# Impact of the Euro 2012 on the Pomeranian Region and Its Small and Medium Enterprises in Terms of Competitiveness

Zawadzki, Krystian and Wasilczuk, Julita

Gdansk University of Technology

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Julita E. Wasilczuk

Krystian M. Zawadzki

Gdańsk University of Technology, Poland

Authors Note

Julita E. Wasilczuk, Department of Economics and Management, Gdańsk University of Technology.

Krystian M. Zawadzki, Department of Economics and Management, Gdańsk University of Technology.

Correspondence concerning this article should be addressed to Krystian Zawadzki, Department of Economics and Management, Gdańsk University of Technology, Narutowicza 11/12, 80-233 Gdańsk.

Contact: kza@zie.pg.gda.pl

Abstract

In the course of preparations to the 2012 European Football Championship (Euro 2012) many doubts have arisen as to the actual cost-benefit balance affecting the hosting country. The event is accompanied by intense promotion of the agglomeration and the region, especially abroad. In effect, one can anticipate the competitive position of both the region and the businesses operating there to improve. The investigation whether the Euro 2012 will have an impact on the Pomeranian Region was conducted threefold. First, a modified Preuss (2007a) model was used to analyse the regional environment factors, which would contribute to improve competitiveness of the region and its Small and Medium Enterprises (SMEs). In the second area, the short run increase in business activities were investigated using the field research among the entrepreneurs. The last part of research was focused on the growth willingness of entrepreneurs.

*Keywords:* Mega Sport Event, Competitiveness, Entrepreneurship

# Impact of the Euro 2012 on the Pomeranian Region and Its Small and Medium Enterprises in Terms of Competitiveness

Speculations about the relationships between the event and the economy typically arise at the time the host country is selected. The term ‘speculation’ here is used most appropriately, since no reliable method has so far been developed to assess the impact of the event organisation on the host country, region, or city before it is actually held (*ex ante*). Moreover, its effects are not obvious even after it ends (*ex post*).

Nevertheless, there is no doubt that a large sports event does leave an imprint on its venue. That is why its effects are customarily referred to as the ‘legacy’, irrespective of whether they are positive or negative in nature. For the same reason, it is only sensible to study the mega sports events’ impact on the economy.

When taking up studies of the effects *ex post*, one cannot avoid the problem of identifying those economic changes, which were triggered by the very large sports event, among all changes which have occurred in the economy. Moreover, a mega sporting event is typically a one-off venture; therefore, the impulse the economy gets from it may be minor. Much, of course, depends on the character of the event. First, the Football World Cups or European Championships are spread over a longer time. Second, they affect several cities/regions. Still, the long-term effects are certainly much easier to capture for a smaller area, since contribution to the overall business activity is doubtlessly highest at this level. Therefore, it is postulated to focus on the smallest possible affected area, e.g. a city, perhaps a region, instead of the whole country (Matheson, 2006) .

Another major error consists in non-existence of exhaustive comparative studies between the *ex ante* estimates and the actual effects of various global events measured *ex post.* Were such analyses undertaken, perhaps by the same teams, they might enable identifying the discrepancies and arriving at a better description of the mistakes made.

Unfortunately, the swiftness of the changes occurring in our world nowadays does not leave science unaffected. Few researchers go back to the earlier conducted studies, partially because of shortage of funds (the funds are easier to be obtained for the ex ante researches – before the event is granted or just after), and partially because of new challenges they face. This paper presents the results of an *ex ante* study as well, though the authors intend to confront them later with the findings of its *ex post* counterpart to be conducted once the UEFA European Football Championship in Poland and Ukraine has come to an end.

## Literature background

While there is considerable literature on event impacts, few studies actually addres the business activities and competitiveness behind them. Mega events, such as the Olympics, FIFA World Cup or Euro, have always had implications for the host centre's urban infrastructure by providing opportunities for new investment and tourism (Essex & Chalkley, 2004). Whitson and Macintosh (1996) stress that mega events have become an attractive option in urban policy as a means of improving the appearance of the environment, creating a "spectacle" to attract global investment, facilitating fast-track development and promoting a new image through place marketing. The nature of the regional state is thereby transformed from bureaucratic and hierarchical forms of decision-making to more responsive, entrepreneurial and business-orientated approaches (Cochrane, Peck & Tickell, 1996).

Today, mega cities are in global competition to attract economic activity to their city. Preuss (2007a) indicates that all event–structure that is in existence prior to or after the momentum of the event will change, for a certain period of time, the so called 'quality of location factors' in a positive or negative way. Preuss notes six types of event-structure: infrastructure, knowledge, networks, culture, image, and emotions. While the first four derive from the fact of the preparations for the event, two more are dependent on the momentum the event develops (Preuss, 2007b). It is noted that a planned legacy to strengthen other aspects of a city requires the implementation of additional measures. For example, a better business destination would be developed through event infrastructures such as an upgrade of the general infrastructure (notably traffic systems), knowledge understood as security and organisational and service skills, skilled labour, image as a business location, and political and business networks.

