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Entrepreneurial potential and intentions of students in Kosovo and Metohija

Preduzetnički potencijal i namere studenata na Kosovu i Metohiji

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Abstract

The goal of this research is to analyze the entrepreneurial intentions and potentials of students from the two units of Kosovo and Metohija academy of professional studies (in Zvečan and Uroševac with a temporary headquarters in Leposavić). For the purposes of this research, a survey of a sample of 180 students was applied. Insufficient information on entrepreneurship support programs and insufficient financial resources can be pointed out as the main problems identified in this research. Having in mind the observed problems, it is necessary to define appropriate measures for overcoming them. Also, the paper gives a comparative overview of the results of research conducted with high school students in Vojvodina. At the same time, certain differences in the attitude of students from Vojvodina and Kosovo and Metohija can be noticed, which can be attributed, among other things, to the political, economic and legal characteristics of the environment. Keywords: Kosovo and Metohija, entrepreneurship, students, entrepreneurial potential

Sažetak

Cilj ovog istraživanja je da se analiziraju preduzetničke namere i potencijali studenata sa dva odseka Akademije strukovnih studija Kosovsko metohijske (u Zvečanu i Uroševcu sa privremenim sedištem u Leposaviću). Za potrebe ovog istraživanja korišćena je anketa koja je obuhvatila uzorak od 180 studenata. Kao glavni problemi identifikovani u ovom istraživanju mogu se istaći nedovoljna informisanost o programima podrške preduzetništvu i nedovoljna finansijska sredstva. Imajući u vidu uočene probleme, potrebno je definisati odgovarajuće mere za njihovo prevazilaženje. U radu je dat uporedni pregled rezultata istraživanja sprovedenih sa studentima visokih škola u Vojvodini. Pri tome se uočavaju određene razlike u stavu studenata iz Vojvodine i sa Kosova i Metohije, koje se između ostalog mogu pripisati političkim, ekonomskim i pravnim karakteristikama okruženja. Ključne reči: Kosovo i Metohija, preduzetništvo, studenti, preduzetnički potencijal

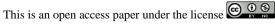
1. Introduction

"The term entrepreneur appeared in dictionary for the first time in 15 century" (Sendra-Pons et al., 2022). Although the term is used frequently and has been known for a long time there is no consensus for its definition. However, entrepreneurs are often described as those who: taking a risk, search for opportunities and have professional competence (Long, 1983). Numerous definitions of entrepreneurship are present in the literature. "Schumpeter (1934) claim it is the process of creating *new combinations* of factors to produce economic growth". According Drucker (1985) "entrepreneurship is the process of extracting profits from new, unique, and

valuable combinations of resources in an uncertain and ambiguous environment". Shane and Venkataraman (2000) "stated it is an activity that involves the discovery, evaluation, and exploitation of opportunities to introduce new goods and services, ways of organizing, markets, processes, and raw materials through methods that did not previously exist". "Global interest grew on the topic of entrepreneurship in the early 1980s as a solution to unemployment" (Jones & Iredale, 2014; Pepin, 2018). Also, entrepreneurship today is very important source of job creation and societal development (Liñán et al., 2011; Wu et al., 2013).

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By analyzing numerous definitions, it can be concluded that entrepreneurship is closely linked to innovation which often can be conditioned by the level of education. Many studies today address young people and their entrepreneurial potential, intentions and competences that they can further develop through various education and training programs. According to Schøtt et al. (2015) in a traditional society young people are not encouraged to actively engage in the world of entrepreneurship. This was also the case during the planned economy until the 1990s in Serbia and Yugoslavia. The educational system and environment did not provide a favorable climate for the development of entrepreneurship. However, it is evident today that the concept of entrepreneurship has been elaborated and represented at higher education institutions in Serbia. "Entrepreneurial education is a continuous process that enables the development of the necessary knowledge and the effective initiation and management of new ventures" (Politis, 2005). The formalization of entrepreneurship education in developed nations has been linked by scholars in developing countries to economic growth (Muhammad et al., 2011). Also, university graduates have a stronger tendency than non-graduates to start their own businesses (Zainuddin, 2012). However, entrepreneurial intentions and behaviors are changing over time. According to Peterman and Kennedy (2003) enterprise education programs raise the feasibility of ventures and the desirability of an entrepreneurial career. Also, it has been observed that participation in entrepreneurial programs develop opportunities for identifying opportunities (De Tienne & Chandler, 2017), and participants also show stronger entrepreneurial intentions compared to individuals who did not attend entrepreneurship courses (Galloway & Brown, 2002). For example, by doing market analysis, defining ideas, or writing a business plan students can improve their entrepreneurial potential and business performances. These results can be described as learning benefits (Ahmed et al., 2020). However, it is not enough just to create an environment that is encouraging for the development of entrepreneurship in universities, but it is also important to recognize the entrepreneurial potential of the student population. Also, according Terrion and Leonard (2007) experiential teaching should replace more traditional methods and must be made unconventional. Experiential learning should move away from the traditional lecture beyond the classroom and to expose students to 'real-world' problems (Pittway & Cope, 2007). Also, information and communication technologies are becoming an increasingly important part of the process of learning and knowledge assessing (Krstić & Krstić, 2017). Hardie et al. (2020) summarized that education can teach students "about, for, or through" entrepreneurship. Thereby, "about" is learning the basics of entrepreneurship through presentations of the theories and knowledge (Lackéus, 2015). Learning "for" entrepreneurship is preparing students to start a business (Caird, 1990; Moberg, 2014) with technical, practical and teacher-guided instruction (Elahi, 2019; Sirelkhatim &

