



# Project Green Synergy

Business development for SMEs and Entrepreneurs

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## Mapping of Current Situation

## Country Snapshot POLAND

### Table of Contents

<b>Introduction.....</b>	<b>1</b>
<b>Current Situation of Smes and Entrepreneurs / Sustainable Development in Poland....</b>	<b>Error! Bookmark not defined.</b>
<b>Smes and Entrepreneurship Ecosystem in Poland .....</b>	<b>Error! Bookmark not defined.</b>
<b>Conclusions.....</b>	<b>Error! Bookmark not defined.</b>
<b>Bibliography.....</b>	<b>Error! Bookmark not defined.</b>

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## Introduction

From the ownership's point of view, Polish economy was divided into three sectors since early 60's: state, cooperative and private. The existence of three sectors was not equivalent to the fact that all of them are equal concerning their economic potential: assets, turnover and employment. In general, the state and cooperative sector predominated over the private one. On the other hand, private farms remained the dominant form of agriculture in Poland covering approximately 70% of the total areas of farms. The share of the private sector in other spheres of economy was much smaller than in agriculture.

In Poland the 1980s were marked by a steady growth of the private sector but far-reaching economic reforms that began in Poland in 1989, together with changes in the social structure and political system have resulted in rapid development of small and medium size enterprises.

A significant rise in its growth occurred when the government removed most administrative barriers preventing private firms from entering the market. Further changes in economic environment caused next increase of the number of private firms. The government policy during the first period of economic transformation was particularly focused on macroeconomic issues and practically only small part was determining the activity of the small and medium enterprises.

In 1990 the industrial output of the private sector increased by 8%. At the same time industrial output in State sector fell by 23%. In the end of the 90s by private firms 36% was created by small enterprises and 9% by medium enterprises. The second important figure is the number of people working in SMEs comparing to the whole economy. In 1999 there were slightly above 11,4% millions people employed in the economy (excluding agriculture, fishery and forestry) whereas almost 7 millions people, i.e. 61,1%, working in small and medium enterprises.

Between 2004 and 2008, the number of SMEs has grown in Poland by 5%. The SMEs have greatly contributed to the employment, investment and value added in the Polish economy. In the current years it's observed that the SME sector accounts for 99.8% of all firms in Poland. Total employment in the SME sector is 5.9 million employees, or 70.1% of all workers employed. There has been a visible progress after the EU integration, however, the key barriers to further growth remain in the business environment for SMEs and entrepreneurs.

Another significant impact on Polish SME's and entrepreneurs in Poland it's been observed during the pandemic period in 2019. Small and medium-sized enterprises seem to be particularly affected. The outbreak of the coronavirus pandemic has caused changes in the management of inventory strategy.

The sustainable business development in Poland has become very important due to the environmental and social challenges. Poland, as a member of the global community, recognizes the need to prioritize sustainable practices and achieve long-term economic, environmental, and social stability. Sustainable development goes beyond environmental concerns. It encompasses social and economic dimensions, including poverty reduction, social equity, inclusive growth, and responsible business practices.

Poland's Sustainable Development Goals (SDG) actions focus on the 5 aspects in the 2030 Agenda (people, planet, prosperity, peace, partnership). Moreover, the Polish SDG action is supported by national

