

# Fostering an entrepreneurial culture in Western Balkans by establishment of creative and entrepreneurial framework with schools and universities

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The cooperation between the academic and educational community, the support structures such as BIs (business incubators) and STPs (science and technology parks) and industry in general is widely recognised as desirable. When it comes to the cooperation in the field of education, research reports consistently find that the cooperation practices are highly fragmented and uncoordinated throughout the Europe. The same applies for Western Balkan countries where in many cases there are no direct and structural links between the schools, universities and businesses and/or business support structures. The situation is to certain extent better when it comes to the relations with the universities, however the education system in this region does not encourage entrepreneurial culture and creativity among pupils and students at satisfactory level. Specific direct and indirect measures would help to foster entrepreneurial culture in WBC, improve the perspective of young generations and subsequently contribute to long-term knowledge-based economic growth in the region as suggested by SEE2020 (South East European 2020 Strategy).

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**Key words:** university-business cooperation, entrepreneurial culture, social entrepreneurship, entrepreneurial education, creativity, cooperation in the field of education, Western Balkans

## 1 Introduction

In recent years, the Western Balkan countries (WBC) have adopted a variety of reforms and programs in order to improve the performance of their research and innovation sectors (R&I), both at national and regional level. These endeavours are essential, having in mind the integration into European Research Area (ERA) and the importance of education and R&I for the overall success of the EU-integration efforts of the Western Balkans. The importance of this relation was confirmed once again during the latest events in the framework of the Western Balkans Process, also known as the “Berlin process”. [1] In this context of recent developments of R&I sectors in WBC, also a significant number of EU and internationally funded R&I projects should be mentioned that have been implemented (or are still implemented) in the region. The projects were addressing different topics of relevance such as the coordination of research and innovation policies (WBC-INCO.NET), RTDI evaluation competences (EVAL-INNO) or innovation policy learning (WBinNO) – to name just few, thus in this way equally contributing to the overall development of the R&I sectors in WBC. One of these projects is also WBCInno project, focusing on modernization of WBC universities through strengthening of structures and services for knowledge transfer, research and innovation, which will be referred to later. Over the last decade, also the literature on R&I systems in WBC has grown significantly (partly as outcome of different projects implemented), not least on major RTDI obstacles and challenges still existing in the region. One of the key challenges identified is still unsatisfactory level of national, regional and international cooperation and communication among relevant stakeholders. Although, certain positive developments regarding regional cooperation have been achieved and led to joint regional R&I declarations and strategies. [2] Now, based on research conducted within WBCInno project [3] this paper will focus on cooperation between the academic and educational community on one side and the R&I support structures such as BIs (business incubators) and STPs (science and technology parks) on the other side, suggesting some measures and support actions for improvement of the cooperation. It is assumed that such improved cooperation would also foster entrepreneurial culture among pupils and students providing benefits not only to young generations: a student gains valuable softer skills and a more relevant industry-related qualification; the local labour market is strengthened and companies benefit (directly or indirectly) from access to more highly skilled employees; the better employment outcomes and higher levels of student satisfaction provides an improved profile for the university, whilst academic staff also gain knowledge of current industry practices. [4] Furthermore, such initiatives that enhance cooperation among different

stakeholders can also lead to innovative solutions for socio-economic problems and later to social change, which seems necessary in Western Balkans.

## 2 Entrepreneurial culture

The concept of *entrepreneurship* has evolved over time and is often used to emphasise different features. The most common idea associated with this term is the idea of starting a for-profit business, even if this is a very limiting definition. Related to this, one of the most frequently asked questions, and at the same time one of the oldest research questions in the field of entrepreneurship (e.g. McClelland 1961; Weber 1930; Schumpeter 1934) is “*how and to what extent does national culture influence entrepreneurial action, the rate of new firm formation and ultimately economic development*”? [5] Understanding the real impact of culture and the ways in which culture may be mitigated by contextual factors such as institutions is also of importance for policy-makers concerned with promoting entrepreneurial activity [6] – in this case e.g. BIs / STPs and universities and schools jointly with ministries in charge of education, science and research in WBC. The *entrepreneurial culture* as a concept in both the entrepreneurship and broader management literature has been described for example as “*a form or type of culture which is creative, innovative, takes risks and challenges the status quo*” (Ireland, Hitt, & Sirmon, 2003). [7] It has also been applied at the national level to “*describe country or societal values and attitudes towards entrepreneurship*” (e.g., Birkinshaw, 1999; Hayton & Cacciotti, 2013; Tan, 2002, 2006). [8]

