

## Summary

This paper considers the problem of economy transformation, with a particular emphasis on the situation and the needs of SMEs in the Warmińsko-Mazurskie Voivodship. The scope of the research, done for the purpose of this paper, was to create a firm system of principles for predicting and managing the transformation of economy, a system that would meet the most urgent needs of the SMEs functioning in the Voivodship. The starting point for this research was the importance of the transformation of economy for the development of such enterprises. This transformation is often referred to as 'Globalisation' or 'Know-How Economy'.

For regional and local communities these terms, as well as the notion of 'the modern transformation of economy' are usually abstract ideas. They are often regarded as some theoretical slogans associated with academic studies rather than with tangible, everyday's reality. This attitude, however, does not seem to be appropriate. In the newest Polish history there were similar changes which significantly altered the country, the most spectacular being those from the 80s and the 90s of the 20th century, which lead to political and economic changes in Poland. Another change of this type can be Poland's accession to the European Union. These changes were, and still are, widely discussed and presented in mass media so the knowledge on them in society is relatively high. As a result these changes led to new social attitudes, for example how to function in a democratic country and in a free market economy.

The transformations mentioned above are, however, updated with a new one, which presently is being discussed and popularised only in academic or domestic policy establishments. However, the meaning and effects of this new transformation connected with globalisation and new economic patterns, are being more and more tangibly felt by regional economies, and thereby by SMEs. The impact of this transformation is gradual and spread in time, which makes it difficult to adjust to in a short time and without a proper reflection. This gave rise to the need for conducting this research.

This research consists of two parts. The first part is an empiric diagnosis of the state and the development prospects for the sectors of SMEs in the Warmińsko-Mazurskie Voivodship. This part of the research comprises quantitative and qualitative analyses of the following issues<sup>1</sup>:

- studying the background information and available research results on the SME sector in the Voivodship,
- a general characteristics of the SME sector in the light of micro economic and macro economic conditions for its functioning;
- quantitative, branchwise and spatial condition of the sector with a special emphasis on its innovativeness;

---

<sup>1</sup> A detailed presentation of each module of the project is available on our website on : [www.msp.badania-ryнку.pl](http://www.msp.badania-ryнку.pl)

- the state and the range of the labour force surplus with the possibility of activating it for the purposes of the SME sector;
- the state of HR potential employed in the SME sector and their training needs;
- the influence of the SME sector on the local job market, and the economic and social problems it can create;
- the ties of the SME sector with local education, and in particular with local vocational education;
- the development prospects for the SME sector.

The research leads to the conclusion that the condition of the SME sector in the Voivodship, understood in a broad sense, does not show favourably. Admittedly, there are very positive examples of small and medium enterprises opening up to global economic, technical, social or cultural impulses. Nevertheless, the general tendency is that the companies function in an operational way, or a tactical way at the best. This means that their development plans are limited either to current affairs oriented on surviving on the market, or to minimal development planning for a relatively short future. Especially worrying can be the entrepreneurs' reservation towards implementing any innovation, but also towards modern methods of management encouraging innovative attitudes in employees.

The poor condition of the sector is caused not only by passive attitudes of its entrepreneurs. The system of support for SMEs in the Voivodship seems to play a very important role here as well. One of the elements of the system is training and education for SMEs. The available trainings are usually traditional vocational apprenticeships. However, in times of global economic changes what seems to be more and more important are the skills based on knowledge. Knowledge in this sense does not mean only possessing some specific professional competence.

The situation in education seems to be similar, especially in vocational education which has all features of routine activity, efficient and suitable for industrial economy, but not so useful and helpful in a knowledge based economy.

This very knowledge can be defined mainly as professional, intellectual and personal predispositions, thanks to which an entrepreneur is open to changes and new challenges coming from the global environment. Thanks to this knowledge, an entrepreneur becomes a creative person who builds their plans on difficult and sometimes even controversial visions, then thinks and acts strategically despite any fluctuation and chaos happening around. Obviously, a creative entrepreneur has some specific skills which should be continuously updated and improved with the technologic advancement. More importantly, however, what seems to be a key to success here is one's imagination and intuition rather than acquired professional skills.

The second part of the research consisted in recommending a firm system of managing the transformation of economy, with the emphasis on the needs of the SME sector. This part of the research rests on inductive conclusions, as well as on results from previous empiric research, and on theoretical studies necessary for generating the principles of the system.