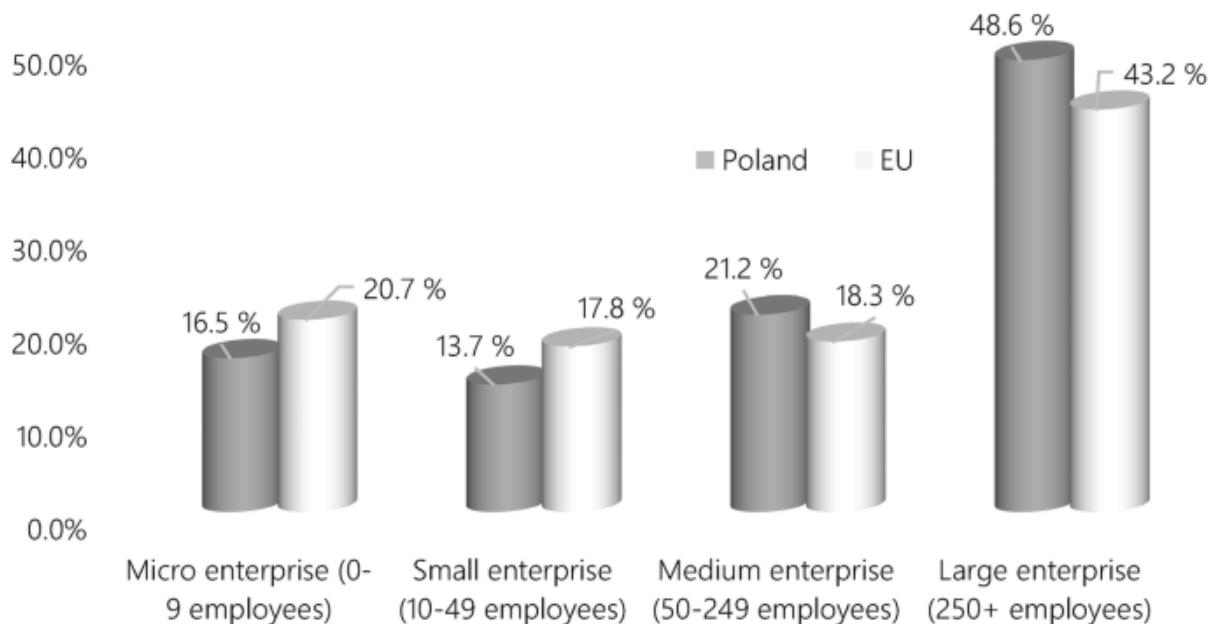


strategies, with a formal procedure for concluding and adopting them. On 16th July 2019, the Council of Ministers adopted the 2030 National Environmental Policy (PEP2030), the most important strategic document in the area of the environment and water management with the aim to ensure Poland's ecological safety and high quality of life for all residents.

## Current Situation of Smes and Entrepreneurs / Sustainable Development in Poland

Despite the economic crisis caused by the COVID-19 pandemic in Poland, the drop in national GDP turned out to be relatively contained: -1.7% and -2.7% in the third and fourth quarters of 2020 if compared with the respective quarters of 2019 thanks to the solid economic basis of 2020.

Already in 2019 there were present 2 211.6 thousand non-financial enterprises in Poland (+2.9% to 2018). **SMEs dominate the business landscape in Poland as they account for almost 99.9% of all business companies.** Micro-enterprises (with less than 10 people employed – Figure 1) alone account for 97% of all enterprises in the country.



*Figure 1 SMEs and IR: Evidence from Poland*  
*Source: Development of Integrated Reporting in the SME Sector*

As in previous years, in 2020, the largest number of companies were established in the following sectors: Construction (68.4 thousand; 20.8% of all newly established enterprises), Motor vehicle trade and repair

(56.5 thousand; 17.2%), followed by activities: professional, scientific and technical (36.0 thousand; 10.9%) and Industrial processes (22.7 thousand, 6.9%).

The vast majority of newly formed companies are individuals who conduct business activity (80.1%) – see Figure 2.