*“To the extent that cultural values lead to an acceptance of uncertainty and risk taking, they are expected to be supportive of the creativity and innovation underlying entrepreneurial action. Entrepreneurial actions are facilitated both by formal institutions (e.g. property rights, enforceable contracts) and by socially shared beliefs and values that reward or inhibit the necessary behaviours (e.g. innovation, creativity, risk taking; Hayton, George & Zahra 2002; Herbig and Miller 1992, Herbig 1994; Hofstede 1980). It is because of this subtle but widespread influence of culture that is necessary to seek a deeper understanding of the phenomenon”.* [9]

### 2.1 Entrepreneurial culture in Western Balkans

It is a wide spread assumption that the entrepreneurial culture (both in the narrower and broader sense) in WBC is not developed (to a satisfactory level). Thus when speaking about fostering entrepreneurial culture in this region, broader concept should be applied and analysed which is not only related to e.g. awareness raising activities in order to motivate young people or young researchers to start own for-profit businesses or related to providing structural institutional framework in which academic and innovation supporting institutions might assist in this endeavour. Such an analysis should as well include some thoughts on the *social entrepreneurship* which extends the definition of entrepreneurship by its emphasis on ethical integrity and maximizing social value rather than private value or profit (e.g. Dees 2001; Massetti 2008; Jansen 2012). Newly developments such as the *Belgrade declaration on development of social entrepreneurship in the region of Western Balkans and Turkey* [10] are promising approaches, also for further and more in depth future scholarly analysis of development of entrepreneurial culture and social entrepreneurship in Western Balkans. This paper however tackles both entrepreneurial culture and social entrepreneurship only marginally and focuses on research conducted within WBCInno while developing a *Strategic development plan for Business incubators and Science and Technology Parks in Western Balkan Region*. Table 1 gives an overview on all strategic goals and measures suggested by the development plan. Measure six (M6) – *Establishment of creative and entrepreneurial framework with schools and universities* is in the focus of this paper. The elaboration of other suggested measures is probably part of some other chapters of this publication.

Table 1 Strategic Development Plan for Business Incubators and Science and Technology Parks in Western Balkan Region

Strategic goals and suggested measures	BIs / STPs	Universities
	M1 Improvement of organizational and financial framework of BIs/STPs	<b>M6 Establishment of creative and entrepreneurial framework with schools and universities</b>
	M2 Infrastructure development that suited to meeting start-up and spin-off needs	M7 Creation of mechanisms and structures for high-tech innovation in cooperation with universities and research centers
	M3 Implementation of collaborative software platforms for improved communication and innovation management	M8 Organization of competitions and awards for best business plans, best student's/researcher's ideas
	M4 Improvement of services for tenants of BIs/STPs	M9 Improving visibility, promotion and internationalization of BIs/STPs for their sustainable development
	M5 Application of new incubation models – virtual business incubators	M10 Networking among BIs and with STPs and universities on local, regional and EU level

## 2.2 *Some challenges identified*

Not only in WBC are cooperation practices between academic and educational community, the support structures such as BIs (business incubators) and STPs (science and technology parks) and/or industry in general fragmented and uncoordinated. Last year published report of the European Commission on measuring the impact of university-business cooperation [11] finds out that such cooperation practices are spread throughout the Europe. However, in many cases in WB region there are no direct and structural links at all between the schools, universities and businesses and/or business support structures. Even within some R&I and educational institutions the structured communication and cooperation towards knowledge transfer is weak or not existent, as experienced by the author during WBCInno benchmarking visits in WBC. Especially in developing regions such as Western Balkans, which is characterised by weak economic structure, low level of industrial production, low performance results of the educational systems and high unemployment levels, new and innovative models of “doing things a different way” is strongly desired.

*“The key challenge in cultivating an entrepreneurial culture globally is figuring out the best ways to unleash the potential of all people to innovate, create, catalyze, be resourceful, solve problems and take advantage of opportunities while being ethical.” [12]*

In particular confronted with huge youth unemployment (up to 60% in some WBC) and severe brain drain, policy-makers in WBC should put the youth policies much more in focus and provide environment that encourages young people to recognise and take advantage of opportunities given in their own country.

