

Actions Undertaken to Further Small and Medium Enterprises Development in the Silesian Voivodeship, Poland

Olga OKRZESIK
AGH University of Science and Technology, Poland

Abstract: The article focuses on the ongoing activities in the Silesian Voivodeship for the purpose of developing enterprises from the SME sector, *inter alia*, through increasing innovation. An analysis of desk research strategies and regulations in the Silesian Voivodeship facilitating the growth of a company's position on the market was made in the work, which should also translate into the region's growth. This article consists of a section on the characteristics of the region and presents the implemented activities in a synthetic way (including innovative and regional policy in the Silesian Voivodeship).

Keywords: development strategies, Small and Medium Enterprises, innovation

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1. Introduction

In the changing economic conditions, various determinants affect the development of enterprises, including increasing their level of innovation. Developing enterprises implement innovations, and often for this purpose they also undertake cooperation with the scientific or technological environment. Through the creation, implementation, absorption and diffusion of innovation comes the economic development of the region and the country. As a society, we feel the effects of progress, the implementation of innovation and the development of enterprises. The level of

Correspondence Address: Olga Okrzesik, MA; PhD student, 3rd Year; Department of Economics, Finance, and Environmental Management; Faculty of Management, AGH University of Science and Technology; 30-067 Krakow, Gramatyka St. 10, Poland, okrzesik.olga@gmail.com

innovativeness of enterprises affects both their competitiveness and economic success (Daszkiewicz et al. 2005: 18-20; Pilarska, 2014: 55-56).

The implementation of an innovation policy by the state related to development policy may lead to a more cohesive strategic landscape and a greater number of executive programmes including government activities (which may support innovative processes and aid their implementation). Development policy is understood as a set of interrelated activities undertaken and implemented to ensure sustainable and balanced development of the country, socio-economic, regional and spatial cohesion, and increasing the competitiveness of the region's economy (Dominiak, 2005: 36-41; Gulga, 2011: 68-69). Regions are opening up to new challenges and creating new development opportunities through scientific and business partnerships, business cooperation networks and individual development strategies of enterprises and scientific communities.

The article focuses on the actions taken towards the development and innovation of small and medium-sized enterprises (SMEs). The analysis of desk research includes a review of literature, documents and strategies, and discusses activities aimed at the efficient functioning and development of enterprises in the Silesian Voivodeship. The characteristics of the Silesian region and its possibilities in terms of the issues discussed were also outlined.

2. Instructions for the paper

The innovation process encompassing a complex of interrelated elements and events, aimed at the emergence of a new solution regarding a process, product or organization of economic activity, influences the development and innovativeness of SMEs. Definitions of innovation combine this concept with the introduction of new solutions, with the changing perception of economic theory, phases of business cycles and new social phenomena changing the perception of innovation processes (Weresa, 2012: 13-15). From the microeconomic approach associated with the specificity of the enterprise, introduced into the literature by Shumpeter (1960: 104, Weresa, 2012: 13-15) and the related narrow understanding of innovation as technological changes (Scherer et al, 1959, Freeman, 2003), up to the broad approach proposed by the OECD¹ in the *Oslo Manual* (2005:

¹ OECD - Organization for Economic Cooperation and Development

19-22) where "innovation means the implementation of a new or improved product, process, a new organizational or marketing method in economic practice, and innovative practices are activities of a scientific, technological, organizational, commercial nature and financial resources that lead to the implementation of innovation" (Weresa, 2012: 12-16, OECD, 1996, 2005: 19-22). The course of the innovation process takes place in a specific environment, taking into account interconnections, activities and couplings (this process is called the innovative system), at the regional or national level (Weresa, 2012: 12-16). The state and the region's activities play a very important role in the whole process, which may help enterprises implement innovations, including implementation of the region's strategy, creating a strategic vision regarding research and development directions, increasing the availability of financing for SMEs innovative activities, institutional support in financing or human capital.