The scope of the research at this stage comprises the following issues:

**Badania jakościowo-ilościowe „Rola małych i średnich przedsiębiorstw w gospodarce województwa warmińsko-mazurskiego”  
współfinansowane przez Unię Europejską w ramach Europejskiego Funduszu Społecznego,  
realizowany przez Wojewódzki Urząd Pracy w Olsztynie.**

---

- characteristics of the nature of the global economic transformation and the meaning of this transformation for regional and local communities;
- hints and assumptions for creating the economy transformation management system, and its functioning;
- recommending basic functions of the system in the process of transformation management;
- recommending the participants for the process of economic transformation management, and institutional requirements for implementing and functioning of the system;
- outlining the features of the system with a particular emphasis on adjusting it to the situation and the needs of SMEs, including such issues as:
  - identifying the barriers and problems in functioning and development of the sector;
  - the directions of re-orientation for the sector;
  - the most important missions, aims and tasks of the process;

Following these lines of reasoning and concluding, some key solutions and necessary conditions for creating the system have been put forward.

One of the proposals presented in the conclusions of the research is a radical re-orientation of the SME sector – from social oriented to traditional oriented, to creativity oriented and based on specific R&D potential of the Voivodship, with the key role of the University of Warmia and Mazury and its academic merits and international position for its advanced solutions in biotechnology. At the same time it was suggested that this re-orientation should be coupled with changing the status of the Voivodship, from that of a peripheral – not only within Poland, but also in the UE, to that with ambitions for a creative and innovative one.

Additionally the paper presents the conditions enabling such a change, with a reference to modern regional development strategies and the results of international research on creative human resources.

The most important conditions for proper functioning of the planned system comprise the creation of firm network relationships between the SME sector and its surrounding, which, in turn, is one of the most important factors for the development of the Voivodship. It is connected with creating in the region:

- innovative environment,
- territorial production system,
- stable human capital,



**Badania jakościowo-ilościowe „Rola małych i średnich przedsiębiorstw w gospodarce województwa warmińsko-mazurskiego”  
współfinansowane przez Unię Europejską w ramach Europejskiego Funduszu Społecznego,  
realizowany przez Wojewódzki Urząd Pracy w Olsztynie.**

The research also points out to the fact that the proposed economic transformation management system can not be treated as a separate program targeting SMEs exclusively. Such a system should be an integral part (a subsystem) of a regional development strategy. By the same token, the SME sector should not be treated in isolation. It is a part (a subsystem) of the whole economic system in the Voivodship. Thus, the economic transformation management system is an element of regional development strategy, and it is oriented particularly on intellectual reflection, analyses and activities absorbing the effects of various 'incentives' entering the Voivodship from all strata of its surrounding.

The research also suggests that the main political participant necessary for the functioning of the system is the local government of the Voivodship. Apart from the local government, there are also implementing participants and initiating participants. Implementing participants complement the network of relations between the public authority, i.e. the Self-Government of the Warmińsko-Mazurskie Voivodship, and the University of Warmia and Mazury, which is a typical arrangement for a modern knowledge-based economy. Only such a system of relations can effectively influence all economic and non-economic spheres of the Voivodship, contributing to its development.

The Michelin Foundation, representing a big international company having an unquestionable reputation in the Voivodship, was invited to embark on the system with a role of an initiative participant. The recommendations and the system related objectives of the research also suggest creating new participants whose function would be to facilitate the realisation of the process, like the Regional Centre for Economic Transformation and the Economic Transformation Management Committee by the Voivodship Marshal to mention a few. There are also many other important participants necessary for the functioning of the system, with the main being the Voivodship Social Dialogue Committee, and others from economic, social (citizen), educational, administrative, opinion-creating, and cultural fields.

The authors of this paper are fully aware of the questionability of the suggested solutions. It may as well be assumed that the initiative participant role can be given to a different foundation which supports SMEs in the Voivodship, like Nida Foundation from Nidzica or Atut Foundation from Ostróda, which both fulfil the role of supportive bodies for SMEs perfectly. Some threats coming from the arrangement with the initiative participant being Michelin can be connected with a global financial crisis which usually affects more severely international corporations, and Michelin is definitely one of them. The authors, however, believe that using the position and the experience of this biggest and most important investor in the region can be of utmost importance in creating conducive conditions for the influx of other important direct investments from abroad in the future.

However, the final decision on that matter rests entirely with local politicians. This paper only puts forward some proposals which may be, but do not have to be, put into practice.

These assumptions were the basis for the third part of this paper, namely particular recommendations and tasks which were presented in a form of a table. The first of the tables presents conclusions, recommendations and tasks connected with the creation of the system and maintaining its stable character. The next tables focus on the functioning of the system, and in particular on one aspect of it connected with the situation and the needs of the SME sector in the course of economy transformation.