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SUMMER MESSAGE OF THE SCIENTIFIC DIRECTOR

Dear Readers, Distinguished Friends,

It is the middle of summer but Nature has not been kind to us; first there was drought, second the flood. Hailstones devastated the harvest and crops in Central and Eastern Europe. They came in hen’s egg and tennis ball-size in Nyírség (East-Hungary,) destroyed more than 2000 houses as if with a hail of machine guns, and this in the poorest part of the country with the highest unemployment rate. In Novy Jičín (Czechoslovakia) the rainfall reached 114 mm over a period of three hours and 6 people lost their lives in the ensuing flood. Similar tempests have been an almost daily phenomenon in the region.

On the political stage, two important events should be mentioned. The first is June 4th 2009, when Poland celebrated the 20th anniversary of the collapse of communism. Two decades ago, Poland, among the former centrally planned socialist countries, held its first free election and Solidarity. The heads of CEE countries celebrated the occasion in Krakow. The famous Sigmund bell, which only sounds in cases of great joy or great grief, rang out. The Ukrainian Premier, Yulia Timoshenko was among the invited guests and she finished her speech in Polish: “Let our solidarity live a thousand years”. There were concerts, events, festivals in whole Europe. Even a special golden plane flew to Brussels with an unusual crew. The Golden aliens’ invasion officially started the festival which was called: “It all began in Poland.”

The second event was a series of celebrations to commemorate the Pan-European Picnic near to Sopron (Hungary), to mark the eradication of the “iron curtain” and opening the border between Austrian and Hungary. This act led directly to the fall of the Berlin wall.

A less important event but I cannot let it pass without mentioning the name of Ján Slota, the President of the Slovak National Party (SNS) who is not afraid to express his pride in being a Hungarian. In the 1970s he played Hungarian songs during a women's day celebration at his place of work. And now that he is a high-ranking politician in the new EU country he continues to champion the need to respect the rights of minorities! And it a new scandal: the new state language law passed by the Slovak parliament does not conform to EU standards as it discriminates against minority languages. Clearly the majority of the Slovak public and civil society is right-minded. To underline Slovak goodwill, the Economic Faculty of the Technical University in Kosice invited the Scientific Director of ERENET as a honorary guest representing Corvinus University of Budapest. He was hooded and gowned in the special black robes of the University Senate when participating in their Diploma Celebrations.

ERENET itself organized two important international events.

- On 20-22 May 2009, the International University Entrepreneurial Education Conference was held by the Petru Maior University and ERENET in Tîrgu Mureș; and
- On 4-5 June 2009, the International Scientific Conference “Entrepreneurship and Growth of Family Firms” was organized by the Department of European Studies and the Department of Entrepreneurship and Innovation of the Cracow University of Economics and ERENET.

In the meantime we have started to prepare for the 4th ERENET Annual Meeting to be held on 25 September 2009 at the Institute of Economics Sciences in Belgrade (Serbia). Further details will follow.

Wishing you pleasant summer holidays, I remain with kind regards

Dr. Antal Szabó
Scientific Director of ERENET

Photo by Dr. Antal Szabó ©
STATEMENT BY
AMBASSADOR MURAT SUNGAR,
FIRST DEPUTY SECRETARY GENERAL OF THE ORGANIZATION OF BSEC

ON THE OCCASION OF THE WORKSHOP ON
“DEVELOPMENT OF YOUTH ENTREPRENEURSHIP AND START-UPS”
(Istanbul, 1 April 2009)

Mr. Deputy Undersecretary,
Distinguished Participants,
Ladies and Gentlemen,

I am very pleased to be here and to welcome you, on behalf of the Organization of the Black Sea Economic Cooperation (BSEC), to the Workshop on the Development of Youth Entrepreneurship and Start-ups. I would like to thank Konrad-Adenauer-Stiftung (KAS) and its Resident Representative for Turkey, Mr. Jan Senkyr, for organizing this event.

I am very pleased to note that our collaboration with KAS continues to be fruitful and dynamic. BSEC and KAS have been long working closely together to raise public awareness in the BSEC Region of the importance of SMEs. Through a series of jointly organized workshops and seminars, it has been possible to address various issues related to the development of SMEs and to reach guiding conclusions.

The SMEs play a significant role in the economic, social and political development of countries. The existence of the BSEC Working Group on SMEs is no doubt an acknowledgement by the BSEC Member States of this important role. This awareness, through the joint work conducted in the framework of BSEC, is translated into effective policies and concrete measures to support the sustainable development of the SME sector in our region.

In the area of SMEs, BSEC is currently focusing on high technology, innovation, technology parks and incubators with the objective to encourage innovative ideas, products, services and procedures. Our Organization is also focusing on bringing together and linking businesses, academics, business incubators and financial and state institutions from the BSEC Member States with the purpose of developing a culture of cooperation through networking. BSEC is also supporting the collaboration of SMEs and large companies, promoting measures to improve production efficiency. These objectives are pursued under the guidance of the Hellenic Republic as the Country Coordinator of the BSEC Working Group on SMEs.

Distinguished Participants,

Today’s workshop is dedicated to a specific topic — development of youth entrepreneurship and start-ups.

Up to now, the issue of youth entrepreneurship has not been addressed within the framework of BSEC. We know that many of the most innovative and successful business ideas originate from young entrepreneurs. Therefore, it is important to promote youth entrepreneurship and start-ups in the process of supporting sustainable economic development in our region. This Workshop here today provides us with a valuable opportunity to discuss this issue comprehensively and to formulate well-founded recommendations for our Member States.

Unfortunately, the SMEs stand to be the most vulnerable to the potential global and regional ramifications of the ongoing international financial crisis. The financial crisis affects the entrepreneurial climate and the situation becomes especially difficult for the younger entrepreneurs. Therefore, it is essential that the BSEC Member States take the necessary measures to support their SMEs and the development of youth entrepreneurship.
Perhaps the need to focus on youth problems has grown parallel to the increasing levels of unemployment among the young people. Some reports suggest that the unemployment rate among the youth is twice more compared to adult unemployment. One of the possible ways of assisting young people in this respect is to promote self-employment.

An important conclusion of these reports is that youth entrepreneurship policies and programs should complement broader youth employment strategies and entrepreneurship and business development policies. It is of paramount importance to develop policies and policy instruments which are flexible enough to ensure that the majority of young people are provided with an appropriate set of skills and relevant experience prior to their entry into the work force and the real world of business.

One of the ways to address this issue, as also envisaged by the organizers of this Workshop, could be the revision by the BSEC Member States of the impact of the normative acts, regulations and policies aimed at promoting youth entrepreneurship.

The BSEC Member States may also think of assisting their young entrepreneurs with easier access to micro credits. Offering grants to new enterprises started by young people could also help.

The issue of providing the education and skills necessary to start a business should also be addressed by the Member States. Entrepreneurship education is considered to increase the chances of start-ups and self-employment and enhances individuals’ economic rewards and satisfaction. Promoting innovative start-ups at institutions of higher education would be useful.

Establishing strong partnerships between public and private structures, involving the Chambers of Commerce, business agencies, public education and training institutions, community based organizations and regional and local governments could also prove beneficial.

Before concluding, I wish to highlight an important project related to the promotion of SMEs in our region. I am referring to the Black Sea Trade and Investment Promotion Programme (BSTIP) launched jointly by BSEC and UNDP in December 2007.

BSTIP is co-financed by Greece, Turkey, the UNDP and BSEC. The target beneficiaries of the BSTIP are enterprises, particularly small and medium-sized ones, with a special emphasis devoted to those managed by young and women entrepreneurs, in the 12 Member States of BSEC.

The BSTIP aims to develop trade and investment linkages among the BSEC Member States, through identifying the priority goods and service sectors having the highest intra-regional trade and investment potential. This is done through organizing sector-focused events and partnership fora and other trade and investment promotion events, as well as supporting networking mechanisms among the business communities of the region.

As a part of this project, a study on the BSEC trade and investment potential was conducted and disseminated by the UNDP. It is a very useful study which gives an overview of the current situation, as well as the potential with regard to intra-BSEC trade and investment.

An important element of the BSTIP is that it also aims to advocate responsible investments through promoting the adoption of the principles of the United Nations Global Compact in the BSEC region. Increasing awareness on these principles is expected to strengthen the business environment and the investment approach in the BSEC Member States, in line with the highest international standards.

In short, the BSTIP is a very concrete instrument to support the intra-BSEC business, trade and investment possibilities of the SMEs in our region, placing special emphasis on SMEs managed by young and women entrepreneurs. We believe that this project, as well as similar concrete projects for SME development and the development of youth entrepreneurship, should be widely promoted in our region, so that more and more SMEs benefit from them.

In concluding my remarks, I wish to underline that BSEC will continue to promote SMEs in the Black Sea Region. In this process, we will maintain our traditional cooperation with KAS. I also wish to express our appreciation for the valuable contributions of Dr. Antal SZABÓ to our work. Dr. SZABÓ has worked for the UN for many years and he is considered as one of the most important experts in our field of SMEs.

I would like to thank once again to the Konrad-Adenauer-Stiftung and its Resident Representative for Turkey, Mr. Jan Senkyr, for organizing this important workshop here today.

I wish you a fruitful session with concrete and promising results.

Thank you.
ENTREPRENEURIAL EDUCATION FROM KINDERGARTEN TO UNIVERSITY IN GERMANY

The history of entrepreneurial education in Germany is relatively short. Only since the late 1980s the idea of entrepreneurial training has resonated in the academic domain. At that time, the need for entrepreneurial education by researchers and academic teachers was suddenly discovered. This was related to the experience of years of economic stagnation. It then took 15 more years to introduce the idea of entrepreneurial education in schools.

While at the beginning of the 1950s about 25% of the West German working population had been self-employers (including farmers), this rate dropped to about 8% by 1982/83. The dynamic regenerative power of capitalism seemed to be exhausted at that time. Economic growth declined dramatically. Start-ups developed in economic niches rather than in mainstream industries, or were founded by people motivated solely by trying to bypass unemployment. They were “necessity founders” driven by lack of chances.

This development contributed to a negative image of start-ups in the early 1980s. Another obstacle for the development of a start-up culture was the German attitude and policy to protect and subsidise existing industries rather than to accept the Schumpeterian “creative destruction process”. The production factors including know-how remained tied up to perishing industries like the textile industry, mining, or electric assembly work. Still today we can observe the abundance of a type of innovation process referred to as “tightly coupled”: Innovation has to be accepted by the existing industries and by the relevant social partners.

In Germany the chance for an innovation to establish a base for radical market changes and to create new business outside existing industrial structures is lower than in other Western European countries. This type of innovation is a strength of our economy because most innovations are “embedded” in the social context given; but at the same time it can be a reason for the lack of substantial innovation in the German society.

Because of the large extent of unemployment in the early 1980s, at that time nobody believed that entrepreneurship could be a remedial strategy to create more jobs. The academic world remained doubtful about the introduction of entrepreneurial training at universities. In the early 1980s spin-offs from universities remained a rather marginal phenomenon from the point of view of mainstream business administration and economy (as an exception see Szyperski/Klandt 1980). Only the software industry was able to develop outside the traditional industrial framework and labour regulation system, but the start-ups in this industry nevertheless suffered from a lack of entrepreneurial training facilities.

In consequence, researchers used to speak of an enduring culture of dependence in Germany (Braun 1999, Sternberg et al. 2001). The results of American and British entrepreneurship education, research and training (see e.g. Rabbior 1990) that had been published since decades were ignored to a large extent. As the impact of the world wide recession of the early 1990s was less dramatic in Germany due to the big “unification boom”, the negative start-up rate did not become a political issue.

The consequences of the protective and highly regulative policy on employment and growth could no longer be hidden when the increasing technology gap revealed itself in the 1990s. The rate of investment in science and high-tech businesses dropped sharply so that Germany fell back on the 10th rank in EU. Only when big companies from the core industries laid off more and more employees and academically qualified people could not find any jobs any more, the ignorance towards entrepreneurship began to change. Scientists and politicians discovered entrepreneurship as an important remedy against job losses and against the innovation gap.

First systematic research activities on entrepreneurship were established at the Universities of Cologne and Dortmund and at Free University Berlin in the 1980s. It was the state-owned KfW bank that not only developed special loan programmes for start-ups but also stimulated the development of
entrepreneurship studies at German universities. In 1998 the first German professorship on the incorporation of new companies was financed by KfW at the European Business School in Oestrich-Winkel.

The academic activities with regard to start-ups remained purely theoretical at the beginning, highlighting the role of creativity, biographical, and gender aspects of entrepreneurship, or the need to develop entrepreneurship in order to prevent Germany from being excluded from international economic development. Support and consultancy for start-ups was not regarded as the main issues of academic researcher on entrepreneurship. Only the dot com boom in which thousands of students took part, and the sinking entrance barriers to the internet economy convinced the academic staff that they had to contribute to practically develop entrepreneurial resources in the tertiary education sector.

At the beginning, entrepreneurial education was kept outside the regular academic business administration curricula because the role of the entrepreneur obviously is completely different from the role of the business administrator. Learning goals and teaching methods of entrepreneurship cannot be compared with those of business administration for big mature enterprises. This argument was adequate in a phase when many students dropped their studies and tried to set up their own businesses.

The Federal Ministry for Education and Research established a pilote project named EXIST in which entrepreneurial education and support of academic entrepreneurs was granted in five regional university clusters from 1998 to 2001. More than 20 million € were spent on these projects.

At that time, the author of this paper still shared the opinion that universities should not care about entrepreneurship education within the frame of regular and obligatory curricula, but by providing eligible and flexible forms of training and coaching, employing trainers from "the real world". Universities are not a preferred and preferable location for educating entrepreneurs. Instead they are but bureaucratic bodies. The teaching staff is either euphoric or risk-avoiding. However, universities are closer to student start-up initiatives than chambers of commerce. We thought students would not accept universities providing a core competency in entrepreneurship. They do not expect universities to help them but perceive only some few professors as technical or business experts, while the reactions of the professors oscillate between: “We are already offering this content in the regular studies of business administration”, and: “These issues have nothing to do with academic teaching.” Our opinion was also that permanent tenures for entrepreneurship would not meet the needed demand for change, flexibility, and innovation. In most cases, the German professor is not an optimal role model for start-ups. This was even more true for the new Länder (federal contries) where universities had even less contact with entrepreneurial reality (Braun 1999).

In consequence, in 1998 we introduced a “minimalistic” programme of immediate support for student start-ups at FH Frankfurt that was completely separated from the normal curriculum while offering access to all students from all departments, from other universities, and to alumni. The programme was established without any governmental support or funds but in cooperation with some private partners (banks, media, etc.), free of fees, and included non-obligatory trainings in self-presentation, marketing, business plan negotiation, a quick check of business ideas and intensive coaching by external experts.

From today’s point of view, our position that the academic staff could not be motivated to engage in entrepreneurship proved to be too pessimistic. Like technical education had been accepted as an issue for academic teaching throughout Europe in the late 19th century, entrepreneurship was quickly acknowledged as a serious discipline by German universities at the beginning of 21st century. This had to do with the overwhelming boom of the dot com economy which suddenly made it attractive for young academic people to develop their own creative business ideas, and enabled a “low-cost and low-level entry” to the market. If they needed support, they would not have addressed chambers of commerce or private consultants but their professors for ICT, marketing, etc. The first efforts of the universities to establish entrepreneurial training schemes came just in time to successfully support the internet economy.

Already in 2000 the situation had completely changed, compared with that of 1998. At a conference in Berlin to which the author of this paper contributed, the so-called Ten Berlin Propositions were elaborated, including the following statements:

“(1) A specific encouragement of independent thinking and acting according to the spirit of entrepreneurship is possible and an important responsibility of universities.

(2) Universities should foster entrepreneurship on three levels:
- Toward the general capability of independent thinking and acting,
- Toward self-employment, and
- Toward entrepreneurship and the creation of jobs by starting new companies.”

While the employment impact of the internet economy was strong at the beginning of the hype, the life-span of many of the new start-ups proved to be short. A high number of failures indicated the lack of business skills and the need for more systematic training activities. However, the whole climate for entrepreneurs had dramatically improved, and it became clear that a “second chance” should be given to initially unsuccessful. This was a completely new trend for the entrepreneurial culture in Germany (see Sternberg et al. 2004).

In 2001, the EXIST programme of the Ministry of Education and Research was extended to another 10 university clusters or regions (EXIST II) to intensify the systematic curriculum development based on the experience of the first five model regions. Within the scope of this programme, in 2002 the implementation of an entrepreneurial curriculum and of incubators started in the regional university network “Route A 66” of four universities in the Rhein-Main region, one of them FH Frankfurt. The programme got its name from the highway A 66 linking the four locations.

Further important milestones concerning entrepreneurship and entrepreneurial training in Germany were
- The foundation of the “G-Forum” (a scientific community of economic and social research on entrepreneurship) in 1997;
- The business-plan competition sponsored by German savings banks, McKinsey Company, and the “Stern” journal since 1997 which had high participation rates among students;
- The establishment of more endowed professorships;
- The EXIST Seed programme established in 2005 to provide support to potential spin-offs from universities by enabling them to develop a systematic business plan on the base of a one-year grant.

Since then, disciplines like business administration, international management and business informatics integrated entrepreneurial issues into their curricula. More and more members of academic staff opened businesses of their own or participated in the internet economy. Simulation tools were replaced by real practice.

After the dot com bubble imploded, the quality of business ideas became worse. Again, among the start-ups there were more and more necessity founders coming from unemployment, lacking career chances in industry due to the general employment crisis. The average age of the founders in Germany rose up to end-30s. In 2006, about 160,000 founders coming from unemployment were subsidised by the Federal Labour Agency. Their business plans were often very poor and had not been checked thoroughly. The idea of making up one’s own start-ups had lost its charm and reputation due to the increasing numbers of failures. The academic researchers and teachers were forced to have a closer look at the diversity of the founders, their biographies, competences, role models, etc. (see e.g. Voigt, Weissbach et al. 2005). More specialised training courses outside the university were provided for adult founders.

In 2005, the programme leadership of EXIST was endorsed to the Ministry of Economy. Although universities went on to apply for grants, the focus of the programme switched from academic entrepreneurial education back to immediate help and direct support for start-ups by increasing incubator capacities for high-tech founders. In this situation, the Institute for Entrepreneurship was established at FH Frankfurt (www.ife-frankfurt.de) to support long-term work on more sophisticated start-up activities, e.g. by opening an incubator with five places. The boom of 2005 / 2007 improved the quality of business ideas, while in 2008 the number of start-ups dropped sharply again.

Today, entrepreneurial education and start-up training is provided by more than 35 % of the German universities. More and more endowed university chairs are sponsored by foundations or corporations. A list of universities running EXIST programmes and descriptions of their activities can be found in Thust (2005). Achleitner et al. (2007) found that about 35 % of the German speaking universities have chairs dedicated to entrepreneurship, among them nearly all technical universities.

Recent trends reflected in German research and teaching have been
- The internationalisation of entrepreneurial education (Sarmiento et al. 2007);
- The shift of the training focus from the early start-up phase to later phases of entrepreneurial and business development, i.e. in a certain way back from education to consultancy;
- The analysis of the relations between culture, creativity, and entrepreneurial success (Grimm 2005);
The discovery of the strengths of migrants as builders of start-ups and of the diversity of “styles” of successfully developing start-ups (Weissbach 2007);
The transfer of the idea of entrepreneurship to large corporations (“Corporate Entrepreneurship” and “Corporate Venturing”, Orlovcic 2004); and
The integration of elements of entrepreneurship into specialised master courses, e.g. in tourism, design, coaching, etc.

However, the idea of entrepreneurship is far from being popular in every university department. We estimate that more than 70% of the chairs have been implemented in departments for business and economy, and that still the minority of chair holders have intensive business and bank contacts. We also guess that far more than 50% of all business plans submitted in the form of a diploma or bachelor or master theses will not be realised.

What about educational entrepreneurship in schools? Since 2000, many schools, mainly at the lower secondary level and with focus on vocational education have introduced elements of entrepreneurial education and entrepreneurial competitions. As the education system is under the responsibility of the 16 Länder, it is not easy to evaluate these decentralised activities. Only some of them led to the establishment of training firms in the fields of catering, garden work, social services, toy production, etc. Sometimes schools are supported by regional entrepreneurship teaching networks involving employers, companies, and banks. In model projects, young people are prepared for the roles of intrapreneurs, franchise takers, or company's successors (as an example see http://www.wilhelm-knapp-schule.de). They learn to develop a business plan, select a location, and negotiate with banks.

In countries like Brazil, Botswana, or Nigeria the investment in training firms often flows back in a revolving fund to induce growth in these training firms. People can build their local economic existence on these nuclei of companies after leaving school. The situation in Germany is different. Entrepreneurship is not an existential choice as long as a concrete chance to become employed and a strong social network exist. Each training firm built up in class will come to an end when the pupils leave school.