Gangi, 2015). Finally, learning "through" aims to develop necessary skills in entrepreneurship (Caird, 1990; Lackéus, 2015; Moberg, 2014; Sirelkhatim & Gangi, 2015) through experiencing real projects/ businesses (Piperopoulos & Dimov, 2015)

The goal of this research is to determine the entrepreneurial potentials and intentions of the students of two technical units (Zvečan and Leposavić) of Kosovo and Metohija academy of professional studies. The obtained results will be compared with the results of the studies conducted in the territory of Vojvodina (Jovin & Josanov - Vrgović, 2018; Jovičić-Vuković & Papić-Blagojević, 2018). The main reason for comparing the results between the two provinces is to determine whether the specific environment in Kosovo and Metohija (political, legal) affects the entrepreneurial potential and intentions of students and how they differ from students in Vojvodina.

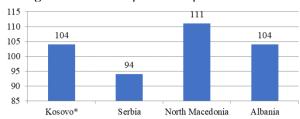
2. Research area

Opportunities and threats of the external environment can largely affect the success or failure of entrepreneurs. Events in the external environment are difficult to predict, which further complicates entrepreneurial uncertainty. External conditions have a particularly significant impact on potential and existing entrepreneurs in Kosovo and Metohija (Stojčetović et al., 2015). According Serbian constitution Kosovo and Metohija and Vojvodina are autonomous provinces. After war, from 1999. to 2008. the territory of Kosovo and Metohija was under international administration. However, in 2008. the provisional institutions in Kosovo and Metohija declared independence. Today, Kosovo and Metohija is in a specific political and economic position, which brings numerous problems in the field of entrepreneurship. Some of the problems for serbian population are: insufficient knowledge of legal regulations as well as their difficult interpretation due to poor translation into Serbian; difficult or even impossible application for mortgage loans with commercial banks due to non-recognition of documentation issued by Serbian institutions; frequent introduction of a tax (even 100%) on goods produced in Serbia, etc. Also, according to the research (Stojčetović et al., 2015), as many as 55% of respondents describe the political situation in Kosovo and Metohija in relation to business as risky (high risk of losing invested funds). Unstable governments, as selfdeclared Kosovo* is, endanger functioning of financial markets (Roe & Siegel, 2011; Dutta et al., 2013). Also, corruption, which is a common occurrence in Kosovo*, have negative impact on entrepreneurship development. The Corruption Perceptions Index (CPI) is the most widely-used global corruption ranking in the world and it measures how corrupt each country's public sector is according to experts and business people. In Figure 1 is presented CPI rank for Kosovo* and near countries for 2020. A country's rank represents its position compared with the other 180

^{*} This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

countries which are included in the index. Unfortunately, the results presented are devastating and show that corruption is widespread throughout the region. All of the above greatly complicates the normal functioning of existing entrepreneurs, but it also represents a significant barrier to starting new entrepreneurial ventures.

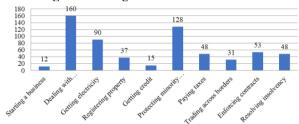
Figure 1. The Corruption Perceptions Index rank



Source: Transparency international (2020)

Doing Business is a report that provides annual cross-country data on how 190 governments/states regulate business.