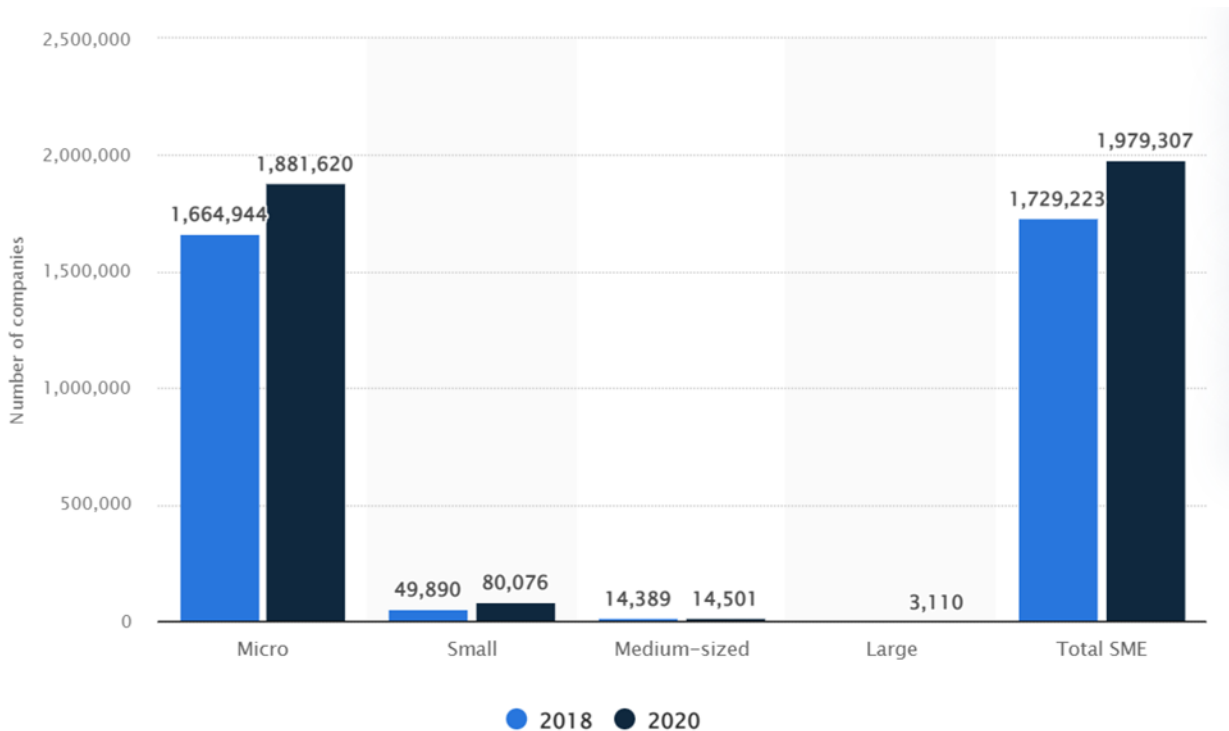


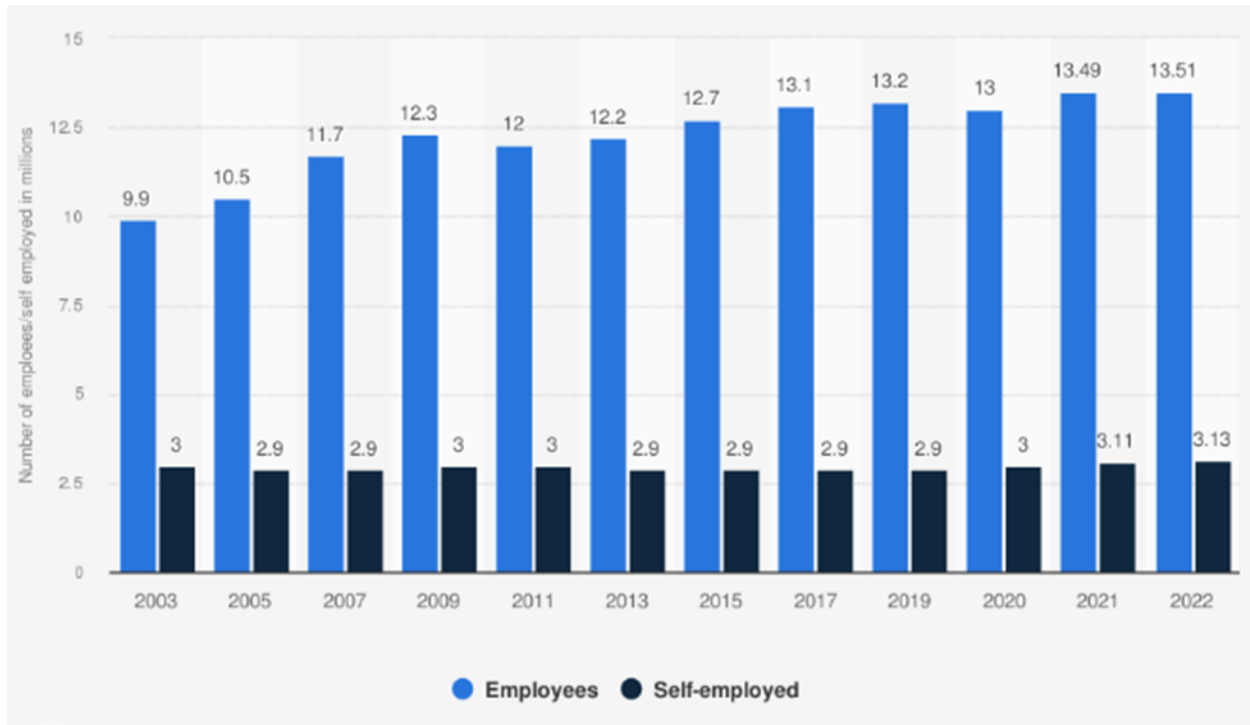
Figure 2 Number of small and medium-sized enterprises (SMEs) in Poland between 2018 and 2020, by size