## Methodology

Most existing studies of the economic impact of large scale sports events stay at the country level, or go down to the region or city at best (Matheson, 2009; Baade & Matheson, 2004; Preuss 2007a). It is, however, worthwhile to dive as deep as to the micro level – i.e. ponder the potential impact of an event on individual businesses. Actually, the impact on the region and the entire economy starts at the enterprise level. Its potential size translated to increased business activity is the function of multiple factors, to name e.g. the general entrepreneurial spirit in the region and the latter's competitive position. An injection of extra funds to the regional economy can only bring about increased activity of the existing enterprises, if they perceive it as offering a developmental perspective and have an optimistic view of their own potential. The higher the activity growth at the level of individual businesses, the higher the effects of the organised event. Therefore, we investigate the expectations of business owners and their attitude towards the increase of activities.

In the perspective of the Euro 2012, enterprise growth seems linked primarily to the regional environmental factors. The event is accompanied by intense promotion of the agglomeration and the region, especially abroad. The city and the entire region hosting the event gain in recognisability. The investors perceive them as more attractive, and this should translate to growth in investments. In effect, one can anticipate the competitive position of both the region and the businesses operating there to improve.

On the other hand, it is not enough to improve the competitiveness of the region to have the growth of the firms (or grow of the number of new firms established). We expect that not all of the entrepreneurs would be ready to alter their activity. Therefore we investigated whether the Euro 2012 will have an impact on the Pomeranian Region threefold:

- looking to the factors determining the region competitiveness [A],
- assessing the interest of entrepreneurs in participating in activities connected with Euro 2012 [B] – this will lead to short term activities,
- readiness of entrepreneurs to increase their activities in long run – growth of the firm [C].

This concept is explained in figure 1.

For the first part, investigating the determinants of region's competitiveness, the authors used the modified Preuss model, which is explained below.

The second area: the short run increase in business activities were investigated using the field research among the entrepreneurs. In order to evaluate the link between organisation of the Euro 2012 in Poland and the entrepreneurs' decisions, a questionnaire-based survey has been conducted. The main purpose was to identify the entrepreneurs' stance with respect to the opportunities and threats connected with organisation of the Euro 2012. In view of the above, the following set of questions was addressed to them:

1. What are your hopes in connection with the Euro 2012?
2. Do you anticipate any support in connection with the Euro 2012, and if so, of what kind?
3. Are you preparing for the Euro 2012 (planning to introduce new products or services, embark on investments aimed at enhancing your competitive edge, etc.)?
4. What problems can you see in connection with the organisation of the Euro 2012?

The survey was conducted under the direct interview method in October 2009, i.e. less than three years before the Euro 2012. The population sample was made up of 300 businesses employing at least one person and no more than 250 people. In other words, the survey focused on the SME sector, except for the self-employed. The rationale for the latter's exclusion was that businesses hiring no employees were formed primarily to create jobs for their proprietors and their developmental potential was marginal. The surveyed businesses operated in Pomerania (Northern Poland), and specifically in three municipalities: Gdańsk (40%), Gdynia (20%), and Sopot (10%), and their vicinities, i.e. the communes of: Kartuzy, Puck, Nowy Dwór, Tczew, and Wejherowo (30% in aggregate). The inclusion of the municipalities next to the tournament venue was obvious. However, it was resolved to go deeper into the neighbouring communities because of the assumption that entrepreneurs from outside Gdańsk and the Tri-City might join in the preparations for the Euro 2012. The distances from Gdańsk to the capital towns of the communes were: Kartuzy – 32 km, Tczew – 32 km; Nowy Dwór – 39 km, Puck – 57 km, Wejherowo – 45 km. The authors then selected the branches they thought should benefit most from the organisation of the Euro 2012. The survey comprised the following industries: hoteleering, transport, catering, and construction. Each industry was equally represented (25%). The tourist trade was consciously excluded from the survey, since a vast majority of firms operating in the industry deal with outbound tourism, which means that organisation of the Euro 2012 will be neutral to them. To make things worse, identification of the businesses specialising in or including visitor-offered services proved impossible.

The last part of our research was focused on the growth willingness of entrepreneurs. We evaluated this on the basis of interviews conducted amongst 982 small firms from the Pomerania Region in 2009. Firms were from different branches, employing up to 250 people.

This research was performed among entrepreneurs who where previously studied in 2006 and 2008. The sample in 2006 contained firms from different branches, but mainly with employment within the range from 10 to 250 people. However, in 2009, some of them decreased, and the finale sample consists of firms with different size, but still from the SMEs sector. This longitudal study allowed us to observe all changes within the firms, and also around them.

## Findings

### The Determinants of the Region's Competitive Position in the Context of Large Events of the Euro Type

We will use a modified Preuss (2007a) model to analyse the regional environment factors, which will contribute to improved competitiveness of the region and its SMEs.

