

## Education and Entrepreneurship

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### Introduction

Entrepreneurship development is conditioned by finding a balance between long-term sustainability of the production process of a particular product or service, environmental and social dimensions of development. Improving economic performance, reduce production costs, promotion of innovation and increased market orientation through diversification of economic activities are important for improving the quality of life and better environment.

The attractiveness of certain areas requires the promotion of sustainable growth and development and the search for new employment opportunities.

Entrepreneurship development starts from the point where people are now, with vision and dreams for their future and is based on two things build resources and pooling. The concept of entrepreneurship development is in its infancy. The experience of the European Union designed mostly to policy development and financial support are the result of a successful economy.

The aim of this research is to find the potential of young people and the education of entrepreneurs who represent the base of development. One million unemployed, with a tendency to increase this number, clearly indicates that the workforce greatest potential for economic development of Serbia.

For the stature of the workforce, its general education and vocational training were made huge investments that not only have the opportunity to fully express themselves in increasing production and labor productivity growth, but the unemployed emerge as consumers and producers who are not. Therefore, unemployed labor is not only the most abundant and untapped production potential of more social troubles of enormous proportions, which does not create a favorable social climate for successful economic development.

### Education

Education acquired in secondary schools and colleges has not adapted to international standards and is not adequately trained individuals to work in

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the profession. The existing education system, teaching methods and curricula are many established during the socialist period, from 1945 to 2000. Do some reforms in education had taken place during the nineties, but this reform did not reflect the real needs of society, that did not produce radical changes in education that were necessary for the improvement of education system in the country. The education system in Serbia is left without the implemented mechanism for recovery and development.

Stratification, impoverishment of society and economic instability have created a wrong value system. Due to lack of funds and the struggle for existence, there has been a degradation of the quality of educational content, teaching staff and deficits in education in every respect. In the last decade started with serious reforms that are aimed to completely shift the current education system and to approach the educational systems of developed countries.

The basic right of all citizens before the start of their professional career is to provide the opportunity to acquire the necessary knowledge and skills that would enable them to adequately and competently perform the tasks for which they have chosen. The knowledge acquired must be sufficiently applicable to the labor market and in accordance with the needs of society. The quality of education must be subjected to constant control and improvement.

“The institutions of formal education must provide all the necessary theoretical basis which should be complementary to the practical application of knowledge and skills. Formal education should not be based solely on knowledge unworkable”. Young people should be allowed to gain knowledge that will give them the flexibility of the labor market and easier adaptation to the business environment.

Non-formal education in the form of professional practice, or professionally trained some activities that could better equip candidates for its future position and to facilitate the process of getting a job is not enough present in our educational system. Non-formal education is an educational activity with certain cognitive elements outside the established formal education system with the aim to provide additional education to develop independence, professionalism and work ethic. Implementers informal type of education should be: student clubs, student associations, universities, secondary schools, companies and other organizations that benefit from the realization of these activities. Under this kind of education to include: seminars, trainings, creative workshops, professional practice, tours etc.

The main problem in the realization of this idea is a limited supply of organizations engaged in informal education as well as the lack of interest of existing institutions, such as state universities, to such an idea into practice.

These programs and organizations are poorly available to the public, so that young people who are interested in an informal type of education are not sufficiently informed about them or have this information available to a very small number of students or pupils. The drawback is the lack of cooperation between schools and related organizations in the implementation of the idea of non-formal education as well as institutions dealing with the status of young people in society. The consequence of the negligence of the competent institutions, both governmental and private, are not sufficiently promoted and valued volunteer work.

Formal education in an environment with rapidly changing significantly slower changes according to the needs of society and it is also the main drawback of formal education. Due to the lack of an efficient model of flexible formal education, informal education is one that directly reduces the gap between existing and required education with the wishes of young people.

In order to improve the existing form of informal forms of education, it is necessary to seriously approach its thorough reform. The aim of these reforms is to enable more intensive cooperation between secondary schools and universities and the state as well as with various other organizations engaged in informal form of education. It also needs to support and encourage the participation of young people in a variety of educational programs and training.

We should emphasize the importance of evaluation of volunteer work, as well as the acquired knowledge and skills during youth activities outside the classic educational system (Anđelić, 2016, p. 70).