(Source: Statista 2023)

In the last years, the **self-employment** rate in Poland has been above the EU average. The number of self-employed individuals is of approx. 3 million in Poland (see Figure 3).

As in the other EU countries, also in Poland women are less active than men in self-employment (12.3% vs. 21.6% in 2019). The self-employed rate for youth (8.5%) was above the EU average (6.2%).

Numerous analysis shown that self-employment is perceived satisfactory by those who are professionally active. However, there are many self-employed workers performing work which has been previously performed on the basis of employment contracts and who are therefore deprived of the security associated with the contract of employment. In some cases the choice of self-employment is the only way of employment possibility.



*Figure 2 Average number of employees and self-employees in Poland from 2003 to 2022 (in millions)  
(Source: Statista 2023)*

There are currently about 1.8 million early-stage entrepreneurs. The main obstacles to early-stage entrepreneurship are the high cost of labour, the instability of the law and the complexity of the legal system. More than half of women have a "fear of failure" even though overall entrepreneurial skills do not appear to be a significant barrier to getting started with a successful business.

The Polish government has implemented various measures to foster SMEs and support entrepreneurship. Initiatives such as simplified registration procedures, tax incentives, and access to funding programs have created a favourable business environment, encouraging innovation and business growth.

Moreover, the programs such as the National Center for Research and Development, the Polish Investment and Trade Agency, and regional development funds offer support in terms of grants, mentorship, networking, and market intelligence.



## Smes and Entrepreneurship Ecosystem in Poland

Polish entrepreneurship policies are relatively well developed, however few of the offers are tailored to the needs of specific target groups. Even if the overall entrepreneurship training appears to be available, it favours innovative businesses. Some efforts to reduce the administrative burden on entrepreneurs, including a move towards online platforms for interactions with the government, have been implemented. The tailored national and regional support is rather available for youth, but it is limited for women and the unemployed people. NGOs and local governments often offer reduced initiatives for immigrants, seniors and other groups.

One of the challenges is the lack of awareness and understanding of sustainable development concepts and their relevance. To address this, public awareness campaigns and targeted communication strategies can be employed to promote the benefits of sustainable practices and the importance of training.

As indicated in OECD, 2020, Inclusive Entrepreneurship Policies, Country Assessment Notes: In Poland, “to strengthen inclusive entrepreneurship policies, the following actions can be taken:

- o Organise entrepreneurship training for trainers and support providers to help them better understand the needs of different population groups;
- o Promote entrepreneurship role models for women and seniors; and
- o Strengthen the linkages across support offers to ensure that the multiple needs of women, youth, immigrant and senior entrepreneurs are addressed”.