In 2008, a first survey was carried out by Bertelsmann Foundation on young peoples’ attitudes towards entrepreneurship. 15% of the interviewed persons could surely imagine becoming self-employed, and 61% could perhaps imagine exactly this. The researchers of the Foundation also found that essential entrepreneurial competences were not visible and that young people tended towards a risk-avoiding behaviour. The report states that young peoples’ picture not only of big but also of middle-sized enterprises is ambivalent and sometimes negatively influenced by media, school-books, and of course as a result of the recent finance crisis. Experts have critically remarked that the Bertelsmann study systematically confuses the young peoples’ immediate wish for obtaining more autonomy e.g. from parents and school and the perspective to make up one’s own business later. They also criticise that the authors of the study devaluate the obvious preference of girls for social entrepreneurship activities, blaming girls not to be hard enough to accept the role-model of a typical “full” entrepreneur.

When you search for the terms “kindergarten” and “entrepreneurship” on German web pages with Google, you find pages either related to the issue how female founders can find childcare when building up their companies, or related to social entrepreneurship. The entrepreneurial education in the kindergarten is still a taboo for many experts. However, if one considers the curricula aiming at strengthening the idea of entrepreneurship in a society, one will find that many goals of kindergarten education are fully compatible with the learning aims of entrepreneurs. Among these are: the development of problem solving capacity, solution orientation, creativity, courage, and rule-based competition. It is not cynical if I say that we can learn from kindergartens in Botswana or Malawi where four-year old children learn that the price they get for a cake from corn baken by themselves depends on its shape and colour as well as on the ingredients.

The hidden curriculum of school and university education is much more ambiguous with regard to entrepreneurship: learning by heart, respecting hierarchy, avoiding mistakes, strictly obeying rules… As Zimmer has already pointed out in 1985, the pedagogic situation of the kindergarten is an ideal platform to teach entrepreneurship – in a playful way. In some few projects, children and parents are producing toys and selling them to improve the financial situation of their kindergarten. However, “entrepreneurship meets kindergarten” is still a negative utopia for German parents, and the ongoing assimilation of the kindergarten to school-like standards will perhaps make it even more difficult to introduce creative elements of entrepreneurial education.
Sources:


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CHALLENGE OF YOUNG  
Public and private Support for Youth Entrepreneurship in Germany  

PREFACE  

At present and looking at the prospective future mankind suffers more or less everywhere around the  
globe from thorough trouble regarding its being well off privately as well as commercially because of the  
decline of the banking trade, on the one hand, and of the dangerous uncertainties concerning profitable (big)  
business activities, on the other hand. It is obvious that apart from abnormal behaviour of financial institutes -  
at first noted especially in the United States of America - some greedy managers did misuse the free market  
order for their personal benefit.  

Hence, it followed far-reaching economic bottlenecks which have produced partly state intervention  
aiming at the securing of the survival of (bigger) companies and to calm down the entangled surroundings  
with respect to small business owning entrepreneurs who never have been money speculators. Adjusted  
government measures intend above all the preservation as many places of employment as possible.  

Besides youngsters jobless persons and any self-confident encouraged man resp. woman - such as  
university students -interested on their own initiative in setting up for their independent venture can apply for  
public and private assistance in Germany on condition that individual qualification is sufficiently true.  

MINDING THE ROUNDBOUND START-UP WAY  

At one time or another, many juniors dream of owning their own business. The thought of  
(presumably) independence, financial reward, and being one’s own boss has considerable appeal. However,  
business start-up and ownership is not suited for and to handle by everyone. There is a lot more to being an  
efficacious entrepreneur than having a promising idea. Business start-up is never easy; it needs long-term  
commitment, physically and mentally. It is not a deliberation that can be made overnight: all the pertinent  
details in view of the expected firm establishment must he carefully investigated and strategically planned.  

Manufacturers, for example, have to be constantly up-to-date on changing technology that may affect  
their machines, equipment and production methods. Financial institutions are demanding more insight  
information from their clients and potential borrowers. Raw materials and energy supplies are becoming more  
expensive. Markets, at home and abroad, are harder to identify. Competition because of globality is keener  
than before, and in so far the general business climate is increasingly unforeseeable.  

How to mobilise operational talents and how to make better use of entrepreneurial intelligence in  
fostering working efficiency is a question that preoccupies willing to help bodies: not only public authorities  
but also for example trade associations, financial institutes (state banks, private banks, savings-banks, co-  
operative banks), scientific researchers and educators, management consultants or even friends who are  
already experienced in terms of productive business guidance. And these experts - including politicians  
appraise small company entrepreneurs as an essential bottom stimulating socio-economic welfare.  

PERFORMANCE OF START-UP PREREQUISITES  

To run even a micro unit means facing up to a manifold number of challenges. New venture creation  
is a complex phenomenon because of multidimensional aspects: making decisions about what to make, when  
and where to make and how to make; finding reliable customers - finding cost-effective suppliers; being able  
to adequately figure investment expenditure and production issues, workforce compensation, selling prices;  

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1 Paper presented at the BSEC Workshop on „Development of Youth Entrepreneurship and Start-ups” held on 1-3  
April 2009 in Istanbul organized by the Konrad Adenauer Foundation jointly with the Turkish Foundation dor SMEs  
(TOSYÖV)
being above all in a flexible position to perform the various entrepreneurial functions: clear headed especially under pressure.

There must be at hand for founders technical skills and comprehensive psychological empathy to master the right steps in order to avoid risks, to solve problems quickly, to act always creative, to persuade - may be as team player - and to lead exemplarily partners, and to communicate distinctly in-house as well as beyond office. All these and furthermore essential components are indispensable even at the simplest start-up levels.

Of course, the execution of tasks grows with complexity as the business becomes bigger. Preparation of people, who are willing, to enterprise, can be done by information (reading manuals and text-brochures, visiting fairs and exhibitions), using advisory and training services, sponsoring or crediting. Transferring a realistic idea into a business takes time. The more sophisticated the idea the longer the preparation period apart from different conditions by way of interest in establishing a crafts industry e.g. as baker, butcher, hairdresser or painter, always distinguished by the in Germany compulsory master degree, or opening a retail company in the food, furniture or textile sector or lead off a lawyer's chancery according to the permission of the respective chamber.

Differences play a note-worthy part in the aspired case aiming at the creation i.e. of a coffee shop - eventually based on a franchise system or licensing contract - by a 20 years aged female college student without any previous work experience or the desirable taking up of a computer company by three unemployed engineers facing the possible rivalry among already in the neighbourhood existing competitors, who may threaten the newcomers with pressure from substitute offers. Likewise there must be met an adapted preparation for the establishment by a married women with children starting a pet store within an urban district compared with the intended formation of an energy- and ecological-conscious business park at a rural area by two prudent real estate developers.

The motivation, ability and commitment needed to succeed in simple self-employment tasks - mostly observed by merely one or two persons, quite frequently members of a family - are widely diverging from those which are important to realise high technology ambitions.

START-UP PROGRAMME ALTERATIONS

There must be taken into account at least four key directive factors as indispensable during the establishment phase of an independent business considering in each case the expectations either within urban sites or rural locations:

- The liability to set up and sustain the business plan;
- The disposition of the well educated founder to meet responsibly the entrepreneurial, workforce and technical requirements;
- The translation of the carefully prepared measures into action according to the checked validity of the scale of sound ideas and their acceptability in the competitive marketplace;
- The determination of follow-up steps.

Constantly, it should remain conscious during the starting proceedings of the aspired business establishment that the partly imaginative conception of carrying-out must be refined and further developed over time and will then particularly be subject to change once the product or service comes across the critical customer. It is only through clients feedback that market demands are finally completely identified. As well, resource terms can change as business development strategies are pursued, greater personal experience with the process of making and selling the product gained, and greater understanding of different ways of financing the operations exists. The envisaged wish to become self-employed entrepreneur must be investigated rather early in view of the possibility of its virtual realization whether the idea of free-lancing has in prospect a bearing working basis, whether it does function in the practical state of affairs, whether it can meet clearly in advance identified needs, where there is evidence of acceptability and last not least the application of planned measures pays attention to legal regulations.

CORPORATE PLANNING PREVENTS START-UP FAILURES

A significant preliminary groundwork to succeed in enterprise establishment for the first time is the as much, as possible implementation of a planning and controlling process. Beginning an individual activity,
steps for both the initial start-ups segment and the anticipated growth must be drawn up. The secret to
trustworthy plan is to write it down, monitor its translation into action, and revision when circumstances
change.

The business plan reflects a summary of the aims to accomplish by being in everyday occupation. The
business plan - like a road map for adequate way of conduct - is of importance with regard to three major
reasons:

- It encourages realism; it forces to lay down objectives by looking at the project idea in its entirety.
  A consistent plan includes alternatives in case internal or external influences imply to change the
  originally scheduled performance direction.
- The business plan is an operating tool. When it is properly developed and appropriated used, it
  helps; to manage the related facets of the business and to work towards its productiveness.
- The business plan is a proven means for communicating its contents to partners and call to receive
  their cooperation. It mediates the information needed to evaluate the venture vision, especially in
  view of wanted outside financing.

The business plan has to consider explanation of the following items that should be handled to
overcome satisfactorily the start-up challenges:

- a certain exposition referring to the type, status, legal constitution and aims of the new establishment
  as well as what is unique about it;
- a survey of management and staff requirements, their background education and work experience,
  their special duties within and around the terms of business, their responsibilities, their remuneration;
- a location rating whether the facilities of the new settlement are accessible;
- a draft which records what and how is intended to produce or to serve, which describes the range of
  premises and equipment that are necessary, and which names the material suppliers;
- a marketing programme that demonstrates the customers to be gained, their long-term potential and
  how to accomplish their demands;
- a competition analysis covering the conceivable competitors, their standing, market recognition, their
  strengths, but also the weaknesses of each.

Besides the complete business plan may never renounce the specification of sources and applications
concerning the solid financial precaution. To such an operating budget belongs an enumeration of the amount
of working and investment capital, an income and expenditure statement (i.e. including assurance debits, tax
payment obligations, unbalance of credit refunds and interest rates or safety device of liquidity reserves) and a
projected cash flow declaration.

The business plan must give an account of the volume of the production disposition and the
calculation of sales prices to break even. The time frame from start-up preparation until market feedback is
critical since no revenues can be expected before the new enterprise obtains customer money rewards.

Start-up promotion resources in Germany a wide-spread variety of start-up supporters is available at
national, regional or local level (see Appendix). The supply reaches from public authorities to professional
bodies. It covers subsidies, loans, grants and beyond it financial relief to utilize training, advisory and coaching
services. Above all, the Federal Ministry of Economics and Technology provides not only funds to be
administered by the state-owned KfW-Bank (the former Reconstruction Loan Corporation) and forwarded by
the commercial credit institutes, but publishes more over constantly the 11Starthilfell Check-List Manual and
numerous leaflets introducing solutions how to develop the establishment of new enterprises. Also a
CD-ROM Software Package as founding guidance has been elaborated. Concerning the seminar and
consultancy activities, carried out on behalf of the private business associations and chambers, these
organizations can apply for partly public sponsorship in order to reduce the costs of the participants. Rather
helpful to stimulate initiatives in favour of young entrepreneurs are the reports reprinted in supplements of
national economic newspapers or magazines which present case studies that illustrate the ups and downs of
management before and during the founding period.

Additionally, it is to emphasize the increasing appointments of entrepreneurship chairs in Germany at
traditional universities or high-schools of applied sciences. There are nowadays "founder centres" attached.
They serve both as motivators to become self-employed and educators aiming at the own venture creation. In
many places scholarships based on governmental funds are at student's disposal that spends some time
directly in the trivial business everyday practice besides attending theoretical courses, at last it is worth
mentioning the action "Business Leaders in Lecture-Rooms". Mainly arranged by chambers senior business managers or entrepreneurs are invited as participants in round table discussions to explain their working experiences and to advise young people on professional career selection.

OUTLOOK

The essence of qualified young entrepreneurship is lasting commitment. Commitment is to understand to be tied up closely with the degree of personal involvement and exposure. It carries with it, therefore strict engagement to the project of founding an independent business. However, the transposition of the thereby underlying owner-managers ideas can only built up and realized because of the personal and financial sacrifices they have generally to make in achieving success and survival of the created new venture.

APPENDIX

Information Resources on Start-up Promotion Services in Germany (Selection compiled by Dieter Ibielski)

1. Public Institutions
   1.1 Bundesministerium für Wirtschaft und Technologie (BMWi) - Federal Ministry of Economy and Technology
       Scharnhorst-Str. 34-375, D-10115 Berlin
       www.existenzgruender.de
       (Directive Publications "How to prepare self-employment", "How to finance self-employment"; Subsidies concerning training, advisory or coaching programmes etc.)
       www.exist.de
       (University-based start-ups; founder scholarships)
   1.2 KfW-Bankengruppe
       (Former Name: Reconstruction Loan Corporation; state-owned)
       Palmengarten-Str. 5-9, D-60325 Frankfurt/Main
       www.kfw-mittelstandsbank.de
       (Individual consulting services reduced in price, especially for unemployed founders, during all phases of business development; financial grants: initial capital provision)
       www.startothek.de
       (Internet-based platform referring to start-up conditioned requirements such as laws, regulations or any other prescriptions)
   1.3 Initiative für Existenzgründungen und Unternehmensnachfolge (ifex)
       Willi-Bleicher-Str. 18, D-70174 Stuttgart
       www.newcome.de
   1.4 Bundesweite Gründerinnen-Agentur (BGA)
       Willi-Bleicher-Str. 19, 1-70174 Stuttgart
       www.gruenderinnenagentur.de

2. Private Agencies
   2.1 Junioren des Handwerks
       c/o Zentral-verband des Deutschen Handwerks (ZDH) (Central Association of Crafts Industries)
       Mohren-Str. 20/21, D - 10117 Berlin
       www.zdh.de
   2.2 Wirtschaftsjunioren Deutschland (WJD)
       c/o Deutscher Industrie- und Handelskammertag (DIHK) (Central Organization of German Chambers of Industry and Commerce)
       Breite-Str. 29, D-10178 Berlin
       www.wjd.de
   2.3 Bundesverband Junger Unternehmer (BJU) (Federal Association of Young Entrepreneurs)
c/o Arbeitsgemeinschaft Selbständiger Unternehmer (ASU) (Working Committee of self-employed Entrepreneurs)
www.bju.de
www.familienunternehmer.de

2.4 Bundesverband der Selbständigen (BDS) (Federal Association of Self-employed) 
Platz-vor-dem-Neuen-Tor 4, D-10115 Berlin
www.bds-dgv.de

2.5 Arbeitskreis zur Förderung von Gründerinnen und Unternehmerinnen (Working Circle to Promote Female Founders and Business Women) 
c/o Verband Deutscher Unternehmerinnen (VDU) 
Breite-Str. 29, D-10178 Berlin
www.vdu.de

2.6 Business Angels Network Deutschland (BAND) 
Semper-Str. 51, D-45138 Essen
www.business-angels.de

2.7 Alt hilft Jung (Old helps Young) 
Bundesarbeitsgemeinschaft der Wirtschaftssenioren (Federal Working Committee of Economic Seniors) 
Kennedy-Allee 62-70, D-53175 Bonn
www.althilftjung.de

2.8 Senior Experten Service 
Busch-Str. 2, D - 53113 Bonn
www.ses-bonn.de

2.9 Bundesverband Deutscher Innovations-, Technologie und Gründerzentren (ADT) 
Jager-Str. 67, 0-10117 Berlin
www.adt-online.de

2.10 Bundesverband Deutscher Unternehmensberater (BDU) (Federal Association of German Management Consultants) 
Zitelmannstr. 22, D-53113 Bonn
www.bdu-de

Dieter Ibielski and Antal Szabó at the Chairman Desk of the BSEC Workshop on „Development of Youth Entrepreneurship and Start-ups“ held in Istanbul
EU YOUTH IN ACTION PROGRAMME AND YOUTH INITIATIVES IN TURKEY

ABSTRACT – The debate on the future of Europe is up and running. The message that has been coming across clearly over the recent years in the political life of Europe is that the EU must take shape with the people of Europe. It is important that consultations on the way the EU will develop and on its form of governance should include the people to whom tomorrow’s Europe belongs.

Listening to what young people have to say and offering a forum for local initiatives, encouraging the EU Member States to cooperate more effectively, coming up with concrete ideas under existing European programmes, and giving the “youth” dimension a higher profile in all policy areas.

In 1988, the EU launched the Programme Youth for Europe, which supported exchanges between young people from different countries. In 1996, the European Commission went beyond exchanges and proposed a Community Action Programme for a European Voluntary Service for young people. In April 2000, the Council of Ministers and the European Parliament adopted the YOUTH Programme, covering the period 2000 to 2006. On 15 November 2006, the European Parliament and the Council adopted Decision No 1719/2006/EC, which establishes the Youth in Action Programme (YiA) for the period 2007 to 2013.

The aim of the YiA Programme is to encourage young people to make an active contribution to European integration, to developing intercultural understanding, strengthening fundamental values such as human rights and combating racism and xenophobia, developing a sense of solidarity, encouraging a spirit of enterprise, initiative and creativity, stimulating the recognition of non-formal education, and strengthening cooperation on the part of all people active in the youth field.

Non-formal learning refers to the learning which takes place outside formal educational curriculum. Non-formal learning activities involve people on a voluntary basis and are carefully planned, to foster the participants personal and social development.

Informal learning refers to the learning in daily life activities, in work, family, leisure, etc. It is mainly learning by doing. In the youth sector, informal learning takes place in youth and leisure initiatives, in peer group and voluntary activities etc.

Non-formal and informal learning enables young people to acquire essential competences and contributes to their personal development, social inclusion and active citizenship, thereby improving their employment prospects. Learning activities within the youth field provide significant added value for young people as well as for the economy and society at large.

The Youth in Action Programme is a key instrument for non-formal and informal learning in a European dimension.

Non-formal and informal learning activities within the Youth in Action Programme are complementary to the formal education and training system. They have a participative and learner-centred approach, are carried out on a voluntary basis and are therefore closely linked to young people’s needs, aspirations and interests.

Key Words: Formal Education, Non-formal and Informal Learning, Youth in Action Programme, Youth Initiatives

INTRODUCTION

Decision No 1031/2000/EC of the European Parliament and of the European Council of 13 April 2000 established the YOUTH Community Action Programme, which set up the legal framework in support of non-formal educational activities for young people, to run from 2000 to the end of 2006. The Programme includes activities already existing under previous programmes such as “Youth for Europe” and “European Voluntary Service”.

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3 Information in this Section has been gathered from user guides, information notes and presentations developed for the introduction and implementation of the YiA Programme.
On 15 November 2006, the European Parliament and the Council adopted Decision No 1719/2006/EC, which establishes the Youth in Action Programme (YiA) for the period 2007 to 2013.

YiA Programme is the successor of the YOUTH Programme (2000-2006). Building on the experience of the previous programmes for youth, YiA Programme is the result of a large consultation with the different stakeholders in the youth field and aims to respond to the needs, aspirations and interests of young people at European level.

YiA Programme is the EU Programme for young people aged between 15 and 28 (in some cases 13-30) who are legally resident in one of the Member States of the European Union or other Programme Countries. It aims to inspire a sense of active European citizenship, solidarity and tolerance among young Europeans and to involve them in shaping the Union’s future. It promotes mobility within and beyond the EU’s borders, non-formal learning and intercultural dialogue, and encourages the inclusion of all young people, regardless of their educational, social and cultural background.

The general objectives of the YiA Programme are to allow young people to acquire knowledge, skills and competences which may be one of the foundations of their future development, to promote an active contribution by young people to the building of Europe through their participation in transnational exchanges, to foster active citizenship on the part of young people and to enable them to become responsible citizens, to encourage young people’s initiative, enterprise and creativity so that they may take an active role in society, to promote respect for human rights and to combat racism and xenophobia and to reinforce cooperation in the field of youth.

YiA Programme operates for the interests of young people and young workers. Every year, thousands of projects are submitted by promoters in order to get financial support from the Programme, a selection process aims at granting the best projects. YiA Programme also provides information, training and opportunities for young people to develop new partnerships across Europe and beyond.

In order to achieve its objectives, the YiA Programme foresees five operational Actions. These five main Actions are Action 1- Youth for Europe, Action 2- European Voluntary Service, Action 3- Youth in the World, Action 4- Youth Support Systems and Action 5- Support for European Cooperation in the Youth Field.

Youth Exchanges as a sub-Action under Youth for Europe offer an opportunity for groups of young people from different countries to meet and learn about each other’s cultures. The groups plan together their Youth Exchange around a theme of mutual interest.