Figure 2. Doing business rank of Kosovo*



Source: Doing business (2020)

According to the Doing Business (2020) Kosovo* ranks 57th. A detailed overview of the position of Kosovo* on 11 topics that Doing Business explores in relation to other 190 economies is shown in Figure 2. The graph shows that the worst position of Kosovo* is when it comes to Dealing with construction permits (160th from 190) which can be a major entry barrier for entrepreneurs who may give up their entrepreneurial venture due to licensing issues. This topic tracks the procedures, time and cost to build a warehouse-including obtaining the necessary licenses and permits, submitting all required notifications, requesting and receiving all necessary inspections and obtaining utility connections. On the other hand, the best position was achieved on the topic of Starting business (12th out of 190). This topic measures the number of procedures, time, cost and paid in minimum capital requirement for a small to medium size limited liability company to start up and formally operate in each economy's largest business city.

There are different levels of entrepreneurial activity and its also can depend on the living conditions from which the young population comes. For that reason, Kosovo and Metohija, ie students from two technical colleges, which are part of Kosovo and Metohija academy of professional studies, located in the north in the municipalities of Zvečan and Leposavić, were chosen for the research area (Figure 3). Although colleges are located in the north, the students attend them come from all parts of Kosovo and Metohija.

Figure 3. Municipalities of Leposavić (blue) and Zvečan (red)



3. Methodology

In order to investigate the attitudes and entrepreneurial intentions of students, a questionnaire was used that contained the same questions as the questionnaire used in the research (Jovin & Jošanov-Vrgović, 2018; Jovičić-Vuković & Papić-Blagojević, 2018). The same questionnaire is used to compare the results obtained on the territory of Vojvodina and Kosovo and Metohija. Two technical colleges (Zvečan and Uroševac) from the territory of Kosovo and Metohija participated in the research. A total of 180 students were surveyed and their distribution by colleges is presented in Table 1. The research was conducted in the period March-April 2021.

Table 1. Structure of respondents

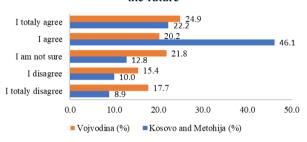
	N	%
Gender		
Male	151	83.9
Female	29	16.1
Total	180	100
Age structure		
19-21	84	46.7
22-25	49	27.2
26-29	20	11.1
over 30	27	15
Level and year of study		
First	68	37.8
Second	49	27.2
Third	46	25.6
Specialist	14	7.8
Master	3	1.7
Educational institution		
Uroševac	68	37.8
Zvečan	112	62.2
Total	180	100

Source: Authors

4. Results and discussion

It is encouraging that as many as 46.1% of respondents from Kosovo and Metohija agree that they will start their own business in the future (Figure 4). On the other hand, respondents in Vojvodina agree with this in a smaller percentage (20.2%). The question is why the respondents from Kosovo and Metohija, where the current political crisis is, are more determined to start their own business? First, respondents from Kosovo and Metohija do not have as many employment opportunities in the private and public sectors as is the case in Vojvodina. Secondly, the residents of Kosovo and Metohija do not have a travel document (passport) with they can stay and work in the countries of the European Union without a visa, as opposed to the residents of Vojvodina who use that opportunity often. It can be said that these are the two main reasons that force the respondents from Kosovo and Metohija to think about starting their own business, because that is often the only way to ensure their financial existence.

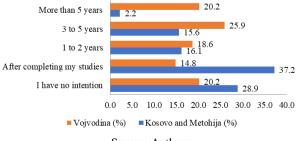
Figure 4. I am determined to open my own business in the future



Source: Authors

When it comes to the time from graduation to starting a business (Figure 5), there are some differences between respondents from Vojvodina and Kosovo and Metohija. The largest percentage of respondents from Kosovo and Metohija (37.2%) intend to start their work immediately after completing their studies, which is also intended by 14.8% of respondents from Vojvodina. This difference can also be explained by the limited employment opportunities in Kosovo and Metohija in the private and public sectors. Also, in Kosovo and Metohija, there are numerous donors (UNDP, CARITAS, USAID) who, through various grant schemes, support starting private business and especially young entrepreneurs.

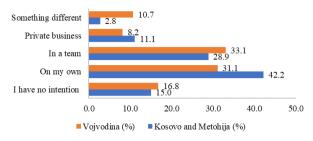
Figure 5. The estimated time that will pass between your graduation and starting your own business?



Source: Authors

According to the obtained data (Figure 6), the largest number of respondents from Kosovo and Metohija would start a business independently (42.2%). In contrast, the majority of respondents from Vojvodina (33.1%) choose team work as their primary option.

