

## **MEMORANDUM of Understanding on Promoting *Innovative SMEs through Women's Entrepreneurship, Increased Employment of Women and Elderly* – QUICK IGA draft for Poland**

### **Situation and Challenges in Poland**

According to the Innovation Union Scoreboard<sup>1</sup> in 2011, Poland in terms of innovation occupied 23rd place among the EU Member States, being only ahead of Latvia, Bulgaria, Lithuania and Romania; was placed into the group of 'moderate innovator' countries. Their level of innovation is far from the average when compared with the European Union and certainly should be considered as a factor which significantly limits the potential growth and socio-economic development of Poland.

The situation on the domestic labor market is not conducive to strengthening Polish economy. It is characterized by rising unemployment rate, and low economic activity among young people, women and the elderly, and at the same time, in many areas of economic activity there is a lack of highly qualified specialists.

A hidden economic potential, including the innovative potential, among women and the elderly is particularly important. Economic activity and employment in these social groups in Poland is among the lowest in the Baltic Sea Region. Experiences of the Scandinavian economies show that good management of the diversity in knowledge potential and experience in enterprises may affect their ability to build a sustainable competitive advantage.

Polish women are generally better educated than men<sup>2</sup>; women have qualities that tune well with modern partnership and participatory management focused more on people rather than on the goals and tasks. However, many women remain inactive because of existing barriers related with for example family and caring responsibilities for small children. Women more often than men indicate limited access to institutional childcare. Also women achieve lower incomes from business activity than men; they are given higher requirements in workplace

<sup>1</sup> [http://ec.europa.eu/enterprise/policies/innovation/facts-figures-analysis/innovation-scoreboard/index\\_en.htm](http://ec.europa.eu/enterprise/policies/innovation/facts-figures-analysis/innovation-scoreboard/index_en.htm)

<sup>2</sup>

than men; and are less likely to be promoted. They also experience wage discrimination<sup>3</sup>. In terms of entrepreneurship measured by the number of self-employed (business without employees), Poland scores 5th place in Europe, in terms of the share of enterprises run by women in this group of entities, and scores 12th place with the rate of 35,1%<sup>4</sup>.

Poland is faced with an increasing ageing process, the demographic situation created by growing life length among Poles, low fertility rate means that the elderly people are going to increase their share in the Polish population. GUS predicts that while in 2010 the number of people in retirement age was 6,44 million people, that in 2035 it will grow to 9,62 million, and at the same time factor of demographic load population in the retirement age changes from 26 to 46 in 2035<sup>5</sup>.

Because of the growing number of people in immobile and post production age, and because of the pension reform introduced in 2012, economic activity of Poles will have to be extended, the challenge is to ensure that this group is given appropriate conditions and work organization, and to encourage the use of knowledge possessed by them and skills that can be a factor in increasing the competitiveness of enterprises, especially SMEs. Promotion of intergenerational dialogue and the use of the rich potential of the elderly for the innovative economy corresponds with objectives of "Government Program for the Elderly Social Activity for 2012-2013" and "Human Capital Development Strategy 2020"<sup>6</sup>.

## **Memorandum of Understanding**

As the signatories of the memorandum, representatives the local government, non-governmental organizations, industry associations, public organizations, we recognize the current problematic situation and challenges faced by Poland, by signing this memorandum we commit to:

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<sup>5</sup> [http://www.mpips.gov.pl/gfx/mpips/userfiles/\\_public/1\\_NOWA%20STRONA/Aktualnosci/seniorzy/Rzadowy%20Program%20ASOS\\_2012-2013.pdf](http://www.mpips.gov.pl/gfx/mpips/userfiles/_public/1_NOWA%20STRONA/Aktualnosci/seniorzy/Rzadowy%20Program%20ASOS_2012-2013.pdf)

<sup>6</sup> *Strategia Rozwoju Kapitału Ludzkiego 2020*. Projekt. Ministerstwo Pracy i Polityki Społecznej, Warszawa 2013. <http://www.mpips.gov.pl/praca/strategie-i-dokumenty-programowe/strategia-rozwoju-kapitalu-ludzkiego-srkl---projekt-z-31072012-r/>



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1. Supporting actions aimed at equality at work women and men, so that their full potential could be leveraged for the purpose of promoting creativity and know-how development.
2. Promotion of the sustainable employment of women and the elderly as enhancing their life quality. This employment has important impact upon the competitiveness of regional and national economy.
3. Engagement in the ongoing dialogue with all relevant stakeholder groups to create optimal conditions in the area of employment, business, education, culture and social policies.
4. Promoting wide access to information on gender- and age-management in organizations with the purpose of: strengthening the job activity primarily among women and the elderly and increasing the employability among SMEs.
5. Commitment to the promotion of entrepreneurship in general and, in particular, of companies created by women, in order to increase the number of women entrepreneurs and start-ups as well as to create additional work places.
6. Acknowledgment that education is the main key for fostering innovation, competitiveness and creation jobs. Therefore, the signatories would like to promote education and training in general, as well as the development and approval of entrepreneurship education policy and its effective implementation in Poland.
7. The signatories appreciate the initiatives developed by the project “Innovative Small and Medium Enterprises by Gender and Age” and as long as it is possible support their implementation in Poland.

*By undersigning the Memorandum we agree to support all forms of cooperation aimed at the effective use of knowledge and experience of women and the elderly which enhance the competitiveness and innovativeness of SMEs on the regional, domestic and international level.*

*Other institutions and organizations are invited to join this Memorandum and to take an active part in the important social, economic and political task to promote opportunities for women and the elderly in the SME sector in Poland.*

Signatories:

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Prezydent Miasta Białegostoku .....

