

**ORGANIZATION  
OF THE BLACK SEA  
ECONOMIC  
COOPERATION (BSEC)**

**KONRAD  
ADENAUER  
STIFTUNG  
(KAS)**

**WORKSHOP ON  
“ENTREPRENEURIAL EDUCATION FOR SMEs”**

**Belgrade, 13-15 October 2010**

**Summary Proceedings**

1. The Workshop on “Entrepreneurial Education for SMEs” was held in Belgrade, the Republic of Serbia, on 13-15 October 2010. It was jointly organized by the Permanent International Secretariat of the Organization of the Black Sea Economic Cooperation (BSEC PERMIS) and the Representation of the Konrad-Adenauer-Stiftung (Foundation) (KAS) for Turkey.

2. Welcoming statements were delivered by Mr. Jan SENKYR, Resident Representative of the Konrad-Adenauer-Stiftung (KAS) for Turkey; Ambassador Traian CHEBELEU, Deputy Secretary General of BSEC PERMIS; and Mr. Ivan STOSIĆ, Deputy Director, Institute of Economic Sciences (IES) Belgrade.

2.1. Mr. J. SENKYR welcomed the participants of the Workshop on behalf of the KAS and emphasized the importance of cooperation between KAS and BSEC. He mentioned that this Workshop is the 41<sup>st</sup> joint meeting on SMEs in the BSEC region. The aims are the strengthening of the political dialogues between the actors and decision-makers for SME policies in the different BSEC countries, the exchange of experience and information between the SMEs themselves and the fostering of a better understanding between entrepreneurs and state institutions. At the Meeting of Experts in November 2007, a strategic document on entrepreneurship development in the BSEC countries was elaborated. The SME supporting action for BSEC countries was included in this document. The important role of education in promoting more entrepreneurial attitudes and behaviours is now widely recognized. Education for entrepreneurship is already high on the agenda in most of the BSEC Member States. Mr. SENKYR expressed his gratitude to the IES Belgrade, the Representation of KAS for Serbia, BSEC PERMIS and SME Network of ERENET for their valuable cooperation and support in organizing this Workshop.

2.2. Ambassador T. CHEBELEU, in his opening statement, focused on the role of entrepreneurship which had never been as important as it was today. Entrepreneurship is about starting new business. It is the backbone of the economy. It means ability to turn vision and ideas into action. Real life, however, has shown that entrepreneurship does not

come spontaneously, but it requires proper policies and an enabling business environment. The important role of education in promoting entrepreneurial attitude is now widely recognized. Entrepreneurial education should allow SMEs to adapt their competitive performance to match the changes in the market demand. Therefore, the policies should aim at incorporating the entrepreneurship education across all levels of career-technical, academic education and community-based programs.

The entrepreneurial education is one of the highest priorities also in the EU, which is included among the most important provisions of the Small Business Act for Europe document.

The text of opening statement of Ambassador CHEBELEU is attached as Annex I.

**2.3.** Mr. I. STOSIĆ welcomed the Participants of the Workshop on behalf of IES. IES is a non-profit oriented scientific institution with history of more than 50 years. Out of the seven pillars of the institute, entrepreneurship and SME developments are the significant ones. He expressed his thanks to KAS, BSEC PERMIS and ERENET, and informed that the IES is the South East Europe local office for the ERENET as well.

**3.** The Workshop was co-chaired by Mr. SENKYR; Ambassador CHEBELEU; and Dr. Antal SZABO, UNECE ret. Regional Adviser on Entrepreneurship and SMEs, Scientific Director of ERENET.

**4.** The Workshop was attended by the representatives of the following BSEC Member States:

Republic of Albania  
Republic of Bulgaria  
Georgia  
Hellenic Republic  
Republic of Moldova  
Romania  
Russian Federation  
Republic of Serbia  
Republic of Turkey  
Ukraine

The list of participants is attached as Annex II and the Program of the Workshop is attached as Annex III.

**5.** On the second day of the Workshop, Mr. Milan VUJOVIĆ, Senior Advisor for Education and Mentoring, Department for International and Interregional Cooperation, Education and Mentoring, National Agency for Regional Development (NARD) of Serbia; Mr. Dieter IBIELSKI, Presidential Counsellor of the Union of Small and Medium Sized Enterprises (UMU), Germany; Prof. Dr. Hans-Jürgen WEISSBACH, University of Applied Sciences Department of Economy and Law, Institute for Entrepreneurship, Germany; and Dr. Antal SZABO addressed the Workshop as lead speakers.