The Preuss model combines two groups of theoretical divagations: the theory of the impact mega size events have on the region, and the theory of the region's competitiveness. Both lines emphasise the measurable factors (infrastructure, human resources), and the non-measurable aspects (emotions, perceptions, culture, etc.).

Preuss pointed to the changes occurring before and during the sports event, and to the change in the location factors, which leads to enhancing the competitive position of the region after the event. The latter stimulates additional local demand, which then triggers increased production leading to higher employment, and finally to higher income and taxes. An increase of the latter generates further growth in the demand. The changes identified in the Preuss model are here discussed on the example of the Euro in Poland and the Pomeranian region in particular.

**Infrastructure.**

Infrastructure is the element unquestionably contributing to the region's competitiveness. The infrastructural projects in the discussed case include four stadiums in the host cities of Gdańsk, Poznań, Warsaw, and Wrocław, two alternative stadiums in Kraków and Chorzów, team base camps, and the remaining infrastructure, primarily public transport in the cities, road and transport infrastructure, safety, and security. The listed projects have been grouped into three sub-categories:

- key investments,
- important investments, and
- other investments.

The key status is allocated to 45 prime infrastructural projects of the highest significance in the light of the correct preparation for the final tournament. 'Important investments' comprise 36 projects, whereas the catalogue of 'other investments' is made up of 146 projects. The sub-grouping implies each category is burdened with a different risk of actual implementation. A stronger link between the key and important infrastructural projects with the Euro 2012 makes their execution more probable. The same approach adopted with respect to the portfolio grouping the largest number of projects carries the risk that some of them might remain uncompleted by mid-2012 (Zawadzki, 2011) .

The stadium-related infrastructure is included in the key investments. Even though the arenas themselves rank among the most important projects pursued under the Euro 2012 programme, the share of their construction costs in the total expenditure on the key investments is relatively low and represents less than 6 %. A far higher emphasis in this respect is put on non-sport infrastructure, most of all roads planned to account for over 80% of the cost budget (see table 1). This proposition is reasonable, as Poland has a very poor transportation system and this kind of legacy would for sure increase the competitiveness of all regions in Poland.

Concluding, the cost of stadium facilities represents a minor share in the overall infrastructural expenditure. The conclusion is particularly true for less developed countries perfectly exemplified by Poland. Nevertheless, the same trend is observed in highly industrialised countries, even though their road and transport infrastructure stands much higher. Germany, organiser of the FIFA 2006 event, can provide a good example. Their investments in non-sport infrastructure took about EUR 2 billion, which was over 40 per cent more than the arena-related expenditure (du Plesis & Maennig 2006).

Considering the non-sport infrastructure in Gdansk and wider in the Tricity agglomeration, a broad range of projects is undertaken, of which the most important are:

- the road investments implemented by the Gdańsk Municipal Investments 2012 Ltd.,
- investments in public transport and traffic system implemented under TRISTAR,
- investment in air transport, involving the expansion of passenger terminals,
- investments, including development of public transport.

Although stadiums being the legacy of a sports event left to the city/region are intended to pertain to the latter's success, they are commonly known never to pay back. The stadiums under construction in Poland were designed to meet the UEFA requirements, which have nothing to do with their potential use in the future. Therefore, this legacy will require wise management afterwards, the more so that the construction costs are continually growing. Today, at the beginning of 2011, it is already known that Poland will spend about PLN 1.5 billion over the anticipated sum of PLN 3.122 billion, and the amount can still change. The preparation of stadium in Gdańsk alone is assessed at over PLN 900 million and it exceeds the primary assumptions of about 40 per cent. This exorbitant cost of putting in place the arena infrastructure exceeds the financial potential of the Polish host cities. Therefore, it will be necessary to secure external sources of funds to ensure unperturbed implementation of the initiated projects. Debt support, however, carries a high risk of becoming a long-term burden on the local budgets, continuing for years after the Euro 2012. To prevent the scenario of the Portuguese public stadiums, it will be of paramount importance to manage the facilities effectively and ensure they generate an appropriately high operating income to enable efficient debt service. At this point, it is worthwhile to refer to Kurscheidt (2007) and his analysis of the effects of the World Cup 2006 in Germany, where he emphasised the necessity of planning the use of the sports infrastructure beyond the single event it is erected for and the need to do it before the event ever takes place.

The possible solutions include incorporating the feature of multi-functionality in the erected facilities so that they can swiftly be transformed from a football arena to an athletics track and field, or a performance stage. Poland taps on the experience of other countries in this respect. The new facilities are intended to combine their sports function with other designations. They are planned to be accompanied with shopping malls, congress centres, cinema halls, recreational, and other facilities meant to attract people other than football fans.

