

Polish furniture industry in the light of the concept of smart specialisation

EWA RATAJCZAK¹

Wood Technology Institute, Poznan

INTRODUCTION

A breakthrough in development of most world economies connected with creation of a global integrated information system and use of knowledge, led to formulation of a thesis of industrial era decline and entering into post-industrial, information technology era. This resulted in departing away from treating industry as a driver of development processes, and thus in underestimating it. Nevertheless, observation of recent changes in the economies of different countries, also European, forced verification of such a perception and returning to acknowledgment of the important role of industry in the contemporary social and economic development; whilst at the same time one stays aware of the great importance of knowledge and computerization as a driver of this development.

Knowledge-based development means making use of scientific research and innovation. At the same time the way of knowledge creation and the role of science in creation and diffusion of innovations is changing significantly. Knowledge creation is a more and more socially dispersed process, meaning that science is becoming an element of a complex social mechanism based on interactive model of innovation creation. Small and medium-sized enterprises become, to a greater and greater extent, an important source of inspiration and individual entrepreneurship in this area.

It is assessed that “the structural changes in corporate research and development (R&D) that have occurred over the last 25 years in the US and at a more modest pace in Europe (...) have involved: an increased role of small firms as R&D performers, growing R&D investments by non-manufacturing firms (...), an increased vertical specialisation in innovative activities and the creation of more complex industry structures involving the entry of new firms into narrow segments of the industry value chain, which are placed in the upstream phase of the innovation process, a growth in patenting and licensing (including academic patenting), a growth in R&D and technology-based company alliances and the internationalisation of R&D”[EC 2008].

Due to the great importance of small and medium-sized enterprises for both European and Polish furniture industry, the high value added created in this industry, and in the case of Poland also due to a high, for many years, position of Polish furniture on the global market, it is substantiated to make an attempt at answering the question whether furniture may be considered Polish smart specialisation. The aim of this paper is to present the Polish furniture industry in the light of the smart specialisation concept and deliver a synthetic assessment of this industry’s innovativeness and international competitive advantages.

THE CONCEPT OF SMART SPECIALISATION

Theoretical foundations of the smart specialisation concept may be discerned in few research areas, and especially in the theory of commerce, the theory of choice, and the theory of processes of creation and diffusion of innovations. In the most general terms, this concept concerns the question on the rationale for and the way of state’s interference in the free

¹ Wood Technology Institute, Winiarska 1, 60-654 Poznan, Poland, e_ratajczak@itd.poznan.pl.

market mechanism of operation and development of the economy with a view to intensifying the activity within the sphere of research and innovation; whilst taking into consideration regional differences.

A feature that distinguishes the smart specialisation concept from various ways of formulating strategies of social and economic development, especially as regards industrial and innovation policies, is selection and defining of these specialisations by means of a bottom-up approach, which is based on so-called entrepreneurial discovery. In the process of selection of such specialisations a key element is not the selection of business activity forms, which are socially desired and feasible, but the development of suitable solutions enabling accumulation of knowledge facilitating identification of potential smart specialisations. Public institutions' aid should be targeted exactly at search for such knowledge and development of methods of its accumulation, and business entities should play a leading role in the process of identification of smart specialisations [Foray 2009].

The development of smart specialisations should also take into account the global perspective, i.e. take into consideration external competition and assessment of one's own potential, as well as the possibilities of international co-operation and use of external resources (especially within the European Union). Generally, the concept of smart specialisation means transition from the concept of "given and static comparative advantage" to the notion of "constructed and dynamic competitive advantage" [Giannitsis, M. Kager 2009].

The concept of smart specialisation was created within the framework of the European Union policy. Due to the fact that the term has been in use for a relatively short time, hitherto there is no commonly accepted definition of smart specialisation. It is a proof that changes in the contemporary social and economic reality are fast and deep enough to often stay ahead of systemic and theoretical conceptualisation.

