ENTREPRENEURSHIP DEVELOPMENT IN MAZOWSZE VOIVODSHIP

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Introduction
The role of private sector in Polish economy is important. It is supported by statistics showing a growing tendency of the subjects of this sector since the beginning of the 90s. In the year 1993, three years after introducing the market economy, there were over 1.8 mln private firms and partnerships active on the Polish market. In the year 2003 the number increased to over 3 mln.

It is worth mentioning that the number of the very microenterprises grew from 624 th in 1988 to 3.4 mln in 2005. In the Polish system called REGON (register of national economy subjects) over 2778 th of physical persons were registered in the year 2005.

In the year 2005 the number of newly registered and signed-off firms was 281607 and 218117, respectively. The stabilisation index was 129%. The index of dynamics of an increase in the total number of economy enterprises in the years 1995-2005 (the year 1995 – 100%) was at the level of 171%. In the case of the enterprises run by physical persons it was about 185% and for microfirms employing up to 9 persons – about 185%.

Assuming that the development of small and medium-sized enterprises is an important factor of economy activation, the paper focuses on showing the differentiation of the potential of this sector in the sector and spatial cross-section at the NUTS-2 and NUTS-3 region level. A region in Poland is usually associated with a voivodship. An analysis of the condition and development trends of this sector is becoming an important element of the studies on the country economy because the knowledge of the issue is necessary to design effective policy in respect to the sector of small and medium-sized enterprises, also at the regional level.

Material and Methods
The basic source of information utilised in the present work were the data included in the statistic yearbooks from the years 2000 and 2005 and the data of the Central Statistical Office in Warsaw.

The paper includes the calculation of dynamics of an increase in the number of economic subjects registered in the REGON system in the year 2004 as compared with the year 2000. The differentiation of the development conditions of economic subjects was presented by means of the total entrepreneurship index which reflects the number of firms per 1.000 inhabitants at productive age, the index of entrepreneurship development of physical persons running businesses per 1.000 inhabitants at productive age and the index of saturation by economy subjects, expressed as the ratio of the number of subjects and 1.000 inhabitants.

The concepts of the sector of small and medium-sized enterprises are defined by an act which distinguishes the entities of micro-, small and medium-sized enterprises. Microenterprises are the enterprises which employ up to 9 employees
per year, small enterprises – from 10 to 49 persons and medium-sized ones – from 50 to 249 employees.

Results

The role of private sector in Polish economy is significant, which is supported by statistics showing the growing tendency of the sector’s subjects right from the beginning of the 1990s. In the year 1993, three years after the introduction of market economy, over 1.8 mln private companies and partnerships were present on Polish market whereas in the year 2003 the number grew to more than 3 mln. However, in the years 1992-2003 the growth rate of private economic subjects clearly declined, compared with the years 1989-1991. In the mid-90s the sector of small and medium-sized enterprises entered the next development stage, called the restructurisation phase, which resulted in the drop in the dynamics of establishing new firms. The essence of this stage was gradual adaptation to constantly changing economic conditions in Poland.

According to (Kamińska, 2006) in the initial transformation phase, the number of companies owned by physical persons increased from 624.4 th to 2.4 mln, that is 227.2%. This indicates that within barely three years, the potential of this business activity was doubled. In the opinion of the author the main reasons of such a dynamic increase in the number of companies owned by physical persons were: an easy registration of new firms, collapse of giant state enterprises, lack of workplaces in state-owned economy, the desire to use one’s ideas and gaps existing on the market, opening the borders which enabled the free flow of commodities and people, small competition and its low efficiency, and low costs of establishing a new business.

Slower dynamics of quantitative increase in the number of enterprises may be exemplified by active enterprises – the ones that really exist on the market. For instance, in the year 2001 there occurred over 6% drop in the number of these firms compared with the year 1997.

The scope of business activity in Mazowsze Voivodship.

The number of national economy enterprises in Mazowsze Voivodship in the REGON register in the year 2004 increased by 12.5% compared with the year 2000 whereas in the private sector the number of firms grew by 61.747, that is by 12.1%. The index of increase dynamics in the year 2004 was at the level of 112.1% compared with the year 2000 and the number of firms run by physical persons increased by 39.970. The index of increase dynamics of physical persons’ firms in the analysed period (the year 2000 = 100%) was at the level of 110.2%. In the year 2004 the largest number of firms was in the sections of: Business services including real estate – 101.833, and: Trade and repair – 193.490,9.