*“Youth employment and entrepreneurship policies are likely to be more effective if they are closely linked and integrated with educational policies including the structure and content of school curricula, extra-curricular activities and after-school programs. Vocational needs of young people should be central. One approach is to craft an overall youth policy.” [13]*

The political backing of the current heads of government, foreign ministers and economics ministers of all WBC (as well as other relevant EU representatives) for initiatives towards youth in Western Balkans, as mentioned in the conclusions of the Vienna Summit 2015, is extremely important for the years to come. Those initiatives range from strengthening reform efforts of the education systems in order to provide youth with relevant basic and transversal skills, to encouraging mobility of the youth within the region by promoting and enhancing existing programs such as CEEPUS, to supporting the development of a vocational training system in the region. However, very often the scope, effectiveness and impact of good national and even regional R&D initiatives are limited despite solid political backing. In some cases the relevant political, academic or economic players are not directly involved and/or implementation is hindered by change of government and related change of political priorities. In both cases, a lack of coordination, cooperation and communication is evident.

## 3 **Establishment of creative and entrepreneurial framework with schools and universities**

WBCInno identified several objectives and support actions which can improve a) cooperation and communication between education institutions and innovation support structures; b) communication towards youth; c) skills and competences of young people. Such activities when implemented are likely to contribute to fostering entrepreneurial culture and in the end potentially to reducing unemployment and preventing brain-drain. Specific objectives, expected impact and benefits as well as efficiency indicators identified by the Strategic development plan [14] are briefly described below.

### 3.1 *Providing structural institutional framework*

Since there is often no link between educational institutions and business support structures, one of the first steps towards improved cooperation should be to reconsider existing internal regulations. It is expected that the provision of the institutional framework for structured cooperation will facilitate the process of initiating/intensifying cooperation and, at the same time, initiate follow-up processes – awareness raising and definition of concrete joint activities and their implementation. Efficiency indicators can include: the number of revised governing structures of BIs/STPs; the number of new pieces of legislation; the number of new cooperation contracts etc.

### 3.2 *Developing a set of awareness raising activities*

The main impact of developing a set of awareness raising activities is making first practical steps towards realization of cooperation in more concrete terms. All of the groups involved (both – institutions and their end users and/or beneficiaries) are more aware of the possibilities for cooperation and its benefits. Students as target group are more aware of their opportunities for future professional development. Efficiency indicators identified are: the number and types of organized motivational events and developed promotional material.

### 3.3 Involvement of BIs/STPs in the education and research process

Involvement of BIs/STPs and other stakeholders from business sector in the education process is extremely important, if not the most important instrument towards entrepreneurial culture in WBC. It leads to the increase of the overall quality of education offer, modernization of the institution, as well as to its openness to the society. Even more relevant is the fact that the students gain valuable softer skills and a more relevant industry-related qualification while also academics gain knowledge of current industry practices. Combination of the skills of traditional academics and those of entrepreneurs during the education process might also facilitate the development of beliefs, values and behaviours supporting innovation, creativity and risk taking among students. Also, companies and support structures are in the position to improve the capacities of their employees, and also have access to a pool of future young experts and professionals in their respective fields. Efficiency indicators identified are: the number of courses (formal and LLL) introduced/revised; the number of lectures involving BIs/STPs; the number of placements in companies; the number of companies involved and the number of PhDs with the industry.

### 3.4 Realisation of additional activities towards cooperation improvement

It is expected that such activities like organisation of brokerage events, science days, training events, fairs and competitions etc. would additionally lead to the increased cooperation and networking among relevant actors. Young people can have a whole new view of science as something interesting and motivation to get involved in the scientific ventures. Efficiency indicators identified are: the number of brokerage events and “science days”; the number of training events, lectures and workshops; the number of project proposals; the number of participants in various events etc.

## 4 Conclusions

Starting a project or designing and launching one’s own business are exceptions, not the rule in most young people’s experience – not only in Western Balkan countries. Encouraging and giving young people the opportunities to learn how to start a project or conceptualize own ideas into businesses is extremely important not only for shaping their personality and possible carriers but also to foster entrepreneurial culture within one country and increase the number of innovative solutions to ever growing number of social problems. Motivation, creativity and in particular cooperation are indispensable components for change, also social change.

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## References

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