In some interpretations it is assumed that smart specialisation is "... new or evolving economic specialisation, whose development and international competitiveness is based on unique regional resources, innovative combination of various resources/industries (including external), and technological and non-technological innovations, including adaptation of so-called key enabling technologies". These technologies are mainly Information and Communication Technologies (ICT), but also industrial biotechnology, nanotechnology, advanced materials, photonics, micro- and nanoelectronics, and advanced production systems [Dzierzanowski 2013].

On the other hand, in the European Commission guide (RIS3), "...smart specialisation strategy is a strategy of regional economic transformation, which is to guarantee competitiveness and development in a long term thanks to, inter alia, knowledge-based creation of new competitive advantages" [EC 2012]. In particular it is described that, "national/regional research and innovation strategies for smart specialisation (RIS3) are integrated, place-based economic transformation agendas that have five important tasks:

- to focus policy support and investments on key national/regional priorities, challenges and needs for knowledge-based development, including ICT-related measures;
- to build on each country's/region's strengths, competitive advantages and potential for excellence;
- to support technological as well as practice-based innovation and aim to stimulate private sector investment;
- to get stakeholders fully involved and encourage innovation and experimentation;
- to give evidence-based and include sound monitoring and evaluation systems" [EC 2012].

Specialization exerts different effects according to the technological level to which it is associated. It could be: specialization in scientific knowledge, specialization regarding technologies and innovations, specialization related to production processes, specialization

related to clusters, horizontal vs. vertical specialization [Giannitsis, Kager 2009]. Generally, a smart specialisation strategy should lead to the emergence of new markets or areas of economic activity, as well as modernisation and enhancement of the competitiveness of already existing markets and areas through the development and implementation of innovations, use of available enabling technologies or external competence [OECD 2012].

SYSTEMIC FRAMEWORK OF SMART SPECIALISATION

The European Union began to discuss industrial policy at large in mid 1970s. Since then the approach to the importance, goal, scope and instruments of this policy has been systematically modified [European Parliament 2004; Zielińska-Głębocka 1998; Kalina-Prasznic 2007]. Since 2005 a new, more coherent concept of the EU industrial policy has been reported [EC 2005; Karpińska-Mizielińska, Smuga 2006]. The new approach to industrial policy in the EU was justified by the structure of the EU states' industry, which was unfavourable in terms of measuring up to international competition (especially US and Japan), and the impossibility of taking advantage of opportunities offered by the globalisation process. The issue of adjusting the structures of industry and its competitiveness escalated especially at the time of new member states' accession to the European Union. Presently the main goal of the EU industrial policy is to stimulate innovativeness and structural changes in the industry, and the policy's task is to create appropriate framework conditions, which will make it possible to attain the goal contained in Lisbon strategy, i.e. make the European Union an attractive place for investments and job creation. Recently new challenges for the industry, besides globalisation, have been spotted in the EU industrial policy, i.e. challenges resulting from the global climate change [EC 2005]. Therefore, the decision-making process concerning allocation of public aid funds witnessed escalation of the issues connected with the dilemma "(...) whether there is a better alternative to a policy that spreads that investment thinly across several frontier technology research fields (...), and, as a consequence, not making much of an impact in any one area. A more promising strategy appears to be to encourage investment in programs that will complement the country's other productive assets to create future domestic capability and interregional comparative advantage" [Foray, David, Hall 2009].

An important document changing the perspective in the social and economic policy of the European Union was the Europe 2020 Strategy – a strategy for smart and sustainable development conducive to social inclusion adopted in 2010 [EC 2010]. Three basic priorities were proposed in this strategy, i.e. smart growth (i.e. knowledge- and innovation-based development), sustainable growth, and inclusive growth. These priorities are to be realised through, inter alia, smart specialisation strategies developed by the EU member states, which strategies should indicate preferences as regards aiding R&D and innovativeness within the framework of new financial perspective for the period 2014-2020.

In Poland, after the phase of the industrial policy concept evolution in the period of economic changes in 1990s., a decision on changing the approach to the state's industrial policy towards horizontal activities was made in mid 2007 in order to solve similar issues [MG 2007; Ratajczak 2009]. The core of the new approach was (and still is) integration of policies concerning various spheres of economic activity and continuous improvement of general conditions of industrial operation, which are common for all sectors (excluding the sectors of special importance for the country, such as the power and the defence sectors). Documents developed on this basis were eventually contained in nine integrated strategies.