3.Characteristics of the Silesian Voivodeship

In the Silesian Voivodeship, an important role in the development of the economy is played by enterprises from the SMEs sector, which affects the improvement of the region's competitiveness as well as employment growth. The Silesian Voivodeship is an attractive area for conducting / developing business activities by enterprises. This region is relatively rich on the national scale, and enterprises find a demand for their products here, but they must pay attention to competition. The Silesian Voivodeship ranks second in the country in terms of the number of registered business entities (361,600 entities at the end of 2015). The Silesian Voivodeship is the national leader in terms of export value. As much as 85% of the turnover of the Silesian Voivodeship in foreign trade takes place with the EU countries – with the dominant position of Germany as the main partner (Regional Innovation Strategy of the Silesian Voivodeship for the years 2013-2020: 15-19).

The Silesian Voivodeship has a convenient communication location, there are important communication, road and rail routes. In the voivodeship there are considerable reserves of natural resources, such as: hard coal, zinc and lead deposits, rock salt, iron ores, natural gas deposits, methane, deposits of limestone, marl and natural aggregate, mineral, medicinal and thermal water reservoirs. On the basis of these raw materials, the largest industrial district in Poland was created here, playing a decisive role in the national economy. SMEs cooperate with large corporations and

mines, and perfectly well find themselves in the current circumstances (Preisner et al, 2003: 198-211).

The location and potential of the Silesian Voivodeship results in closer cooperation between the region and foreign partners, as there are eight European capitals in a radius of 600 km from Katowice: Berlin, Bratislava, Budapest, Prague, Warsaw, Vienna, Zagreb and Ljubljana. Thanks to the region's location in close proximity to the Czech and Slovak Republics, it is possible to develop cross-border cooperation. This is implemented, *inter alia*, within Euroregions, i.e. (Lorek, 2009: 9-12; Strategy for the Development of the Silesian Voivodeship "Silesia 2020+": 21-26):

- Euroregion Silesia,
- Euroregion Cieszyn Silesia,
- Euroregion the Beskids,
- as well as in the area of the European Grouping of Territorial Cooperation TRITIA Ltd.

International cooperation is based on the principles of partnership. It mainly involves acquiring and exchanging experience, knowledge and good practices in the areas specified in the concluded interregional agreements. Currently, the Silesian Voivodeship has agreements with sixteen partners outside and in Europe (Development Strategy...: 21-26). The Silesian Voivodeship has a relatively high GDP (it is the second-ranked Voivodeship in Poland) due to its highly developed industry and the large population in the Silesian Agglomeration - it has a population of 4.6 mill. Inhabitants² (Statistical Office in Katowice, 2016).

The following activities / results / actors linked to the innovation environment can be listed in the Silesian region (Regional Innovation...: 15 -18, 37-39):

- Regional Information System on Innovative Operations of the regions – 1,
- World Class Clusters – 2,
- Facilities of common R&D infrastructure in the region – 4,
- Key competence centres in the priority areas of the "Technology Development" Programme – 8,
- Living labs for smart markets –16,
- EU framework projects led by entities from the region – 32,
- Scientific research consortia in the region – 64,

² Data as of the year 2015.

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- People employed in innovative enterprises – 128 thous.,
- Companies per one thousand classified as innovative enterprises – 256,
- 512 million euros allocated for innovative activities,
- Inhabitants of the region covered by activities in the field of creativity and innovation – 1.024 mill.

Therefore, the Silesian Voivodeship has a large innovation potential. An extensive industrial base and a large number of scientific and research institutions create opportunities for the emergence, absorption and diffusion of innovations of significant importance for the development of the region.

4. Activities undertaken in the Silesian Voivodeship towards SMEs development

The following regulations were developed by the voivodeship self-government for the development of the Silesian region and for increasing its competitiveness:

- **Silesian Voivodeship Development Strategy "Silesia 2020 +"** - outlines strategic and operational goals, priority areas and directions of activities and vision for the development of the region until 2020. It is an update of the "Silesia 2020" strategy. It clarifies the policy of the region with global trends related to the development of a knowledge-based economy, diffusion of development through metropolitan centres, taking into account the requirements arising from the principles of sustainable development. The main strategic goal is "the Silesian Voivodeship as a region of a modern developing economy based on innovation and creativity" (Development Strategy ...: 5).