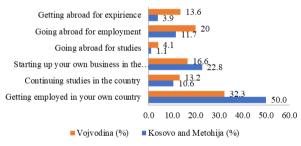
Figure 6. With whom would you like to start your job?



Source: Authors

The largest percentage of respondents from Kosovo and Metohija (50%) and Vojvodina (32.3%) see themselves as employees in their country after completing their studies (Figure 7). It is interesting to note that a higher percentage (20%) of respondents from Vojvodina see themselves working abroad, unlike 11.7% of respondents from Kosovo and Metohija, although living conditions in Kosovo and Metohija are much more difficult.

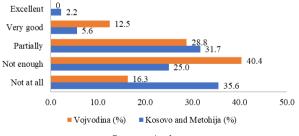
Figure 7. Where do you see yourself after completing the study?



Source: Authors

Unfortunately, when it comes about knowledge of respondents about support programs, the situation is poor in both cases (Figure 8).

Figure 8. How familiar are you with entrepreneurship support programs?



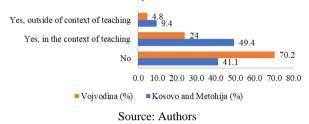
Source: Authors

As many as 35.6% of respondents in Kosovo and Metohija are not at all familiar with support programs. That percentage is lower in Vojvodina (16.3%). This difference can be partly explained by the limited possibilities for the normal functioning of Serbian institutions in Kosovo and

Metohija from 1999. until today. Based on the results of the research, it can be concluded that the visibility of various state business support agencies is extremely low and can be said to be devastating.

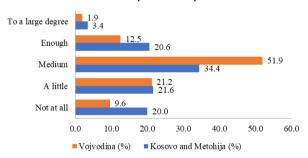
On Figure 9, it can be seen that only 4.8% of respondents from Vojvodina and 9.4% from Kosovo and Metohija had some entrepreneurial education outside the teaching process. Unfortunately, a significant percentage of respondents 70.2% (Vojvodina) and 41.1% (Kosovo and Metohija) do not have any entrepreneurial knowledge acquired through either formal or non-formal education.

Figure 9. Previous entrepreneurship education of respondents



According to the conducted research, the largest number of students believe that their previous education has moderately prepared them for independent entrepreneurial ventures (Figure 10). This percentage is significantly higher in Vojvodina (51.9%) while in Kosovo and Metohija (34.4%).

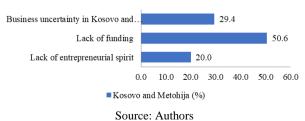
Figure 10. Utility of education to date in the context of entrepreneurship



Source: Authors

Finally, respondents from Kosovo and Metohija were asked to answer the question of what is the biggest obstacle to starting a business (Figure 11). As many as 50.6% of respondents claim that the biggest obstacle is the lack of financial resources, while business insecurity is the biggest obstacle for 29.4% of respondents. For 20% of respondents, lack of entrepreneurial spirit is the main obstacle to starting a business.

Figure 11. What is the biggest obstacle to starting your business?



5. Conclusion

According to the results of the research, one of the biggest problems of the respondents in Kosovo and Metohija is insufficient information about support programs. As many as 35.5% are not familiar with support programs at all. This problem is also current among the respondents in Vojvodina, which indicates the need to define comprehensive measures and activities to acquaint potential entrepreneurs with existing support programs not only in Kosovo and Metohija and Vojvodina, but throughout Serbia. Some of the measures that can be taken are: description and inclusion of potential support programs in the curriculum for students, organizing guest lectures for representatives of institutions that provide support programs and implementation of marketing activities on the work of institutions that support entrepreneurship development.

Also, the research shows that there are certain differences between the respondents in Vojvodina and in Kosovo and Metohija, and they can be primarily attributed to the influence of the specific political and legal environment in Kosovo and Metohija after 1999.

In this paper, a questionnaire was used to collect data. Despite the advantages of the questionnaire such as: easy comparison with other research, easy analysis and visualization, fast data collection, can be talk and about its shortcomings. Some of the shortcomings of the questionnaire are: some participants may misunderstand the questions, the inability to explain the answers in more detail and some questions can be unanswered.

It can be concluded that there are entrepreneurship intentions and potential of students from Kosovo and Metohija. However, they need financial support to start their own business. Therefore, it is necessary for the competent institutions to define special support programs for the category of young entrepreneurs in this territory. Future research should look at which business sectors are attractive to young people and what measures should be taken in order for young people to realize their entrepreneurial endeavors.

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