The general strategic framework for the national smart specialisations is contained in the Strategy for innovativeness and effectiveness of economy "Dynamic Poland", which in terms of assumptions is in line with the EU development strategy Europe 2020 and the medium-term Poland Development Strategy 2020. The executive document for the Strategy for innovativeness and effectiveness of economy is the Company Development Programme by

2020 [Program rozwoju przedsiębiorstw 2014], which is a set of instruments aiding the development of innovativeness and entrepreneurship in Poland. An integral part of the Programme is the National strategy of smart specialisation. The starting point for defining the national smart specialisations in Poland are two key documents for science and research activities and innovativeness, i.e. the Technological foresight in industry – InSight2030 [MG 2012] and the National Research Programme [Krajowy Program Badań 2011].

A factor that stimulates formulation of smart specialisation strategies is the fact that they have to formally exist ex ante in order to apply for financing from the EU structural funds dedicated to research, development and innovation.

THE POLISH FURNITURE INDUSTRY POTENTIAL

The furniture industry is a special industry because:

- it bases on a natural raw material, which is why it is classified as a traditional industrial sector, where possibilities of enhancing innovativeness are limited,
- it is characterised by a high degree of anticipation of the sustainable development principle, which offers this industry a competitive advantage compared to many other industries,
- it produces basically consumer goods, which is due to its place at the end of the “wood chain” and as a result high value added is created,
- it is characterised by a large share of small and medium-sized enterprises,
- for many years it has played the role of a driver of the Polish economy development and had a positive bearing on the Polish foreign trade balance.

In Poland the potential of the furniture industry is higher than an average in the European Union, which is proved by the share of furniture companies, employment and sold production value within the Polish economy compared to corresponding data for the European Union (table 1).

Table 1

The importance of furniture industry in the Polish economy and European Union economies in 2012

Detailed list	Poland	EU-27
Number of business entities ^{a)}	7.0	6.0
Employment ^{b)}	6.3	3.4
Sold production ^{b)}	2.9	1.4

^{a)} in industry in total

^{b)} in manufacturing

Source: Eurostat

These trumps should be used to create competitive advantages on international markets and treat furniture as Polish smart specialisation.

In Poland furniture is wood products of special importance due to its high value added and huge share within foreign trade. The furniture industry generated the highest value added amongst the wood industries, although the growth rate of this economic category is lower than an average in manufacturing and in the Polish industry in total – in 2012 in the case of furniture industry it was 0.2% (in relation to the previous year) compared with 4.3% in manufacturing and 5.2% in the economy in total. In the analysed year the gross value added in furniture production was PLN 9.3 bn, which was 3.8% of the value added generated in manufacturing [GUS 2013d].

In Poland, as in most EU states, the furniture industry in terms of the number of companies and the number of employed is dominated by small and medium-sized enterprises. In 2013 entities employing up to 9 people were 92% and employing up to 49 people 98.2%, and these percentages were higher than an average in manufacturing, where it was respectively 89.6%

and 97.6%. Nevertheless, this group of companies makes a relatively small contribution to furniture production. According to data by GUS, in 2012 the share of the value of furniture produced by business entities employing up to 9 people was 7% within the national production in total, and the share of companies employing up to 49 people 24%; approximately 55% of the furniture value was generated by big companies employing more than 249 people.

The furniture industry is one of few areas of the Polish economy which survived the economic crisis of 2008 and its negative effects at a global scale in a relatively well condition [Herbec 2011]. Whilst in the period 2008-2012 in the whole European Union the value of furniture production decreased by almost 25% (to EUR 84.5 bn in 2012) [CEPS, CSIL, Economisti Associati 2014], in Poland in current prices in national currency there was an increase by 4% (in fixed prices an increase by less than 0.5%), although unfavourable currency exchange rates set off this positive effect. Nevertheless, it proved that the Polish furniture industry has high development potential.