Youth Initiatives sub-Action support group projects designed at local, regional and national level. They also support the networking of similar projects between different countries, in order to strengthen their European aspect and to enhance cooperation and exchanges of experiences between young people.

Within the frame of Youth for Europe, Youth Democracy Projects sub-Action support young people’s participation in the democratic life of their local, regional or national community, and at international level.

The aim of the European Voluntary Service is to support young people’s participation in various forms of voluntary activities, both within and outside the European Union. Under this Action, young people take part individually or in groups in non-profit, unpaid activities.

Youth in the World supports projects with Neighbouring Partner Countries- Mediterranean partner countries, the Eastern European and Caucasus and South East Europe countries- namely Youth Exchanges and Training and Networking Projects in the youth field and also concerns cooperation in the youth field, in particular the exchange of good practice with Partner Countries from other parts of the world. It encourages exchanges and training of young people and youth workers, partnerships and networks of youth organisations.

Youth Support Systems aims to further strengthen the quality in youth work, to make better use of the full potential of face-to-face communication and information technology to reach a wider range of young people in general and to provide them with in-depth information about YiA Programme priorities and support the projects aimed at introducing, implementing and promoting innovative approaches in the youth field.

Meetings of young people and those responsible for youth policy supports cooperation, seminars and structured dialogue between young people, those active in youth work and those responsible for youth policy.

Every year, thousands of projects are submitted by young people and youth workers in order to get financial support from the Programme, a selection process aims at granting the best projects.
IMPLEMENTATION OF YiA in TURKEY

Following her recognition as a candidate for EU membership in Helsinki in 1999, Turkey signed a Memorandum of Understanding on 15 April 2004 with the EU for her participation in “European Union Education and Youth Programmes” included in the National Plan in 2001. With this Memorandum, Turkey has become the 31st country to participate in the European Union Education and Youth Programmes. As of 1 April 2004, Turkey has fully participated in the second term of the EU Education and Youth Programmes (2000-2006) after an 18-month preparation period.

As in all other participating countries of the YiA Programme, a department was established to serve as implementing and coordinating body, namely the Turkish National Agency, in January 2002, with the decision of the Council of Ministers, affiliated to the Undersecretariat of the State Planning Organisation (SPO). This department was transformed into a Centre, independent from the SPO, with the Law No. 4968 enacted by the Parliament in August 2003, and named as the Centre for European Union Education and Youth Programmes (ABEGPM). This Centre serves to manage YiA Programme funds allocated to Turkey, to supervise the accepted projects, evaluate and disseminate the outcomes of the projects, and provides information and recommendation to the beneficiaries. The Turkish National Agency is a connection between the European Commission, project owners, project beneficiaries and the Turkish youth.

The target audience of the YiA Programme in Turkey can be expressed as youth groups, young people with fewer opportunities, young people willing to benefit from European Voluntary Service, youth organisations, youth leaders, project leaders or organisers, local authorities (municipalities, governorships, etc.) and non-governmental organisations and those working on youth-related issues or on non-formal training.

In the context of Turkey, handicapped youth, young people from socio-economically disadvantaged families and young people that have not benefited from the YiA Programme before or that have not an overseas experience are taken into consideration for evaluation of the applications. Contribution to the employability of the young people and to the improvement of their skills, and promotion of the country and its culture are other national priorities.

The Center for EU Education and Youth Programmes received close to 20,000 projects since 2003 in different themes such as environment, protection of cultural and historical heritage, arts and culture, rural/urban development, equal opportunities, prevention of racism, youth information, spare time activities, sports, media and communication systems, European consciousness and health.

IMPACT ASSESSMENT OF THE YiA PROGRAMME (2003-2006), TURKEY CASE

An impact assessment programme has been conducted for measurement of the social, sectoral and economic outcomes of those projects supported under the YiA Programme that was implemented in Turkey during the 2003-2006 period.

In this regard, the assessment programme is shaped and guided through an analysis of long-term YiA Programme implementation and impact of the Programme on the target audience.

In parallel with a demand from the Turkish National Agency, it was planned to include 900 individuals from 14 provinces, two from each of the seven geographical regions. As also stated by the Turkish National Agency, it was decided to select 100 individuals from amongst the project leaders, and 800 from the project beneficiaries.

Questionnaires were mainly completed during face-to-face interviews. The ones in other countries were contacted through electronic mail (0.5%), whereas the ones with transportation difficulties were contacted by telephone (5%).

An overall evaluation of the Programme shows that the beneficiaries of the YiA Programme are satisfied with the projects both in terms of general and personal objectives and that they believe they will use what they have learned in the future.

One significant finding is that the YiA Programme has had a positive impact on the beneficiaries by helping them develop their skills and personal characteristics. 53% of the respondents believed that

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4 Information in this section has been gathered from the National Report on Implementation and Impact Assessment of the YiA Programme (2003-2006), Turkey Case prepared by Dr.Soner YILDIRIM and Dr.Müge ADNAN, June 2007, Ankara
participation in the project definitely improved their solidarity feelings, 50% believed that their creativity was definitely improved, and 50% of the respondents believed that the project definitely improved their skills for taking initiative. As to definite improvement of entrepreneurial skills of the beneficiaries, the ratio went up to 60%.

Furthermore, important findings are obtained showing how the Programme has promoted the support and contribution to human rights and fight against racism and xenophobia. 72% of the respondents agreed on the support of the YiA Programme for basic values such as human rights and fight against racism and xenophobia. Similarly, 53% of the respondents strongly agreed that the YiA Programme encouraged learning and interaction amongst the cultures, whereas only 3% strongly disagreed with that idea. In addition, 81% of the respondents believed that the beneficiaries of these projects were informed about various cultures during the implementations.

It may be concluded that the YiA Programme has various levels of impact on ideas and viewpoints of the beneficiaries on the European Union. In this regard, 22% of the respondents believed that the Programme definitelty contributed to understanding the concept of the European Union and in being European, and 40% believed it contributed to the understanding of these concepts. Nevertheless, 21% of the respondents remained undecided about this issue.

In general, the beneficiaries consider the YiA Programme to be a positive influence on the youth policy of the European Union.

A total of 70% of the respondents believed that the YiA Programme contributed to development of youth policies at the European level. Similarly, 68% of the respondents believed that the Programme contributed to the development of youth organisations. In a more general manner, 64% of the respondents believed that the YiA Programme contributed to creation of a knowledge-based Europe, whereas total 10% disagreed with this idea.

Both personally and in terms of interaction within the group subject to this evaluation, it is observed that the YiA Programme has a positive individual influence on problem solving skills, the delegation of roles and responsibilities, social participation, and the learning or improvement of a foreign language.

91% of the respondents stated that they improved their project development and implementation skills, and a total of 94% pointed out the development of team spirit. In this regard, 85% of the respondents agreed that their participation in the projects improved their problem-solving skills. 93% of the trainers, project leaders and potential beneficiaries believed that their consciousness on delegation of responsibility was improved within the framework of the YiA Programme and 92% believed that the Programme strengthened their social participation. 61% of the respondents believed that the Programme contributed to learning or improving a foreign language, whereas 60% believed that it directly improved their knowledge of a foreign language.

In terms of employment opportunities, it is observed that the YiA Programme contributed to the employment opportunities. Project leaders and beneficiaries thought that they improved their professional capacity with the projects they participated in. In this regard, 85% of the respondents strongly agreed on the positive impact of the projects on their professional capacity. Besides this improvement in the working capacity, 45% of the project leaders and beneficiaries strongly agreed that their skills were improved by their participation in the projects.

31% of the respondents strongly agreed that the YiA Programme increased their chances in the business world. However 6% strongly disagreed with that statement. Nevertheless, the project leaders stated that their participation in the YiA Programme was a positive point to add to their resumes. This shows that the participation in the YiA Programme plays an important role in increasing the participants’ future chances in the world of business.

SUMMARY

In the light of these findings, it was clear that the impact of the YiA Programme was quite positive on the beneficiaries. A major part of the respondents pointed out the positive developments in their knowledge, skills and attitudes due to their participation in the projects. They also added that these developments were not only limited to their lives, but extended to the lives of their friends and families.
Today I want to talk about the ‘supports’ given to Young businesspeople under three major headings, however before talking about these I want to define the word entrepreneur – noun Entrepreneur, translated from its French roots, means "one who undertakes." The term Entrepreneur is used to refer to anyone who undertakes the organization and management of an enterprise involving independence and risk as well as the opportunity for profit.

The three major headings that I want to concentrate today will be:
1 – The support of the civil society organizations
2 – Governmental supports
3 – Mentorships

Talking about the support of the civil society organizations, I would like to go over the applications at TUGIAD and want to underline some of the practices that we started to implement and the outcomes that we are expecting this year and the coming years. At TUGIAD we have devoted this year as the “support year of women entrepreneurship and by all means the support of the young entrepreneurships”, we are leading project for increasing the number of women in business life, support them in different fases.

We are also leading other projects for young entrepreneurs:
• we have on going project at the universities for sharing our entrepreneurship experiences and also we try to give some tips about how to reach the success in business life;
• we announced 2009 as the women entrepreneurs year and
• we formed a project with the Istanbul Technical University about the new energy system in the world, our aim is to be informed by the new technologies and also make the first trials and evaluations for Turkey.

As we all know governments always support the research/development and innovation and export and manufacturing and small- and medium enterprises with various incentives, aids and financial supports. In Turkey, we have various institutions that promote these supports. For example KOSGEB, TUBITAK are some of them. At these institutions the support is awarded to the projects, to the companies and/or to the various applications at the operational levels like participating to the fairs, preparing company brochures etc.

To promote the young generation and to encourage them to enter to the new business areas, the right level of information should be available and these to-be-entrepreneurs should have easy and free Access to this information at any time. Every detail of the business environment covering the laws, accounting, type of legal entities, the brand registration, the bank relations etc should be prepared and should be made available to anybody who needs this information.

Financial support is of course the curicial motivator however we should keep in mind that the motivation and the knowledge is the power. And with this power the young people become more motivated.

Whichever entrepreneurial direction they choose, they should select a business structure that works for them and their family. Many businesses start as sole proprietorships or partnerships. However, these structures have unlimited personal liability for company debts. As a result, many business owners opt to incorporate or form a limited liability company (LLC) to protect their families and financial interests. Businesses may change structure at any time. All these details should be presented to them to make life easier for them and to share all the experience with them. For example, the credibility with the vendors and suppliers, the taxation issues, the accounting matters should all be given so that these people should only concentrate on business matters and not to loose time on the already-known items.

Easy-access information on how to set up a new company is the crucial step in order to develop and to support young business people and contribute to the creation of a business environment for the youth.

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5 Paper presented at the BSEC Workshop on „Development of Youth Entrepreneurship and Start-ups”, 1-3 April 2009 in Istanbul
Apart from the easy-access information, the financial aids, supports, incentives should also be present.

As we all know, embarking on the journey of starting your own business can be a little overwhelming if you don't know where to begin and haven't done your homework. Every new business entrepreneur should use research tools to help better themselves and their business; that's why they should out there and quite easily accessible.

I want to go over the general headings of the ‘start-up tools’ that should be available to every young entrepreneur:

The success stories: There are flourishing businesses everywhere and they certainly didn’t get that way overnight. The owners and founders of these companies had to start somewhere, and they more than likely know the ropes to climb.

Attending to seminars, classes, or workshops that are available to them. Seminars can be attended in person or even taken online.

Utilization of the internet. Blogging is so popular that it’s hard to find an individual who doesn’t have one. What other business entrepreneurs have done, what you shouldn’t do, and how to do things right. There are many websites that provide forums and chat rooms where you can connect with other people in your industry. These same websites also offer tools of their own, such as reference websites, educational articles, recommended reading, and the chance to become a member and get your presence out there. State and city websites are also fountains of knowledge as they can help you access laws, frequently asked questions, organizations, and other helpful information.

Becoming a member of a club or association that will bring the exposure to your target clientele and fellow business entrepreneurs. Often there are groups of successful yet retired entrepreneurs, business owners, and company founders that band together to help out the young ones. They often assign you a mentor to provide advice and insight and they’re willing to do it for free. For example, BEYAZ NOKTA GELİŞİM VAKFI is one of them. The Volunteered Mentors are giving advices and mentoring the young university graduates throughout their future career plans.

Take their advice and apply it to your business if it fits, or store it away for future use. Ask lots of questions and don’t be too proud to admit you don’t know it all! Inspiration is the best motivator known to man, and there’s nothing more inspiring than seeing and being in the presence of successful entrepreneurs that have accomplished the very goal you’re trying to attain.

The mentors are concentrating on the following topics:

1. Fostering entrepreneurship spirit among youth and encouraging them for asking creative initiatives.
2. Offering guidance to young businessmen to manage their businesses on the scientific, technical and modern management basis.
3. Motivating young businessmen to create jobs for themselves rather than to look for them.
4. Promoting a culture of professional administrative work for the young businessmen.
5. Exchange of experiences with similar Turkish and international entities.
6. Highlighting the experiences of successful entrepreneurs.
7. Highlighting the promising investment sectors in the country.
8. Enhancing the competitiveness of young businessmen's enterprises.
9. Cooperation and coordination with relevant agencies and stakeholders to develop a healthy environment for projects.

Program’s objectives:

• Raising the efficiency of the young businessmen when facing challenges.
• Developing the skills and increasing the knowledge of the young businessmen.
• Transfer of expertise.
• Supporting the young businessmen in setting objectives and how to meet them.
• Participating in finding reasonable solutions for obstacles faced by young businessmen.

We all know that to help young entrepreneurs and micro enterprises to identify gaps in their business knowledge addressed these with a 'development plan' that is both relevant and achievable is the key to the business world.

In order to motivate these people and to have them in the business we should cooperatively spread the knowledge and we should always remember that knowledge is the power. They definitely need the POWER…
ROLE AND OBJECTIVES OF ENTREPRENEURIAL EDUCATION IN EU

On 25 October 2007 the European Economic and Social Committee - EESC adopted that “entrepreneurship in its broadest sense, which can stimulate and encourage innovative and creative mindsets, should be highlighted in the Lisbon Agenda as one of the key tools to generate more growth and better jobs”; “public and private actors should be mobilized to develop the entrepreneurial mindset in its broadest sense”.

“Entrepreneurship is about people, their choices and actions in starting, taking over or running a business, or their involvement in a firm’s strategic decision making. It covers an individual’s motivation and capacity, independently or within an organization to identify an opportunity and to pursue it in order to produce new value or economic success…”

(Source: Commission of the European Communities, Green Paper – Entrepreneurship in Europe, Brussels, 2003, p. 5)

Nowadays we can observe an increasing interest to “entrepreneurship” therefore it is not an abstract concept anymore.

Needs for Entrepreneurial Education

EU documents ([1], [2], [3]) and statistical data shows that to develop the entrepreneurial thinking of the employee is a necessity, it can contribute to the positive growth of different economical indicators.

The Final Report of the Expert Group (March 2008) of the European Commission - Entrepreneurship in higher Education, especially within non-business Studies - remarks that: “The important role of education in promoting more entrepreneurial attitudes and behaviors is now widely recognized.” ([4])

In the same document we can find the guideline of those activities which can contribute to the economic growth formulated as: “If it is to make a success of the Lisbon strategy for growth and employment, Europe needs to stimulate the entrepreneurial mindsets of young people, encourage innovative business start-ups, and foster a culture that is friendlier to entrepreneurship and to growth of SMEs”.

The new request of the EU to revitalize the economy underline that Europe needs more people willing to become entrepreneurs. To understand this request, to formulate an adequate training program which can develop competencies or to built up curricula to improve knowledge we have to know the main characteristics of those people who are characterized by entrepreneurial thinking.

If we can adopt that Europe need ([1]):
- people with an enthusiastic vision,
- people who can promote the vision with enthusiastic passion,
- people who can develop strategies to change the vision into reality with persistence and determination,
- people who can take the initial responsibility to cause a vision to become a success,
- people who take prudent risks,
- a positive thinker and a decision maker

we can accept, we can understand the remark: “no entrepreneurs, no development”.

The entrepreneurial activity has also studied by many academic researchers. The published papers show the connection between the entrepreneurial activity and its positive impact on employment generation ([5], [10], [11], [12], [13]) and on economic growth ([14], [15], [17]).
Framework of the Entrepreneurial Education

"Entrepreneurship education contributes to the development of innovative thinking and entrepreneurial behaviour of the youth and contributes to improved student academic performance."

(Dr. Antal Szabó, Scientific Director of EREN Network)

It’s very important to understand, to describe, to define what it means “entrepreneurship”. Without the clarification of this concept is not possible to determine the modalities, the instruments for the improvement of entrepreneurial education.

Based on the literature the entrepreneurship refers to an individual’s ability to turn ideas into action and is therefore a key competence for all, helping young people to be more creative and self confident in whatever they undertake. The purpose of entrepreneurship education is much wider than training on how to start a business. This aspect is the most important. Based on this interpretation of entrepreneurship education the specialists, the trainers, the teachers can be enrolled in two categories. One direction sustain that the success of the education can be measured by the number of new firms, businesses built up by the persons who participated on training. Only this percent is valuable. This opinion is not in concordance with the EU request. Statistical data shows that if the employee is person with an entrepreneurial thinking than all enterprise can benefit from that, so the entrepreneurial thinking can be influence the economic growth. This aspect is very important and based on this large interpretation we can understand the necessity of the introduction of entrepreneurship education in curriculum.

Education and training across all ages and abilities must stimulate personal attributes and improve the horizontal skills as creativity, initiative, must promotes innovation, self-confidence and potential of all individuals.

Professor Allan Gibb PhD, from University of Durham formulates the main characteristics of the entrepreneurial behaviors, attributes and skills.

Based on his work, published by the National Council for Graduate Entrepreneurship Towards the Entrepreneurial University, (see [9]):

The entrepreneurial behaviors mean:
- opportunity seeking and grasping,
- taking initiatives to make things happen,
- solving problem creatively,
- managing autonomously,
- taking responsibility for, and ownership of, things
- seeing things through,
- networking effectively to manage interdependence,
- putting things together creatively,
- using judgment to take calculated risks.

The entrepreneurial attributes are described as:
- achievement orientation and ambition,
- self-confidence and self-belief,
- perseverance,
- high internal locus of control (autonomy),
- action orientation,
- preference for learning by doing,
- hardworking,
- determination,
- creativity.

Allan Gibbs describes the entrepreneurial skills as competency for:
- creative problem solving,
- persuading,
- negotiating,
- selling,
- proposing,
- holistically managing business/projects/situations,
- strategic thinking,
- intuitive decision making under uncertainty,
- networking.

The OPINION of the EESC SOC/242 Brussels (2006, see [16]) recommends that the entrepreneurship education should be organized as a complementary training. On this way different competencies can be developed on each level, such as:

- **In elementary schools** (7-11 years) – the training help students to have more faith in themselves, through making and accepting responsibility, exploring their creativity through trial and error and learning about the resources of their local community.

- **In lower secondary school** (11-15 years) – students develop core skills such as decision making, ability to work in a team, problem solving and establishing networks.

- **In upper secondary school** (15-19 years) – learning through doing and applying practice and theory whilst incorporating resources, finances, and environment, ethics and working-life relationships can be developed by establishing youth enterprises.

- **In higher education** – the training purpose can be developing products, identifying business opportunities, customer and market relationships. To improve creativity and innovation is important, are all part of business planning and in establishing and running a company.

The Final Report of the Expert Group (March 2008) of the European Commission (4) proposes for higher education institutions to offer interdisciplinary courses to cover main aspects such as: generating ideas and recognizing opportunities, creating a new venture/organisation, growing a young venture. It considered very important also the innovation management, corporate entrepreneurship and intrapreneurship, entrepreneurial management, entrepreneurial marketing and finance, corporate succession.

In this respect, to make real progress, curricula for schools at all levels could be including entrepreneurship as an objective of education.

To organize the entrepreneurship education and training it’s crucial to build up a university network in order to support a dynamic cultural change across society. The teachers of entrepreneurship are really missing in Europe. There is a need to graduate enough PhD students in entrepreneurship who can become teachers.

Universities must work together to promote to the state the following requirements. In the following we enumerate some aspects of how and what can be done:

- Early start, with the basis for entrepreneurial training and education;
- Create supplementary entrepreneurial programmes within the national curriculum from primary school to higher education;
- Make positive and effective cooperation between schools/universities, businesses and governmental bodies;
- Improve the involvement of teachers - benefits the youth personal development;
- The drawing up of educational programmes for entrepreneurship should involve both employers and employees;
- Strong involvement and presence of civil society in the learning process.

To build up an efficient entrepreneurial education must be taken into account the importance of female entrepreneurs in schools with the aim of fostering a positive balance between women and men.

The economic imperative:

“Expanding the involvement of women in entrepreneurship is critical for long-term economic growth”, is formulated in GEM, (2002).

