Support for business in Poland, Russia and Romania

1. Introduction

To start or develop a business, financial support is indispensable. Supporting the development of small and medium enterprises (SMEs) is a priority of the European Union and all over Europe. Micro, small and medium-sized enterprises (SMEs) are the motor of the European economy. They are a major source of work places, they create entrepreneurial spirit and innovation in the EU and are therefore crucial for fostering competitiveness and employment.

The new SME definition, which came into force on 1 January 2005, represents a major step towards an improved business environment for SMEs and aims at promoting entrepreneurship, investments and growth. This definition has been elaborated after broad consultations with the stakeholders involved, which proves that being responsive towards SMEs is a key for the successful implementation of the Lisbon goals.

“SME” stands for small and medium-sized enterprises – as defined in the EU law: EU recommendation 2003/361.

The main factors determining whether a company is an SME are: the number of employees and either a turnover or a balance sheet total.

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<table>
<thead>
<tr>
<th>Company category</th>
<th>Employees</th>
<th>Turnover or Balance sheet total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium-sized</td>
<td>&lt; 250</td>
<td>≤ € 50 m ≤ € 43 m</td>
</tr>
<tr>
<td>Small</td>
<td>&lt; 50</td>
<td>≤ € 10 m ≤ € 10 m</td>
</tr>
<tr>
<td>Micro</td>
<td>&lt; 10</td>
<td>≤ € 2 m ≤ € 2 m</td>
</tr>
</tbody>
</table>

These ceilings apply to the figures for individual firms only. A firm being part of a larger grouping may need to include employee/turnover/balance sheet data from that grouping too².

The main sources of funding for any business which is at the start or for the development of an existing business are as follows:³

- **Own sources.** They are the intake associates and equity held by the firm. Those sources are necessary especially in the early stages of the business. Also, such sources are needed in the financing of investment projects where banks most often put a condition of minimum input from the associate⁴.

- **Credit obtained from the supplier and the customer.** They are the amounts due for payment for goods and services purchased from suppliers and discharge in different terms. Advances received from customers also constitute funding sources⁵.

- **Bank credit.** They are of various types depending on the specific need for financing, however, they can be divided into two broad categories: investment loans (to finance investment projects) and working capital loans. Investment loans are used to finance investment projects that are recovered over a period of time. Banks that co-finance these projects require other sources of funding e.g. equity and grants. Working capital loans are suitable for financing current operational expenditures. Loans for working capital can take the form of a credit line, a credit for a period not longer than 3 years or factoring. The credit is the most common form of financing and it is a credit that can be used or redeemed daily according to the business’s needs and the interest is paid only on the amount used⁶.

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⁵ How to choose the perfect business to financing, [online] https://www.bcrclubantreprenori.ro/upload/doc/1307457979.pdf, accessed 23.06.13.
• **Factoring.** Factoring is a short-term loan involving a bank loan. It is usually up to 6 months. This financing method is used when collecting bills is at term, and the company needs money. The invoices to be received are the loan guarantee. Another form of financing is the discounting of commercial paper such as promissory notes. When a promissory note is received from a customer, its discounting may be requested, which is getting a loan amount smaller than the amount of the promissory note to pay to the client7.

• **Financing various programs.** Another important source of finance, especially in investment projects are funds for various programs. The most important ones are the European structural funds with the grant oscillating, on average, around 50%, but in certain conditions and for certain projects exceeding this value. To obtain such funding it is necessary to establish a project to be approved and subsequently funded from available funds. In general, they are more complex projects that need funding sources and own and/ or attracted from banks8.

• **Leasing.** Leasing is an alternative to bank credits. It may be an either a short, - medium- or long-term one9. The main advantage comes from the fact that the asset acquired is recognized as the only guarantee of the loan obtained in this way10.

2. **Support for business in Poland**

   **2.1. The Polish Chamber of Commerce**

   The **Polish Chamber of Commerce** supports business competitiveness by offering assistance to small and medium-sized enterprises (SMEs) through the network of its regional offices KIGNET.

   The Polish Chamber of Commerce and its regional chambers provide businesses with the following services:11

   • **Financial services.** Regional chambers provide information and offer advice and training in business financing. The Polish Chamber of Com-

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merce may provide for preparation of business plans, information on obtaining business loans for companies in a given region, and assistance with EU structural funds\textsuperscript{12}.

- **Implementing innovation.** As part of the KIGNET INNOVATION network, regional chambers offer advice on innovative ventures and specialized products.

The International Cooperation Office of the Polish Chamber of Commerce helps companies to increase competitiveness and innovation through cooperation with other companies, it is done by finding business partners. The office answers questions from companies and helps them find potential business partners\textsuperscript{13}.