In 2012 furniture production exceeded PLN 26 bn; whilst approximately 70% of it was wooden furniture (incl. parts of such furniture) – table 2. Such material structure of Polish furniture has a positive bearing on the development of industries within the logistic chain of production supply, and especially on the development of the wood-based panel industry.

Table 2

Production, exports and imports of furniture in Poland in the period 2010-2013

Detailed list	2010	2011	2012	2013 (estimate)
Sold production ^a				
- bn PLN	23.0	25.9	26.4	27.0
- bn EUR	5.8	6.3	6.3	6.4
- production dynamics ^b in %	104.8	111.2	99.6	103.4
Exports ^c				
- bn PLN	22.2	25.4	25.1	25.9
- bn EUR	5.6	6.2	6.2	6.3
- exports dynamics ^d , in %	114.6	111.6	100.1	101.7
Imports ^c				
- bn PLN	3.4	3.9	3.9	4.1
- bn EUR	0.8	0.9	0.9	1.0
- imports dynamics ^d , in %	101	111.0	99.3	111.1

^a section 31 CPA (Statistical Classification of Products by Activity in the European Economic Community, 2008 version), sold production of furniture in entities employing more than 9 people

^b in PLN, in fixed prices

^c Combined Nomenclature, actual data, without adding an estimate of turnover not included in Intrastat

^d in EUR, in current prices

Source: data of the Central Statistical Office of Poland (CSO) Department of Production; [GUS 2013a].

For many years Polish furniture producers have been successfully competing on the demanding foreign markets, especially west European. In 2012 furniture exports amounted to 95% of the production value; whilst 56% of it was wooden furniture. Furniture exports accounted for approximately 4.5% of total Polish exports. On the other hand, Poland imported furniture of the value of almost PLN 4 bn (of which almost 28% was wooden furniture). In relation to domestic production it was approximately 15%. Interim data for 2013 allows conclusion that there was an improvement in situation on the furniture market, for in relation to the previous year the production growth rate exceeded 3%.

Thanks to the high production capacity, relatively good quality of products, and relatively low prices Polish furniture has had a strong position on the global and the EU market for many years. In 2012 it was the seventh position in the raking of world furniture producers and the fourth amongst the biggest global exporters [Wieczerzak-Krusińska 2013]. In the

European Union it was the fourth position in terms of production and the third in terms of exports [Proгноzy meblarskie 2014]. Hitherto European Union was the most important geographical, target market segment for Polish furniture. In 2012 approximately 85% of the produced furniture was exported to this market segment. Nevertheless, Polish producers should be aware that although the purchase power of this group of countries accounts for almost ¼ of the global demand for furniture and surely the perspectives for growth of Polish exports to the common market are good, still the growing competition on this market, especially from “inexpensive” countries from outside the EU, should induce more intensive trade activity also in other regions of the world [CEPS, CSIL, Economisti Associati 2014].

At the same time focusing activities on foreign trade means very little domestic demand, which has been a feature of the furniture market in Poland for many years. In 2012 only 5% of the value of produced furniture was intended for domestic market, i.e. PLN 1.4 bn. Taking into account furniture imports at the amount of PLN 3.9 bn, the value of Poland’s domestic market may be estimated to be approximately PLN 5.3 bn. Nonetheless, it should be noticed that at the same time little demand is a suggestion of a great potential in the absorptive power of domestic furniture market and of furniture development perspectives resulting from this as soon as the wealth of Polish society grows and its consumption preferences change.

THE INNOVATIVENESS OF THE POLISH FURNITURE INDUSTRY

Innovativeness is an important factor of international competitiveness of a product or industry and also a vital criterion for regarding it as smart specialisation. Unfortunately the Polish furniture industry, similar to most national industries, reflects relatively low innovativeness of the Polish economy in general. The main reason for such situation is little expenditure on R&D, which outlay is the main criterion of technique advancement assessment in various areas of the economy.

Companies carrying our successful innovation activity are innovativeness generator. Furniture producers demonstrate relatively higher innovation activity than an average for business entities in manufacturing, and also higher than an average for other wood industries (excluding paper and paper products manufacture) – table 3.