It’s very important to have in view that entrepreneurship must be fostered equally amongst disabled persons and other disadvantaged groups.

It’s needed to review the best practice in entrepreneurship education in selected old, new and candidate EU countries, as well as in North America (Canada and USA) in all hierarchical level including undergraduate and postgraduate studies, like bachelor, master and doctor degree.

The Entrepreneurship Research and Education Network of Central European Universities – ERENET – was hired to assist in implementing the activities of the Project on Benchmarking of Entrepreneurship Education in selected EU and North-American countries lead by Petru Maior University of Tirgu Mures, Romania. In the Project (CNCSIS Project no. 42GR/14. 05.2007 CNCSIS code 476) the following countries took part:
EU members (Poland, Slovakia, Germany, Slovenia, Hungary, France), non EU member countries (Croatia), USA, Professional affiliations (Canada, Belgium).

In the following we present some relevant data regarding overview of entrepreneurship education in Europe. Figure 1 indicates how important entrepreneurial education is considered in the country which participates in the project:

![Figure 1](image1.png)

The data show that the partners were well selected for the project purpose.

In the selected countries not only the academic area organizes entrepreneurship training programs (figure 2).

![Figure 2](image2.png)

We are interested to what extent the universities participation in entrepreneurship education in the selected country is considered (figure 3). The data indicate that there is a need to analyze the possibilities and to organize entrepreneurship education in universities.

![Figure 3](image3.png)
Figure 4 shows how the development level of entrepreneurial education is considered in selected universities:

![Figure 4](image)

Figure 4

Figure 5 indicates that the students are really interested in entrepreneurship education to start their own businesses.

![Figure 5](image)

Figure 5

Madi Sharma, **UK Representative of the European Economics & Social Committee (Brussels)** on Entrepreneurship Education Round Table, (6 June, 2008, Tîrgu Mureș, Romania) underlined that greater knowledge transfer between educational establishments, including higher and further education, to share information and streamline programmes aimed at university students but there is more to be done in streamlining the teaching between universities in the East EU and West EU, as well as other international University programmes.

It’s needed the access in quantitative and qualitative terms the presence of entrepreneurship courses and programs in European higher education institution.

Creating complementary disciplines for students and graduates (less economists) is considered important by the universities which participated in project as the next figures indicate (figure 6, figure 7, and figure 8). The necessity to involve entrepreneurs in training programs is widely recognized the case studies are considered the most important.

![Figure 6](image)

Figure 6
Figure 7

Figure 8

It is important to remark that the Information Communication Technology (ICT) tools and particularly the Web-based environment can be utilized successfully to develop international entrepreneurship competencies (see: Rudolf Sinkovics, J.Bell, and Kenneth Deans 2004).

In this respect particular competencies can be:

- **interpersonal competence** (oral and written communication, qualitative thinking, coping with ambiguity);
- **intra-personal competence** (supplement real-world education, overcome “loneliness of long-distance student”);
- **organizational competence** (web-enabling traditional marketing research knowledge, managing electronic feedback, evaluating online-source quality);
- **awareness/understanding of e-commerce and electronic transactions**;
- **skills to work with modern programs to accomplish daily tasks**;
- **international business competencies on operational level**.

The entrepreneurial culture can be promoted supporting training programs for the development of entrepreneurial skills. It’s recommended to bring education closer to the real life.

Dr. Marshall Goldsmith was named by the American Management Association as one of 50 great thinkers and leaders who have influenced the field of management over the past 80 years. His advice for the young that transcends age can be read in the following:

“My advice for young people from the West who are just entering the workforce is simple:

- It is tough out there, and it’s only going to get tougher.
- Forget about security.
- Like it or not, even if you start out with a large corporation, you are going to be an entrepreneur.
- Make peace with this reality, and your life is going to be a lot better.
- Forget about taking a year off.
- Don’t spend your adult years “finding yourself”.
-Unless you are rich, don’t buy the flat screen TV. When you are poor, life as a poor person; don’t try to live like a rich person.
-And, like any great entrepreneur, invest your time and money in your future.”

Key Teaching Methods

“Quality is never an accident; it is always the result of intelligent efforts”.

In the previous paragraph 3.5.3.2, based on the literature, we analyzed the entrepreneurship education concept.
Thus, based on that the primary purpose, the entrepreneurship education can be considered as education which develop entrepreneurial capacities and mindsets.
If we have the purpose of the course/training program, if the general, specific and operational objectives are formulated then can be choose adequate teaching methods and tools. In UK, the National Council for Graduate Entrepreneurship, formulate the objectives of linking the desired entrepreneurial behaviors and skills to be acquired by students. This material enumerates 11 skills with 31 different pedagogies and shows the relations between them (www.ncge.org.uk).
It’s a general interest (preoccupation) to introduce the entrepreneurship/innovation teaching in curricula at all levels of educational system and to establish adequate key teaching methods. In this respect must be formulated a number of basic questions:
-what is the value of entrepreneurship, how can be define the success of the education – in number of businesses started after the education/training or can be formulated indicators to measure the impact of the entrepreneurial thinking?
- when and on which level it’s optimal to teach about entrepreneurship, to teach in entrepreneurship and to teach for entrepreneurship?
- how can be choose the target group and in which context is appropriate to teach ( only in education system –elementary, lower secondary school, upper secondary school, universities, PhD schools or outside this system or some combination) ?
- what are the goals of the teaching effort?
-which pedagogy and teaching methods are most adequate, most appropriate in order to achieve the proposed goals?
The most preferred teaching tools/ methods by experts which can improve entrepreneurial skills are based on: group and team techniques for creating new business ideas and for the use of case studies. Other tools which can consolidate these two categories can be business planning workshops (brainstorming techniques), inviting guest speakers (entrepreneurs) and business simulation.
The entrepreneurship education can be explored through the combination of classroom teaching with the analysis of case studies and with invited lecturers. Students must be encouraged (workshops, competitions, charity fund-raiser activity, setting up mini companies, to sell a product or provide a service etc.) to plan to set up and execute their own business projects. The methods must based on undertaking some practical entrepreneurial activity and creativity exercises which means that to promote entrepreneurial spirit a sustainable pedagogical change is needed.
It’s a necessity to separate skills from education and to have in attention: “The world our children are going to live in is changing four times faster than our schools. (Dr. Willard Dagget, Director International Centre for Leadership and Education). The pedagogy can become an instrument in the development of entrepreneurial culture (see [9]).
In the Communication “Fostering entrepreneurial mindsets through education and learning” (13.02.2006, COM (2006) 33 final) are formulated the teaching methods of promoting a more open mindset towards entrepreneurship for each level of education.
At primary level (below the age of 14) with the improvement of qualities such as creativity, spirit of initiative can be developed entrepreneurial attitudes. This is best done through active learning based on children’s natural curiosity. Methods include working on projects, role games, simple case studies and visits to local enterprises. Later these can combine creativity, innovation and a simple concept of business (for example-pupils selling products in school markets). The purpose is to encourage the pupils’ creativity, to develop their ideas and enter them into a competition. Winners must receive prizes.
At secondary education level (from the age of 14) should improve students’ awareness of self-employment and entrepreneurship as options for their future career. Entrepreneurial mindsets and skills can be promoted through learning by doing by practical projects and activities. It is recommended to teach about the entrepreneurship. Programs can have a specific focus on learning about business in practice by means of students running mini-companies.

It is very important to offer for the teachers support and incentives to sustain them in this type of activities (encouraging partnerships between schools and enterprises, financing pilot projects in the schools, disseminating good practice).

In higher education, universities and technical institutes should integrate entrepreneurship as an important part of the curriculum. To combine the scientific knowledge with the entrepreneurial competences can help successfully the students, researchers to better commercialize their ideas.

It’s remarkable the Danish experience. In 1995, the Danish Parliament decided a strategy to promote entrepreneurship/innovation teaching at all levels of the educational system. The implementation of the strategy largely failed but by a number of new initiatives introduced in 2001, 2004, 2006 and an adequate policy implementation permitted for the specialists the formulation of conclusions, the factors of success and risks (see Torben Bager, ERENET Profile 2007, Vol. II No.4, pp. 3-8). The International Danish Entrepreneurship Academy (IDEA) in 2005/2006 explored the pedagogy and teaching methods applied at Danish universities and colleges.

The responses of teachers demonstrate that many universities and colleges also engage students in extra-ordinary entrepreneurship teaching and training activities such as business plan competitions and the organization of short term innovation camps involving business people (28%). They underline the need that the students to be activated and energized through an appropriate package of modern methodologies rather than exposed to a high dose of traditional lecturing. The students are trained in finding the correct answer or solution to a problem. The study shows that the class-room discussion must be encouraged and the teacher has to change his or her teaching role and style from the authoritative knowledge-transfer role to the facilitator of student-learning-processes role.

The applied and appropriate teaching methods at Danish universities and colleges are:
- project based teaching
- lecturing
- group teaching
- exercises
- involvement of people with practical experience
- collaboration with businesspeople/enterprises
- internships
- e-learning tools
- role play
- laboratory work
- computer simulation

(Source: www.idea-denmark.dk)

One of the roles of entrepreneurship education can be the stimulation of the technology transfer and the commercialization of the academic research.

Based on that, can be applied by all institutes who are interested in entrepreneurship education, the following most relevant measures ([2]):
- Improve partnership between universities and SME sector.
- Improve partnership between regional government, high schools and SMEs
- Enable students to achieve practical experience in small enterprises during their study.
- Involve successful entrepreneurs in education process for example on basis of guest speakers.
- Create conditions for establishing practical teaching centers at small enterprises (SME companies).
- Bring education closer to the real life.

In this respect by Torben Bager the collaboration can be realized as a two-way process, with entrepreneurs from business being involved in teaching at the university and students being involved in projects inside firms and organizations.
Particularly promising methods are:
- the camp model with students, teachers and business people working closely together during a
determined period (one, two days) to solve innovation problems
- internships with students being “adopted” during a longer period by a concrete firm and
organization.

The major steps improving sharing experiences and transferring the knowledge and skills from
entrepreneurs to students can be:
- organizing mentoring programmes for students;
- organizing discussions between students and entrepreneurs;
- fostering cooperation among SMEs to exchange their experiences;
- put into practice the experience of US entrepreneurs realizing their dreams, boosting changes
and learning from own failures;
- set up business incubators for start-ups;
- the local best practice studies to build into entrepreneurship curricula.

The effective cooperation can be successfully for both parties. Students and teachers have something
to contribute to enterprises, based on their theoretical knowledge and SMEs have something to contribute to
universities based on practical knowledge. In this respect for universities the collaboration should be long term
oriented (building start-ups, development of new entrepreneurship courses and study programs) and for the
enterprises can be obtained short term benefits (through involvement of student groups and teachers in
innovation activities, to develop radical innovation ideas, the connection to research activities).

To encourage this cooperation is recommended the mobility of teachers between universities and
businesses, to increase the number of part time positions, invited lecturers positions, to create a new category
of teachers who have substantial entrepreneurial and business experience and limited research experience. It’s
important to work to reduce the gap between the world of business and the world of research and teaching.

“In the entrepreneurship field there are often many possible solutions and no single correct one.”
(Torben Baget)

Towards The Entrepreneurial University

In the last period research papers, studies, articles has been written about the nature of pressures for
change in the high education sector.

World-wide can observed shift of universities from traditional roles of education provider and
knowledge creators to incorporate additional role of commercialization of knowledge and contribution to
development of private enterprises and regional economy (Etzkowitz at al.2002).

The literature on university entrepreneurship is rapidly expanding in both the US and Europe. A
briefly overview but a comprehensive and detailed literature analysis of the stream of research on university
entrepreneurship (173 academic articles published worldwide in refereed journals, between 1981 and 2005) are presented
by F.T.Rothaermel, Shanti D. Agung and Lin Jiang (see [17]).

Professor Poh-Kam Wong, Director of Entrepreneurship Centre, Natural University of Singapore
showed that the greater imperative to shift to entrepreneurial model is the less autonomy from government and the
lack of readiness of industry – private enterprises have low demand and ability to commercialize university
knowledge. He formulated, based on the experience, the following factors for success in implementing an
entrepreneurial university model:
- leadership from the top;
- organizational innovation and long term resource commitment;
- recruit the right “champions” to lead the change;
- benchmark and adopt global and industrially relevant best practices;
- demonstrates results in focused areas to get wider buy-in from the larger university community;
- constantly evolve to respond to changing environments.
Professor Allan Gibb studied the international experience regarding the entrepreneurial university concept.

Based on the US and European literature and experience (Burton Clark, 2004) he formulate that universities are entrepreneurial when “they are unafraid to maximize the potential for commercialization of their ideas and create value in society and do not see this as a significant threat to academic values.” Behind this lies recognition of the need for diversified funding base involving raising a high percentage of their income from non-public sources (Burton Clark, 2004).

Hans Wissema, Professor Emeritus of Entrepreneurship and Innovation, Delft University of Technology, Netherlands (http://www.wissema.com/) formulated as “it is inevitable: universities are switching into the next gear, the Third Generation University, and technostarters are playing a pivotal role in this process.” (2006). He formulates the concept of - Technostarters - who are “students or academics who establish their own science- or technology-based firm”; who are “people who take initiative and who are willing to take responsibility and risk.”

Entrepreneurship Education - SMEs Competitiveness

Motto

„The process of economic growth is a process of perpetually increasing entrepreneurial innovation: Entrepreneurial innovation breeds entrepreneurial innovation.”

(Randall Holcombe)

To analyze the relationship (context) between the entrepreneurship education and the SMEs competitiveness at first must be presented the role of SMEs in economy and must be developed the notion of competitiveness.

The Role of SMEs in Economy

In this respect in the following we present a general overview based on research papers and EU documents.

At the start of the transition period CEE firms tended to be large, inefficient and vertically integrated. There was a clear absence of SMEs (Roland 2000).

The subsequent privatization and restructuring of state owned enterprises combined with the introduction of market forces resulted in the emergence of new small firms and the decline of old inefficient ones. (Hutchinson, Xavier 2006)

A key objective for politicians in transition countries and providers of external aid was been the development of SMEs sector. EU documents related that: “commit Member States to focus …on small companies as the main engines for job creation in Europe and to respond specifically to their needs” (Lisbon European Council 2000);

Statistical data shows and from the literature it’s known that SME development is a key to economic growth, innovations and market competition in most advanced western economies (Acs and Andretsch, 1990).

From the other point of view must be underlined that the economic growth is not an axiomatic concept. It could include:

- an increase in per capita income,
- greater purchasing power,
- an outward shift of the production possibility frontier,
- a sustained rate of innovation,
- capital accumulation,
- an increase in average living standards,
- higher share of employment.

Other works related that the SMEs are a crucial source of innovative potential and job creation possibilities (Johnson and Loveman, 1995).

A strong SME sector could provide further employment opportunities and contribute to economic growth as well as the development of a competitive market system. SMEs practice creates more jobs than larger enterprises, while they are more flexible and innovative. Thus, SMEs are considered to be one of the principal driving forces in economic development and they stimulate:

- private ownership and entrepreneurial skills,
- they are flexible,
- can adapt quickly to changing market demand and supply situations,
- they generate employment,
- help diversify economic activity
- make a significant contribution to exports and trade,
- play an important role in innovation and the high-tech business
- due to their flexibility and creativity many of them became large businesses.

(Dr. Antal Szabó, Scientific Director of ERENET Network)

In Japan 98% of the enterprises are SMEs (approximately 6,5 million), in USA 96% of the enterprises are SMEs (around 16 million), and the situation is same in the developed western EU countries. Studies show that 60% of Europeans never considered setting up own business, only 40% prefer being an entrepreneur in comparison with the USA where 61% of the citizens prefers self-employment status.

"Today roughly 45 million Americans, about 30 percent of the labor force, run their own business. Sometime during their careers, well over half of university graduates will start a business. Most Americans today work in firms that have entrepreneurial teams in charge. And most U.S. job growth and new technology comes from entrepreneurial companies... America is unique in the world, a nation rebuilding itself on the principle of entrepreneurial capitalism." (Source: Newsweek 13 Nov 2006)

The article went on to say that entrepreneurship is "Americas’ unmatched advantage" and an "indispensable component" of growth and prosperity.

Priorities can be considered in EU:
- **improving skills for employment** (for better business support and to assure success in science and innovation);
- **increasing productivity** through promoting innovation and knowledge transfer (- particularly from universities to businesses -).

"The development of SMEs is important first of all in countries where the SME sector is not yet a deeply-rooted part of the European scene...sector that encourages entrepreneurship and represents an important source of a job creation." (EIB president). Communication from the Commission: Actions for Growth and Employment: the Community Lisbon Programme.COM (2005) underlines the need to improve the business environment, especially for SMEs and take account the entrepreneur's concern on making business.

**A General Overview of Competitiveness**

In the literature can be find different approach for the treatment of the competitiveness. The competitiveness is not an universally defined concept.

The concept of the competitiveness has been analyzed by Tyson, G. Jhonson and K. Scholes (1993), Krugman (1994), OECD (1998), Chikan (2001), Dănăiață, Bibu, Predişcan (2006) and is presented as:

- the competitiveness is the ability to produce goods and services that meet the test of international competition, while citizens enjoy a standard of living that is both rising and sustainable;
- the competitive position depends on many factors: market share, the quality of used resources, answers flexibility to market pressure, financial performances;
- competitiveness is a different way of saying productivity, taking into account the rate of growth of one enterprise relative to others;
- competitiveness is the ability of companies, industries, regions, nations to generate while being and remaining exposed to internal competition, relatively high factor income and employment on a sustainable basis;
- competitiveness is the basic capability of perceiving changes in both external and internal environment and the capability of adapting to these changes in a way that the profit flow generated guarantees the long term operation of the enterprise;
- the competitive firms know how to use its strengths to exploit environmental opportunities and to reduce the negative influences of some external environment factors.

A number of studies indicate that in the OECD countries there has been a structural shift in the economies from large companies competing through mass production and economies of scale towards smaller

According to the Lisbon Agenda it’s the aim of the EU “to become the most competitive and dynamic knowledge based economy in the world”, most importantly, “capable of sustainable economic growth with more and better jobs and greater social cohesion”.

The Communication from the Commission: Actions for Growth and Employment: the Community Lisbon Programme.COM (2005) 300 - underlines the need to improve the business environment, especially for SMEs and take into account the entrepreneur’s concern of making business.

The Bologna Charter on SME policies (adopted on 15 June 2000) acknowledged that SME competitiveness would benefit from:

- A regulatory environment which does not impose undue burdens on SMEs and is conducive to entrepreneurship, innovation and growth through, inter alia: promoting good governance and greater accountability in public administration; pursuing a fair and transparent competition policy, and implementing effective anti-corruption measures; and fostering the implementation of transparent, stable and non-discriminatory tax regimes;
- Effective access to financial services, particularly to seed, working and development capital, including innovative financial instruments to reduce the risks and transaction costs of lending to SMEs
- Education and human resource management policies that: foster an innovative and entrepreneurial culture, including continuous training and lifelong learning; encourage mobility of human resources; and reduce skill disparities by improving the match between education and labour market demand.
- An environment that supports the development and diffusion of new technologies for and by SMEs to take advantage of the knowledge-based economy.
- Strengthening public-private partnerships and political and social dialogue involving territorial and institutional actors as a tool for exchange of information, utilisation of knowledge and elaboration of policy.
- Ensuring the cost-effectiveness of SME policies and their consistency with other national policies, as well as with existing international programmes.

As key factors of competitiveness, by Dr. Antal Szabó, Scientific Director of ERENET Network, can be considered: the quality, consumerism, delivery time – speed, product image, after sale service.

Bibu N. and al. (2008) identified indicators to measure the competitiveness performances as:
- market share
- the rate of the sale growth
- the export rate
- the number of the introduction of new products.

By Dr. Sailendra Narain from India the competitiveness is interrelated as:
- first among equals
- face challenges and fluctuations
- sustain development
- R&D
- Mindset
- Technology
- Integration into regional/global value chain and can be achieved through:
  - Innovative finance: equity, venture capital, risk capital, R&D support, micro finance;
  - Business development services: capacity building, cluster development, technology upgrading, market development.

Competitiveness-region differences can be measured through:
- the structure of economy activity (represented by the distribution of employee in sectors)
- the extent of the innovative activity
- regional accessibility
- the skills of the work force

(Source: Dorin Jula, Nicoleta Jula, 2004)

CONCLUSIONS

Promoting entrepreneurship has a vital role to play in improving competitiveness of small businesses and improving Europe's employment situation. SMEs practices create more jobs than larger enterprises, while they are more flexible and innovative.

The successful entrepreneur can be characterized as:
- providing workplace for people with growing number of employees
- growth and expansion
- investment into people
- in the field of science successful entrepreneurs have to maintain their profession at very high level
- quality consciousness
- entrepreneurs like the style of freedom
- knowledge is not enough for success; one has to apply it in order to be a successful.