**5.1.** Mr. M. VUJOVIĆ provided information on the activities of the newly established Agency in accordance with the new Law on Regional Development as of July 2009. NARD provides various training facilities for different target groups. (i) Education is offered for the unemployed persons registered in the National Employment Service since 2001. Basic training on “How to start a business” was provided for 20,000 participants and more than 200 trainers were educated so far. (ii) NARD offers also training for potential start-ups loan beneficiaries who are willing to apply for loans at the Development Fund of Republic of Serbia. (iii) A special training facility is oriented towards potential and promising entrepreneurs on defined and goal-oriented subjects. (iv) Mentoring program focuses on existing companies with fragile balance period to assist in surviving based on continuous consulting services. (v) The youth entrepreneurship development program helps young start-ups in business creation. (vi) Last but not least, there is a special program called PRISMA developed for resettlement of army forces members.

**5.2.** Mr. D. IBIELSKI emphasized that entrepreneurial leaders have to take into account two responsible engagement in running a business: (i) rational and extensive in-house management of field activities and (ii) in line of the outstanding globalization the environmental challenges and social security issues. He listed a number of barriers which disturb and hinder the SMEs. Entrepreneurs should not only be technically proficient according to their priority education as youngsters, they must also agree to recurrent training. Today it is not yet generally recognized and acknowledged a significant component of entrepreneurial competence, which is corporate social responsibility. Mr. IBIELSKI mentioned that leaders are asked to utilize life-long learning as a key component of their jobs and as a stimulation of the employees they conduct. The ongoing education in academic institutions is generally dominated by scientific subjects of theory, less handy in smaller firms, but more professors present case studies and business games of proceeding in practice.

Finally, he summarized that entrepreneurs are motivated, they are optimists and search chances and facilities to balance learning, working and societal living challenges.

**5.3.** Prof.Dr. H. WEISSBACH outlined the academic entrepreneurship education in Germany. While the entrepreneurship is oriented towards business/SMEs foundation and growth and focuses on identifying business opportunities, market chances and identifying these chances, making optimal use of limited resources, pushing innovations, the business administration aims at corporate management focusing on control of existing resources. The history of entrepreneurship education comes back to late 1980s. The Frankfurt model for start-up management including consultancy and coaching at FH Frankfurt started in 1998. More MBA courses on entrepreneurship have been started. Incubation, provision of seed capital in cooperation with the private sector becomes more significant in the education. Separation of entrepreneurship and SME management can be observed. At time being 80 to 90 chairs exists for entrepreneurship and SME management. It is an important feature of the German SME sector that the average age of the founder is increasing – it amounts at 35-44 years.

**5.4.** Dr. A. SZABO highlighted that the education system in Europe, and in particular the school curricula, do not focus enough on entrepreneurship and do not provide the basic skills which entrepreneurs need. In the EU and US entrepreneurship is considered as a new basic skill, to be provided through lifelong learning. The European Commission emphasizes, that

as a new approach to teaching and as a basic competence, entrepreneurship should be introduced in the education systems already at an early stage. Entrepreneurship can be seen as a cross-curricular and horizontal aspect or as a teaching methodology, besides being treated as a specific subject. Entrepreneurship education should not be confused with general economic studies. Teaching of entrepreneurship aims at stimulating from an early age those personal skills that form the basis of entrepreneurial behavior, or at encouraging self-employment as a career option. In higher education – entrepreneurship should be considered as an innovative and cross-curricular approach. The Speaker described the role of the Entrepreneurship Research and Education Network among the Universities of Central- and Eastern-Europe ERENET in harmonizing and collecting best practices of entrepreneurial curricula.

**6.** An exchange of experience concerning entrepreneurial education of gradual, vocational schools and universities as well as of start ups, SMEs in the BSEC Member States took place. The representatives of the BSEC Member States made their presentations. Issues addressed included:

1. Do you have a national level strategy or action plan to foster entrepreneurship education?
2. Where does sit entrepreneurship education in your country?
3. What is the current institutional framework for promotion of entrepreneurial education?
4. At which levels of education is entrepreneurship education activity most likely to be found?
5. Institutional actors and their strategies, policies and initiatives;
6. Present good practices where the Governments paved the way for SME development and growth.

Question and answer session was held after presentations and recommendations were made to be included in the Summary Proceedings to be agreed upon at the final session of the Workshop.