The PGE Arena in Gdańsk, located in Pomerania region, can be served as an effective example here. Gdansk stadium can accommodate 42,000 spectators. More than 2,000 square metres devoted to special guests and more than 40 sky boxes. In addition, there are planned over 1,000 business seats on the main grandstand. The city authorities are already looking for effective ways of managing the modern sports site. The arena is planned to suit purposes other than sport, primarily music concerts. Interestingly enough, the Gdańsk stadium is already generating an income, even though it has not yet been put in operation. December 2009 brought the resolution of the competition for its titular sponsor. Polska Grupa Energetyczna SA will pay PLN 35 million over the years 2010-2014 for the naming rights.

Under the agreement, the new sponsor is entitled to use the stadium image and name, and the facility itself for advertising and commercial purposes under the rights package granted to it. Since the estimate annual operating costs of PGE Arena oscillate between PLN 10 and 12 million, this means that at least 60% of the funds needed to cover them will be earned on the sale of the right to the name alone. Additional income will be earned on the rental of boxes and VIP seats, and the commercial space reserved for shops, pubs, and restaurants. Further plans envisage locating one of the largest fitness clubs in the Tri-City on the stadium grounds (4.5 thousand sq.m.). This will be appended with fan souvenir shops combined with a museum of the Lechia Gdańsk sports club, a sports shop, and a centre of entertainment. A professional roller-skating track designed to encircle the estate is perceived to add to the site attraction.

**Images.**

Developing the potential and position of the city and businesses should be built in Gdansk in strategy *Stretch*, which is based on inner strength and skill to overcome weaknesses in the international market. Stretch strategy should indicate the strengths of the city, not only in the context of a sporting event, but in the direction of the city building strategy through its strong attributes. Both strong national brand, and the city means the use of country of origin effect, ie a state in which domestic firms, goods, services, places, ideas, and human resources are recognized, positively associated and represent above-standard value for foreign customers. National pride, the ethos of Solidarity is not enough for Polish cities and companies to succeed abroad. Continued promotion of the city, building the brand and its identity in the world should be built based on the symbols of Solidarity, but also based on cultural and business centers: Gdańsk is an attractive city for tourists and business, but poorly recognized worldwide as an international brand. Yet Gdańsk is a city historically perverse.

According to Olins (2008), a British specialist in states marketing, Poland has extraordinary creativity and individualism. His research showed that they are the most characteristic features of the Poles, which are not found in other nations. Poles should use the term "creative tension" in everything they do, then the perception of Polish cities will change abroad. Competitive identity, magical places, recreation with access to the sea, the high potential for academic-scientific, art and culture, sporting aspirations, creative perversity- that's THE BRAND OF CITY GDANSK. The city must develop its own brand - a set of characteristics, which differs from other cities and so that will be recognized abroad, and provoke tourists to choose Gdańsk. During the few weeks before and during the Euro 2012 matches, media from all over the world will direct attention not only to sport events, but also to the surroundings, giving a unique opportunity to build brand in Polish cities like Gdańsk. Euro 2012 gives the chance, acting in a peculiar impulse to create common goals, which is the result of increased interest of tourists, investors, supporting new businesses, and thus the benefits flowing from new investment, new jobs, and an increase in the share of creative industries in the economy of cities.

**Knowledge.**

Preparing an event so prestigious and huge takes organisational skills. They are needed not only on the event level, but also on the regional level. To cope with the job, a special vehicle company, PL.2012, has been called into being. Its tasks include monitoring and coordinating the projects connected with the preparations to the event, and seeing to the training. The company cooperates with 46 institutions and governmental agencies at the regional and national levels.

The decision to organise the European Championship spurred numerous offers of broadening knowledge in managing selected areas related to the Euro 2012 such as safety, quality of the hotel services, or mass events. The local authorities are learning multi-dimensional planning so as to meet all EUFA requirements. Academies of physical education on the one hand, and college of economics on the other hand offer new, specialist areas of studies, to name e.g. sport management. The Technical University of Gdańsk has launched a unique, Management in Sport, MBA course. Educational projects co-financed from the EU funds are arranged, to name e.g.: „*New Businesses for the Euro 2012*", or *Steer for Success Today – Euro 2012 – Our Qualifications, Your Win*".

The necessity to seek sources of financing the investments, primarily the stadiums, cannot be disregarded. Addressing it, the local authorities develop new skills, particularly that the new financial burden must not push current projects, necessary in every region as they are, into oblivion.

On top of this all comes knowledge in the area of creating sports infrastructure. Its growth has been noticed among the companies entrusted with constructing our stadiums, (the PB Group from Greater Poland, and Hydrobudowa Polska), as they have been invited to take part in negotiating contracts for the erection of two stadiums in Qatar totalling over USD 1.5 billion.

Further knowledge growth will accompany promotion and voluntary service to be engaged in keeping law and order. The visitors arriving from abroad to watch the tournament will be provided information via the planned so-called Fan Embassies. They are intended to assist the spectators, journalists, and residents alike by providing information about the city and the event organisation, and support the security forces and medical teams in their tasks. Each of the 2 830 voluntary service members will go through 283 hours of lectures and 1594 hours of workshops.