A Special Economic Zone (SSE)\textsuperscript{14} is a separate administrative area of Poland where businesses implementing new investment projects can benefit from public assistance, such as a tax relief. This regional assistance involves the costs of new investment projects or the creation of new jobs. The amount depends on the maximum assistance as defined on the regional map, which is:

- 30\% of eligible costs for investment projects in Warsaw,
- 40\% of costs for the following 6 provinces: Mazowieckie, Pomorskie, Zachodniopomorskie, Dolnośląskie, Wielkopolskie, and Śląskie,
- 50\% of costs for the remaining provinces: Lubelskie, Podkarpackie, Warmińsko-Mazurskie, Podlaskie, Świętokrzyskie, Opolskie, Małopolskie, Lubuskie, Łódzkie and Kujawsko-Pomorskie.

Assistance to small companies can be increased by 20 percentage points and by 10 percentage points for medium-sized companies, although this does not apply to companies operating in the transport sector\textsuperscript{15}.

Operating within a special economic zone requires a permit, which is necessary to obtain assistance. The companies that manage zones grant such permits in a tender procedure or negotiations on behalf of the Minister of Economy. The permit determines the type of activity to be performed in a zone; the conditions of employment, investment, a deadline for the investment to be completed; and the maximum eligible costs to be covered by assistance\textsuperscript{16}.


\textsuperscript{14} Specjalna Strefa Ekonomiczna

\textsuperscript{15} Research results for SMEs – VI, European Commission, European Research Area, p. 2.

There are 14 zones located all over Poland, and investment areas are located in all the voivodeships.

2.2. Polish Agency for Enterprise Development

The Polish Agency for Enterprise Development (PArP)\textsuperscript{17} offers Community and state funding to SMEs to encourage the increase in competitiveness and innovation\textsuperscript{18}.

The Agency organizes information campaigns about the rules for applying for financial assistance for business ventures, as well as its own promotional events and trade fairs. In addition, it maintains a database of useful website addresses. PArP also initiated the creation of the National System of Services for SMEs\textsuperscript{19}.

The National System of Services\textsuperscript{20} (kSU)\textsuperscript{21} for SMEs is a network of groups of service providers and organizations specializing in the provision of various business services to enterprises and persons starting out in business\textsuperscript{22}.

Over 200 kSU centers offer a wide range of assistance to micro, small and medium-sized companies at different stages of their development process, as well as assistance with the effective use of EU funds. The kSU also helps entrepreneurs at the initial stages of their business.

The kSU centers offer system services, requiring state assistance. The services include information services (as part of the kSU Consultation Points), pro-innovation advice (as part of the National System of Services for SMEs), and financial advice on securing guarantees and loans (as part of loan and guarantee funds cooperating with the kSU). The kSU enable changes in response to the needs of the companies in the SME sector: the range of services is modified and new services are developed and tested. For example, the recently implemented pilot advisory services on business cost optimization, as well as training and advisory services on environmental protection.

Consultation Points, a group of kSU service providers, offer free information or services in the following areas:

- administrative and legal aspects of conducting business (including starting, operating and closing a business);

\begin{itemize}
  \item Polska Agencja Rozwoju Przedsiębiorczości
  \item [Online] \url{http://en.parp.gov.pl/}, accessed 15.06.13.
  \item [Online] \url{http://en.parp.gov.pl/index/index/1882}, accessed 15.06.13.
  \item [Online] \url{http://ksu.parp.gov.pl/pl}, accessed 15.06.13.
  \item Krajowy System Usług
\end{itemize}
• rules and conditions of using public assistance programs and other external sources of financing a business;
• opportunities and guidelines for the use of specialist services under the system, for example training, advice, technology transfer, obtaining loans and guarantees etc;
• contact details of institutions, useful when expanding a company.

The KSU National Innovation Network offers companies services that encourage innovation (technology audits, technology transfer) and promotes mutual cooperation of companies and the academic world. A lot of loan and guarantee funds offer attractive conditions for the financial services provided for companies. Their objective is to facilitate the process of obtaining the finances required to develop or set up a company.

The Polish Agency for Enterprise Development supports the KSU organizationally. It also develops and monitors the quality of services provided by KSU centers and their consultants, for example, by setting service standards, carrying out systematic audits, training consultants, providing information and advice and conducting research.

The KSU operation is based on the Regulation of the Minister of Economy and Labour of 27 January 2005 on the National System of Services for Small and Medium-sized Enterprises.

2.3. Lower Silesia Economic Fund LLC

Lower Silesia Economic Fund LLC was established in 2002 on the initiative of the Marshal’s Office of Lower Silesia. DFG is a nonprofit organization with a mission to support the economic development of Lower Silesia. DFG helps micro, small and medium-sized enterprises in the region in obtaining investment fund. They support entrepreneurs by providing loan guarantees and the granting of loans, which will be used to develop business or to start a new business. DFG works with banks, local governments economic, local governments and

27 Dolnośląski Fundusz Gospodarczy
regional development agencies. EU funds on favorable terms are offered by them to help the financing of business development in the region. In addition, the DFG supports entrepreneurs in obtaining highly concessional loans.