The companies owned by physical persons predominate in the structure of economic subjects, and as a result they influence the level of development. Because of this they are used to make comparisons at the nationwide scale. In Mazowsze Voivodship the firms of physical persons constitute 75.5% of all the private sector firms. The highest percentage of the number of physical persons’ firms is in Radom and Ostrołęka-Siedlce subregions (85.1 and 84.9%, respectively).
Physical persons most frequently run their businesses in the sectors of trade and repair, business services including real estate and construction.

The number of unemployed persons indirectly indicates the financial resources which may be an important factor hindering the development of private economic activity. In the year 2004 the unemployment rate in Mazowsze Voivodship was at the level of 14.7%, whereas in the Ciechanów-Płock, Ostrołęka-Siedlce, Warsaw and Radom subregions it amounted to: 24.9, 21.4, 15.4 and 26.5%, respectively. An important stimulus of the rise in the number of unemployed people who become active in the labour market is the possibility of establishing microenterprises which will become the sole income source for those people and their families.

Inhabitation density was employed as a measure of demographic potential in the analysed subregions. This characteristic describes the dominance of large urban areas resulting from the concentrated market. However, in the densely inhabited regions quite often there occur higher production costs and greater competition, which may hinder the process of establishing firms owned by physical persons. The lowest inhabitation density was characteristic of Ostrołęka-Siedlce and Ciechanów-Płock subregions. However, despite a lower inhabitation density in Ostrołęka-Siedlce subregion more physical person-owned firms were registered.

In the development of private businesses in a given region, the number of other economic subjects is significant due to the possibility of determining the number of competitive enterprises and cooperation opportunities. In the research the index of the number of partnership companies with a share of foreign capital per 1,000 inhabitants was employed. In the studied subregions the index was at the level: 0.26 – Ostrołęka-Siedlce subregion, 0.35 – Ciechanów-Płock subregion, 0.44 – Radom subregion and 1.85 – Warsaw subregion.

In the year 2003 the index of physical persons’ entrepreneurship development in Poland altogether equaled 117.8, in the urban areas – 135.2 and in the rural areas – 86.7. It ranged from 171.6 to 108.5 in the examined subregions. In Mazowsze Voivodship it was at the level of 180.2 and it markedly exceeded the average value for the whole country.

Most literature mentions the total entrepreneurial activity index. In this paper the indices of saturation by economic subjects are presented. In the subregional studies they lay within the limits of 67.1 to 109.2, being at the level of 113.8 for Mazowsze Voivodship.

The intensity of space saturation by economic subjects is the marker of the degree of location attractiveness of individual subregions. High concentration of economic subjects was characteristic of Warsaw subregion which is connected with the largest urban area of Warszawa city. The economic activity potential in this subregion was almost twice as high as in the remaining examined subregions. The areas close to Warsaw took the most of the good location even under the condition of the former economic system. The remaining subregions of Mazowsze Voivodship are less attractive in terms of location. Thus the strategies of economic activation should be utilized, that is systematic diversification and improvement of the conditions favouring economic activity and well-thought-of reduction of “in-
vestment attractiveness gaps”. These subregions require some action to change their image – shaping the opinion that it is possible to successfully launch businesses there. In order to take advantage of the location conditions, various forms of cooperation with the countries which Poland shares borders with should be supported (institutions of euroregions), and promotion activities ought to be encouraged.

Conclusions

On the basis of the analysis carried out for Mazowsze Voivodship subregions the following inferences can be made:

- the pronounced majority, over 80%, of all registered private enterprises is owned by physical persons and it has become an important part stimulating economy and moderating social effects of the transformation period;
- the structure of firms’ location in the subregions of Mazowsze Voivodship coincides with the percentage of persons in productive age;
- the highest total entrepreneurial activity index was in Warsaw and Radom subregions;
- irregular development of the subregions in evident as the lowest index of saturation by economic subjects was in Ciechanów-Płock subregion and the highest in Warsaw and Radom Subregions.

References


VERSLININKYSTĖS PLĖTOJIMAS MAZOWSZE VAIVADIJOJE

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Raktiniai žodžiai: maža įmonė, vidutinė įmonė, verslininkystė.