Table 3

Innovation activity of furniture companies compared to the industry in total and the wood industry in Poland in the period 2010-2012

Detailed list	Companies with innovation activity in % of total number of industrial companies ^{a)}	Companies which introduced new or significantly improved products or processes in the period 2010-2012 in % of total number of companies ^{b)}		
		in total	employing:	
			50-249	250 and more
Industry	17.7	34.2	29.4	56.2
Manufacturing	16.6	35.2	30.4	56.8
Wood products manufacture [16. CPA]	7.1	16.1	13.2	40.5
Paper and paper products manufacture [17. CPA]	19.5	32.2	28.6	51.4
Furniture manufacture [31. CPA]	18.6	31.0	26.6	46.2

^{a)} business entities employing more than 9 people

^{b)} business entities employing more than 49 people

Source: [GUS 2013b; GUS 2013c].

After an analysis of the issue of innovation activity of companies considered according to their sizes, it should be said that in Poland statistical data seems to contradict the thesis that small and medium-sized enterprises are driver of the process of innovation creation. In the

furniture industry more than 46% of companies, which introduced new or significantly improved products or processes in the period 2010-2012, are big companies employing more than 250 people. Innovative entities employing more than 49 people accounted for 27% of total number of companies in the furniture industry. In the analysed period this regularity was observed in the Polish industry in general. At the same time this means that there is the need for further improvement of the policy concerning innovativeness, especially towards creation of effective mechanisms conducive to the growth of innovativeness in small and medium-sized enterprises.

At the same time the research [Ratajczak, Szostak, Bidzińska 2005] suggests that despite generally unsatisfactory situation, outlay on innovation activity in Poland is growing (in the furniture industry it was approximately PLN 565 M in 2012); however the intended use of these funds is an important issue. Amongst many forms of innovation activity new products and technological processes are especially desired. This concerns particularly innovations in products, for they are favourable to market broadening, production diversification, and the development of the sector. They can also influence the development of new methods of marketing, distribution or production. Within the furniture industry the share of companies which in the period 2010-2012 carried out innovation activity consisting in the production of new or significantly improved products was less than 12%, and although it was a level corresponding to the level observed in manufacturing in general, it cannot be considered satisfying (table 4).

Table 4

Innovative companies in the industry by innovations introduced in the period 2010-2012

Detailed list	Companies which introduced innovations ^{a)} , in %		
	in total	new or significantly improved products	new or significantly improved processes
Industry	16.5	11.2	12.4
Manufacturing	16.6	11.9	12.3
Wood products manufacture [16. CPA]	6.2	4.6	5.1
Paper and paper products manufacture [17. CPA]	19.2	13.2	16.4
Furniture manufacture [31. CPA]	18.4	11.9	14.3

^{a)} in business entities employing more than 9 people
Source: [GUS 2013b].

The Polish type structure of outlay on innovations, both in manufacturing in general and in the furniture industry, is dominated by outlay on investment innovations, especially technical, i.e. on machines, technical devices and tools, and means of transport. In 2012 in the furniture industry the outlay on these elements was 65% of the expenditure on innovations and it was approximately 11 percentage points more than in manufacturing in total. The outlay on buildings and building structures was a significant percentage, i.e. 23%, of expenditure on innovations [GUS 2013b].

One of the main factors determining the capability of companies to start successful investment activity is R&D activity carried out by these companies. Data indicates that in the furniture industry this activity is alarmingly low, but there is an upward trend. In 2003 the outlay on R&D accounted for 1.4% in the structure of expenditure on innovations, but in 2012 for 8.4%; however, in manufacturing the percentage of outlay on R&D was almost three-fold higher and reached approximately 20.6% [GUS 2013b].

At the same time it is favourable that in Poland in the structure of expenditure on innovation activity, both in manufacturing in general and in the furniture industry, the

importance of funds intended for marketing of new or significantly improved products and for personnel training has been growing; however, the percentage of these funds is still very little and lower than in manufacturing in general. In 2012 this percentage was 2.2% in the furniture industry; whilst in manufacturing it was 3.2%.