The strategy through activities carried out in the priority area "Modern Economy" gives the opportunity to develop enterprises from the SME sector. The priority is to develop a knowledge-based region, implementing innovations (including imitative innovations, e.g. new for a given enterprise), including technological and organizational ones. The aim of the Silesian Voivodeship is to create an attractive and friendly image for entrepreneurs and investors, using the achievements and industrial traditions of the region, its potential and specialties related to modern industries. The support for entrepreneurship and participation in shaping the European research area for the region's economic growth are also important for the Voivodeship, including by playing a leading role in the energy system thanks to its traditional

industries and having a strong enterprise sector, including SMEs, characterized by numerous connections with international concerns (Development Strategy...: 65-69).

The operational goal of "Innovation and creative enterprises and products of the Voivodeship" of the "Modern Economy" priority are the following directions of activities that will help enterprises from the SME sector develop, namely: (Development Strategy ...: 75-79):

- supporting the improvement of the capacity of the region's enterprises to implement innovations and modern technological solutions, as well as strengthening the innovative potential of universities and R&D sector entities they often cooperate with or act for the benefit of SMEs,
- promoting among entrepreneurs the importance of cultural, environmental, social and ethical values in the production of goods and services,
- support for the development of financial instruments and improvement of the efficiency of business environment entities supporting innovation and creativity of enterprises and operations on international markets,
- supporting cooperation of science, R&D and enterprises institutions for the creation and implementation of innovative and creative solutions, including patents,
- support for the creation of new and development of existing enterprises based on the potential of the region and using technologies developed in the region, including in the areas of smart specializations of the region,
- support for actions for the export of innovative technological solutions created in the region.

In the Silesian Voivodeship, SMEs that often produce high-quality products are not able to conduct their own marketing or advertising or the exporting of products to foreign markets. An element of achieving a competitive advantage in this situation may be the use of often unique regional traditions by supporting local and social entrepreneurship using local markets and potentials. The aforementioned directions of activities are to improve the development and functioning of enterprises. Another operational objective "Local and social entrepreneurship using local markets and potentials" that opens up opportunities for enterprises from the SMEs sector has the following directions of action set (Development Strategy ...: 82-86):

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- creation and development of SMEs, including craft enterprises and promotion of local products, including traditional products,
- support for the development of entrepreneurship in the field of tourism and free time services using attractions and local potential,
- cooperation of local enterprises to take a strong position in supra-local cooperation networks,
- building network structures of entrepreneurship consultancy at the local level,
- sales support for local products on local markets.

The above-mentioned directions of activities should result in more effective cooperation between associations, business environment institutions, local government units and enterprises from the SMEs sector in favour of:

- promotion and increase of sales of local products,
- creating a competitive offer for spending leisure time based on local attractions,
- development of social entrepreneurship, and
- creating a system of local entrepreneurship support institutions.

The operational objective "Competitive economy of the Voivodeship based on the flexibility and specialization of companies and network structures" also included directions of actions facilitating the functioning of SMEs, namely (Development Strategy...: 81-85):

- support for the development of infrastructure facilitating the placement and running of a business (economic and economic activity zones, including special economic zones, technology parks, local business incubators),
- support for the specialization of the services of institutions that support the internationalization of enterprises.

These activities increase the economic efficiency of enterprises in the region and create a network of advisory and support institutions for them.

- **In the Regional Innovation Strategy of the Silesian Voivodeship for the years 2013-2020,** the technological portfolio of the Silesian Voivodeship has been defined. It is an attempt at a thematic approach to innovation policy, which is a response to the guidelines of the European Commission in the formulation of the so-called smart regional specializations. The thematic approach opens development perspectives for SMEs, research and development institutions,

and support organizations as well as organized and individual innovation entities focusing on specific topics, regardless of the industry (Regional Strategy ...: 13, 27).

In the "Strategy", the areas of strategic public intervention are, *inter alia*, the inclusion of SMEs as a source of innovation in global chains, as the essence of internationalization of companies and building their sustainable competitive advantage in the markets. The "Strategy" also includes two strategic goals for enterprises, namely (Regional strategy ...: 24):

- internationalization of the SME sector through the specialization of innovation support institution services, and
- high level of participation of enterprises from the SMEs sector in regional and supra-regional cooperation networks increasing its share in smart markets.