Additional knowledge will also be gained from various ad hoc actions taken by non-governmental organisations and research entities.

Noteworthy, each of the cities preparing for the Euro 2012 is building experience through smaller-scale projects to be resorted to during the event. One should, for example, mention the BIEG initiative (Euro 2012 Investment Agency of Gdańsk), which organised a fan park during the Euro 2008. The idea behind the initiative was to accumulate experience in arranging fan zones for people to spend time together watching the matches on telebeams.

**Emotions.**

The organisation of the Euro doubtlessly evokes positive emotions both locally and nationally. These are enhanced through minor events in anticipation of the Championship. Gdańsk organises picnics, matches, and shows to develop an emotional bond with the pending event in the local community. This is also a way to boost their sense of pride in the home city. Similar events have also been held in other Polish cities. One should appreciate the pilot programme called 'Fans Together'. Even though its prime goal is to curb violence among the Polish football club fans, it is likely to contribute to positive channelling of the emotions evoked during the tournament. The programme envisages setting up the so-called local Fan Embassies. The idea behind them is to engage active fans of the local clubs in voluntary work towards preparing the tournament in the city and to distribute vital information among the local fan groups.

Poland has over 100 000 active fans, out of whom 10% are deemed hooligans. Polish fans at football matches, both home and abroad, are synonymous to the English football fans from 20 years back. On 1 August 2009 Poland promulgated the act on mass event safety aimed at introducing stricter regulations and combating hooliganism. The new solutions require every football arena to be fitted with a monitoring system, all spectators must be seated, each stadium must be fitted with barriers, and most of all with an IT system reading the spectator's data. The authors are of the opinion that before the Euro 2012 Polish stadiums will be safe again. Fan zones, or the so-called *fanmeilen* as the ones arranged in Germany during the World Cup 2006, are a good idea for fans unable to get to the stadium to watch a match. Those designated areas at downtown locations attract throngs. In Berlin, for instance, 700 000 fans would watch the matches there on huge telebeams. For Polish entrepreneurs they will offer an opportunity to combine good fun with business brought into the zones.

One should also anticipate that as the date of the event approaches, new proposals will be put forward heating up emotions among the residents. It is already known that the opening of the constructed stadiums will be combined with major sports events. In Gdańsk, the Polish football representation is planned to play a friendly match against Germany. Wrocław, in turn, is considering organisation of a boxing gala, where Tomasz Adamek will fight for the heavyweight world champion title with Witalij Kliczka.

**Networks.**

Holding an event of that scale requires cooperation between numerous and varied entities at both the local and national levels. The fact that the PL.2012 company cooperates with other local special vehicle companies formed in the other cities to affect the stadium construction projects and other entities such as e.g. the Euro 2012 Investment Agency of Gdańsk Sp. z o.o. or the National Centre of Sport, will create bonds of formal nature, not to mention the highly likely informal bonds. These will be ready to tap in the future to pursuance of similar projects. Moreover, working in a ”partnership” of that size carries the invaluable effects of synergy.

The infrastructure under construction, e.g. the stadiums, necessitates cooperation with researchers developing technical and technological solutions. Various research programmes on the Euro 2012 are in progress, to name e.g.: ‘Safety of the European Football Championship 2012 in the Context of the Terrorist Threat’, the ‘Community Project 2012’, or the ‘Euro 2012, Chances and Threats for Pomerania’**.** The pursuance of the programmes calls for cooperation between individual centres of research, and presentation of their results pertains to the emergence of other interesting partnership relations.

**Culture.**

The Euro 2012 games to be held in Gdańsk can contribute to cultural identification and give a boost to products typical for the region. The event was also supposed to become the vehicle to win the title of the 2016 European Capital of Culture, as was the case with Barcelona after the Olympic Games. Gdańsk has successfully passed subsequent pre-qualification stages and was then among the top leading cities aspiring to the title. It finally failed in the last stage of competition but lost to Wroclaw, another Euro 2012 venue.

Promotion of the city/region can attract other cultural events into Gdańsk, and thanks to its well-developed tourist infrastructure the city will be an excellent venue to hold them. Moreover, a typical tourist usually buys souvenirs at the places he/she visits. With that demand in mind, 'Cepelia' for instance is planning to increase its sale of souvenirs and folk art on the occasion of the Euro 2012. It has announced a competition among folk artists for designs of the folk products to be sold at the Championship. The idea is mutually beneficial: the residents and tourist will incidentally become involved in a cultural event, while the artists will have an opportunity to broaden their customer base and become an element of the city's hallmark. The ultimate benefit will come the city's way, as it will broaden its image in the European context. Sports tourism can combine with cultural tourism.