2.4. JEREMIE – Joint European Resources for Micro – to – Medium Enterprises

JEREMIE (Joint European Resources for Micro-to-Medium Enterprises) is a European Union program in an attractive form of financial support offered to micro, small and medium-sized enterprises, including actors start a business. The aim of the initiative is to help especially those companies that start a business, do not have a credit history or collateral of sufficient value. The advantage of this program is that it differs from the traditional model of business support grant for the start of revolving financial instruments, such as low-interest loans and loan guarantees. The JEREMIE initiative in Poland is put into practice at the regional level within the framework of the Regional Operational Programmes for 2007–2013. A decision was taken to join the project in 2009, five provinces have taken Boards: Lower Silesia, Lodz, Pomerania, Wielkopolska and Western Pomerania, allocating an amount of more than 1.6 million PLN.

![Diagram functioning of JEREMIE](http://www.jeremie.com.pl/ogolnie/jeremie/)

Fig. 1. Diagram functioning of JEREMIE

JEREMIE is a kind of perpetual motion machine – a revolving mechanism: once the funds disbursed are returned and re-invested. This allows securing investment capital of more SMBs having no access to the products offered by com-

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mercial banks, because they have existed on the market for not long enough and they do not yet have a credit history or collateral of sufficient value.

3. Support for business in Romania

Romania was controlled by a communist government for decades before, in the late 80s, it became possible for the country to start making the transition to the republic it is today. It has since made a lot of efforts to improve its economy, tackle widespread corruption and launch social reforms as part of preparations for joining the European Union at the beginning of 2007. The economy has improved, paving the way for new business and investment opportunities. Doing business successfully in Romania, however, requires an understanding of the Romanian business culture and etiquette. Otherwise, misunderstandings and miscommunication can often occur resulting in financial losses and/or detriment to the business relationship.\(^{31}\)

The structure and hierarchy in Romanian companies:

- a strong hierarchical system in place, with delegation coming from the top down and decisions seldom questioned or challenged by those of a lower rank,
- most business dealings are very formal and senior members of the group are given the most respect and privileges,
- responsibility and position are clearly defined. Those with authority command a higher level of respect which often shows in the decision-making process and the use of titles and formal greetings,
- a large gap between the wealthy and poor has further increased the distance between Romanians, preventing many from improving their status in society.

Romania is a market with a tremendous potential, a strategic location, and a business environment that offers opportunities amidst some risks. After several years of strong growth, Romania experienced a deep recession in 2009 with GDP contracting by more than 7%. Since that time the country has seen a return to weak positive growth, with recent forecasts at 1.7% GDP growth in 2012. Forecasts for succeeding years are more encouraging, as the rate of economic growth is predicted by most to accelerate further evaluation of the market, patience and commitment. It is extremely difficult for U.S. exporters to achieve

it without an effective and qualified local partner. After more years of strong growth, Romania faced a deep recession in 2009, with GDP contracting by more than 7%. Since that time the country has seen a return to weak positive growth, with recent forecasts at 1.7% GDP growth in 2012. Economic stabilization was achieved using mainly a €20 billion ($27.4 billion) rescue package led by the International Monetary Fund (IMF). Romania was subjected to harsh austerity program: to reduce its budget deficit to 4.4% of GDP in 2011 and to 3% of GDP in 2012. An increase from 19% to 24% in the value added tax (VAT), and a cut of 25% in public sector salaries, depressed consumer demand and spending predictably was observed. This increase in VAT also contributed to inflation of about 8% in 2010, the highest rate in the EU, with a notable jump in food and energy prices. Inflation was widely expected to decrease in 2011, even as economic conditions improved led by relatively strong export performance and a gradual rebound in demand.

The pace of implementation of infrastructure projects has gained speed as Romania aims at absorbing EU structural funds before they expire, and the Romanian Government, encouraged by private management of its largest pension fund, have shown new opportunities for partial or complete privatization of some industrial assets.

3.1. Support for Romanian SMEs: EIB signs loan contract with ING Bank Romania

The European Investment Bank (EIB) and ING Bank Romania signed a loan contract for 40 million Euros in Bucharest. The loan is dedicated to all types of final beneficiaries in Romania, including small and medium-sized enterprises (SME), and it targets customers of the Romanian branch of ING Bank.