**7.** On the third day of the Workshop, presentations were made by Prof. Svetislav PAUNOVIĆ, Belgrade Banking Academy, Faculty of Banking, Insurance and Finance in Belgrade on “Entrepreneurial Education in Serbia”; and Mr. Branislav MALAGURSKI, CEO, Regional Centre for SME Development, Subotica on “Development of entrepreneurship from regional dimension”.

**7.1.** Prof. S. PAUNOVIĆ expounded the entrepreneurship education in Serbia. The process of introduction of entrepreneurship education in the country is very slow. Emphasis has been on entrepreneurship within professional education, whereas now it is necessary to pay more attention to introducing entrepreneurship to all three levels of formal education. The National SME Strategy bases on four policy pillars including (i) better entrepreneurship education, (ii) more efficient business service to support SMEs, (iii) improvement of management skills, and (iv) highly qualifies labor force for SMEs. It is suggested to establish a Working Group for Entrepreneurship Education within the National SME Council. The existing programs educated “about entrepreneurship” rather than “for entrepreneurship”. These fail to create and improve abilities and skills to implement entrepreneurial behavior in the real business environment. The key topic is how to make entrepreneurship education more efficient and effective.

**7.2.** Mr. B. MALAGURSKI presented the tasks and operation of the Regional Centre for SME Development with the Headquarters in Subotica.

## **Final Discussions and Conclusions**

**8.** The following points were made in conclusion:

**8.1.** The entrepreneurial potential has not yet been fully exploited in the BSEC Member States. There is a considerable gap between the actual number of start-ups and the potential of creating SMEs.

**8.2.** There is a general awareness in the BSEC Member States that entrepreneurial education is essential for developing and strengthening the SMEs.

**8.3.** A high number of students who drop out of school, with all the consequent social and economic problems that entails, are lost as a resource for profitable growth and employment because of the lack of formal education. Practical entrepreneurial training and orientation could give them a new perspective.

**8.4.** Entrepreneurship has been recognized as a basic skill in the process of lifelong learning.

**8.5.** Introducing basic entrepreneurship learning into schools and universities is an important part of the EU's overall economic programme.

**8.6.** Many entrepreneurial training schemes are too theoretical.

**8.7.** The education system in majority of the BSEC countries, and in particular the school curricula, do not focus enough on entrepreneurship and do not provide the basic skills which entrepreneurs need.

**8.8.** Many universities and high-schools in the BSEC region look at entrepreneurship as a matter of the business community rather than of the academic curricula.

**8.9.** Standard curriculum on entrepreneurship in advanced EU market economies has been recently emerged. It is a positive sign that in Germany MBA course on entrepreneurship was launched.

**8.10.** The government and academic institutions are not yet in a position to fully evaluate the impact of entrepreneurial education for SMEs.

## **Recommendations**

**9.** The following recommendations were made:

- 9.1.** Entrepreneurship should be introduced in the education systems already at an early stage. Entrepreneurship has to be seen both as a cross-curricular and horizontal matter and as a teaching methodology, besides being treated as a specific subject.
- 9.2.** Entrepreneurship education should not be confused with general economic studies or business administration.
- 9.3.** Entrepreneurship needs a holistic approach. It consists of two components. Enterprising requires an organized knowledge referred to as *SCIENCE* and practice as an *ART*. In this context *SCIENCE* and *ART* are not mutually exclusive but are complementary.
- 9.4.** Entrepreneurial training should be specific with regard to content, and focused on attitudes and practical skills. Participants should be carefully selected with regard to their abilities and motivation.
- 9.5.** Training schemes for unemployed should not be mistaken for entrepreneurial training schemes.
- 9.6.** It is a significant task how to increase entrepreneurial skills by development and redefining of training courses and methodologies.
- 9.7.** Expanding and improving effectiveness of entrepreneurship education require in each BSEC country increased cooperation between Ministries, business community and private actors at a national level.
- 9.8.** There is a need to develop a coherent strategy and action plan in each BSEC country in order to meet entrepreneurship education requirements.
- 9.9.** A curriculum that integrates entrepreneurship education is not sufficient if measures of support are not introduced.
- 9.10.** The ERENET Board suggests launching a BSEC Project on Benchmarking of University Entrepreneurship Education with participation of academicians/lecturers/university professors from the BSEC countries and convening a Workshop on “Best Practice on University Entrepreneurial Education”.
- 10.** The Participants to the Workshop expressed their deep gratitude to the BSEC Organization and to KAS for its support and financial contribution to the Workshop, as well as to the Institute of Economic Sciences (IES) Belgrade for the hospitality extended to them during the meeting in Belgrade.
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