At this point, it is worth mentioning the opinion shared by many Poles, namely that by organising a sporting event of this stature Poland gains a chance of making a civilisation leap ahead. There is much hope for not only infrastructural development, but also a shift in the approach to outsiders, a change in the fan behaviour, and a change in the perception of mass events, including sporting ones, as safe enough to take a whole family to, etc.

**The Attitude of Polish Entrepreneurs to Organisation of the Mega Sport Event**

The determinants discussed above should contribute to improved location factors, which in turn should trigger activity among the existing local entrepreneurs facing the inflow of visitors and spur the establishment of new businesses.

The actual benefits an individual enterprise will gain on the mega sports event will largely depend on the approach of its proprietor. Entrepreneurs can actively prepare for the event so as to generate additional profit in the phase of preparation to it or in its course. Alternatively, they can remain passive watching for the potential changes following the event, and only then make decisions about injecting additional funds in the business, if any.

If the particular entrepreneur decides to get actively engaged in the event, he/she can choose between two economic options. He/she can invest to enhance the production capacity, e.g. increase the number of beds offered, open a new restaurant, etc., i.e. decide on the path involving capital expenditure. Alternatively, he/she can brace the business to cope with the increased demand without engaging any or minimum capital by changing the business organisation, hiring additional personnel, or – in the case of a restaurant - simply putting in additional tables. Such actions are considered adaptive. The active stance will, however, be taken by a minor group of SMEs, mostly businesses operating in the industries relating to the building of the infrastructure and serving the fans/sportsmen, i.e. construction, tourism, hoteleering, transport, or catering. The latter of the two adaptation methods seems safer, since there is no guarantee that the demand boosted before or during the event will remain high after the event.

The passive stance comes down to waiting for the effects of the event, e.g. changed location factors, which may then stimulate increased activity among entrepreneurs. This increase in activity may be shared by the enterprises already rooted in the region, and new businesses set up in response to the region's perceived higher attractiveness. Visitors can also perceive the region more attractive thanks to promotion. Arriving here, they will generate additional income for the entrepreneurs and the region alike. The passive attitude applies only to the entrepreneur's engagement in the firm's preparation to the event or in the event itself, not to changes in the overall environment. The entrepreneur may not even be thoroughly aware of the fact that higher activity in the region comes as a multiplier effect of the organised event. What matters is whether he/she will be inclined to take advantage of the boosted activity, irrespectively of the trade he/she represents.

In order to estimate the attitude of the Entrepreneurs in the Pomerania region prior to the Euro 2012 and in time of the event a detailed survey has been conducted. Most businesses included in the survey have a long history and enjoy a well-rooted position in the market. 15% of companies were established earlier than in 1990, 42% SMEs were formed between 1990 and 1999, which was the period of peak entrepreneurial explosion in Poland, 33% were set up in 2000-2006, and only 11% represented young firms with the history going back to 2007-2009. As concerns the legal form of the analysed entities, proprietor businesses predominated, which is typical for SMEs (44%), limited liability companies represented 34%, whereas joint stock companies and general partnerships accounted for 4% of the population each. The remaining 14 % of the respondents represented other legal forms, or did not answer the question.

The conducted survey clearly reveals that most businesses do not plan any special actions in anticipation of the Euro 2012. Nearly 78 % of the entities surveyed do not plan any projects related thereto. The steps planned or taken to a modest scale focus predominantly on introduction of new products, higher promotional budget, and improvement in the quality of the products and services offered. Not surprisingly, the location plays a major role in perceiving organisation of the Euro 2012 as an opportunity for the firm to develop. Businesses from Gdańsk, where the stadium is located and where four matches will be played, see their developmental chances highest. Gdynia comes second after Gdańsk in terms of the entrepreneurs' hopes. Again, this should not be surprising considering that the city is known abroad, largely due to its organisation of mass events such as the OPENER, or tall ship rallies.

Among the entrepreneurs planning to take action in anticipation of the Euro 2012, only ⅔ have opted for new investments. Decisions of the kind concerned primarily the purchase of machines and/or equipment, and the erection of expansion of the premises (see: Figure 3).

The entrepreneurs' passivity is reflected in the fact that they do not get involved in the event out of their own accord. Instead, they await its positive effects, i.e. city promotion (26 %), improved infrastructure (21 %), stadium constraction, and new city centre creation (13 %).

To see this attitude among entrepreneurs is hardly surprising, considering that Gdańsk will only host four matches of the games: three group matches, and one quarter-final. In practice, the event will last about 10 days. This is a relatively short time, and most firms cannot see any reason why they should take action connected directly with the organised event or meeting the needs of the visitors coming over to watch it. As concerns the link between the specific industry and the perceived developmental chances, the highest expectations of the Euro 2012 were reported by businesses dealing in the hotel and catering trades. Their immediate anticipation is increased income and profit from intensified flow of visitors.

On the other hand, it is not uncommon to hear entrepreneurs say they can see no chances to develop their business due to the organisation of the Euro 2012. The latter result is interesting in the context of the success propaganda accompanying the event. As such, it can reflect either common sense, or the traditional line of thinking: ”I will not succeed anyway”.