An indirect measure of the effects of innovation activity in an economy branch or an industry are indices concerning the inventive activity, i.e. the number of inventions, the number of patents obtained in a given industry, and the number of licences sold abroad. Especially the two latter indices reflect the activity of a given industry in creation of novelties at a global scale and the degree of global diffusion of a given industry's inventions. In the period 2010-2012 only 1% of furniture companies filed a patent application in the Patent Office of the Republic of Poland (for comparison, in section 16 of NACE (the Statistical Classification of Economic Activities in the European Community) "wood products manufacture" the percentage was 0.3%, and in section 17 of NACE "paper and paper products manufacture" 1.1%); whilst in manufacturing this percentage was 1.3% on average. This places the furniture industry on the fourteenth position amongst manufacturing industries. In the period 2010-2012 0.8% of total number of furniture companies obtained patent in the Patent Office of the Republic of Poland (in manufacturing it was 1.6% on average). This places the furniture industry on the sixteenth position amongst manufacturing industries. In the analysed period only 0.3% of furniture companies filed a patent application in foreign patent offices, and 0.2% obtained such patent (in manufacturing it was respectively 0.4% and 0.3% on average). Furthermore, 7.1% of furniture companies in total submitted trademarks, industrial marks, industrial designs, and inventions to the Patent Office of the Republic of Poland. This percentage in manufacturing was 7.5% (in section 16 of NACE "wood products manufacture" the percentage was 2%, and in section 17 of NACE "paper and paper products manufacture" 5.6%) [GUS 2013b].

FURNITURE – POLISH SMART SPECIALISATION?

The possessed production capacity, good chances of meeting the challenges of global competition, and the need for innovativeness enhancement are of basic importance in the process of smart specialisation selection. The Polish furniture industry has a great competitive advantage on international markets; however, to a large extent, it is a price-cost advantage and not an advantage in the area of innovations, and not always an advantage in the sphere of quality. Nevertheless:

- former high position in international ranking of the biggest world and European producers and exporters,
 - great globalisation potential expressed in large production capacity and highly qualified human resources and long-lasting international business relations,
 - high valued added, and
 - growing competitiveness in terms of product quality, especially compared to countries of lower production costs (e.g. Romania, Czech Republic or China),
- are important factors to consider Polish furniture national smart specialisation.

A synthetic measure for the assessment of international competitive position of a country, sector, industry or products is the index of Revealed Comparative Advantage (RCA)², which informs about the economy opening in a given area. At the same time it is the main index that is an information basis for the process of selection of smart specialisations. In 2012 amongst wood products so calculated index reached the highest positive value in the case of furniture, which suggests a comparative advantage in this area on the global market (table 5). It is very

² Calculated according to the formula: (exports – imports)/domestic production. The negative value of the index shows that there is lack of competitive advantage as regards the analysed product; whilst the higher positive values, the strongest, theoretically, competitive position on international market.

favourable that in the period 2005-2012 this index increased (from 0.65 to 0.87), for it indicates a systematic net growth of furniture exports from Poland.

Table 5

Index of Revealed Comparative Advantage (RCA) for furniture compared to selected wood products in Poland and European Union in 2005 and 2012

Detailed list	Poland		UE-27	
	2005	2012	2005	2012
Sawnwood in total	-0.02	-0.06	0.02	0.15
- coniferous	0.01	-0.03	0.07	0.16
- deciduous	-0.22	-0.31	-0.37	0.10
Particleboards (incl. OSB)	0.00008	-0.04	0.07	0.09
Fibreboard in total	0.35	0.37	0.18	0.15
- wet-process fibreboards (hard, porous)	0.61	0.78	-0.18	0.04
- dry-process fibreboards (LDF, MDF, HDF)	0.21	0.23	0.31	0.22
Plywood (incl. furniture panels and similar layer panels)	0.16	-0.05	-0.65	-0.64
Veneers (incl. veneer sheets)	-0.10	-0.51	-0.39	-0.31
Wood pulp	-0.43	-0.66	0.02	-0.11
Paper and paperboard	-0.27	-0.29	0.13	0.13
Furniture	0.65	0.87	0.07	0.05

Source: Author's own work based on the data from Faostat, Eurostat and the CSO Department of Production and Department of Commerce and Services.