The intermediated loan will make financing possible for small and medium-sized projects undertaken by SMEs and by midcap companies (i.e. companies with up to 3000 employees), as well as by public sector entities or other types of private sector promoters in Romania.

nul-6185733, accessed 18.06.13.
36 The European Investment Bank is the long-term lending institution of the European Union owned by its Member States. It makes long-term finance available for sound investment in order to contribute towards EU policy goals.
The EIB has so far signed a total of 9.4 billion Euros since the beginning of the Bank’s lending activities in Romania in 1993. 700 million Euros were signed over the last five years, to support almost 2,900 SME projects.37

3.2. Business angels in Romania

A new trend in financing SMEs activity in Romania, especially on start-up phases, is represented by the business angels. The business angels are persons or groups of persons with a regular activity for investments with capital risk, which finance the needs of unlisted businesses and invest money, idea and experience for developing businesses in initial or growing phases.

Such kinds of investments provide them with a higher profit than traditional financial investments.

Business angels can be found especially in the USA, but for the past decade also in Romania, like: Radu Tudora che (Newarch Investments fund), Marius Ghenea (PCFun), Dragos Anastasiu (Eurolines) and more.38

3.3. Romanian Guarantee Funds

Major financial support for SMEs in assuring guarantees and assuming part of risks is provided by the Romanian Guarantee Funds like: F.G.C.R. and F.N.G.C.I.M.M.

In order to help and develop business, the Romanian government authorities have created two dedicated funds:

- FNGCIMM, designed to support SMEs in obtaining the funds necessary in their activity, by providing guarantee letters which can cover maximum 80% of credits value;
- FGCR to provide guarantees for credits which have the objective to finance investments in the private agro-alimentary sector and in activities intended to develop rural infrastructure.39

3.4. JEREMIE in Romania

Small and medium enterprises in Romania can benefit from more funding through the European financing initiative JEREMIE – Joint European Resources for Micro to Medium Enterprises, for which the Romanian Government recently gained EUR 50 million for the local budget.

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Adding to the existing EUR 20 million budget, the JEREMIE funds will reach small and medium Romanian enterprises via several local banks as investment loans and work capital, with low interest and low guarantees. Adding to the JEREMIE pool, banks will also mirror the existing funding in the program, resulting in a total budget of EUR 140 million for SMEs.

JEREMIE is a new way of using European funds to support SMEs. In Romania, it began with the guarantee facility via several local banks, and afterwards it created a risk capital instrument that financed the fund Catalyst Romania, which supports small and medium enterprises in the technology – media – telecom fields. More details on JEREMIE in Romania can be found at: http://www.eif.org/what-we_do/jeremie/calls-for-expression-of-interest/2013/Romania_JER002-4.htm.

4. Support for business in Russia

The fall of the Soviet Union resulted in major changes in the Russian economy. The privatization process began in the period of perestroika. Privatization was carried out only in the circles of the privileged members of the party – the participants took over larger companies in a short period of time in quite unclear circumstances. The current Russian economy is characterized by the existence of a relatively underdeveloped sector of small and medium-sized enterprises, though, and thus the current situation is better than in the 90s. An important role was played by the economic crisis in 1998, which also brought positive developments – the economy has been “restored” after a series of bankruptcies of many companies.

The support policy currently declared by the Russian authorities, led by Dmitry Medvedev office business, is implemented in two ways:

- the creation of legal and normative base that encourages small business in Russia;
- involvement of the state apparatus, the structures of the public administration in support of small business, the use of national infrastructure and non-profit organizations (NGOs) in promoting the development of small business.

The Russian state documents show that the main focus of government policy in the area of cooperation with the business are small businesses. The state programs aimed at entrepreneurs are based on:

- Financial support for entrepreneurs through: program loans on preferential terms; subsidies for certain investments and reduced taxes;

Consulting and support information: legal services, technical support, providing databases;

The creation of local infrastructure: arranging trade fairs and exhibitions, trade creation.

Responsibility for the implementation of the pro-business policy responsibility of the Ministry of Economic Development of Russia. The key document regulating these issues is the Law N209 – FZ of 24 July 2007 “On the development of small and medium enterprises in the Russian Federation” and the way of financial support are regulated by the Council of Ministers No. 249 of 22 April 2005. They are not only legal acts regulating business support and, in general, the Russian legislation does not contain comprehensive regulations in this regard: for instance, obtaining support for the development of small and medium-sized enterprises is regulated by the Code of Russia budget. It reflects the assessment of state support for entrepreneurship in the opinion of business circles. A study conducted in 22 regions of the Russian Federation found that 87% of traders do not see real help from the state. The business support policy, like many other areas of life, is steeped in corruption. A third of those entrepreneurs who have received support in the development of their companies had to “share” contribution in the form of bribes of up to even half of the received amount.