(Source: Lessons to be Learned from the Budapest Roundtable, Erenet Profile, 2007, vol II, No.1, pp. 3-8)

Based on that, we can say that the successful entrepreneur is a person who can assure the SME competitiveness.

On the other hand it should be noted the social responsibility. To be a socially responsible entrepreneur the must feels the need to help people, the importance of corporate responsibility vis-à-vis their employees, to express a harmonized relationship with customers, environment and the community, to define an increasing-decreasing welfare vis-à-vis increasing-decreasing profit matrix (increasing welfare for an entrepreneur decreases the profit). The social responsibility is a mix of values – business ethics and code and a strong business argument.

The venture capitalist can chose between more or less benefits. The legislation is irrelevant in this respect but it is very important to raise awareness towards social responsibility.

Professor David Smallbone, remark that business perspective innovation links to competition doing changes permanently - generate employment through innovation.

The contribution of innovation to the SME competitiveness is essential. “Innovation is a process in which a new idea is realised on the market. Innovation does not happen by chance. Successful innovation requires a common effort of inventors and researchers (the generators of ideas); engineers who are developing the engineering projects; lawyers and marketing experts; financial and production experts; sales, advertisement and distribution experts; and, last but not least, entrepreneurs who unite all elements of the innovation system and carry out the innovation process.” (Source: Hans Wissema)

GEM (Global Entrepreneurship Monitor) reports show that the education and experience matter significantly for entrepreneurs. The measured TEA (Total Entrepreneurship Activity) index with skills can be more than 10 times higher than the TEA index measured in environment without skills.

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BACHELOR PROGRAM IN ENTREPRENEURSHIP

INTRODUCTION

The European Union (EU) put as one of its priorities as part of its strategy to boost entrepreneurship, transform its economy and build up its future economic and competitive strength. The Action Plan for Promoting Entrepreneurship states: “The EU is not fully exploiting its entrepreneurial potential. It is failing to encourage enough people to become entrepreneurs … Europe, unlike the US, suffers from low expansion rates after startup…”. The Entrepreneurship Action Plan of 2004 highlights five strategic policy areas for entrepreneurial dynamics in Europe; fuelling entrepreneurial mindsets by promoting entrepreneurship and skills throughout the entire education system being one of these strategic areas.

The results of a recent analysis by the European Commission show that the scope of entrepreneurial education is worrisome. Based on the survey results it is estimated that more than half of Europe’s students at the higher educational level do not even have access to entrepreneurial education. This means that about 11 million students have no opportunity to engage in high school/university-curricular activities that can stimulate their entrepreneurial spirit. When looking at the scope of entrepreneurship education across regions in Europe it becomes apparent that entrepreneurship education is more prevalent among institutions in the old EU15 countries compared with the relatively new members in the EU (EU>15).

Entrepreneurial courses in the US are well established since 20 years. Entrepreneurship courses are part of the academics especially in business schools, engineering and sciences curricula. It is getting more and more fashion also in economic curricula.

Entrepreneurial courses in CEE are rather newcomers. In principle the number of institutions dealing with entrepreneurial education is growing. However, the awareness is rather weak and low profile. Still the curriculum in different and in many cases they are in pilot phases.

NEW APPROACH TO ENTREPRENEURSHIP

There is a definite resistance from academics and university staff to accept the entrepreneurial agenda due to misconcept of what the entrepreneurship is. Entrepreneurship earlier was closely linked to business for making profit only. Therefore many have felt that entrepreneurship is unworthy for academia and higher education. However, the entrepreneurial agenda is much broader that just business venturing and profit. It is a decision to build and use the entrepreneurial spirit across the entire institution and applying an entrepreneurial attitude during the individual’s working life. The acceptance of the broad definition is the key in competitiveness of the whole Europe. This is why we need a revolutionary new approach in entrepreneurial education.

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6 The suggested program was prepared for the Petru Maior University to be discussed during the International Workshop on Entrepreneurial Education


8 Survey of Entrepreneurship in Higher Education in Europe by NIRAS Consultants, FORA, ECON Pöyry, October 2008
Teaching

The primary aim of entrepreneurial education at university is to develop entrepreneurial capacities and mindsets. It is recognized that undergraduate students need more than academic attainment. It is necessary to make entrepreneurship education accessible to all students as innovative ideas at university faculties. Student need to have the entrepreneurial skills that enable them to solve issues and problems, generate and communicate ideas, seize and exploit opportunities and create and find a job and create new one.

The Petru Maior University need to develop generic teaching material on entrepreneurship/entrepreneurial courses that support and are aligned with the overall entrepreneurial goals and strategies. The entrepreneurship education should be embedded in majority of the subjects. This makes it important that the overall university goals/strategy should be explicit and known throughout the institution. The Petru Maior University need to ensure that some parts of entrepreneurial education are credit bearing. The credit system needs to be such that ECTS points can be assigned in a flexible way to fit the various activities.

ENTREPRENEURSHIP BACHELOR'S DEGREE

This programme combines general and specialised business studies subjects and project work in entrepreneurship and innovation. The programme will provide a solid business studies basis to understand how to run your own business, how to marketing your products and services, how to create a products, how to start a business. In addition you will be involved in developing understanding of creative work. Students will know how to manage people, products and business from the ground up. Creativity, learning and determined effort are essential in this field of study.

Some of the careers a student can enter once they earn this degree are as follows:
- Entrepreneur/Company Owner
- SME Leader
- Social Enterprise Manager
- Business Development Consultant
- Incubator Manager
- Market Analyst and Marketing Manager
- Product Developer
- Enter the Master Course on Entrepreneurship/Management/etc

SUGGESTED SYLLABUS

1st Semester

<table>
<thead>
<tr>
<th>Course</th>
<th>Hours</th>
<th>ECTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Mathematics for Business and Economics</td>
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<td>6</td>
</tr>
<tr>
<td>2. Microeconomics/The Entrepreneur and the Society</td>
<td>50</td>
<td>6</td>
</tr>
<tr>
<td>3. Informatics</td>
<td>40</td>
<td>5</td>
</tr>
<tr>
<td>4. Introduction to the theory of organization</td>
<td>50</td>
<td>6</td>
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<td>5. Management</td>
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ECTS 30

2nd Semester

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<tr>
<th>Course</th>
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<tbody>
<tr>
<td>1. EU Economics and Romania</td>
<td>50</td>
<td>5</td>
</tr>
<tr>
<td>2. Product Development and Production Management</td>
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<td>5</td>
</tr>
<tr>
<td>3. Macroeconomics</td>
<td>60</td>
<td>6</td>
</tr>
<tr>
<td>4. The Entrepreneurial Process/Entrepreneurship</td>
<td>60</td>
<td>6</td>
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<tr>
<td>5. The Law of Business Organization and Business Law</td>
<td>50</td>
<td>5</td>
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<td>6. Foreign language 2</td>
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ECTS 30
### 3rd Semester

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<tr>
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</thead>
<tbody>
<tr>
<td>1. Statistical Analysis</td>
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</tr>
<tr>
<td>2. Organizational Behaviour</td>
<td>50</td>
<td>5</td>
</tr>
<tr>
<td>3. Corporate Finance</td>
<td>60</td>
<td>6</td>
</tr>
<tr>
<td>4. Principles of Accounting</td>
<td>50</td>
<td>5</td>
</tr>
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<td>5. Principles of Marketing</td>
<td>50</td>
<td>5</td>
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<td>6. Foreign language 3</td>
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ECTS 30

### 4th Semester

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<thead>
<tr>
<th>Course</th>
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</thead>
<tbody>
<tr>
<td>1. Business Planning</td>
<td>60</td>
<td>6</td>
</tr>
<tr>
<td>2. Financial markets and institutions</td>
<td>50</td>
<td>5</td>
</tr>
<tr>
<td>3. Taxes and Corporation</td>
<td>50</td>
<td>5</td>
</tr>
<tr>
<td>4. Corporate entrepreneurship</td>
<td>60</td>
<td>6</td>
</tr>
<tr>
<td>5. Managing People at Work (Human Resources Management)</td>
<td>50</td>
<td>5</td>
</tr>
<tr>
<td>6. Foreign language 4</td>
<td>30</td>
<td>3</td>
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</tbody>
</table>

ECTS 30

### 5th Semester

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<th>Course</th>
<th>Hours</th>
<th>ECTS</th>
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</thead>
<tbody>
<tr>
<td>1. Business Environment</td>
<td>60</td>
<td>6</td>
</tr>
<tr>
<td>2. Strategic Management</td>
<td>60</td>
<td>6</td>
</tr>
<tr>
<td>3. Entrepreneurship skills and Responsible Entrepreneurs</td>
<td>60</td>
<td>6</td>
</tr>
<tr>
<td>4. Principles of Accounting I</td>
<td>60</td>
<td>6</td>
</tr>
<tr>
<td>5. Elective course I (either; or) *</td>
<td>60</td>
<td>6</td>
</tr>
<tr>
<td>*Business ethics</td>
<td>60</td>
<td>6</td>
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<tr>
<td>*Tourism management</td>
<td>60</td>
<td>6</td>
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ECTS 30

### 6th Semester

<table>
<thead>
<tr>
<th>Course</th>
<th>Hours</th>
<th>ECTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Electronic – E-Business</td>
<td>60</td>
<td>6</td>
</tr>
<tr>
<td>2. Entrepreneurial Projects and Management</td>
<td>60</td>
<td>6</td>
</tr>
<tr>
<td>3. International Business</td>
<td>60</td>
<td>6</td>
</tr>
<tr>
<td>4. Research, Development and Innovation Management</td>
<td>60</td>
<td>6</td>
</tr>
<tr>
<td>5. Elective course II **</td>
<td>60</td>
<td>5</td>
</tr>
<tr>
<td>**Family business</td>
<td>60</td>
<td>5</td>
</tr>
<tr>
<td>**Credit analysis</td>
<td>60</td>
<td>5</td>
</tr>
<tr>
<td>**Social entrepreneurship</td>
<td>60</td>
<td>5</td>
</tr>
</tbody>
</table>

ECTS 30

* Student selects one of the two offered elective courses.

** Student selects one of the three offered elective courses.

Student should prepare Undergraduate thesis in 6th semester.
Grading policy

Grading policy should be dependent to the structure of the course. For each course a detailed plan should be elaborated that specify the grading. The final grade could comprise several different modes of the student activity. For example it can consist of:
- Attendance and class discussion grade
- Homework (individual and group) grade
- Midterm exams (1 or 2) grade
- Project report written report and/or presentation grade
- Final exam (written and oral; written or oral) grade

Curriculum

Educational contents are determined through a systematic approach, which presumes enabling for entrepreneurial reacting of a managed system to interactions with the environment. Program consists of obligatory and elective courses which are awarded with ECTS points and team projects which are also valued with ECTS points.

Each semester finishes with an integrative team project in which students need to show their abilities in integrating knowledge from different courses of the semester.

Teaching curriculum with **ECTS points:**

The entire study programme consists of 180 ECTS credits, divided into 30 ECTS credits per semester. Successful candidates will receive a Bachelor’s Degree in Entrepreneurship.

Teaching methodology

**Entrepreneurship** needs a holistic approach. It consists of two components. **Enterprising** requests an organized knowledge referred to as **SCIENCE** and doing in practice as an **ART**. In this context **science** and **art** are not mutually exclusive but are complementary.

*K Kumar*, Professor from Bangalore states, that “An entrepreneurship program offers two components--one is the business component and other one is the entrepreneurship component. The business component acts as a safety net for those students who might not feel like starting their own ventures immediately, and the entrepreneurship component is the inspirational net that is going to instill passion and skills in a student to be a successful entrepreneur.”

Entrepreneurship education requires learning methods and pedagogical approaches, what majority of the current university does not master. Talking about how to teach entrepreneurship one question is relevant whether a professor can teach entrepreneurship. It is similar to the question whether an ornithologist can fly? However, if somebody can teach how the bird flies, perhaps somebody getting knowledge on enterprise and entrepreneurship can try to be an entrepreneur.

The former teachers of Marxism and Leninism are not suitable to turn into modern entrepreneurship research and education workshops. A former associate professor in centrally planned economy first has to sell a T-shirt on the street prior to teach how to create and start a company.

SUMMARY

Variety of teaching and learning methods have to be building into the entrepreneurial bachelor studies: including lectures, seminars and workshops, individual assignments and group assignments, computer-oriented business games and simulations, invitation of real entrepreneurs, field visits and study tours. The study programme is a combination of a theoretical basis and practical approaches. In addition to the teaching material it is also important to have a commited entrepreneurial teaching staff.

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9 For the basis of the grading policy the Author recommends to use the methodology of the University of J.J. Strossmayer in Osijek (Coatia)
REFERENCES

While preparing the suggested Syllabus the Author analysed and used the entrepreneurship syllabus of the following universities:

- University of J.J. Strossmayer in Osijek, Economic Faculty in Osijek, Undergraduate program in Entrepreneurship (Croatia)
- Institute für Entrepreneurship, Fachhochschule Frankfurt am Main – University of Applied Sciences (Germany)
- Corvinus University of Budapest, Faculty of Business Administration, Small Business Development Centre, Graduate Degree in Small Business Enterprise (Hungary)
- Technical University of Košice, Faculty of Economics, Management of Business and Business Enterprise Programmes
- University of Ljubljana Faculty of Economics, University Study Programme in Economics and Business (University degree) (Slovenia)
- Copenhagen Business School (Denmark)
- Telemark University College, Innovation & Entrepreneurship Bachelor Programme (Norway)
- RMIT University, Melbourne (Australia)

The presented Syllabus was discussed during the International Workshop on University Entrepreneurial Education held on 22 May 2009 at the Hotel Intercontinental in Tragu Mures (Romania). In accordance with the Ministry of Education of Romania, one semester should contain significantly more curricula. This is why the Romanian representatives of higher education institutions suggested additional more curricula subject of further discussions and negotiation with the Romanian authorities. However, the international staff is on the opinion, that Entrepreneurship requires less curricula but more practical approach, otherwise it might lost the essence of the subject: the entrepreneurial spirit.

As soon as the Petru Maior University finalizes the whole set of curricula, we shall inform our Readers about the outcome of it.
TEACHING SMALL BUSINESS FINANCE - EXPERIENCES FROM CORVINUS UNIVERSITY OF BUDAPEST

The important economic role and significance of SMEs are emphasized and acknowledged not only in academic papers dedicated to the topic but in the press too. This phenomenon is even significant in time of crisis when increasing interest can be experienced in SME issues. The biggest part of the articles report about the negative effects of the crisis on the sector but some authors consider the crisis as a unique possibility for SMEs. As Hodorgel argued: “In times of crisis, some SMEs, unlike the big companies, have the advantage of greater flexibility, being able to implement new services and launch new products more easily. Not bound by strategies devised at higher echelons and by the need to get approvals, SMEs can make decisions more easily and thus become much more efficient based on prompt action and solutions adjusted to market circumstances.” (Hodorgel, 2009, pp. 3)

Nevertheless the above mentioned possibilities it is quite obvious that only a small number of the SMEs will be the winner of the crisis for the major the main goal is the survival of these hard times, which is significantly affected by the knowledge base and personal attitudes of entrepreneurs. Antal Szabó pointed out “…the scope of entrepreneurship education is much wider than training on how to start a business, as well as how to write a business plan. It includes the development of personal attributes and development of such skills like self-confidence, creativity, initiative, vision, risk-taking and many others.”(Szabó, 2008, pp. 3) and deduced that youth entrepreneurship development programs how can lead economic development, job creation, economic empowerment and poverty alleviation. (Szabó, 2008)

As Hungary one of the countries in transition, the history of youth entrepreneurship development and entrepreneurship education isn’t too old. Associates’ of Small Business Development Center of Corvinus University of Budapest papers present the development of Hungarian entrepreneurship education, the main initiatives and best practices in an exhaustive manner. (Szirmai, 2001; Szirmai – Csapó, 2006; Csapó – Petheó, 2008; Szirmai – Szakács, 2008)

The aim of this paper is too share our experiences about teaching Small Business Finance at Corvinus University of Budapest. The reason is dual, from the one hand we would like to demonstrate how can fit a course of the “traditional” system into the bologna system in a real example and from the other hand we hope the detailed presentation of the course’s curriculum and the teaching method can be useful for those who already teach or plan to teach a similar course which importance in our days is unquestionable. In favorable economic climate an entrepreneur may build a prosperous company without knowing anything about balance sheet or income statement but in time of crisis it is doubtful that he can manage it successfully without appropriate financial knowledge.

THE BOLOGNA PROCESS

The purpose of the Bologna process is to create the European higher education area by making academic degree standards and quality assurance standards more comparable and compatible throughout Europe, in particular under the Lisbon Recognition Convention. (Wikipedia, 2009) To become adequate to the requirements of Bologna process necessitated lots of analyses and preparation work at Corvinus University of Budapest. (About the Bologna process at Corvinus University of Budapest you can get information from Szabo’s (2008) and Szirmai – Szakács’s (2008) papers.) A well established and totally integrated system into the culture of the Hungarian economist education should have changed during the transition period. The result of this enormous work is a new economist educational system on the basis of the "traditional" structure. Annex 1 describes the structure of the bachelor education at BA in Business Administration and Management. (For more information about the educational structure of Corvinus University of Budapest and BA programs of
Faculty of Business Administration please visit: [www.uni-corvinus.hu](http://www.uni-corvinus.hu) As listed in Annex 1 there are five management majors at BA in Business Administration:

- Small Business Major
- Business Communication Major
- Business Administration Theory Major
- Environmental Management Major
- DSG (German Language Major)

During the first 4 semester (general module, business module; for more information see Annex 1.) every student has the same educational program and after choosing a major their courses will diversify. Figure 1 illustrates the structure of the bologna entrepreneurship education at Small Business Major.

**STRUCTURE OF SMALL BUSINESS MAJOR**

![Structure Diagram](image)

Among bachelor institutional courses Professor János Vecsenyi’s Starting and Managing Small Businesses course has significant importance in entrepreneurship education as it is the basis of following studies. Our department is dedicated to help students to try themselves as entrepreneurs. The Spin – off Club of Small Business Development Center which is an extracurricular program, helps students to become prepared to start a business and support them to establish their first enterprise with money and mentoring.

Business planning, small business finance, small business management and budget connections of small businesses are compulsory courses of the small business major. CSR & SMEs and International entrepreneurship are elective courses of the major. Small business finance, which integrates students’ earlier finance and accounting knowledge and complements it with the specialties of small businesses, has an important role in the bachelor entrepreneurship education program.

**SMALL BUSINESS FINANCE - GENERAL INFORMATIONS**

The course aggregates theoretical and practical financial knowledge. Its main goal is to give relevant, employable information and approach to students with which they will be able to manage a small business or they can become valuable employees of small business departments of banks or governmental organizations. The teachers’ professional background is a guaranty for the fulfillment of the main goal as all of them have experiences from the banking sector.

The course is compulsory in small business major for five years and as a response for the mass demand for this type of practical courses it was offered for students of other majors as an elective course this
year. This semester approximately 120 students have learnt small business finance which required notable work from the three teachers of the course.

The basic material of the course is a book (Dániel Béza – Krisztián Csapó – Szilveszter Farkas – Judit Filep – László Szerb: Small Business Finance) written by three Hungarian university (Corvinus University of Budapest, University of Pécs, Széchenyi István University Győr) small business finance professionals. At the lectures and seminars additional materials, case studies and current financial problems are discussed.

CURRICULUM, STRUCTURE AND METHODOLOGY

The basis of the course is the above mentioned Small Business Finance book. The curriculum follows the logic of the book. Some cases the lectures and the seminars cover a wider material than the book while in other cases the book gives more detailed explanations. (For example this year in consideration of the global financial crisis the foreign currency loans and its risks have been emphasized more than the previous years.) The lectures focus on theoretical materials while during the seminars students coordinated by the teachers solve practical problems and case studies.

In traditional five years university system the course had weekly lectures and seminars. Unfortunately in bologna process the course had weekly lectures and biweekly seminars. (The length of lectures and seminars is 80 minutes.) The detailed curriculum of the course is shown in Figure 2.