The internationalization of small and medium-sized enterprises is still a development challenge for this sector in the Silesian Voivodeship. Conducting international transactions is a challenge for the SMEs sector due to, for example: missing competences, not always recognized legal and fiscal conditions of intra-Community transactions and predictions about too high expenditures on gaining markets in relation to the forecasted revenues. Through training in the region and increasing the competence of international entrepreneurs, it brings in cultural and language skills related to professional functioning in international groups or partnerships between enterprises from two different countries. Activities regarding the internationalization of enterprises are aimed at both people already employed and current students and learners. They will allow enterprises in the region to strengthen. On the other hand, creating a network of cooperation between SMEs groups provides a source for long-term shaping of added value. Smart markets are in the shaping phase and companies are trying to get involved in them, and they can contribute to the emergence of a new strategy for smart, sustainable development. The efforts of SMEs to participate in smart markets will become an important context to reduce the path of imitation common in SMEs. In the case of development works carried out by the Treasury Ministry and the increasing role of technologies and activities towards the development of technologies in the strategy, outsourcing activities are recommended (Regional Strategy ...: 22-26, 36-38).

- The aim of raising the competitiveness of enterprises, also from the SMEs sector, was created in the Silesian Province "Katowice Special Economic Zone". Enterprises located there are on preferential terms and benefit from numerous facilities. Zone managers also

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provide additional services supporting business activities in the zone, e.g. consulting services, training, personal consultancy, assistance in investor service. The zone occupies a total area of 2614 ha and operates more than 300 enterprises there, which jointly invested approx. PLN 28 bill. and created over 65,000 jobs (<http://ksse.com.pl/o-nas,31>, access 03/11/2017).

In the Silesian Voivodeship, *inter alia*, the Silesian Centre for Entrepreneurship in Katowice hosts free conferences, training sessions and "Entrepreneurship Weeks" to support entrepreneurs. Information is also provided in order to obtain EU funds from the framework programs, nationwide and the Regional Operational Programme of the Silesian Voivodeship.

An influence on the development of SMEs is also exerted by documents and regulations issued at the national level, i.e. the National Regional Development Strategy (NRDS); National Spatial Development Concept 2030 (NSDC), National Development Strategy 2020 (NDS), the Long-term National Development Strategy Poland 2030, Third Wave of Modernity and a set of national sectoral strategies that form the framework of Poland's development policy. Industry strategies concern: sustainable rural development, agriculture and fisheries; and the efficiency of the economy, the development of transport, an efficient state, social capital and the development of human capital.

5. Conclusion

Actions taken in the region should influence the development of SMEs in Poland, which will also translate into the development of the economy in the region. The innovative policy associated with the regional development policy resulted in a large number of executive programmes implemented in the voivodeship. The programmes, regulations and development strategies of the region and the consistently implemented strategic goals written in them translate into innovativeness and improvement of the functioning of enterprises from the SMEs sector. The availability of external resources supporting the development of the R&D sector, the flow of knowledge and technological solutions strengthen the position of enterprises. The strategic goals in the voivodeship's strategies are to promote local products and strengthen awareness, entrepreneurs' opportunities, and use its assets. Also, the emphasis on the development of a knowledge-based economy and the development of the SMEs sector creates new business services in the region. The Silesian

Voivodeship through numerous signed cooperation agreements, scientific and business partnerships, business cooperation networks and the willingness to develop enterprises and academic communities, opens up to new challenges and creates new opportunities for the region's development.

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*Działania podejmowane w kierunku rozwoju przedsiębiorstw
z sektora MSP w województwie śląskim*

Streszczenie

Artykuł koncentruje się na aktualnie prowadzonych działaniach w województwie śląskim celem rozwoju przedsiębiorstw z sektora MSP, między innymi poprzez wzrost innowacyjności. W pracy dokonano analizy *desk research* strategii, rozporządzeń w regionie śląskim ułatwiających podniesienie pozycji przedsiębiorstwa na rynku, co przełoży się zarazem na wzrost regionu. Niniejszy artykuł składa się z części charakteryzującej region i w sposób syntetyczny prezentuje wdrażane działania, w tym polityki innowacyjnej i regionu w województwie.

Słowa kluczowe: strategie rozwoju, małe i średnie przedsiębiorstwa, innowacje.

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