Currently, in Poland, there are formal provisions of **educational services for self-employment and small and medium-sized enterprises (SMEs)** at various levels. These educational services aim to provide entrepreneurs and SME owners with the necessary entrepreneurial skills, knowledge, foster innovation and support to succeed in their activities. Some examples of formal provisions for education are indicated as follow:

### **Vocational Education and Training (VET)**

Poland has a well-established vocational education and training system offering courses and programs specifically tailored to different professions and industries. VET institutions provide practical training and theoretical knowledge dedicated to self-employment and SMEs. These programs often include internships or apprenticeships to enhance practical skills.

Vocational training centres across Poland offer courses and training specifically designed for individuals interested in starting their own businesses or improving their skills as self-employed professionals. These centres provide practical training and guidance in various fields.



### **Higher Education Institutions**

Universities and colleges in Poland offer degree programs, such as Bachelor's and Master's degrees, in fields related to entrepreneurship, business, and management. These programs provide a comprehensive education on various aspects of running a business and with the aim to enhance capabilities of entrepreneurs and SME owners.

### **Business Schools and Management Institutes**

These dedicated business schools and management institutes in Poland offer specialized education in entrepreneurship, business management and leadership. These institutions provide trainings, workshops, and executive education programs that focus on the specific needs of entrepreneurs and SMEs.

### **Continuing Education and Professional Development**

Many organizations, including business associations, industry chambers, chambers of commerce, business development centres and training providers, offer continuing education and professional development programs for entrepreneurs and SME owners. These programs often include workshops, seminars, and short-term courses that cover topics such as finance, marketing, human resources, and innovation. These organizations offer also mentorship programs tailored to the needs of entrepreneurs.

### **Government Initiatives**

The Polish government plays a crucial role in promoting sustainable development training. It establishes policies that incentivize organizations to invest in training, provides funding for sustainable development programs, and creates regulatory frameworks that support sustainable practices.

The Polish government, through various agencies and institutions, implements initiatives to promote education and training for entrepreneurs and SMEs. These initiatives include subsidized or free training programs, mentorship schemes, and grants for skills development.

Polish Agency for Enterprise Development (PARP): is a government institution that offers training programs and advisory services for entrepreneurs and SMEs. They provide support in areas such as business planning, management, marketing, and accessing EU funding.

### **European Funds**

Poland has access to European Union funds, such as the European Social Fund (ESF) and the European Regional Development Fund (ERDF). These funds support training initiatives for entrepreneurs and SMEs, aiming to enhance skills, knowledge, and business capabilities.

Regional Operational Programs (ROPs): offer training and development opportunities for SMEs. They are financed by the European Regional Development Fund (ERDF) and focus on improving competitiveness, innovation and entrepreneurship.

### **Online Learning Platforms**

Thanks to the growth of online education, several e-learning platforms and websites started to offer courses and resources specifically tailored to self-employment and SMEs. These platforms provide flexibility in terms of timing and access to educational materials, allowing entrepreneurs to learn at their own pace. Different online platforms and resources provide training materials, webinars, and educational content for self-employed individuals and SMEs. These platforms cover topics such as business planning, financial management, marketing, and digital skills. Some examples include the Polish Chamber of



Commerce (Krajowa Izba Gospodarcza) and online business training platforms like Goodie.pl and BiznesBezTajemnic.pl.

The above-mentioned training programs can enhance knowledge and awareness of sustainable development principles, practices, and solutions to empower individuals and organizations and develop the skills necessary for implementing sustainable practices across different sectors.





## Conclusions

The present document explores the business development for SMEs and Entrepreneurs and the significance of training for sustainable development in Poland focusing on the benefits, challenges, and potential strategies to address the training needs.

Poland presents a favourable environment for sustainable business development and growth in SMEs and entrepreneurs. With a strong economy, supportive government policies, diverse market opportunities, and a skilled workforce, Poland offers a conducive ecosystem for business development.

Poland can stimulate economic growth by promoting green innovation and supporting sustainable start-ups, while addressing environmental challenges and sustainable development. Collaboration between government agencies, NGOs, academia, and companies can facilitate the development and delivery of comprehensive and tailored training initiatives.

Focusing on sustainable development training for SMEs and Entrepreneurs will contribute to a greener and more prosperous Poland but also will help the country to become a leader in sustainable development and ensure a sustainable future.





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