It is worth adding that the RCA indices achieved in Poland indicate a relatively good competitive position of many other wood products; however, a very positive trend, similar to that observed for furniture, is recorded mainly in the case of fibreboards, especially wet-process boards.

SUMMARY

The basis for the concept of smart specialisations is the need for selective industrial policy due to the unreliability of the market mechanism. Smart specialisation is a concept disseminated in the European Union policy, which assumes focusing of regional development policies on the priorities taking into account the strengths of a region or a country, including the economic and scientific potential. A characteristic feature of smart specialisation strategy formulation is a bottom-up approach to the selection of development priorities; whilst a key role in this process is played by business entities ("entrepreneurial discovery"). As a result of taking chances connected with the development of selected specialisations markets in new products or services should be created and the forms of previous economic activity should be so improved by implementation of innovations, that the international competitiveness is significantly enhanced.

A fundamental condition of the competitiveness on both national and international market is creation of innovativeness and attention to innovative potential. In Poland the furniture industry is highly predestined to be considered national specialisation. It is an industry with great internal potential (in production, resources, and human resources), greater than an average in the European Union, an industry which has many long-lasting business relations on international markets and which offers relatively good quality products.

For many years the Polish furniture industry has had a high position in international rankings of the biggest world producers and exporters of furniture, which proves competent use of the possessed competitive advantages. Unfortunately, despite many economically and socially desired competitive advantages, this competitiveness is too much price- and costs-based instead of innovativeness-based (especially innovativeness of products). Although in

some terms the innovation activity in the furniture industry at least equals an average for the Polish manufacturing in general and slowly improves, it still is unsatisfactory. Very little expenditure on R&D (below an average in Poland) is especially unfavourable, as well as technical instead of product character of implemented innovations. Additionally, the innovation activity of small and medium-sized enterprises is significantly lower in this industry, which requires immediate systemic aid.

In this situation one should agree with the opinion that Polish furniture very much needs aid as regards brand strengthening and creation of higher value added or rational diversification of risk in product development³. The concept of smart specialisations offers such chance to the furniture industry, for according to this concept in the near future financial aid from the EU funds will be targeted at selected economic sectors, which are the most promising in terms of expected effects.

LITERATURE

1. Adamowicz M., Wiktorski K., 2014, *Meble – polska inteligentna specjalność*, OIGPM, Warszawa [maszynopis niepublikowany].
2. CEPS, CSIL, Economisti Associati, 2014, *The EU furniture market situation & a possible furniture products initiative*, Proceedings of stakeholder workshop held on 25 March 2014.
3. Dzierżanowski M., 2013, *Definiowanie i rozwijanie inteligentnych specjalizacji – wnioski z dobrych praktyk w zakresie polityk klastrowych*, Instytut Badań nad Gospodarką Rynkową, Gdańsk.
4. EC, 2005, *A new industrial policy: creating the conditions for manufacturing to thrive*, IP/05/1225 z 5 października 2005 r., European Commission, Brussels, http://europa.eu/rapid/press-release_IP-05-1225_en.pdf [accessed: 13.3.2014].
5. EC, 2008, *Knowledge for Growth. European Issues and Policy Challenges*, Office for Official Publications of the European Communities, Luxembourg, DOI: 10.2777/36515.
6. EC, 2010, *Europe 2020. A strategy for smart, sustainable and inclusive growth* [COM(2010)2020], European Commission, Brussels.
7. EC, 2012, *Guide to Research and Innovation Strategies for Smart Specialisation (RIS 3)*, Publications Office of the European Union, Luxembourg, DOI: 10.2776/65746.
8. European Parliament, *General principles of EU industrial policy*, 2004, European Parliament Fact Sheets, http://www.europarl.europa.eu/facts_2004/4_7_1_en.htm [accessed: 13.3.2014].
9. Foray D., 2009, *Understanding “Smart Specialisation”*, in: *The Question of R&D Specialisation: Perspectives and policy implications*, European Commission, Joint Research Centre, <http://ec.europa.eu/research/> [accessed: 13.3.2014].