Ineffectiveness of policies to support business development are shown in the statistics: in 2009 the turnover of small businesses fell by 25%, and the number of enterprises of this type fell by 20% to 228,000 in the whole of Russia. But it is noted that the actual situation in Russia is quite different. This is due to the federal structure of the country and the responsibility for pro-business policies and the organization of direct forms of support for individual federal entities. The best classified in this field is the Kaliningrad area. Russian entrepreneurs and researchers find that state support for pro-business policy is relatively limited, bureaucratic barriers and poor infrastructure especially in the northern and eastern part of the country is not conducive to the development of entrepreneurship.

4.1. Support from the UE

The European Investment Bank (EIB) provides two loans to Russian subsidiary banks of leading EU banking groups to support projects promoted by small and medium-sized enterprises and mid-cap companies in the Russian Federation:

• EUR 100 million with UniCredit Bank and
• EUR 40 million with Raiffeisen Bank,
Both credit lines, extended in the framework of the EU-Russia Partnership for Modernization, are first-time EIB operations with the two financing institutions in the Russian Federation, and the first EIB loans to subsidiaries of EU banks in the country.

Wilhelm Molterer, EIB Vice-President responsible for lending operations in Russia, commented: “I welcome the fact that EIB funds will contribute to the development of the Russian private sector by improving the access of SMEs and mid-caps to long-term finance”.

The EIB loans will finance projects contributing to the diversification of the Russian economy. Both credit lines are in line with the EIB’s priority of supporting growth and jobs by lending to SMEs. For that purpose, the EIB is joining forces with two major financing institutions that have a well-established presence in the local market and serve SMEs and mid-cap companies.

The Partnership for Modernization, launched at the 25th EU-Russia Summit in 2010, serves as a flexible framework for encouraging reforms, boosting growth and fostering competitiveness. All of these objectives are supported by promoting small and medium-sized enterprises and developing the exchange of experience between the EIB and Russian financial institutions on the subject of financial services for SMEs and mid-caps. To date, the EIB has extended seven loans to support the Partnership for Modernization, for a total amount of EUR 1 billion41.

4.2. The role of Open Joint-Stock Company “Russian Bank for Small and Medium Enterprises Support”

The OJSC SME Bank has been implementing the State SME Lending Program since 2004. The strategic objective of the Bank with respect to SME support is the enhancement of financial assistance to SME entities, the objective being to:

- diversify the economic structure;
- increase employment and promote self-employment;
- boost the GDP;
- raise fiscal revenues;
- establish the middle class.

The principal goals of the Bank with respect to SME support are:

to provide equal access for SMEs to mid- and long-term financial resources in all areas of the Russian Federation, primarily regions poor in resources;
• to provide priority financial support for manufacturing businesses, and for enterprises implementing innovative and high-technology projects thus supporting the transformation of the loan services sectoral makeup;
• to finance the creation and development of the SME support infrastructure (microloans businesses, business incubators, leasing companies, regional SME support funds, technological parks, multifunctional SME business centers etc.)

4.3. Russian Agency for Small and Medium Business Support

Russian Agency for Small and Medium Business Support was set up in 1992 under the initiative of the Government of the Russian Federation, with initial support of the Know-How Fund of the UK Government. Among its founders there are the Chamber of Commerce and Industry of the Russian Federation, the Plekhanov Academy and some big industrial companies.

The main activity of the Russian Agency is providing consulting services for SMEs in Russia, setting business links with Russian and international partners. Russian Agency is actively involved into the development of SME support infrastructure, establishment of inter-regional and international business information exchange among SMEs. Experts of the Russian Agency support enterprises in Russia and abroad in solving economic, financial, legal, organizational and management issues.

Following the market situation Russian Agency for SMEs offer services demanded by Russian and foreign partners and clients:
• Loans to SMEs;
• Marketing Research;
• Business Plans making;
• Institutional Consulting (Consulting of state bodies);
• Quality Management Systems Implementation;
• Legal services;
• Foreign Trade Consulting;
• Energy-Saving Programs

More information on activity of Russian Agency for SMEs may be found at: http://www.siora.ru/en/.

5. The European Social Fund

The European Social Fund is the main instrument through which Europe intends to create jobs, help people get better jobs and ensure equitable career opportunities for all EU citizens. The Fund operates through investment in human capital of Europe – employees, young people and all those seeking employment. ESF funding 10 billion per year improves job prospects for millions of Europeans, especially those who experience difficulty finding employment\(^{44}\).

EU funding distributed ESF in Member States and regions to finance their operational programs. These programs finance projects in the field of employment, conducted by a variety of public and private organizations which are called beneficiaries. These projects are for the benefit of their participants – usually they are individuals, but they can also be companies or organizations\(^{45}\).