**Pomeranian entrepreneurs' attitude towards growth of the firm**

One of the most important factors influencing the activity of a firm is an attitude of entrepreneurs toward growth. For investigating this attitude we propose to look at the goals of the owner-managers. We know from the literature that not all of the owners are ready to increase their activities for being afraid of losing control over the firm (Cuba & Milborne, 1982; Wasilczuk, 2005) or because of expected higher work load (Wiklund, Davidson & Delmar, 2003).

Our data was gathered in longitude studies among 982 small firms' owners from the Pomeranian Region. One of the investigated characteristics was the growth of those firms (achieved, intentions to, goals etc.). Up to 58% of investigated firms declared the growth as a goal of their firms. More than one third would like to keep the status-quo. And finally, only 1% think about reducing the level of operation. What is important, only 1% of all investigated firms believe that their firms would be closed.

Let us stress that the research was conducted in 2009, in the year of worsened economic conditions, and even so, more than a half of owners intended to increase firms' activities. Hence, one can request a fairly expansive approach to business and big business ambitions. If only 2 percent of respondents intend to reduce or eliminate the activity, it means that despite the economic downturn they perceive their prospects more optimistically.

Therefore, looking at those results in terms of our general topic, we state that even the small impulse from the market would accelerate operations at the region's firms. We expected that perceived increase in demand, because of infrastructure spending, additional demand from visitors (during Euro 2012 and after), additional demand caused by multiplication effect, would encourage owners to increase their activities.

## Recommendations

The presented results reveal that interest in taking action, especially capital expenditure, in anticipation of the mega sport event planned in Poland is relatively low among businesses. They might have been surveyed too early, or entrepreneurs adopted a passive attitude to the planned event. The true reason remains unknown, although for the time being the latter option seems more likely. Based on the results obtained, one can conclude that the chances for developing business, if any, are perceived primarily in the anticipated changes in the environment. This proves further that higher hopes tend to be linked not with the event itself, by with its legacy.

Success of the Euro 2012 understood as city promotion and new infrastructure will not suffice, if the as yet passive entrepreneurs do not change their attitude at the proper moment opting for a strategy adjusted to the new conditions. Quoting after Szymański (2002) and his absolutely right observations, “the mere fact of organising a sports event in a city/region does not translate directly to business development” (p.175). Many small and medium-size enterprises engage in *ad hoc* business activities taking advantage of the opportunity as it arises. SMEs planning their activities long in advance are rare to find. It is quite likely that the Euro 2012 has not yet seeped into the conscious minds of many entrepreneurs. That is why it is important to make them aware of the arising developmental opportunity as soon as possible and in the best possible way. It is also important to suggest specific actions to them. Much will depend on the promotion of the event and the information thereon distributed among the entrepreneurs. Saying that, one should highlight the role of the local authorities in the task.

Regretfully, the results of our survey also reveal that most respondents do not expect any support from the local authorities. Hence, it may be concluded that the surveyed entities do not perceive the local government as their partner or competent advisor. One might ponder the causes of the situation and find them distributed between both sides. Entrepreneurs are by definition independent, hence unwilling to cooperate. On the other hand, the local authorities have not promoted themselves among the SMEs as the agency both potent and competent to provide support.

## Summary

The Euro 2012 will be a major test for Poland, especially for the regions preparing to host the crowds of visitors. Organisation, efficient communication, and safety can determine future development and further opportunities of organising subsequent mass events. The transformations already underway in Poland will certainly pertain to the country's development, not only in the infrastructural aspect, but also in the emotional and cultural dimensions, in the sphere of building invaluable experience, and in other areas.

The survey conducted in the Pomeranian region proves, however, that organisation of the Euro 2012 has not triggered any dynamic increase in activity among the Polish entrepreneurs. It turns out that if not forced directly to adjust to the emerging opportunities, they do not plan any changes ahead. Admittedly, the picture obtained may have been caused by the relatively long time (3 years) separating the survey and the event. Therefore too, the authors intend to verify their *ex ante* studies with an *ex post* survey planned after the end of the Euro.