Wojewódzki Urząd Pracy w Białymstoku .....

Białostocka Fundacja Kształcenia Kadr .....

Izba Przemysłowo-Handlowa w Białymstoku .....

Izba Rzemieślnicza i Przedsiębiorczości w Białymstoku .....

Podlaskie Stowarzyszenie Właścicieli Firm - Klub Kobiet Biznesu .....





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Wydział Ekonomii i Zarządzania Uniwersytetu w  
Białymstoku

## **Annex**

The Memorandum is completed within the project “*Innovative SMEs by Gender and Age (QUICK-IGA)*”. The challenges in the Baltic Sea Region, addressed by this project, as well as the objectives of the project pursued by 13 project partners are described below.

### **Challenges in the Baltic Sea Region**

Equal opportunities, irrespective of economic requirements, are an important social concern.

Required are, *inter alia*:

- a higher labor force participation of women in general.
- promotion of women activities in management positions.
- promotion of self-employment especially of women.
- a higher labor force participation of older persons.
- equal remuneration for equal work.

But increased labor force participation of women and elderly is seen as an urgent need in the light of changing conditions also for economic reasons, mainly for the following ones:

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WYDZIAŁ ZARZĄDZANIA I EKONOMII  
POLITECHNIKA GDAŃSKA

**BFKK**  
wiedza dla rozwoju

1. The number of people of working age shall decrease in all the Baltic Sea region countries, with the exception of Sweden, up to 18.4% by 2030. The number of working people in the Baltic States is decreasing also due to the high emigration rate as the result of economic recession. The emphasis should be applied to the development of economy and increasing employment of unemployed people. In the long run the further rising shortage of entrepreneurs, managers and professionals increasingly inhibit economic development. Therefore a better utilization of the domestic potential workforce is urgently needed, especially by higher labor force participation of women and elderly, but also by reducing youth unemployment and promoting employability of young adults.
2. A serious bottleneck always affects a growing entrepreneurial gap. Entrepreneurial skills should be promoted widely and result in a higher proportion of self-employment. A significant increase of women in management positions, as independent entrepreneurs or entrepreneurs increases entrepreneurial potential and contributes significantly to bridging the entrepreneurial gap.
3. For the Baltic countries in general good growth prospects are predicted. The best future projections are generally made for small and medium enterprises (SMEs), which now already represent for 99% of all businesses and up to 70% of all jobs. The power of SMEs in the labor market is much smaller than that of the large companies, so the SMEs are threatened to become losers with respect to development. In such a way this existing growth potential would remain largely unused and the overall economic development of a country / region would suffer in the long term. Increased promotion of participation of women and elderly in SMEs is therefore of particular interest to these audiences as well as for the overall economic development.
4. Global competition requires strong productivity of the entire Baltic Sea region, especially the southern neighboring countries. This is only possible through innovation in new products, processes and services as well as in work processes and working conditions. Investigations of leading German personnel consultants have led to the following results in 2011: Companies with a higher proportion of women and a wise use of the experience and know-how of elderly are generally more innovative and productive. Through

increasing the proportion of women and elderly, innovation and business productivity tend to benefit.

5. In addition to technical innovation, product and process innovation in growing share of knowledge-intensive services are becoming increasingly important. The greatest innovation and productivity reserves lie in the human resources and organizational development, including education. Corresponding development contributes to better equal opportunities and improves competitiveness. In all these areas the innovative power of women and the experience and knowledge of elderly is a very considerable endogenous potential that should be utilized for the benefit of target groups and the entire society.
6. Creation of equal opportunities, in particular promotion of employment and self-employment of women and elderly, can boost innovation, productivity and sustainable growth. This will also make indispensable contribution to the management of other current problems - such as high youth unemployment, emigration of young and skilled workers or looming lack of entrepreneurs and skilled workers.

### **Innovative SMEs by Gender and Age**

The project “*Innovative Small and Medium Enterprises by Gender and Age*” addresses the mentioned challenges and elaborates solutions. The following objectives will be pursued:

- ✓ Leveling of equal opportunities for women south of the Baltic Sea with the ones of northern countries;
- ✓ strengthening the promotion of innovation in small and medium enterprises by developing working cultures, which explicitly improve the equal opportunities of women;
- ✓ supporting the regional development in order to optimally develop the human capital and competitiveness through gender and education policy.

In four levels the project focuses on the following activities:

1. Individually: Boost motivation and workability, thus increasing the rate of women and elderly participating in work life, through qualification of consultants and the development of a manual;



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2. Enterprises: Supporting working conditions suitable for women and elderly and personnel development through the transfer of Good Practice, (occupational) training and coaching.
3. Organizations: Competences and commitment of 45 chambers and 15 universities to support innovation and equal opportunities.
4. Policy: Development of a strategy program, five regional Memorandums and two action programs to promote equal opportunities and innovation in SMEs.

The project partnership has been established to reflect both the geographic and functional diversity of the project objectives:

- Hanseatic Parliament, Germany
- Schwerin Chamber of Skilled Crafts, Germany
- Hamburg Institute of International Economics, Germany
- Work and Future, Germany
- Gdansk University of Technology, Poland
- Bialystok Foundation of Professional Training, Poland
- Lithuanian University of Educational Sciences, Lithuania
- State Education Centre, Latvia
- Minsk Department of the Belarusian Chamber of Commerce and Industry
- Brest Department of Belarusian Chamber of Commerce and Industry
- Satakunta University, Finland
- Norden Association, Sweden
- The Nordic Forum of Crafts, Norway