³This opinion is also shared by representatives of the Polish Chamber of Commerce of Furniture Manufacturers. [Adamowicz, Wiktorski 2014].

10. Foray D., David P., Hall B., 2009, *Smart Specialisation – The Concept*, Knowledge Economists Policy Brief , nr 9, http://ec.europa.eu/invest-in-research/pdf/download_en/kfg_policy_brief_no9.pdf?11111 [accessed: 10.02.2014].
11. Giannitsis T., Kager M., 2009, *Technology and specialization: dilemmas, options and risks?*, Expert group Knowledge for Growth, May 2009, http://ec.europa.eu/invest-in-research/pdf/download_en/kfg_report_no8.pdf [accessed: 10.02.2014].
12. GUS, 2013a, *Ceny w gospodarce narodowej*, Zakład Wydawnictw Statystycznych, Warszawa,
13. www.stat.gov.pl [accessed: 10.02.2014].
14. GUS, 2013b, *Działalność innowacyjna przedsiębiorstw w latach 2010-2012*, Zakład Wydawnictw Statystycznych, Warszawa.
15. GUS, 2013c, *Rocznik Statystyczny Przemysłu 2013*, Zakład Wydawnictw Statystycznych, Warszawa.
16. GUS, 2013d, *Rocznik Statystyczny Rzeczypospolitej Polskiej 2013*, Zakład Wydawnictw Statystycznych, Warszawa
17. Herbec M., 2011, *The wood sector in Poland – recovering from economic crisis*, Intercathedra, vol. 27, no. 2.
18. Kalina-Prasznic U. (ed.), 2007, *Regulowana polityka rynkowa*, Wolters Kluwer, Kraków.
19. Karpińska-Mizielińska W., Smuga T., 2006, *Nowoczesna polityka przemysłowa w Unii Europejskiej*,
20. *Gospodarka Narodowa*, no. 1–2.
21. *Krajowy Program Badań. Założenia polityki naukowo-technicznej i innowacyjnej państwa.*, Załącznik do uchwały 164/2011 Rady Ministrów z dnia 16 sierpnia 2011 r.
22. MG, 2007, *Koncepcja horyzontalnej polityki przemysłowej w Polsce*, Ministerstwo Gospodarki, Warszawa.
23. MG 2012, *Foresight technologiczny przemysłu – InSight2030: aktualizacja wyników oraz krajowa strategia inteligentnej specjalizacji (smart specialization)*, Warszawa, <http://www.mg.gov.pl/node/17503>, [accessed: 13.3.2014].
24. OECD, 2012, *Draft Synthesis Report on Innovation Driven Growth in Regions: The Role of Smart Specialization*, Paris, OECD, <https://community.oecd.org/message/20683> [accessed: 13.3.2014].
25. *Prognozy meblarskie 2014*, 2014, Kurier Drzewny, no. 2.
26. *Program rozwoju przedsiębiorstw do 2020 r.*, Załącznik do Uchwały Rady Ministrów z dnia 8 kwietnia 2014 r.
27. Ratajczak E., *Od sektorowego do horyzontalnego podejścia w polityce przemysłowej państwa – na przykładzie sektora drzewnego*, 2009, in: B. Fiedor, Z. Hockub (eds.), *Nauki ekonomiczne wobec wyzwań współczesności*, Polskie Towarzystwo Ekonomiczne, Warszawa
28. Ratajczak E., Szostak A., Bidzińska G., 2005, *Innowacyjność przemysłu drzewnego i meblarskiego w Polsce*, *Drewno*, vol. 48, no. 173.
29. Wiczerzak-Krusińska A., 2013, *Rekordowy rok na rynku mebli*, *Rzeczpospolita*, nr 299, 24-26 grudnia.
30. Zielińska-Głębocka A., 1998, *Koncepcje polityki przemysłowej Unii Europejskiej i OECD*, *Gospodarka Narodowa*, vol. 91, no. 8–9, p.1-18.

Data bases:

1. Faostat (<http://faostat.fao.org>)
2. Eurostat (<http://epp.eurostat.eu.europa.eu>)