<table>
<thead>
<tr>
<th>Weeks</th>
<th>Lecture</th>
<th>Seminar</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Introduction, definition of small businesses, characteristics of SMEs, specialities in small business finance</td>
<td>Economies of scale in small business finance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Transaction costs</td>
</tr>
<tr>
<td>2</td>
<td>Basics of small business financial management, characteristics of under-, over-financed enterprises</td>
<td>Financial ratios</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Discussion of home work case study requirements</td>
</tr>
<tr>
<td>3</td>
<td>How to determine the financial demand of a small business? Enumeration of potential financial options</td>
<td>Examples for over and under financed businesses</td>
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<tr>
<td></td>
<td></td>
<td>Mobility of assets</td>
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<tr>
<td>4</td>
<td>Internal Financing</td>
<td>Case - Study: internal financing</td>
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<td>5</td>
<td>External not institutional debt financing</td>
<td>Loan from owner - legal and tax issues</td>
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<tr>
<td>6</td>
<td>External institutional debt financing I. Bank loans</td>
<td>Credit from suppliers</td>
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<tr>
<td></td>
<td></td>
<td>How to choose a bank for your company?</td>
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<td></td>
<td></td>
<td>Services of commercial banks</td>
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<tr>
<td>7</td>
<td>External institutional debt financing II. Loans in foreign currency, lease, factoring</td>
<td>Case - study: How to get a loan? Demonstration by an existent loan product of a commercial bank</td>
</tr>
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<td>8</td>
<td>Relationship of banks and small businesses</td>
<td>Comparison of costs of bank loan, lease and factoring</td>
</tr>
<tr>
<td></td>
<td>Bank's expectations from small business</td>
<td>Exchange rate and interest rate risks of foreign currency loans</td>
</tr>
<tr>
<td>9</td>
<td>External capital financing</td>
<td>The role of the state in small business finance</td>
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<tr>
<td></td>
<td>Considerations of business angels</td>
<td>Micro finance</td>
</tr>
<tr>
<td>10</td>
<td>Comparison of different financial options</td>
<td>Széchenyi card</td>
</tr>
<tr>
<td>11</td>
<td>Financing start up businesses</td>
<td>How to start a business, main steps and cost</td>
</tr>
<tr>
<td>12</td>
<td>Financing fast growing companies</td>
<td>Fast growing companies examples and calculations</td>
</tr>
<tr>
<td>13</td>
<td>Management of small businesses in financial crisis</td>
<td>Deadline for home work case study</td>
</tr>
<tr>
<td>14</td>
<td>Investments options for small businesses</td>
<td>Evaluation of home work case studies</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Case study: How to manage financial crisis in a small business?</td>
</tr>
</tbody>
</table>

Figure 2.: Small Business Finance – Curriculum (Own drawing)
To enable students to learn easily the course material various teaching methods are used. The basis of every lectures and seminars is a power point presentation which helps students to follow the curriculum. During the lectures real life examples and stories keep the students interest awake. In seminars there are much more possibilities to make the learning process interactive.

Three types of case studies are used in the course. The first type is calculation case studies when complex examples are solved in excel spreadsheets. For this type of exercises students get the printed spreadsheet and solve the exercise in their paper based on the teacher’s explanation and follow the projected solution. The second type is cases which provide an “almost life” experience to students. These are descriptions of financial problems and usually students groups have to propose solutions for these problems. If the case is well written and interesting for the students the success is guaranteed but the only problem is if the students don’t have the theoretical knowledge to solve the problem and they can’t solve the case on the expected quality. The third type of the used case studies is the home work case study which appropriate solution gives 40% of the final evaluation of the students. The home work case study is a detailed and complex description of a company financial problem. Students have to compare investment options, find internal financing solutions and bank loans for the planned investment. They have to evaluate the foreign currency loans risks in different scenarios and try to find an EU or government sponsored tender for the realization of the investment. Students work on this case study independently during the semester naturally during the seminars similar exercises are solved and continuous tutoring is provided for them.

To make the seminars more exciting educational films are projected. “Into the Boardroom” a part of Video Arts – Economist series (for more information visit: http://www.videoarts.co.uk/Title.aspx/Finance/Companyaccounts/ECONA/) and episodes of Ecopoly a Hungarian TV show are used. The films help students to analyze problems and subsequent classroom discussions deepen the new knowledge. At the end of the semester students are evaluated based on their home work case study solution (40 %) and their oral exam performance (60%).

FUTURE CHALLENGES

These days we are in the middle of the exam period of the first bologna process students who have attended “Small Business Finance” course. This semester has given a lot of experience for us. The most important lesson is that students in bologna process don’t have the same preparedness, and learning needs as students in the traditional 5 years university structure. Bologna students need more basic knowledge and require step by step learning during the seminars. These new requirements and the only biweekly seminars force us to rethink the curriculum, reduce the material and teach it more deeply. We have to reduce the number of case studies and choose which ones we prefer to teach and which ones we leave out from the curriculum.

At the beginning of the semester we didn’t expect that we have to revise our established curriculum but we have to answer to the new needs and for next year we have to reduce and reorganize the course and take the first step for the implementation of our Small Business Finance master course.

REFERENCES

Dr. Antal Szabó: Education for Entrepreneurship from Kindergarten to Adult Learning, ERENET Profile Issue Vol. III, No. 3, 2008
## Annex 1

### EDUCATION STRUCTURE OF BA IN BUSINESS ADMINISTRATION AND MANAGEMENT AT CORVINUS UNIVERSITY OF BUDAPEST

<table>
<thead>
<tr>
<th>Name</th>
<th>Weekly hour (H) and credit number (C)</th>
<th>Semester</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1 2 3 4 5 6</td>
</tr>
<tr>
<td>A. GENERAL MODUL</td>
<td></td>
<td>1 2 3 4 5 6</td>
</tr>
<tr>
<td>A.1. Methodological Modul</td>
<td></td>
<td>1 2 3 4 5 6</td>
</tr>
<tr>
<td>Informatics</td>
<td>2 3</td>
<td>1 2 3 4 5 6</td>
</tr>
<tr>
<td>Mathematics I. and II.</td>
<td>3 4</td>
<td>1 2 3 4 5 6</td>
</tr>
<tr>
<td>Statistics I. and II.</td>
<td>3 4</td>
<td>1 2 3 4 5 6</td>
</tr>
<tr>
<td>Business Mathematics</td>
<td>3 4</td>
<td>1 2 3 4 5 6</td>
</tr>
<tr>
<td>A.2. Theoretical-economic module</td>
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<tr>
<td>Microeconomics</td>
<td>3 4</td>
<td>1 2 3 4 5 6</td>
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<tr>
<td>Macroeconomics</td>
<td>3 4</td>
<td>1 2 3 4 5 6</td>
</tr>
<tr>
<td>Finance</td>
<td>3 4</td>
<td>1 2 3 4 5 6</td>
</tr>
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<td>International Economy</td>
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<td>1 2 3 4 5 6</td>
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<td>Compulsorily elective courses</td>
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<td>European Union Studies</td>
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<tr>
<td>Environmental Management</td>
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<td>1 2 3 4 5 6</td>
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<tr>
<td>Business Geography</td>
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<td>1 2 3 4 5 6</td>
</tr>
<tr>
<td>A.3. Elective Sociological and General Module</td>
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<tr>
<td>B. BUSINESS MODUL</td>
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<td>1 2 3 4 5 6</td>
</tr>
<tr>
<td>B.1. Compulsory Business Courses</td>
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</tr>
<tr>
<td>Corporate Management</td>
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<td>1 2 3 4 5 6</td>
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MEASURING ENTREPRENEURIAL INTENTIONS IN MEDICINE

ABSTRACT

Models based on intentions, the single best predictor of planned behaviors, offer a coherent, parsimonious, and predictively robust framework for understanding entrepreneurial behaviors. We compare explanatory power for two intentions-based models applied to entrepreneurial activity: Ajzen's theory of planned behavior and Shapero's model of the entrepreneurial event. We found statistical support for both models and implications for research, practice, and policy are discussed. Entrepreneurship studies rarely explore the process of starting a business from the idea stage to the decision to initiate a venture. Instead we prefer to analyze existing entrepreneurs and ventures, though empirically, intentions are consistently the best predictor of planned behaviors. Intentions models offer a coherent, robust, and parsimonious framework for understanding early entrepreneurial processes. Too little research addresses the deserved criticism that entrepreneurship research fails to employ comprehensive, formal, testable models (MacMillan & Katz 1992). Intentions-based models also provide a useful framework for researchers, teachers, and practitioners, such as for understanding opportunity recognition. This research compares and contrasts the predictive ability of the two most significant intentions-based models that are applicable to entrepreneurial activity in medicine: Ajzen's theory of planned behavior (1991): Shapero's model of the entrepreneurial event (1982).

INTRODUCTION

Entrepreneurial activity clearly represents planned, thus intentional behavior. Intentionality is a critical characteristic of emerging organizations, even where the launch of the new venture seems unplanned (e.g., a sudden new opportunity surfaces). Pre-organizational phenomena (e.g., deciding to initiate an entrepreneurial career) is clearly both important and interesting (Katz & Gartner 1988). Predicting (not explaining) any planned behavior is best done by intentions toward that behavior— not by attitudes, beliefs, personality, or demographics. Intentions entail an enactive cognitive process that channels beliefs, perceptions, and exogenous factors into an intent to act. Intentions serve as a conduit to the action itself (Ajzen 1991). That is, intentions best predict behavior, specific attitudes best predict intentions, and exogenous factors operate through attitudes. Intentions toward behavior are absolutely critical to understanding other antecedents (e.g., situational role beliefs), subsequent moderators (e.g., availability of critical resources) and final consequences of that behavior (e.g., new venture initiation).

Accepting that starting a business is intentional entails accepting some significant implications for research. If stimulus-response models do not model intentional behaviors, then we need testable, theory-driven process models of entrepreneurial cognition that focus on intentions and their perceptual bases (Katz & Gartner 1988; Shaver & Scott 1992). Where it is difficult to observe rare or obscure phenomena (Ajzen 1991), intentions offer critical insights into underlying processes such as opportunity recognition. Empirically, behavior is only weakly predicted by attitudes or by exogenous factors that are situational (e.g., employment status, informational cues) or personal (e.g., demographics or personality traits). As a result, the predictive impact of exogenous factors on entrepreneurial activity result in small effect sizes; exogenous influences usually affect intentions and behavior indirectly through attitude changes, not directly (Ajzen 1991). Exogenous influences, influence attitudes or moderate the relationship between intentions and behavior (i.e., facilitate/inhibit realizing one's intent). Forces acting upon a potential behavior do so indirectly by influencing intentions via certain key attitudes described below. Attitudes and intentions are perception-based and thus are learned and leamable and thus are only weakly predictive of entrepreneurial activity. Intentions models thus offer testable, theory-driven models of how exogenous factors affect attitudes, intentions and behavior. The predictive power of intentions is
even stronger for more molar behaviors, capturing long-run tendencies as variations in situations cancel out over time. For instance, intent to attend church predicts annual attendance much better than it predicts attendance in any one week. A strong intent to start a business should result in an eventual attempt, even if immediate circumstances (situational factors) dictate a long delay. Accordingly, the relatively-molar domain of entrepreneurship should be quite amenable to successful use of intentions-based models. For instance, this explains why it appears easier to identify chronic entrepreneurs.

THEORETICAL CONSIDERATIONS

Two major theoretically-driven intentions-based models merit consideration. Theory-Driven Models of Intentions Social psychology offers robust, parsimonious models of behavioral intentions with considerable proven predictive value for many behaviors. Such models offer theoretical frameworks that specifically map out the nature of processes underlying intentional behavior. Ajzen's Theory of Planned Behavior (TPB) consistently exhibits significant predictive validity, typically explaining 30-40% of the variance in future behavior (Ajzen 1991). The leading intentions model from entrepreneurship is Shapero's model (1982) of the entrepreneurial event (SEE) in which intentions to start a business derive from perceptions of desirability and feasibility and from a propensity to act upon opportunities. The two models' empirical robustness derives from conceptual soundness. First, as planned behavior is intentional, intentions models are thus congruent with what we already know about human cognition, thus are driven by sound theory. Second, they afford a better understanding of hypothesized influences on entrepreneurial behaviors. Intentions not only help one discern what influences are significant antecedents to new venture creation, they help us understand how they do so.

Shapero's Model of the Entrepreneurial Event. Here, intentions require founders perceived a clear opportunity, that is, a 'credible' career alternative. 'Credibility' depends on perceptions that the venture is both desirable and feasible. Similarly, exogenous influences such as unemployment or divorce operate indirectly through perceptions of desirability and feasibility. Perceived desirability and desirability are akin to Ajzen's antecedents of intentions. Shapero's 'propensity to act' adds a measure of volition absent in other models. Shapero also includes 'displacement,' a precipitating event triggering the actual intended behavior. A test of Shapero's model found that perceived feasibility, perceived desirability, and propensity to act are all significant antecedents of entrepreneurial intentions. Exogenous factors such as prior exposure to entrepreneurial activity influence perceptions of desirability and feasibility. These then influence intentions toward entrepreneurial behavior while attitudes mediate the impact of exogenous factors on intent (Krueger 1993). Shapero defined perceived desirability as the perceived attractiveness of starting a business. Perceived feasibility is the degree to which one feels personally capable of starting a business. Empirically, Shapero proposed a testable eight-item inventory of questions aimed at different aspects of perceived desirability and feasibility.

Propensity to Act. Shapero conceptualized 'propensity to act' as the disposition to act on one's decisions, thus reflecting volitional aspects of intentions ("Will I do it?"). It is hard to envision well-formed intentions without some propensity to act. Conceptually, propensity to act on an opportunity depends on control perceptions, viz., desire to gain control by taking action. Empirically, we must identify a measure closely linked to initiating and persisting at goal-directed behavior under uncertainty and adversity. Shapero suggested locus of control, though it need not discriminate entrepreneurs from managers. 'Learned optimism' consistently predicts commitment to goal-directed behavior in many settings with validity and reliability (Seligman 1990).

Ajzen's Theory of Planned Behavior. Social psychologists and marketing researchers have found great success using intentions models in practical applications and basic research. Such consistently robust and replicable models are widely applied in practical situations as career preferences, weight loss, seatbelt use) and coupon use. Entrepreneurship research often ignores such models for less robust, less predictive approaches using personality traits, demographics, or attitudinal approaches (Krueger & Carsrud 1993). Figure la presents the intentions model in its most robust and valid form, Ajzen's Theory of Planned Behavior (TPB). TPB specifies three attitudinal antecedents of intention drawn from existing theory and prior evidence. Two reflect the perceived desirability of performing the behavior: personal attitude toward outcomes of the behavior and perceived social norms. The third, perceived behavioral control, reflects perceptions that the behavior is personally controllable. Perceived behavioral control reflects the perceived validity, these subjective social norms should depend on the expected support of significant others. Interestingly, social norms are less germane to intentions for subjects with a highly internal locus of control or a strong orientation toward taking action (Bagozzi & Yi 1989). Empirically, we must identify the most important social influences (e.g., parents, 'significant other', friends) including any 'role
model" or "mentor." Research into entrepreneurs' personal networks often focus on flows of resources (e.g., information); few study social norms and values provided by network members (Shapero 1982).

Perceived Behavioral Control and Perceived Self-Efficacy. Perceived behavioral control overlaps considerably with Bandura's notion of perceived self-efficacy (Ajzen 1991). Perceived self-efficacy is the perceived ability to execute a target behavior. As an attribution of personal control in a given situation, self-efficacy connects conceptually and empirically to attribution theory, already successfully applied to new venture initiation. The highly self-efficacious attribute setbacks as learning experiences, not personal failure. Self-efficacy is linked explicitly theoretically and empirically with many managerial and entrepreneurial phenomena. Feasibility perceptions consistently predict goal-directed behavior where control is problematic (Ajzen 1991). Perceptions of feasibility underlay career-related choices, including self-employment. Correlations between self-efficacy and career intent consistently range from .3 to .6 (Bandura 1986) better than most predictors used in entrepreneurship research (e.g., locus of control). Gender and ethnic differences in career preferences are explainable by differences in self-efficacy (Hackett, et al. 1993).

Self-Efficacy and Entrepreneurial Behavior. Much as self-efficacy predicts opportunity recognition, self-efficacy perceptions are key to self-employment intentions (Scherer et al. 1989). Self-reported competencies predict entrepreneurial performance (Chandler & Jansen 1992). Entrepreneurship researchers largely ignore self-efficacy despite its ability to proven robustness at predicting both general and specific behaviors. For instance, already noted is the impact of role models on entrepreneurial intentions depends on whether they affect self-efficacy. In addition, self-efficacy has been associated with opportunity recognition and risk taking (Krueger & Dickson 1994) as well as career choice.

RESEARCH DESIGN

The sample comprised 89 university students in medicine currently facing important career decisions. This lets us examine the entrepreneurial process prior to actual entrepreneurial activity. Note that career aspirations among even teenagers significantly predict eventual career choice (Trice 1991). This sample should provide subjects with a broad range of experiences, intentions and attitudes toward entrepreneurship, and dispositions. This sample is available for longitudinal follow up. Future extensions will include actual managers and entrepreneurs. A one-tailed test with alpha=.10, expected effect size of .3 (after adjusting for reliabilities), and sample size of 89 yields less than a 20% chance of a Type II error.

I. MEASURES

Measures used in both models were as follows:

Intention: “Estimate the probability you’ll start your own business in the next five years?”

Global Perceived Feasibility: “On a scale from 0 to 100, how practical is it for you to start your own business?”

Perceived Self-Efficacy: This sums perceived self-efficacies at critical managerial and entrepreneurial tasks.

II. TPB (Theory of planned behavior results) – measures and results

Attitude toward the Act: "On a scale from 0 to 100, how attractive to you is the idea to start your own business?"

Social Norms: "Would your family and friends want you to start your own business?" (Scale from 0 to 100)

Expected Utilities: Respondents rated the perceived value of five different outcomes (autonomy, stress, financial performance, personal satisfaction, and personal quality of life) of starting a business and the likelihood of occurring. This measure is the sum of the values weighted by the expected likelihoods. (Each item used a 7-point Likert scale.)

Normative Beliefs and Motives to Comply: Respondents rated perceived reactions of four different normative influences (friends, parents/family, mentor/role model, and 'significant other') to the subject starting his/her own business and the importance of their opinions. This measure sums the strength of the
perceived reactions weighted by importance. The theory of planned behavior was analyzed by regressing the **global feasibility, attitude, and social norms upon intentions**.

The $R^2$ for the aforementioned model of regression was .049 with apparently no significant effect of perceived self-efficacy and attitude toward the act, and social norms, even though every other relationship predicted by the theory of planned behavior was significant ($p<.05$ or better) in the expected direction. The attitude measures were associated significantly with theorized antecedents, as noted by the following results: perceived feasibility correlated with perceived self-efficacy ($r^2=.273$, $p<.002$), attitude toward the act correlated with expected utilities ($r^2=.338$), social norms correlated with feasibility ($r^2=.05$, $p<.02$) and attitude ($r^2=.334$, $p<.002$).

The overall outcome of the relationships predicted by the theory of planned behavior on intentions being not found significant could be attributed to the fact that almost 75% of the sample respondents were undecided or unable to estimate the probability of starting their own business in the next five years. By testing again the theory of planned behavior on the people who actually expressed an opinion on their intention of starting a business in the next five years, the resulting $r^2$ was .341 with significant effects of attitude toward the act ($p<.03$) and social norms ($p<.02$) on intentions. However, the feasibility component was not found significant. A general conclusion could not be made, though, given the fact that the sample was quite small (only 23 subjects); but this is an optimistic result envisioning the possibility of following up with another study to analyze and confirm the discussed relationships.

### III. SHAPERO-only measures and results

**Global Perceived Desirability:** "On a scale from 0 to 100, how desirable is it for you to start your own business?"

**Specific Perceived Desirability:** Four items from Shapero measured on 7-point scales. [Cronbach's alpha of .69.]

1) "I would love doing it" (I'd love doing it—I'd hate doing it)
2) "How tense would you be?" (very tense—not tense at all)
3) "How enthusiastic would you be?" (very enthused—very unenthusiastic)
4) "How overworked would you be?" (not at all overworked—extremely overworked)

**Propensity to Act:** A version of Seligman's learned optimism measure (1990). [Reliability: Cronbach's alpha of .79.]

The regression model of **global perceived feasibility, global perceived desirability, and propensity to act upon intentions** with an $R^2$ of .01 would indicate intentions correlated insignificantly with independent variables if not taking into account the high percentage of subjects unable to estimate their intentions toward starting a new business in the medical field. Again, the attitude measures were associated significantly with their antecedents, as in case of global perceived feasibility and perceived self-efficacy ($r^2=.273$, $p<.002$), but the overall effect on intentions failed to appear due to the abovementioned setback. Other relationships were found by regressing the perceived self-efficacy, attitude toward the act and perceived feasibility upon perceived desirability, with a model characterized by an adjusted $R^2$ of .586 and strong effects of perceived self-efficacy ($p<.004$) and attitude toward the act ($p<.001$). The perceived feasibility component was not significant, even though the raw correlation between feasibility and desirability was significant ($r^2=.235$, $p<.002$). These relationships indicate that the subjects desire more to start their business when they favorably perceive the managerial and entrepreneurial tasks in the business, when they find attractive the idea of starting a business and expect positive outcomes from it. The desirability is an important predictor of the intentions.