### **Education as important for development of entrepreneurship**

The situation in the field of employers' needs and offers professional education in Serbia until 2020, should be viewed as a development process, starting from a few universal features of the education system, such as quality, effectiveness and flexibility. European Framework for Quality Management, EFQM contains the basic principles of the field of operation of vocational schools and the application logic called RADAR (Results – Approach – Deployment – Assessment – Review). ([Www.efqm.org/the-efqm-excellence-model](http://www.efqm.org/the-efqm-excellence-model))

The principles of the EFQM model are: focus on results, focus on students and the social partners, leadership and consistency, making decisions based on the facts in order to achieve sustainable results, the development of the participation of employees, fostering creativity and innovation, developing

partnerships and taking some responsibility for the development of the social environment.

Improving cooperation between businesses and other interested partners in the process of creating a range of educational profile that is consistent with the needs of sustainable development makes sense in the above principles. In order to obtain the desired output it is necessary to optimize the processes that are based on management leadership, defining policies and strategies, involving employees in the process of cooperation and provision of resources. Flexibility is an important indicator of educational institutions, which demonstrates the ability of the education system to monitor the state of the market, adapt to and answers their needs.

Schools are expected to find themselves in the middle of intertwined and mutually conditioned relationship, involving a number of institutions at the local, regional and national levels. A network of institutions that surrounds the educational system should be continuously monitored, analyzed and improved (Anđelić, Gajić, 2016, p. 70). Most of the learning is focused on the new rules, which direct the changes. They point to the rights and choices they have every user of our products and services (Krause, 2012, p. 29).

### **Education of entrepreneurs in serbia**

In Serbia, there are eight public universities with 90 faculties and eleven private universities with 50 faculty members. In addition, there are high school academic study of 6 and high school vocational studies a total of 75. In this very extensive network of senior and high school is a very large number of institutions that organize studies in the field of management. In the last few years, there has been a rapid expansion and opening of institutions and directions in various areas of management. A large number of former high schools transformed and opened up a three-year study (on the principle of the Bologna Process) for a wide range of managerial profiles – from general management to sports and the arts. ([www.edufair.rs/komisija](http://www.edufair.rs/komisija) for accreditation)

Analysis of three- and four-year undergraduate studies in management at the state and the Private higher education institutions shows that such studies are organized at 43 higher education institutions in Serbia. This analysis included only higher education institutions recognized by the Ministry of Education and Sports. Academic programs shows that there are three categories of programs:

- Studies of general management, which may be the main program or the basic direction of the higher education institutions, the study of certain areas of management (strategic management, financial management, manufacturing/

- industrial management, service management, entrepreneurial management)
- Study of management in specific industries or areas of human activity (tourism trade, hospitality, sport, art, culture, ecology). Depending on which of these categories belong to different study programs are structured and designed. Given the diversity and razunenost study programs it is difficult to single out any common denominators in the curricula for all higher education institutions (Maksimovic, 2006, pp. 121-135).

Doctoral studies should be one of the oslobnaca to set up national technology platform Serbia. Small and medium enterprises and other economic entities should be allowed to tax under favorable conditions employing doctors and invest in research through doctoral studies. Condition that the projects that are directly related to the development of products and services are financed from the funds (such as the Innovation Fund) must include doctoral students (Ministry of Education and Science of the Republic of Slovenia, 2012, pp. 11-19).

### **The disconnect economy and education system**

Education plays an important role in human development in terms of incentives for people to improve their goods and actively participate in building the nation (Marković Radovic et al., 2012, p. 24). More and more organizations realize that learning never stops and that this should become the norm in order to survive the increasing competition. Learning can take place formally (for example, through a course of training) or informally (through learning and development on the job). It seems that the need for continuous training is especially important for companies that provide support services expertise, for the purpose of their services depends largely on human talent, knowledge and expertise of the members of the organization. Continuous learning would give a better result for the effectiveness of the work, satisfaction with the provision of high-quality creative services to clients, the possibility of career advancement, and through to a greater commitment to the organization (Burke, 1995, p. 83).

When twenty years ago, Hon Zifrid (Siegfried Hoehn), Director for Strategy and Investment at Volkswagen (Volkswagen), asked his advisor Professor Sung-Jo Park, why the Japanese always pobenuju in business negotiations with the Europeans, jesledeći got the answer: “In east Asia the best students, after graduation, they go into business; slightly weaker – in the state administration; bad students – remain at universities and engaged in teaching, and the worst – they become politicians. In Europe, most students stay at the university making scientific careers; slightly weaker gain positions in the state administration,

poor – go to businessmen, students and the poorest - are engaged in politics.

Accordingly, at the negotiating table when the business negotiations between Japanese and Americans (or Europeans) in progress – one against the other seat brilliant Japanese students on the one hand and weak European students, on the other hand. Therefore, the results are clear and expected, concluded Professor Park (Jovanović, 2000, p. 152).

