Moreover, the Export Credit Insurance Corporation should simplify the applicable rules, requirements and procedures so that export credit insurance becomes more available to SMEs.

An important factor for SMEs' growth is increasing investment outlays that the government's policy for the sector treats has assumed as one of its key objectives. Investments help SMEs improve their production potential, increase their contribution to GDP and competitiveness, and improve job creation. A special tax policy, new regulations for asset depreciation, strengthening of the credit guarantee funds and of the non-banking, financial institutions could enhance the desired pro-investment attitudes among the SMEs.

The government implements its policy for SMEs via the Polish Agency for Enterprise Development and local governments. The public employment service plays a special role in promoting and supporting entrepreneurship. Distributing the Labour Fund's resources, the service can support financially individual entrepreneurial projects and reimburse some SMEs' expenses involved in job creation<sup>2</sup>. The aspiring entrepreneurs are eligible for Labour Fund grants within, but not exceeding, 500% of the average wage and for the reimbursement of up to 80% of the documented costs of legal assistance, consultations and guidance. To receive a grant, a potential beneficiary does not have to present any collateral, however the grant must be spent as indicated.

The Labour Fund supports also SME employers by refunding their job creation or recruitment costs. The main forms of this support are the following:

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<sup>2</sup> Based on the employment promotion and labour market institutions act of 20 April 2004, Dz. U. of 1 June 2004, No. 99, item 1001.

- a reimbursement of the new or additional equipment cost for a job to be done by a previously unemployed person, provided that it is a full-time job scheduled for a least 12 months; the reimbursement may not exceed 300% of the average wage;
- a single reimbursement of employer's costs due to social insurance contributions paid for an unemployed person referred to the employer;
- a partial reimbursement of the costs of wages, rewards and social insurance contributions paid for unemployed persons working under intervention works and public works schemes, within a predetermined amount.

Employers recruiting disadvantaged workers (the long-term unemployed, people under 25 years of age, the disabled, people aged 50+) are entitled to longer periods of employment cost reimbursement; for instance, persons aged 50+ can use intervention works for as long as 4 years. Then the costs of such persons' wages and social insurance contributions are subject to reimbursement and the employer is also entitled to a single grant for purchasing the necessary equipment for their new workers<sup>3</sup>.

## 6. Conclusion

The above discussion allows formulating several conclusions summarising the presented data.

Regarding the formulation of the SME policy, measures promoting entrepreneurial activity and better environment for starting new firms are particularly important, as they influence the realisation of the pro-employment policy of economic growth.

Because the micro, small and medium-sized enterprises have been becoming more and more important for the Polish economy, further support for their growth is necessary in order to utilise their capacity for augmenting GDP and employment, making structural changes, as well as boosting competitiveness and innovativeness.

The numerous obstacles impeding the establishment and functioning of SMEs must be removed, if their development trend is to go on. The obstacles

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<sup>3</sup> The issues are dealt with in detail in the regulation of the Minister of the Economy and Labour of 13 July 2004 concerning the details of providing intervention works and public works, as well as the single reimbursement of expenses due to the payment of social insurance contributions, Dz. U. 2004, no. 161, item 1683.



are mainly: legal, administrative and fiscal, impeding access to capital, information, technologies, guidance, knowledge and innovation.

Promoting entrepreneurship as a valuable and effective form of economic activity, which is especially suitable for young persons, the unemployed and people at risk of unemployment, calls for improving education and training in entrepreneurship, creating an entrepreneurial culture in society, and for giving support by the public employment service. Under the Employment Promotion and Labour Market Institutions Act, the entrepreneurs can be granted start-up grants and reimbursement of expenses they have incurred due to legal assistance, consultation and guidance, and of costs involved in the creation of jobs and increasing firm's workforce.

With Poland becoming a EU member, the Polish small and medium-sized enterprises have become eligible for EU programmes, instruments and structural funds that are dedicated to supporting their growth. Financial aid covers measures helping the SMEs increase their export shares, facilitating new investments, improving human resource quality and creating new jobs.

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## Streszczenie

### ROZWÓJ MAŁYCH I ŚREDNICH PRZEDSIĘBIORSTW W GOSPODARCE POLSKIEJ I ICH WPŁYW NA RYNEK PRACY

*Istotną rolę w realizacji prozatrudnieniowego wzrostu gospodarczego odgrywają małe i średnie przedsiębiorstwa oraz zatrudnienie na własny rachunek. Powstawanie i rozwój podmiotów gospodarczych w ramach sektora MSP jest wyrazem rosnącej przedsiębiorczości i daje szansę na poprawę sytuacji na rynku pracy przez tworzenie nowych, bardziej trwałych i produktywnych miejsc pracy.*

*Celem opracowania jest określenie głównych czynników determinujących rozwój małych i średnich przedsiębiorstw w gospodarce polskiej, ze szczególnym uwzględnieniem ich znaczenia w tworzeniu zatrudnienia.*

*W opracowaniu omówione są ilościowe i jakościowe cechy małych i średnich przedsiębiorstw, z ukazaniem zalet tych podmiotów. Zaprezentowane są postanowienia Europejskiej Karty Małych Przedsiębiorstw, wskazujące główne kierunki działań niezbędnych do pokonania barier ograniczających powstanie i funkcjonowanie sektora MSP. Przy pomocy danych statystycznych zaobserwowano zmiany w liczbie zarejestrowanych i aktywnych mikro, małych i średnich przedsiębiorstw oraz ich udział w tworzeniu zatrudnienia, PKB, w inwestycjach i handlu zagranicznym w Polsce w latach 2003-2007. Na tej podstawie zostały wskazane główne bariery ograniczające rozwój sektora MSP i kierunki działań państwa wobec tego sektora w Polsce warunkujące wykorzystanie jego potencjału rozwojowego.*