### IV. PRACTICAL IMPLICATIONS

These models yield useful practical applications whenever behavior is intentional. Entrepreneurship teachers, consultants, and entrepreneurs all benefit from a better understanding of how intentions are formed and how founders' beliefs, perceptions and motives coalesce into intentions. As educators, we can use this model to better understand our students' motivations and intentions, and thus provide better training. Teaching about the realities of entrepreneurship may increase entrepreneurial self-efficacy. (It might simultaneously decrease perceived desirability.) Policy makers benefit from understanding that a policy initiative will affect business formations only
if that policy is perceived in a way that influences attitudes or intentions. Practitioners will appreciate the robust predictive validity of intentions models (not just post hoc explanatory power). Robust empirical support for both models argues that promoting entrepreneurial intentions requires that we must promote perceptions of both feasibility and desirability. Even if we increase the quantity and quality of potential entrepreneurs, we must also do so among critical stakeholders in the community. Government officials, politicians, suppliers, investors, bankers, friends and neighbors, and the business community must also see entrepreneurial activity as desirable and feasible. We must also make certain that we include all strata of society (Hood & Young 1993).

CONCLUSIONS

Coming back to the regression models used to test the theory of planned behavior and the Shapero’s model, a short discussion of the potential causes of the respondents’ lack of ability to estimate their intentions toward starting their own business in the next five years will follow. The sample was comprised of university students in medicine; they were asked to estimate the probability of having their own private consulting room in the next years in Romania; 75% of them answered “don’t know yet”. This could be attributed to the fact that the moment when they were asked to answer the aforementioned question was strongly marked by the new developments in the national and international economy, with a blocked loan market and other economic crisis problems hanging over Romania, such as potential for high inflation and other uncertainties. All these factors are not only threatening to clog consumer spending, but also put a brake on investments, making it even harder to predict the future developments of the market. This may also mean setbacks for the new business interests in the following period, especially in the medical field, where the investment can be considerable given the necessity to lease office space, purchase equipment and integrate technology.

Yet again, the predicted relationships by the theory were found significant when only those that had an opinion on starting their own business were taking into consideration.

Intentions models are parsimonious, theory-driven, robust in both explanation and prediction, and have practical utility. They are compatible with existing entrepreneurship research, allowing researchers and practitioners to understand the impact of hypothesized influences on organizational emergence; not only what influences venture emergence, but also how it does so.

As educators, consultants, and policy advisers we help empower potential entrepreneurs who will be able to seize personally desirable, personally feasible opportunities when the environment presents them. These results help us do so.

BIBLIOGRAPHY

Dear Ladies and Gentlemen,
Dear Guests and Hosts,
Dear Students and Colleges,
You’re Excellency,

I would like to thank to the organizers that give me opportunity to participate on this Conference devoted to the global economic crisis and to share with the students from here and from the Republic of Greece our common Balkans concerns for the future.

I am very proud to be a part of the Conference related to the young people who should be prepared for the challenges of the global economic and financial crisis for finding solution, specially because of the Borjan Tanevski’ Memorial Fund involvement.

I had opportunity personally to know young enthusiast and excellent young person Mr. Borjan Tanevski, who has defended the idea of common action in the world for better life of the people. He was open mind, with sense of big humanity, knowledge and good heart. Today we are gathered by his vision of human development and growth.

Today the world is facing with the biggest economic and financial crisis after the crisis from 1929 that were not recognized before, when the governments changed their economic policies towards some intervention and measures for regulation of the market and economic activities. After that economic crisis, the world was not the same. Open market economy, as an accepted concept of economic system, was transformed slowly by social market economy, particularly in countries in EU.

USA has accepted the system of open market economy without any protection and intervention in the economy, until nowadays appeared economic crisis which provoked many negative impacts on economic and social life. Solution of the negative process in production, employment, stock exchange, export-import activities, US authority has seen in launching a lot of financial measures for support the enterprises and to support the entrepreneurship. Billions of dollars are put on the accounts of the banks from the American authorities for simple reason: to accelerate the economic growth and to raise the level of economic activities in the country from the bottom. Indirectly it was financial support of the enterprises to raise the production and to start new investment cycle.

The G20, the famous group of most developed countries in the world, agrees to channel $1.1 trillion (€832bn) into the IMF and other institutions and to tighten rules on financial markets. The agreement was welcomed by the EU, which has led efforts to crack down on loose banking practices that caused the financial crisis.

The crash of the financial system in USA in 2008, in globalization process, spreads the negative impacts in other countries in the world and consequences are well known: reduction of the production, reduced demand of goods and services, the same with offers and all basic economic indicators are reduced and negative. Many workers lost their jobs, industry is in collapse, (for example automotive industry), growth rate of GDP is down.

Economic crisis stopped economic growth, reduced the production, employment and export activities in all countries. The situation is worst in the less developed countries, like the Republic of Macedonia, where the latest data show negative tendencies:

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10 Speech delivered at the VI International Student Conference of Borjan Tanevski’ Memorial Fund in cooperation with Konrad Adenauer-Stiftung held on 16 May 2009 at the FON University in Skopje
The real GDP growth rate in 2007 in relation with 2006 is 5.9%, last year was 5%, but today is reduced on 1% (was planned 5% growth rate). The prognosis of IMF, made some days ago, is reducing on minus 2%, for 2009, which is very pessimistic. More than 25,000 workers in textile industry, are out of the factories, because of cancelling the agreement with foreign partners, consequently of the reduced demand on the commodity markets. The price of the capital is raising and enterprises have no access to the favorable credits and loans. The Central bank keeps the rigid monetary policy in purpose to keep the domestic currency stable. Trade balance deficit is increased and foreign currency reserves are reduced. Generally, economic recession is on high level. We still can not see the end of negative tendency in the financial and economic sphere.

The world economic and financial crisis evidently shows that some fundamental changes in economic and financial world system should be made as well as in the social sector. Many debates on these issues are initiated in last months in the world. It is really time to make some steps towards reorganizing financial world system, to more regulated market, in purpose to reach society of welfare for all citizens.

The neo-liberal theories and tendencies of the marketplace as a unique allocator of production factors - imposed by the global financial institutions like IMF, WB and the US, now are in serious crisis. In the last decades they completely rejected the Neo-Keynesian concepts of the necessity of state regulations of the national economies, launched after the big economic crisis in 1929-1933. World famous economists and experts such as H. Stiglic, H. Sax, G. Kolodko, among others, rightly criticize the open market fetishism and the globalization, monetarism, and liberalization for liberalization’s sake. It is serious question for discussion, theoretical and practical aspects. Now, I think, it is actual again.

What is the best for the future economic and social life in the world?

The economic crisis has the impact to the economies in all countries in the world. The globalization process connects all economies in the world which result in the crisis influence in developed and not developed countries equally.

The Balkans countries are faced with the problems of consequences of economic and financial crisis either.

Dear Ladies and Gentlemen, dear Students and Colleges,

The Berlin wall is fallen, but now the new threats are appeared, they are: unemployment, distortion of the global financial system, necessity of the new model of economic system, new allocation of the capital, more social elements in the government policies, different measures for support individual visions in purpose of raising the entrepreneurial spirit of the young population and build society of welfare and justice.

The economic crisis is a big threat for survival of many people, especially the poorest ones in not developed countries.

For that reason, we are witnesses of the fast intervention of the governments especially in the banking system, which should support business sector development and economic growth.

EU countries governments, faced with negative tendencies in the economic and financial field, including social life, overtook many different measures and made some new decisions in purpose to save the jobs of their workers.

In these circumstances, the Balkans region is faced with all negative performances in the economy, collapse of production, job reduction, lack of capital, more saving in the budget expenditures and export reduced.

The most actual question now is how to start a new business cycle. All Balkans countries are faced with necessity of urgent government new policies with financial support of the business sector and entrepreneurial development. For our neighbor countries is useful to continue with business networking, tourism activities, strategic alliances and business cooperation.

For the Republic of Macedonia, for example, most important trade partners are Republic of Serbia, Germany, Republic of Greece, Italy and Russia (49.3% from the total commodity international trade exchange).

In 2007 the most important trade partners for us, are the EU countries 27(65.2%) and the West Balkan countries (29.4%), and in the import the most important trade partners are the EU countries 27(49.7%) and the Developing countries (30.7%).
The Republic of Macedonia imports mainly the crude petroleum oils, electricity, motor vehicles and exports ferronickel, iron and steel products and clothes. There are opportunities to raise the export of wine, manufactory products, as well as tourism arrangements, agribusiness products. Trade balance deficit is still on the high level (-1 627 mil. $ and GDP per capita of 3.706 US $ in 2007. In 2009, situation is worst, lack of credits for business activities, low investment level.

I believe that the actual question is what should be done for start new productive cycle in our economy? In any case, difficult issue, but plenty of opportunities and chances for the new economic policy with accent of the entrepreneurship development and support of innovation and ideas of young educated people. Open borders, partnership support and business networking should be priority in economic policy and strategy in purpose of economic prosperity and exit of the economic and financial crisis.

New generation of people, with new knowledge and skills should have more influence in the world’ institution policy.

Young generation should be more active to make the world better place for living.

PHOTOS FROM THE INTERNATIONAL UNIVERSITY ENTREPRENEURIAL EDUCATION CONFERENCE IN TIRGU MURES, MAY 2009
CONFERENCE PAPERS

CONFERENCE ON THE GLOBAL INTEREST OF SMEs

31 March 2009 - WORLD UNION OF SMEs

On 31st March 2009 a group of entrepreneurs from Austria, France, Hungary, Israel, Italy and Malaysia participated in a meeting held in the Republic of San Marino under the auspices of C.E.S.A. Foundation and their President Dr. Gian Franco Terenzi in order to launch the foundation of a new association dedicated to Micro- Small- and Medium Enterprises (SME’s).

One of the priorities of the new World Union of SMEs will be to provide widespread information and foster awareness among the different national institutions of the countries belonging to the WORLD UNION as regards the true needs of small enterprises which represent the basis of the economic fabric of all societies. The new Association shall develop strategies able to back the growth of this major economic sector and identify annual activities to be realised, to facilitate relations to the national associations and create moments of encounter that represent chances and opportunities of integration between the actors from different countries and geographic areas.

„I am convinced that we can restrict the economic and social consequences of the global financial and economic crisis, and create the foundations for a better future, if we make use of the strong points and the best energies at our disposal”, said Dr. Terenzi. Growth prospects do already exist. This was made evident in a preparatory meeting in Vienna of 26 – 28 November, 2008 where the idea was aired of perfecting and re-thinking future strategies and developing methods for making a new WORLD UNION for Smell’s the number one SME representative Association in the word and at the UN Organisations, e.g.UNIDO, UNESCO, ILO and others.

Dr. Terenzi also informed the participants of the SME meeting that he contacted the Social Fund for Development, an institute based in Egypt providing development backing to small and medium Egyptian Enterprises but which also represents 12 Arab Countries. The Fund promised it’s full support and participation in the context of the SMEs UNION’s future projects.

The final communiqué of the SMEs Meeting concluded with the approval of the Government of San Marino to host the „World Conference on the foundation of a WORLD UNION for SME’s scheduled for 1st October 2009 in San Marino. SME supporting governmental and NGO institutions and organisations, SME bankers and experts will be invited to participate and to associate with the World Union. The following SMEs associations are members of the World SMEs Conference Committee:

- C.E.S.A. Foundation. President: Dr. Gian Franco Terenzi (Chairman of the Conference; Israel Small and Medium Enterprise Authority
- ISMEA, represented by their President, Mr. Gideon Sagee;
- China International Co-operation & Promotion Council for Small and Medium Enterprises. President: Dr. Charlie Chan;
- The SME Representative at UNESCO in Paris, Mr. Robert Holtz;
- The WASME Permanent Representative for Malaysia, Dr. Tajudin;
- EIED European Institute for Economic Development, represented by Mr. Ágoston Lőrinicz, Hungarian Entrepreneur.
- Dr. Norbert W. Knoll-Dornhoff, Austrian Citizen, has been appointed General Secretary of the Committee and (ad interim) of the new Association.

Press-Information: EIED European Institute for Economic Development
Representative Office for Eastern Europe
Garas utca 22, H-1026 Budapest, Hungary

EIED European Institute for Economic Development based in Vienna, Austria and Budapest, Hungary with Representative Offices in Geneva, Iceland, Cairo, Larnaka (Cyprus) and Praha is a consulting and business development organisation that helps businesses successfully find markets and investments, assists Member Companies in financing their feasible projects and select partners and representatives, establish joint ventures and strategic alliances, and set up operations in Austria, in the new countries of the European Union and Middle East countries.

The vision of EIED is to function as multi-layer facilitating hub which puts manufacturing, marketing and distribution of Austrian made products and services, into markets throughout the new EU countries and Middle East.

Kontakt-Person:
Dr. Norbert W. Knoll-Dornhoff
General Secretary
Phone: (+361)-315 10 59
Web: www.eied.at.tt

Source: http://www.pr-inside.com/de/conference-on-the-global-interest-of-smes-r1179053.htm

© Nagy Szilvia
It is estimated that around 80% firms worldwide are the family enterprises. These are companies owned by the families, or that are controlled and managed by the families themselves. In the US family businesses constitute around 1/3 of the companies from S&P 500, and hire 78% of the entire workforce. Therefore, the activities of family firms are extremely important, and play a crucial role in the economic development of regions, countries and the world economy.

However, the family business must face several challenges. The most visible difficulty in the family firm development is how to maintain the control on the company by the family, when the company expands, gains foothold in the new markets and diversify its activity. There are also problems of balancing the values of a family with the economic effectiveness of the enterprise, and of course the issue of succession, i.e. the heading over the control over the company to the new generation.

The research on family business is now a well established, but still expanding area of study. As the media, scholar community and public in Poland is increasingly curious of how the family companies perform on the market, the Chair of European Studies and the Chair of Entrepreneurship and Innovation from the Cracow University of Economics, together with the Italian Cultural Institute in Cracow and the Entrepreneurship Research and Education Network of Central European Universities (ERENET) have organized on 4-5 June 2009 the international conference "Entrepreneurship and Growth of Family Firms". The conference was held in Cracow, in the Cracow University of Economics campus and has gathered almost 40 scholars from 20 countries.
INSTITUTIONAL PROFILE

COPENHAGEN BUSINESS SCHOOL
file: http://uk.cbs.dk/about_cbs

The Copenhagen Business School (CBS) was established in 1917 and became integrated as an institution of higher education in the Danish education system in 1965. Today CBS is regulated by the Danish Universities Act 2003 under the Ministry of Science, Technology and Innovation.

The Copenhagen Business School has around 15,000 students and an annual intake of around 1,000 exchange students. With this number of students as well as around 400 full-time researchers and around 500 administrative employees, CBS is one of the three largest business schools in Northern Europe.

CBS aims to:
- contribute to the creation of value in society and in enterprises
- train master's graduates who are competitive in an international labour market
- develop research-based knowledge in cooperation with the business community.

Strategy

Strategically, CBS primarily focuses on three focal areas:
- Internationalisation
- Partnership with the business community
- The Learning University.

CBS Undergraduate now offers seven bachelor programmes taught in English. You can study international business or combine business studies with culture and language, politics, service management, communication, or information management. Bachelor Programmes taught in English
- BSc in International Business (see at http://uk.cbs.dk/degree_programmes/cbs_undergraduate/bacheloruddannelser/bsc_in_international_business)
- BSc in Business Administration and Service Management
- BSc in Business Administration and Sociology
- BSc in International Business and Politics

Copenhagen School of Entrepreneurship

The vision for Copenhagen School of Entrepreneurship is to create synergy between the many initiatives and activities within the field of entrepreneurship and innovation present at CBS. We go beyond the narrow interpretation of entrepreneurship as start-up, and include the relationship to innovation and leadership. At CBS there are a number of initiatives such as developing teaching, creating projects with companies, developing tools and business plans, mobilising students with a special interest in entrepreneurship, and, of course, general research and teaching in entrepreneurship and innovation.

Address
Copenhagen Business School
Sølbjerg Plads 3, DK-2000 Frederiksberg
Tel: (+45) 3815 3815   E-mail: cbs@cbs.dk
Entrepreneurship and Economic Development Research Institute at the Academy of Management in Lodz

Prepared by Sylwia Kosinska

Address: 121 Gdanska Str., 90 - 519 Lodz, Poland
www.eedri.pl
sekretariat@swspiz.pl

Background information:

EEDRI was set up formally at the beginning of 2004 on the basis of the Academy of Management in Lodz. Although it is a relatively young research structure it has however the necessary potential, knowledge and research experience at its disposal. The Academy of Management was established in 1995 as one of the first non-public academic institutions in Poland. Over a short period of time the institution gained and strengthened its reputation in the academic environment throughout Poland and the Academy’s fourth place (among 160 possible institutes) in the 2004 ranking of non-public academic institutions proves its good references. Moreover it is a second non-public academic institution in Poland to fulfill the very demanding eligibility criteria of the National Commission for Scientific Degrees, which entitled the Academy of Management to appoint PhDs in economic sciences.

Objectives

The EEDRI is an interdisciplinary research centre which integrates specialists from the fields of economics, management and marketing, and economic and social sciences. Its objectives are:

- To develop new areas of research competencies, especially in the field of partnership building; policy oriented research; the gathering and dissemination of good practices connected with the co-operation of the research sector with political decision-makers; comparability of transeuropean research into economic and social sciences; and qualitative and quantitative policy evaluation methodologies.

- To play the role of a stimulator to increase co-operation between the government and research organisations in the formulation of entrepreneurship and enterprise development policy, hence supporting the achievement of the objective of social and economic cohesion in the enlarged Europe.

- To become a Centre of Excellence in entrepreneurship and economic development, and consequently to establish its position as one of the Poland's leading centres in the field of entrepreneurship and SME development.

- To initiate effective networking into the presently dispersed Polish environment dealing with research into entrepreneurship and SME development.

- To establish a network of co-operation with other centres dealing with similar issues in the enlarged EU for the purpose of integration with the ERA.

- To perform the role of a platform linking Polish centres with leading European centres, thereby supporting the incorporation of the Polish scientific environment into the European Research Area as a partner;

- To better articulate the needs of Polish SMEs in an enlarged Europe, thereby making an input to achieve the objectives set out in the Lisbon strategy.
Research activities

Until 2004, research activities in the Academy were carried out by independent scientific workers who continued the research begun in their previous scientific careers. Since the EEDRI has been established this research activity has become much more consistent, which is one of the priorities of the Academy of Management. It is focused primarily on such basic areas as:

- Entrepreneurship and SME development studies covering a wide range of issues as: the state of Polish private sector and factors influencing the survival and growth of the SMEs; development barriers; functions of governing authorities in facilitating the business environment; performance of SME support programmers; SMEs and transfer of technology and so on).
- Innovation studies (regional innovation strategy, technology transfer and commercialisation; SMEs and transfer of technology, and other related issues).
- Economic studies covering a very vast area of comprehensive research in the field of applied economics, regional and local economy, employment and labour market.
- Foresight, applied econometrics, mathematical programming, statistics and forecasting.
- Economic integration processes (business environment in the EU and Poland; consequences of the European integration for Polish economy; development of towns and regions in the context of integration and globalization processes and so on).
- Management of regional development (new techniques and methods of governing; local and regional planning; environment-friendly development and so on).
- Socio-cultural studies covering a wide range of issues.
- Political studies around international relations with special attention on integration of Poland with EU.

EEDRI is involved in numerous national and international co-operation arrangements in a variety of fields, which include in particular: designing regional promotion strategies in the context of establishing European co-operation programmes; training and counselling for companies in the field of entrepreneurship, propensity to innovation, and marketing orientation development; training and counselling of companies aimed at raising their competitiveness in EU markets; preparing expert appraisals for central offices concerning the effects of EU integration in different fields of economic activity; conducting training courses promoting the idea of European integration for different milieus; providing consultation services for government agencies.

EEDRI has a wide scope of partners and contact networks not only at the university, local, regional, or national level but also in an international dimension, particularly in the field of co-operation with local authorities and local self-governments, providing them with diagnoses of economic and social problems based on scientific knowledge and offering courses to improve their managerial skills.

Cracow University of Economics
Photo by Dr. Antal Szabó ©
More than just study abroad, this rigorous Master of Science degree prepares you to be a successful entrepreneur in a global context. The program is unique - it is offered on three continents by the world’s most prestigious entrepreneurial MBA programs. EMLYON Business School (Europe), Babson College (USA), and Zhejiang University (Asia) are ranked #1 in Entrepreneurship in their respective regions. Combining the world’s best entrepreneurial teaching with three diverse global markets, the GEP prepares you to begin a global entrepreneurial career.