In our country, the economy and the education system are the two “disconnected world,” which is why most young people are suffering and the economy. A mismatch between the education system with the needs of the economy, leads young people at a disadvantage, while the economy becomes uncompetitive. One can say that there are elements essential for the establishment of cooperation, however, the coordination of the education and the economy is small or non-existent. Correction of educational institutions and the economy there are no structured links from which arises a problem that requires urgent attention. The gap that exists Ozmen educational institutions and industry does not regulate the number of qualifications and professions of future generations of participants in economic activity.

The big challenge visokog education is to establish solid cooperation between universities and industry, which should be effective and ongoing both at national and regional level. This cooperation must provide transverse knowledge. In the future development of competitiveness is a key element – how to transfer knowledge from universities to business. They recognize the two mechanisms which it could provide - licensing of university intellectual property and “spin-off” and the formation of companies.

However, there is still not enough information as to use the results of research in the field of entrepreneurship. According to some data, less than 5% of innovative companies look at the data and information from research institutions or universities and institutions of higher education as an essential source of information (The role of the universities in the Europe of knowledge, 2003, pp. 16-19).

### **Directions and development needs of the economy**

The national economy must be considered from different angles if we want to have as complete an objective picture (Knežević et al., 2013, p. 8).

There is no adequate system of forecasting needs for staff by employers and the economy. Statistics fail to record future demand by companies that are struggling with difficult business conditions and economic crisis. Schools can not solve this systemic problem, but i can not rely on some information and

initiate change at the municipal level in order to encourage local authorities to carry out research into the needs of the economy for the staff.

It is desirable to orient to the analysis of available data on the needs and plans of economic development in the municipality. Local governments prepare strategic documents that define development priorities and measures and instruments that lead to the achievement of these priorities. Analysis of strategies for local economic development, employment strategies and similar documents issued by a municipality, can point to the schools that will have a primary industries claim Oblas support.

If such data are not available or are not reliable enough, this step may involve examination of the need for local knowledge and skills. In carrying out the research necessary to have trained people, which could be one of the tasks in the process of supporting the schools (Ristic et al., 2013, p. 58).

At least once in four years, preferably every two years, the local government should conduct research on the forecast staffing requirements over the next four years and over. This study should include at least 15% of companies in the territory of local self-government in all industries. Local governments must constantly scans the structure of the local economy by analyzing data in the Business Registers Agency.

Through the survey entrepreneurs need to say that they needed staff in the future, as well as to state deficits in the education of personnel who currently have enough. In this way the local community receives a clear picture of the direction in which will move its economic activity in the next four years and over. Consideration of Results of these surveys when creating school enrollment plans may reflect favorably on the budget while making huge savings (state, local government and employers).

Local entrepreneurs should commit an act of local government to respond to these surveys, as well as the required respond to the survey Republika Srpska Institute of Statistics. It is important to bear in mind that if this is left exclusively to schools, a local government does not oblige employers to their choices, schools will in practice very difficult to collect this data, because it will depend on the good will of entrepreneurs, who themselves difficult to organize their time and have numerous obligations. Local governments and offices for local economic development are paid from the budget by citizens and businesses to provide local economic development, and on the first place means that the local economy can be developed, and citizens have a job, which leads to the higher standard of living and prosperity local self-government.

School directors are employed by the education legislation and their primary business obligation is not to provide economic development, but also to provide

quality education to its students. They should be required to participate in this process, but can not keep the nature of their job. The role of the school in this process may be to advocate to establish a sustainable system for forecasting development directions and needs of the economy at the local and regional level. It is estimated that such an analysis at the level of the country with 10 million people will cost between 4 and 6.5 million euros a year, or savings that the state and its economy can achieve on an annual basis were 60 to 110 times higher.

### **Self-employment**

In the last decade, except for sporadic exceptions that are able to implement the desired ideas, their serious involvement of youth in the process of self-employment is not enough. Insufficient number of young people who have managed to establish their own business and is significantly lower than in developed countries. The state should stand behind the idea of young people start their own affairs and to provide them with all necessary assistance to make their ideas into action.

The country is in the past is not aganzoala sufficiently afimisanju the idea of entrepreneurship among young people. The essence of each project self-employment and entrepreneurship development are the ideas that young people in Serbia are not missing. However, most young people have already abandoned at the first obstacle, usually because of the great differences that exist between the development of the initial idea and its implementation.

The road from idea to its realization is not an easy path.

