

Policy Support for SMEs in Poland

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THIS PAPER DESCRIBES SMALL BUSINESS activity in Poland after the changes in 1989/1990. The short history of private business in the centrally planned economy is covered in 'General Overview'.

According to the title, "Policy Support for SMEs in Poland" should be more about the special regulations helping SMEs, but there are no such regulations as yet. SMEs operate according to different criteria than state enterprises, but this law refers to private sectors. Small business development in Poland is connected with the transformation to a market economy as part of the privatisation process, and is naturally the part which is much easier to achieve than the privatisation of big state-owned enterprises. The SMEs being private firms are getting all the support given to the private sector.

Small-scale privatisation refers to small firms, mainly in the retail trade but also to some extent in the industrial sector. In

these cases, privatisation is accomplished mainly by transferring ownership to the firms' workers, through a lease or an outright purchase.

General Overview

Small business in Poland until 1989 was very specific in accordance with the conditions of the centrally-planned economy. This was not 'small business' in the meaning of Western countries. The private sector was always dependent on the state sector. The private firms, mostly private craftsmen (shoemakers, tailoring and dressmaking, hair-dressing, baking, taxi-driving), were running their business without any essential infrastructure. This sector usually comprised family firms.

There were no incorporated firms or independent co-operatives in Poland until 1982. A new law on co-operatives was introduced in 1982 and consequently new co-operatives, independent of the state authorities, began to spring up.