The European Social Fund is designed and implemented based on the partnership between the European Commission and national and regional authorities. This partnership includes a wide variety of other partners, such as NGOs\(^{46}\) and trade unions who are involved in designing ESF strategy and monitoring its implementation. Working in partnership is the best way to ensure maximum effectiveness and efficiency of aid, in order to meet the needs of the community or region concerned\(^{47}\). There are several important principles underlying the operation of the ESF:

- Co-ownership provides national and regional level: the ESF is always accompanied by public or private financing. Financing rate varies between 50% and 85% (or 95% in exceptional cases) of the total project costs, varying with the relative wealth of the region.
- Make shared management responsibility possible at the appropriate level: ESF guidelines at European level are designed in consultation with a rich diversity of stakeholders and operational programs are negotiated between national authorities and the Commission. Implementation is managed by means of operational programs, by the relevant authorities in each country\(^{48}\). The level of ESF funding and the types


\(^{46}\) Non-governmental organizations


of projects that are funded varies from one region to another depending on the relative wealth. EU regions are divided into four categories of funding, depending on regional GDP per capita compared to the EU average (EU with 25 or 15 members). ESF funding is available through Member States and regions. ESF funds for specific projects do not come directly from Brussels.

- Organizations interested in ESF funding for a project should contact the ESF Managing Authority of the country or region.
- Sites of national and regional ESF and local employment agencies are also a good source of information about the opportunities offered by the ESF.

Support for the development of small and medium enterprises (SMEs) is a priority at the EU level, at the national and local level, as this large category of economic agents, stronger and more flexible than large enterprises, the backbone of any modern economy. It has been observed that in Romania, 1 in 100 young people decide to start a business on their own, compared with 1 in 4 young people in the Poland.

6. “Erasmus for Young Entrepreneurs” program

To start a business or to learn more about running a business from an experienced entrepreneur in another EU country it is a good idea to apply for participation in “Erasmus for Young Entrepreneurs” program. Within this program young entrepreneurs can receive financial support for travel expenses, accommodation and meals during their stay abroad. An entrepreneur can participate in an exchange program for a period of from one to six months. Financial support is calculated monthly and covers the cost of living in the country where practical skills are obtained.

The solid financial support received by those entrepreneurs who choose countries like Denmark, Norway, Ireland and the UK, may reach a maximum of between 1,000 and 1,100 Euro per month. The lowest amount are received by those who choose a country like: Albania (530 Euro), Lithuania (560 Euro), the Czech Republic (610 Euro) and Poland (610 Euro). The entrepreneurs, who come to Romania receive a monthly maximum of 560 Euro, equal to the one given to those who choose Bulgaria.

It is noticed that financial support depends on the cost of living in particular EU countries.

The conditions for taking part in the program are:

- to have the intention to start a business based on a viable business plan;
- having your own business for at least 3 years;
- to get information on the situation for doing business in the European Countries;
- to train young entrepreneurs how to conduct business.

7. “Erasmus practice” – case study

In 2013, at a local IT company and Lower Silesian University of Entrepreneurship and Technology, a project was conducted: “Information Technology in the Knowledge Society”. It was funded by “Erasmus program”. Students from the University of Pitesti underwent a practical training at the IT company. The implementation of the project took place in the period from 01 July 2013 to 30 September 2013 with participation of 6 students from the University of Pitesti, together with the owner of IT company, along with Polish academics.

An additional aim of the project was to determine the possible use of tools in the Knowledge Society. It is assumed that “the acquisition of information” is an essential element in the global e-society. The activities were focused on the following areas:

- the use of IT systems by adults,
- e-Logistics systems,
- auction systems in the automotive industry,
- e-Working.

They refer to the research activities undertaken so far in the development of information literacy in the Knowledge Society. The final outcome of the project will be published by Polish scientists and Romanian students. In addition, it is assumed that all the activities during this project will be published on the website: www.research-project.polkowski.com.pl.

The project, during its implementation, involved:

- Academic aspects,
- Practical aspects,
- Opportunities for the students to receive practical training
- Issues related to the living and working conditions in Poland, with a particular emphasis on issues related to the information society.
- Arranging conditions for the development of abilities to use the English language for the purpose of scientific activities.
Assumptions completed about the scientific aspects of the project:

- A research on e-Society was conducted.
- Together with the students from Romania, scientific articles were created, to be published afterwards.
- Students, in the course of the project, were provided with professional support in English language learning, in applications related to editing academic papers.
- Students studied the implementation of the act in an authentic environments. This was achieved through visits to companies such as Sitech, Action, public institutions and commercial companies in Polkowice.
- The results of the project were published at: www.research-project.polkowski.com.pl.
- Students were trained in the implementation of research projects.
- An international seminar – “Youth in the European Union. International law and domestic law in the society of knowledge” – was organized in the Secondary School in Polkowice.