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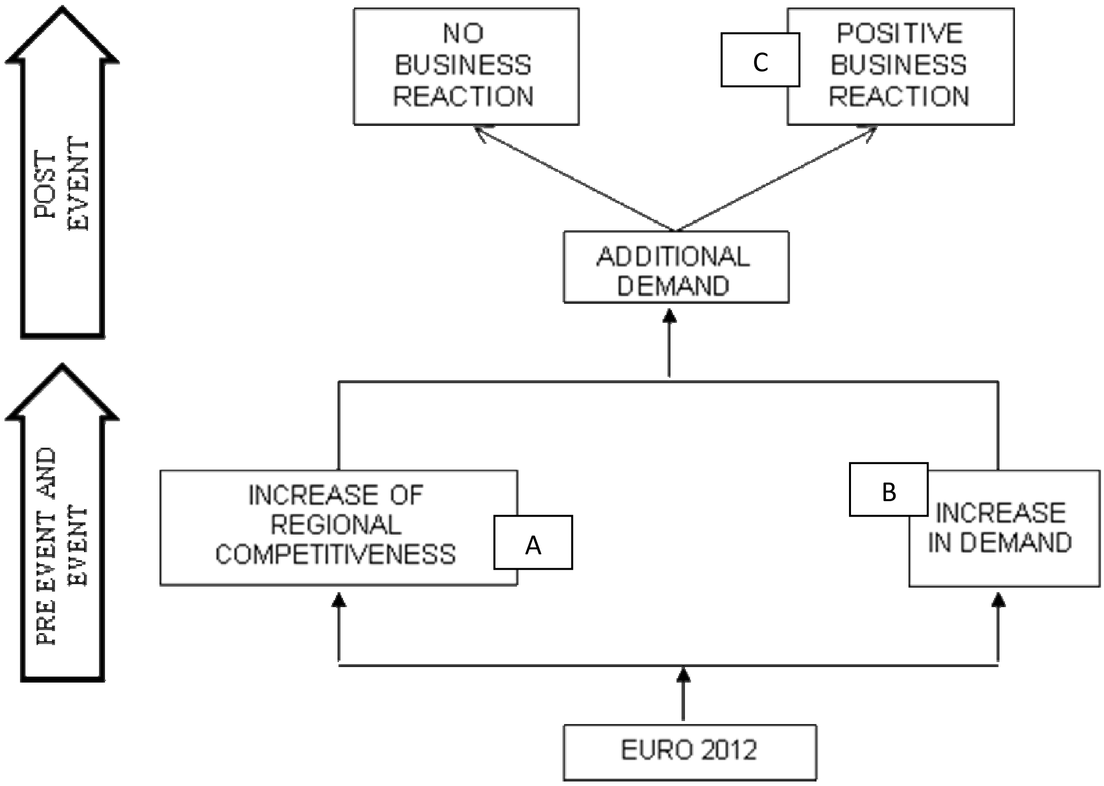


*Figure 1.* The concept of research.

Table 1

*Expenditures on Key Investments Made in Preparation for Euro 2012 in Poland [million PLN]*

| range of activities | Gdańsk | Poznań | Warsaw | Wrocław | Whole country | Together mln PLN | % |
|---|---|---|---|---|---|---|---|
| **Stadium-related infrastructure** | 921,213 | 638,577 | 1914,631 | 857,423 | - | **4331,844** | **5,62** |
| **Road transport** | 1569,153 | 151,830 | - | 890,245 | 60003,806 | **62615,034** | **81,22** |
| **Rail transport** | - | - | - | - | 8042,702 | **8042,702** | **10,43** |
| **Air transport** | 306,601 | 222,5 | - | 503,250 | 206,686 | **1239,037** | **1,61** |
| **Public transport** | - | - | - | 760 | - | **760** | **0,99** |
| **Other infrastructure** | 19 | - | 84 | - | - | **103** | **0,13** |
| **Together** | **2815,967** | **1012,907** | **1998,631** | **3010,918** | **68253,194** | **77091,617** | **100** |

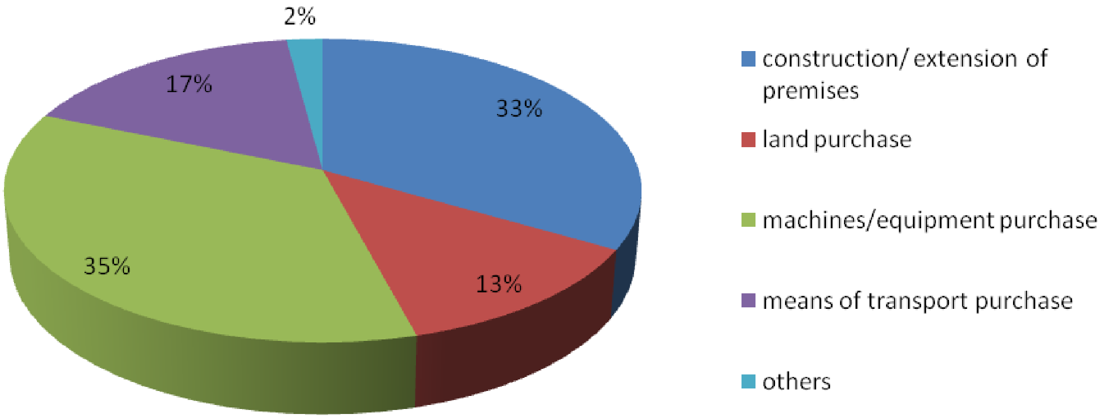


*Figure 2.* The investments planned by entrepreneurs in connection with the Euro 2012.