The cause of the insufficient involvement of young people in the development of entrepreneurship can be found in the lack of adequate training or knowledge gained from operating, entrepreneurial and managerial skills, which brings us back to the question of education reform. If they are in a separate subject in secondary vocational schools and some universities adopt entrepreneurial knowledge and skills or introduced model of virtual enterprises, students would have been encouraged by the completion of secondary schools and colleges begin their first independent steps in the labor market.

If one were to add and labor market knowledge and skills of active job, the young would have been significantly qualified to navigate the labor market.

The State should transparently performances and make available all information and the benefits that will be helpful for the development of entrepreneurship among young people. The most common reason that young people are referred to as the inability to exercise self-employment is the lack of



financial resources. The state should their actions obstacles that young people cited as insurmountable, make more bearable or, at best, to remove them (Damnjanović et al., 2013, pp. 848-856).

### **Development of family enterprises**

In a capitalist economy, companies have individuals. Companies are only legal entities; ultimately, business owners are the ones who are responsible for his behavior, and business owners are the ones who reap rewards or pay the costs of such behavior. Owners of family businesses are usually directly involved in daily operations, and are in a position to carry out the work of any targets set by the company. As a rule, the owners will be interested in maximizing the profits of their companies or, if they are non-profit goals, make sure they can enjoy the fruits of your effort (Varian, 2008, p. 331).

Family-owned company has business and family goals. Business objectives are profitability and survival of the company, and family goals are well-being and prosperity of the family members. The family enterprise, family and business as separate institutions overlap and influence each other (Ostojic, Damnjanović, 2013, pp. 60-73).

The researchers suggest several rules, which are called “best management practices” family business, the implementation of which contributes to the realization of business objectives and allows the family to maintain its integrity. Those are: to encourage a new way of thinking and take into account the long-term business and family interests, attract and retain quality managers, who need not be members of the family, create a flexible, innovative organization, acquire and preserve the earned capital, prepare the successors of family businesses, take advantage of the power and advantages of the family business. Family reasons shall not affect the neglect of the rules of professional management. (Ostojic, 2010, pp. 26-29)

By improving a favorable business environment for entrepreneurship development is currently dealing with municipalities, regional agencies, regional chambers of commerce, associations of industrialists and entrepreneurs, the Department of National Employment Service, and a small number of non-governmental organizations. In addition to local and regional institutions, it is the primary task of the Government of the Republic of Serbia.

However, despite a number of these institutions and progress on creating an entrepreneurial environment, much remains to be done. The main objections and obstacles relate to: high local taxes and fees, illiquidity in the economy, inefficiency of local authorities in issuing various permits for business activities,

lack of equipped sites for construction, with appropriate zoning permits, other procedures for obtaining building permits, inadequate understanding of the needs of entrepreneurs, inefficient work of the judicial authorities in certain commercial disputes, corruption, inadequate procedures in public procurement, lack of favorable sources of financing, supporting entrepreneurs is often more verbal than real.

Entrepreneurial development is often not seriously considered by the local authorities. Cooperation and coordination among various stakeholders and institutions in this area is far from necessary to ensure the effectiveness of these processes. Municipalities may have a department for economy and business, but, globally speaking, their role is unclear, insufficient and often contradictory. These departments dealing with registration and the provision of a small number of necessary services to entrepreneurs.

A large number of municipalities in Serbia lacks clear policies and development plans, as well as the understanding of the need for the establishment of partnerships in promoting the development of entrepreneurship. Municipal officials usually lack education in this field. Steps towards improving the development of entrepreneurship could be the following: harmonization of laws in Serbia with the practice and legislation in the EU, standardized preparation of development strategy, building partnerships, taking positive experiences of other communities, adapting the structure of municipal government development needs.

Through the coordination of activities in the field of development, underdeveloped areas may become attractive places for entrepreneurs who can create new jobs and welfare for all citizens. Development results are visible and have a direct impact on citizens' lives (Živković, 2008, p. 306).

## **Conclusion**

Raising the country's competitiveness and development innovation did direct links between education and the economy. Through the cooperation of companies, countries and education systems in the areas of: factories of the future, energy efficiency and renewable energy sources, development of agriculture, ie. technology platform for the production of food – to create a new generation of managers trained to develop new technologies for more efficient transfer of technologies and their incorporation into the production system of Serbia. Education entrepreneur runs parallel with the development of science and technology. In the nineties there was a need for permanent education of entrepreneurs, with a focus on those who have worked in the manufacturing

process. Later emerged the first business school that had a university program.

Inevitably, the need for a more precise definition of the level of education of entrepreneurs. Education of entrepreneurs contribute to the optimal use of planning, organization and control of the overall business process.

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