Assumptions completed about the practical aspects of the project:

- During the project, students combined theoretical activities with practical ones, as planned.
- The project manager was responsible for the organization of mobility associated with obtaining information related to the actual functioning of an E-society.
- Students attended eight hours of practical classes and lectures daily, from Monday to Friday.
- Classes were held in lecture halls belonging to DWSPiT, specially adapted to the needs of students. Moreover, the implementation was carried out in various companies and institutions in Polkowice.
- English language classes were targeted in the research project. During the course, the students performed tasks relevant to their field of study.
- Students were trained in building and management of a website in WordPress.
- Some practical classes were held at DWSPiT, other activities took place at the IT company.
- Business trips were organized and run by the owner of IT company. He was responsible for arranging accommodation for students.
Additional information on the project:

- Qualified DWSPiT personnel monitored the activities of the students, depending on their level of education, allowing students to put the newly acquired knowledge into practice during the project.
- The project contributed to the improvement of the quality of and increased the mobility of students in Europe, by increasing the number of students participating in research programs.
- The project improved the quality of and increased multilateral cooperation between DWSPiT and the University of Pitesti.
- The project involved arranging visits to selected companies and institutions whose activities were related to the students faculty fields of study:
  - The Sitech Company in Polkowice.
  - The Action Company in Warsaw.
  - The Community Centre in Polkowice.
  - Project activities aimed at achieving improvement in the English language skills, through the constant use of it in an international environment.
  - As it was expected, competences and social skills were improved in the interaction of foreign students with the people from the Community Center, promoting the culture and customs of Romania.

The local IT company – the main partner of the project

The company provided the students with all the materials necessary for the completion of the project, technical assistance and tours in Poland, Germany and the Czech Republic.

In addition, in September 2013 the company organized a trip, in order to make the students familiar with the latest developments in Information Technology and Electronics at the IFA Expo in Berlin, Germany. The IT company provided adequately equipped work posts and tools for the practical training.

Additional benefits of the project:

Cooperation with the scientific community creates excellent opportunities to develop skills for the realization of projects in international teams, involving theoreticians and practitioners, representatives of both science and business. The cooperation resulted in the establishment of international contacts and friendships.

The summary of the completed project

The completed project is a good example of the use of EU funds to support SMEs and students participating in the project. Noticeable benefits for the company in which the practice was held:
• implementation of additional services at no additional cost,
• improvement of communicative skills in English,
• development of the knowledge on the customs and culture of the students, friendships and acquaintances.

In contrast, measurable benefits for the participating students are:
• acquisition of knowledge and practical skills in using ICT,
• opportunity to improve communication skills in English,
• opportunity to learn Polish – getting familiar with the cultural heritage, tourist attractions of Poland, customs and traditions of Poles,
• friendships established and contacts made during the stay.

8. Trends concerning support for SMEs in the future – Horizon 2020

SMEs will be supported across Horizon 2020 pillars or priorities. Their participation in the programme will be particularly encouraged through a new dedicated SME instrument.

Horizon2020 is the EU’s new programme for research and innovation. It will be run from 2014 to 2020, with a budget of 80 billion Euros (proposed by the European Commission, still in discussion).

H2020 will combine all research and innovation funding currently provided through the Framework Programmes for Research and Technical Development, the innovation related activities of the Competitiveness and Innovation Framework Programme (CIP) and the European Institute of Innovation and Technology (EIT).

The aim of the SME instrument is to:
• fill gaps in funding for early-stage, high-risk research and innovation by SMEs, as well as stimulating breakthrough innovations.
• target all types of innovative SMEs showing a strong ambition to develop, grow and internationalize.
• provide support to all types of innovation, including non-technological, social and service innovations, given each activity has a clear European added-value.

The SME instrument will cover all fields of science, technology and innovation in a bottom-up approach within a given societal challenge or enabling industrial technology to leave sufficient room for all kinds of promising ideas, notably cross-sector and inter-disciplinary projects, to be funded52.

It is noted that support for SMEs is not only financial, but it also involves providing information on how SMEs will not work in the future. The advice given by Anne-Lise Kjaer\textsuperscript{53} during Conference EUROSME Dublin 2013 may serve as an example here.

“Companies need to innovate or die”, says Anne-Lise Kjaer, a leading futurist and director of Kjaer Global whose focus is on facilitating a new understanding of tomorrow’s society, business and people.

“If the challenge is to create clarity out of complexity, then that means getting to know – and identify with – the people of tomorrow. Only then can you understand what they will want from you”, she says\textsuperscript{54}.

She devised what she describes as the “4 P model” business platform which, she says, can be applied to any company. “The 4 P model business platform is about considering people, planet, having a purpose and ethos to match and then the profit will follow\textsuperscript{55}. More about “4 P model” you can be found at: http://www.kjaer-global.com/multidimensional-platform/.