As a student of the Global Entrepreneurship Program, you will:

- **Develop** the necessary capabilities to increase the probability of success in global businesses
- **Increase** your ability to work with an international team
- **Improve** on your ability to present and convince stakeholders from different business environments to invest in your business
- **Enhance** your leadership skills
- **Master** different business environments in terms of personal and professional development

Experience Global and Local Business Cultures on three different continents, Asia, Europe and North America:

- **Learn** a systematic approach to analyzing global entrepreneurship in both new and established businesses
- **Understand** the identification and exploitation process of business opportunities
- **Explore** firm growth and development in global markets
- **Investigate** family business and transition
- **Examine** the critical factors of innovation and knowledge creation as they influence the organizational and management behavior in companies.
CALLS – EVENTS – NEWS

08 Apr 2009 - UNCTAD’s Investment Policy Review Belarus discussed in Minsk

UNCTAD presented the main findings and recommendations of the forthcoming Investment Policy Review of the Republic of Belarus to the Government and key stakeholders at a workshop in Minsk. The local and international private sector and the development community participated actively in the discussions. The main findings and recommendations of the Investment Policy Review (IPR) of Belarus are encouraging, said UNCTAD representatives during the presentation of the draft report at the stakeholders’ workshop in Minsk, on 8 April.

The presentation gathered around 70 participants from different Ministries and State agencies, the private sector and other development partners, including the UNDP office in Belarus and the World Bank. The First Deputy Minister of Economy, Mr. Piotr Zhabko, who opened the meeting, emphasized that the Government of Belarus was "not envisaging any step back" in reforming the investment climate and stressed that the IPR would be used to move forward.

From left to right: Mr. Levan Bouadze, Deputy Resident Representative, UNDP Belarus, Mr. Vladimir Karyagin, Chairman of PA 'MCAEE', Prof. Alena Petrushkevich, Belarus State Economic University, Ms. Natalia Dmitrovich, Deputy Head of Main Investment Directorate, Ministry of Economy of the Republic of Belarus, Mr. Antonius Broek, Resident Coordinator, United Nations System in Belarus, Ms. Chantal Dupasquier, Chief, Investment Policy Reviews Section of UNCTAD, Mr. Massimo Meloni, Project Officer, Investment Policy Reviews Section of UNCTAD.

Ms. Chantal Dupasquier, Chief of the Investment Policy Review programme of UNCTAD, told the audience that the Government's reforms are heading in the right direction to deliver a more transparent, predictable and competitive business environment - indispensable for attracting high-quality investors.

UNCTAD’s Investment Policy Review identifies a number of areas where regulatory and administrative reforms are needed to enhance Belarus' competitiveness and increase its attractiveness as an investment location. These include a fair pricing mechanism, an effective land titling system, a competitive fiscal regime and non-discrimination in the access to raw materials and industrial inputs.

A number of follow-up activities to assist the Government in the implementation of the IPR's recommendations were also discussed in a bilateral meeting between Government representatives and the UNCTAD staff. The Resident Coordinator of the UN System in Belarus, Mr. Antonius Broek, expressed support for the implementation process and indicated that all development partners in the country, including the International Monetary Fund and the World Bank, should assist Belarus in operationalizing and implementing the recommendations of the IPR.
In 2007, the Republic of Belarus, through the Minister of Economy, H.E., Mr. N.P. Zaichenko, requested UNCTAD to conduct an Investment Policy Review. The aim was to underpin Belarus’ efforts to improve its attractiveness to investors by creating an enabling environment for business.

The IPR of Belarus, which is the 26th IPR completed by UNCTAD, has been in progress since May 2008. In November 2008, UNCTAD participated in the first Belarus Investment Forum in London to present the preliminary results of the IPR. On the occasion of the Forum, Dr. Supachai Panitchpakdi, Secretary-General of UNCTAD, met with H.E. Sergei Sidorskiy, Prime Minister of Belarus, who indicated strong commitment to the IPR process.

The final version of the report will be publicly available in the third quarter of 2009 and it will also be presented by UNCTAD at an inter-governmental event to be held in Geneva in the fourth quarter of 2009.

Source: http://www.unctad.org/Templates/Page.asp?intItemID=4811&lang=1

Editorial Remark:
UNCTAD Secretariat invited two ERENET Members: Peter Radoev Zashev and Dr. Antal Szabó as External Experts to participate in the preparation of one of the chapters of the IPR on Belarus.
4th ERENET ANNUAL MEETING

THE SME SECTOR IN GLOBAL ECONOMIC CRISSES
Financing SMEs

25 September 2009, Belgrade, Serbia
Zmaj Jovina 12, 11000 Belgrade

INVITATION FROM THE ERENET SECRETARY

Entrepreneurship education and development, especially for SMEs has been receiving increase attention at all level in national economy. The Entrepreneurship Education and Research Network among the Universities of Central and Eastern Europe ERENET, consisting of university academicians, government representatives, experts from business services providers and responsible entrepreneurs, has contributed to the promotion of entrepreneurship at the university curricula, harmonisation and development of entrepreneurial education, evaluation and development of government’s SME national policies, promotion of communication and dissemination of best practices in SME promotion related issues.

ERENET, as an open-ended network based on mutual trust, cooperation and recognition, having more than 110 members from 27 European and 8 Non-European countries, becomes a significant source of entrepreneurship development and has been contributes to strengthening the set of cultural and educational values and promoting the cross-boarder cooperation among the universities and institution in Central-Eastern Europe.

It is a special achievement that the Institute of Economics Sciences became the ERENET Secretary for South-Eastern Europe on the occasion of the 50th anniversary of the Institute, through this contributing to the economic development and mutual reconciliation of the nations among the multiethnic and multicultural Balkan-region. It is my great pleasure to invite you to the 4th Annual Meeting of the ERENET to be organized on 25 September 2009 at the Institute of Economic Science at Belgrade, Serbia.
INVITATION FROM THE INSTITUTE OF ECONOMIC SCIENCES

In the period between the 3rd and 4th ERENET Annual Meeting some huge changes have occurred, both in global economy and the very organization. The global financial crisis has been transformed into economic recession, not observed for decades. The negative effects of crisis have been moved from developed countries to almost all countries in the world and heavily affected the economies of many Central and South-East European countries. In such circumstances one of the essential issues for the entrepreneurs and small and medium business owners are how to survive and overcome the crisis. Concerning the remarkable challenges in ensuring capital and necessary financial resources for survival, the main topic of our annual conference is related to the SME’s financing in global crisis background.

In the period following the previous conference the ERENET keeps rising. A great number of new members have joined us. Nevertheless, one of the significant changes to be stressed is the opening of ERENET regional office in Belgrade (Serbia), at the Institute of Economic Sciences, where are represented a number of our members, including the Belgrade Banking Academy. This is a proof of the vitality of our organization, as well as the expressed willingness to stress promotion of the ERENET goals in the South-East Europe region.

Respecting your high professional reputation and contribution, we wish to invite you to participate on the conference in Belgrade on September 25th, 2009, enjoying in the company of your friends and giving the full contribution to further development and spreading of ERENET ideas.

INVITATION FROM THE BELGRADE BANKING ACADEMY

As an ERENET member since its very beginning we would like to invite you to participate at the conference dedicated to financing small and medium enterprises (SME’s) in condition of crisis. A great number of ERENET members and representatives of small and medium entrepreneurship from Serbia and other region countries will take place at the conference.

The Belgrade Banking Academy is a high school completely oriented to offer the students the maximum value in the field of banking, insurance and modern financing in accordance with the highest academic standards. One of the segments of its strategy is aimed to the entrepreneurship education of the small and medium business owners.
INVITATION FROM ESBA

Another challenging year has passed since the last ERENET Annual Meeting. Small business is now feeling the full blow of the global financial crisis and we are working hard with ERENET to contribute practical solutions wherever possible. ERENET and ESBA combine research with advocacy to improve the working environment for micro and small businesses. Good examples of help for small business are more important than ever. Communication of these good examples will help to inspire others to take the ideas on board and turn them into reality.

ESBA has been lobbying on all fronts to improve the access to finance for our members going as far as inputting ideas to the G20 meeting in London in April via consultation within the OECD. The current discussions on the revised late payment directive have highlighted the tremendous damage that the lack of funds owned to small business is doing to the economy. Billions are being held by large companies and public bodies that could be used by the rightful owners for working capital and to avoid redundancies. The future looks difficult for the time being especially for small business that often risks the roof over their heads. We need to do everything in our power to retain the small business base in every EU country. They are the job creators of the future and provide the innovation to pull the economy out of recession.

We in ESBA will continue to work closely with ERENET to inform policy makers, contribute with suggestions and distribute good examples to the small business community. For questions or contributions, please visit our website on: www.esba-europe.org.

PROGRAMME BOARD
1. Dejan Erić, PhD, IES, Belgrade, President
2. Antal Szabo, PhD, ERENET, Budapest, Scientific Director
3. Hasan Hanić, PhD, BBA – Faculty for banking, insurance and finance, Belgrade
4. Petru Maior, University of Tîrgu Mures, Romania
5. Mirjana Radović, PhD, IES, Belgrade
6. Zsuzsanna Katalin Szabó, Prof. Ph.D. Faculty of Economics
7. Renata Vokorokosova, Associate Professor, Ph.D., Faculty of Economics, Technical University of Kosice, Slovakia
8. Besim Culahović, Associate Professor, Ph.D., School of Economics and Business, Sarajevo, Bosnia and Herzegovina
9. Sanja Pfeifer, Associate Professor, Ph.D, Faculty of Economics, Osijek University, Croatia
10. Maria Zarezankova-Potevska, Professor, Ph.D, FON University, Skopje, Macedonia
11. Vesna Karadžić, Associate Professor, Ph.D., Faculty of Economics, University of Montenegro, Podgorica, Montenegro
12. Ivan Stošić, PhD, IES, Belgrade
13. Božo Drašković, PhD, IES, Belgrade
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5. Bojana Radovanović
6. Isidora Beraha
7. Draško Nikolić
PRELIMINARY PROGRAMME

25 September 2009

09.00 – 09.50 Delegate arriving, Registration, Refreshment on arrival + Networking

10.00 – 10.20 Opening Welcome
Dr. Dejan Erić, Director of Institute of Economic Science, Belgrade
Mr. Radomir Jelašić, Governor of the National Bank of Serbia,
Ms. Tina Sommer, President of the European Small Business Alliance - ESBA
Dr. Antal Szabó, Scientific Director of EREN
Dr. Hasan Hanić, Professor, Dean of BBA Faculty for banking Insurance and Finance

by Dr. Antal Szabó, Scientific Director, and Attila Petheő, Secretary of the EREN

10.40 – 11.20 Progress reports on Entrepreneurship Development Projects:
European Entrepreneurship Education Project ERASMUS-ECDN
by Prof. Zsuzsanna Katalin Szabó, Dean of Economic Faculty of the Petru Maior University (Romania) and
Strengthening the Educational and Scientific Collaboration among Faculties of Economics within V4 and South-Eastern Europe
by Dr. Renáta Vokorokosová, Associate Professor, Faculty of Economics, Technical University of Kosice

11.20 – 11.50 Cafe Break

11.50 – 14.00 SESSION I: National SME Policies in South-Eastern Europe (SEE)
- Identifying Common Balkan Concern in the Era of Global Crisis by Prof. Dr. Maria Zarezankova-Potevska, FON University, Skopje
- National SME Policy in Albania
- National SME Policy in Bosnia and Herzegovina
- National SME Policy in Croatia
- National SME Policy in Montenegro
- National SME Policy in Serbia
- National SME Policy in The former Yugoslav Republic of Macedonia
- National SME Policy in Kosovo

14.00 – 15.00 Lunch

15.00 – 16.30 SESSION II: Financing SMEs in Global Economic Crises
- Improving Access to Finance by Ms. Tina Sommer, President of ESBA
- Financing Start-ups and SMEs by Ms. Ana Žegarac, Head of International Cooperation Department, Serbian Agency for Development of SMEs
- Practice in Microcrediting – Assistance to Start-ups by István Kovács, Managing Director, Hungarian Enterprise Development Network Consortium
- Conditions and modalities for introduction of Microcredit Law and Scheme in Serbia, IES, Belgrade

16.30 – 17.30 Discussion of upcoming events and activities of the EREN Network for 2009-2010

17.30 Closing of the Meeting
REGISTRATION

Please be sure to complete the registration form and return it to the following address:
meeting.erenet@ien.bg.ac.rs.
Along with the registration form, you will find useful information regarding accommodation in Belgrade.
Please contact us and we will book the chosen hotel for you.

INFORMATION

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and

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http://www.erenet.org

INTERNATIONAL ENTERPRISE PROMOTION CONVENTION

15-17 November 2009 - Harrogate, Yorkshire, UK

2nd Call for Speakers

Do you promote enterprise or support entrepreneurs as they struggle to survive and thrive?
If so please come and tell others about your own programmes and achievements in this crucial role. This is a vital CPD opportunity for all professional practitioners in this field.

Personal presentations are invited for this major new international convention on Enterprise Promotion to be held in the Harrogate International Centre, Yorkshire, UK, on 15-17 November 2009.

The event will showcase best practice and innovation in the creation and support of small businesses world-wide. This is a unique opportunity for all business advisers, coaches, counsellors, consultants, educators, financiers, mentors, teachers and trainers to promote their own successes and to network with like-minded specialists in SME creation and development from all around the world.

We have received a great response from all over the world so far, so don't delay! All Speakers whose presentations are accepted will be offered either FREE registration for the day of their presentation OR about 50% discount off the full Registration Fee for the whole Convention. (Discount is limited to one person per presentation)
Online submission for summaries of presentations will be activated shortly - but you can submit your interest now via the Enquiry Form on the Convention website. If you prefer to
attend as a delegate then online registration is available on the website with **early booking discounts until 31st July 2009.**

**Below is a list of the MAIN THEMES** in Workshops, Case Studies & Debates – dependent on the interests of participants. More detail of sub-topics in each Theme is available on the Convention website

- Advancing entrepreneurship education and training world-wide
- Business creation and development - stimulating start-ups
- Community, ethnic, minority, rural and social enterprises
- Developing enterprise in emerging and transition economies
- E-business, e-learning, e-mailing and website marketing
- Innovation, incubation, networks and knowledge transfer
- Management, skills, environmental and global growth issues
- Supporting small business development world-wide
- Venture capital, business angels, finance, regulation & taxation
- Women's enterprise and family business development
- Youth enterprise support programmes world-wide

**WHO SHOULD ATTEND?**

This Convention is being organised on a low-cost not-for-profit basis so that as many SME specialists and support organisations as possible can attend from both the UK and overseas - for example-

- Business Advisers, Coaches, Consultants, Counsellors, Facilitators and Mentors
- Entrepreneurship Educators, Researchers, Teachers & Trainers
- Financial Advisers, Financiers, Business Angels and Venture Capitalists
- Government Policy Makers and Specialists in Regeneration and Economic Development
- Incubation & Innovation Centres: Business Centres and Science Parks
- Professional Institutes, Societies and Trade Associations
- SME Support Organisations & Agencies; Chambers of Trade & Commerce, etc.

**WHY ATTEND?**

- Interact with leading practitioners, policy-makers, entrepreneurs & advisers
- Hear case histories from many successful enterprise promotion programmes
- Share best practice in business creation and support services world-wide gain
- Exchange experience in entrepreneurship education and training and CPD
- Debate new approaches to small business management and development
- Consider applications and policy implications of many innovations
- Develop existing networks and establish new working relationships

**FOR FURTHER INFORMATION:**

Contact: Brian Dunsby, Organiser, or Maggie Hall, Coordinator, at info@enterprisepromotion.org or write to: Enterprise Convention Secretariat, PO Box 288, Dept EM0709, Harrogate HG1 9AX, UK

Website: www.enterprisepromotion.org Tel: +44(0)1423 879208 Fax: +44(0)1423 870025
Commission calls on Member States to implement new guidelines for improving Single Market

A set of practical measures aimed at improving the functioning of the Single Market at national, regional and local levels has been put forward by the European Commission, so that all citizens and businesses can make full use of their Single Market rights. Member States are being asked to implement a number of new guidelines in critical areas such as making practical information on opportunities in other EU countries easily available, improving cooperation between national authorities and strengthening the transposition, application and enforcement of Single Market rules on the ground. The progress in introducing the measures will be jointly monitored by the Commission and national administrations, and after four years the Commission will report on the overall progress achieved. The Commission has issued these measures in the form of a non-binding 'Recommendation'.

Internal Market and Services Commissioner Charlie McCreevy said: “The Single Market is crucial to the recovery of the European economy. But for the Single Market to work effectively, its rules need to be correctly transposed, applied and enforced at national level, and national authorities need to cooperate more closely with each other. The Recommendation we have adopted today sets out concrete steps on how to ensure this. I am grateful for Member States’ close cooperation in preparing this Recommendation and I urge them to actively implement the recommendations at national level. The Commission will do its utmost to support Member States in this work.”

The Recommendation on ‘Measures to improve the functioning of the Single Market’ is a direct response to the Single Market Review (IP/08/2000), which called for closer partnerships amongst Member States, and with the Commission, to make the Single Market work in practice. The Recommendation encourages Member States to assume a more pro-active role and to take ownership of a series of proposed measures developed by the Commission. These measures stem from research undertaken with Member States during 2008 to identify the potential problems in making the Single Market work in practice, and in many cases draw closely on good practices that have proved to work well in some Member States. The incoming Swedish Presidency is to prioritise the effective functioning of the Single Market at the Competitiveness Council.

Measures to improve the functioning of the Single Market

- ensure and strengthen a Single Market coordination function, to promote efficient coordination amongst authorities responsible for Single Market issues at national, regional and local level within each Member State, and to act as a reference point for the Single Market within the administration;
- encourage close cooperation between civil servants from different Member States, and with the Commission, to facilitate communication and build mutual trust (e.g. through various networks for administrative cooperation);
- improve the transposition of Directives affecting the Single Market;
- better monitor markets and sectors to identify potential market malfunctioning;
- ensure that national civil servants dealing with Single Market issues are properly trained and have access to advice on Single Market rules to correctly apply them in practice;
- strengthen the enforcement of Single Market rules, e.g. through providing sufficient training for judges and promoting problem-solving mechanisms, to quickly and efficiently find solutions to problems encountered by citizens and businesses;
- promote regular assessment of national legislation; and
- improve provision of information to citizens and businesses about their Single Market rights and cross-border opportunities.

Two Commission Staff Working Documents accompany the Recommendation. These provide information on i) the activities undertaken by the Commission to support Member States and ii) the main existing networks established by the Commission for administrative cooperation in the area of the Single Market.

Ragib Guliyev

EFFECTIVE POLICY FOR DEVELOPMENT OF SMALL AND MEDIUM ENTREPRENEURSHIP:
BEST PRACTICE AND NEW EFFORTS.

Volume I, Baku, Azerbaijan, 2009

This book is a result of long-term efforts on humble evaluation of the opportunities and contours of formation and dissemination of the effective policy for development of SME. The initial stimulating motives this investigation arising from wonderful vitality of the declarative, formal and deformative elements of the state policy for SME in most spaces of CIS. It continues to be one of real reasons why SME sector occupies unworthy economic and social position on during of last two decades. Today is not surprising that historical «SME idea» was directed to improve «socialist economic system» and later- to exit from socialism. But now SME policy needs to exit from socialism and post socialist deformation situation.

At the basis of this research lays the concept of multi-versions of the effective policy for SME development models, as one of them considers the EC policy or European policy for SME. Moreover, «effective policy» is estimated as an evolutionary process. Between «developed economic systems», including sound SME sector and «effective SME policy» is not observed hard determination. The failures in this policy are not exclusions even in developed economies. At the same time the «producers» and «implementers» in the developing countries have tendency to increase. But the possibility of «effective for SME» in these countries is not obviously. There are widely practiced so-called «hand-driving methods» of state policy for SME in the last areas. This circumstance reinforces contra-efforts of «adversaries» of «effective SME policy» in the developing countries.

The EC policy for SME development bears apparent multiple-subject (multiple-participants) character and this situation has tendency to increase. This circumstance in itself appears as a positive and favour factor for increasing of the effectiveness given policy. The strengthening of vertical and horizontal multiple-subjectness of the considering policy is evaluated as its important advantage and in this mean characterized as a «positive-creative problem». The present approach is applicated not only to process of given policy, but also to mechanism of its realization. It is important that the increasing of entrepreneurialization of these activities may to have more dynamical character in the future.

The permanentness of improvement of EC policy for SME development is estimated from standpoint of evolution of the Single Market, «internal» development of the SME supportive institutions and challenges of the globalization. There are hidden broad spectrum policymakers, legislators, investigators and implementers problems.

The mechanism of realization of SME policy in European area has tendency to increase of equality, which discovers on elements, structural, horizontal, sectoral, cross-sectoral and etc. levels.
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