9. Conclusions

A review of the literature on support for SMEs shows that functioning of SMEs in Poland, Russia and Romania is a very relevant issue. It is noted that although Russia is not a member of the EU, there are very strong similarities concerning support for SMEs in EU countries. Moreover, studies and analyses have shown that despite significant political differences between Russia and the EU, cooperation is evident in certain economic issues.

Nowadays, for Poland, Romania and Russia based SMEs, there are numerous possibilities to get support for developing business. Banks, governments and non-profit institutions are offering SMEs a lot of diverse and specific products or services. You can observe that there is efficient cooperation between banks and institutions mentioned above. Yet, due to the current international crisis, many owners of small and medium companies are worried about what the future will be like.

For this reason, business people behave more and more carefully when they are applying for loans and other financial support. It may also be observed that

\textsuperscript{53} Anne-Lise Kjaer, Kjaer Global Ltd (UK), Founder & Director – is a leading global futurist and speaker who delivers visionary thinking to wide range of industries. In particular she facilitates a new understanding of tomorrow’s society, business and people.


for example in Poland it is easy to apply for free training courses organized by the institutions supporting SMEs. However, according to a lot of business people, this kind of support is seen as a waste of EU money. They are more interested in support which would reduce the costs of employment and investment in their companies.

Despite the critical words regarding the issue of EU funds and quite pessimistic conclusions concerning the analysis, it is worth being up-to-date and look for opportunities of receiving support for SMEs.

Technology is evolving continuously, society and economy are in constant development. To find out more about supporting businesses, entrepreneurs can search for information on websites of companies dealing with financial or other kinds of aid. There are a lot of official sites where entrepreneurs can find sufficient information about the funding source they can choose. It is also important to keep contact with national and local representatives of business support agencies.

Summary

Support for business in Poland, Russia and Romania

The article contains a brief description of existing methods and programs to promote business in Poland, Russia and Romania. Financial support for businesses can be obtained either from the European Union or from other sources. The success of small and medium-sized enterprises is crucial for increasing employment and creating new jobs. The effects of economic activities largely depend on the skills of the workforce and its ability to adapt to changes. This is why many businesses can benefit from ESF assistance in order to increase the competence and flexibility of their most valuable asset – their employees. For this reason, in this article assumptions about scholarship programs such as „Erasmus practices” „and„ Erasmus for young entrepreneurs” are presented. Moreover, this article provides a brief description of activities carried out by a local IT company and students from the University of Pitesti during the „Erasmus practice” project. However, studies, especially those concerning Poland, suggest that at present business people are not interested in free trainings. Direct and immediate possibility of financial support in order to make investments and to reduce labor costs are a more relevant issue to them. Such support is particularly important to young entrepreneurs who have a „business idea“. To prepare this article, information available from the Internet, from the official websites of government institutions, banks, portals, the European Union states and others, as well as international media was used.

Keywords: business, support, IT, funds, SMEs.
Streszczenie

Wsparcie dla biznesu w Polsce, Rosji i Rumunii

Artykuł zawiera krótki opis istniejących sposobów i programów wspierania biznesu w Polsce, Rosji i Rumunii. Wsparcie finansowe dla przedsiębiorstw można uzyskać zarówno z Unii Europejskiej, jak i z innych źródeł. Sukces małych i średnich przedsiębiorstw ma kluczowe znaczenie dla zwiększenia zatrudnienia i tworzenia nowych miejsc pracy. Efekty działalności gospodarczej w dużym stopniu zależą od umiejętności pracowników i ich zdolności do przystosowania się do zmian. To dlatego wielu przedsiębiorców może skorzystać z pomocy EFS w celu zwiększenia kompetencji i elastyczność ich najcenniejszego zasobu – pracowników.

Z tego powodu w niniejszym artykule zostały przedstawione założenia dotyczące programów stypendialnych, np.: „Erasmus praktyki” oraz „Erasmus dla młodych przedsiębiorców”. Co więcej, niniejszy artykuł zawiera krótki opis zrealizowanego przez firmę komputerową oraz studentów z Uniwersytetu w Pitesti projektu w ramach „Erasmus praktyki”.

Przeprowadzone badania, szczególnie te dotyczące Polski świadczą jednak o tym, że biznesmeni nie są obecnie zainteresowani bezpłatnymi szkoleniami. Bardziej istotne są dla nich bezpośrednie i natychmiastowe możliwości wsparcia finansowego w celu prowadzenia inwestycji oraz zmniejszenia kosztów pracy. Tego rodzaju wsparcie jest szczególnie ważne dla młodych przedsiębiorców posiadających „pomysł na biznes”.

Aby przygotować niniejszy artykuł, wykorzystano dostępne informacje z Internetu, jak i oficjalnych stron instytucji rządowych, banków, portali Unii Europejskiej, oraz z krajowych i międzynarodowych środków masowego przekazu.

Słowa kluczowe: biznes, wsparcie, IT, fundusze, MŚP.

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