

The role of the ERENET Network in harmonizing university entrepreneurial education syllabuses in CEE

Dr. Antal Szabó

Scientific Director of ERENET

E-mail: erenet.hu@gmail.com

Abstract: The paper presents the historical background of the establishment of the Entrepreneurship research and Development network among the Central and Eastern European Universities - ERENET. It presents the basic declaration, its legal status, aim and main fields of activities. Special emphasis is given to strengthen the Central European Set of Values. It describes the main projects carried out by ERENET and summarizes the major events. Last it refers to the basic international relations of the organization.

Keywords: entrepreneurship/entrepreneurial education, networking, Central- and Eastern European cooperation, Central European set of values, ERENET

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Preface

Between September 1994 and August 2005, the author of this paper was employed by the United Nations Economic Commission for Europe (UNECE) as Regional Adviser.

The United Nations Economic Commission for Europe (UNECE) was set up in 1947 by the Economic and Social Council (ECOSOC). It is one of five regional commissions of the United Nations. Its major aim is to promote pan-European economic integration. To do so, UNECE brings together 56 countries located in the European Union, non-EU Western and Eastern Europe, South-East Europe and Commonwealth of Independent States (CIS) and North America. All these countries dialogue and cooperate under the aegis of the UNECE on economic and sectoral issues.

When it was established, UNECE was given the mandate of helping to rebuild post-war Europe, develop economic activity and strengthen economic relations between European countries and between them and the other countries of

the world. However, the Iron Curtain and the American anti-Communist policy separated East and West, in consequence of it shortly after ECE's establishment forced it to deal only with questions that were of common interest to East and West, despite their different economic systems and their political and ideological confrontation.

During the Summit of the US President George Bush and USSR Leader Mikhail Gorbachev on 2-3 December 1989 in Malta the end to the Cold War was declared. In consequence of the changing political world situation, in December 1992, the UN General Assembly adopted his proposal with its historic Resolution A/47/199, that highlighted the need for its activities to "be streamlined and rationalized, especially in the interrelated areas of programming, execution, decentralization, monitoring and evaluation, thus making the UN system more relevant and responsive to the national plans, priorities and objectives of developing countries, and more efficient in its delivery systems." As result of this structural reform some functions carried out from the headquarters in New York were transferred to the regional commissions including the UNECE. During 1994-1995 hundreds of workshops on transition issues were conducted by the UNECE. This program was supplemented by the introduction of regional advisory services in nine major fields of activity, including the post on Regional Adviser for Industry and Technology, for which the Author was selected.

In 1994, the first Advisory Workshop on Industrial Restructuring for selected CEE and NIS was organized in Geneva with participation of high-level policy-makers. During the Workshop it turned out that the majority of the transition economies and also the advanced market ones have no idea how to launch the former centrally planned economies towards the market economy based on private small and medium-sized sector. Dunja Partizzi-Ferencic, the Deputy Executive Secretary of the UNECE following a long discussion drew my attention to the importance of this issue. She made a significant remark mentioning that the Western market economies have neither idea, nor recipe how to assist the transition economies in this issue, so we have to start everything from the base by trying to develop a model for the creation of the private SME-sector, and provide regional advisory services to the Governments of the 27 transition economies.

Between 1995 and 1998 the Integrated Model for the development of the SME Sector was elaborated including the methodology of comparative analyses of the SME sectors in these countries and the Index of the Development of the SME sector. During my UNECE career I visited almost all the transition economies and organized more than twenty high-level international conferences and workshops.

1 Historical Background of the establishment of the ERENET Network

On 1-2 April 2004, the UNECE organized an Expert Meeting on "Good Governance for SMEs", which focused on current governance practices and analysed models of SME governance in countries with advanced market economies, in new and prospective EU member countries and in countries with economies in transition. The Expert Meeting also explored the situation at the micro-level, how SMEs understand corporate governance, what their problems are and what governments and non-governmental organizations can do to help them. The Meeting highlighted also the elements and importance of business ethics aspects as well as business and corporate social responsibility.

During the discussions Dr. Péter Szirmai, former Director of the Small Business Development Centre (SBDC) at the Budapest University of Economic Sciences and Public Administration - today it renamed as Budapest Corvinus University - has been called for co-operation amongst the Colleges and Universities in Central and Eastern Europe dealing with entrepreneurship and SME research and education. Participants from Croatian, Germany, Romania and Slovenia, and other experts expressed their interest in creation of a Central and Eastern European College and University Network on Entrepreneurship and SMEs with participation of departments dealing with these issues as well as individual academicians from these unites.

In the spring 2004, a Meeting was held at the Budapest University of Economic Sciences and Public Administration chaired by Prof. Tamás Mészáros, Rector of the University, with participation of the representatives of the leading Hungarian colleges and universities and the Regional Adviser on Entrepreneurship and SMEs of the UNECE, and the participants agreed on the creation of the Hungarian Network of Departments dealing with entrepreneurship and SME research and education activities.

Until the end of 2003, a historical period terminated, when majority of the Central and Eastern European countries as well as the Baltic states finished the transformation of their political and economic systems from the planned economy into a market one. The transition in these countries has radically taken place, however, young market economies and fresh entrepreneurs and enterprises are bound to face tremendous challenges in the European market competition. On 1 May 2004, eight CEE countries (Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia) and two Mediterranean countries (Cyprus and Malta) joined the European Union. This was the largest enlargement in terms of people and number of countries. Unfortunately this enlargement took asymmetrically place, since the older member states placed several restrictions on the free movement of people, agricultural support and others.

In this process the education plays a significant role in brand new Central and Eastern European entrepreneurs closing up and becoming equal competitors of their more fortunate and well established Western European partners. Basically it was a demand to gather the "start-up" entrepreneurship lecturers from CEE, majority of them who were former economic academics with Marxism and Leninism background and ideology, update their knowledge on entrepreneurship and enrich their experiences via leaning the best education experiences.

Following the meeting held in 2004, Dr. Peter Szirmai, Associate Professor of the Small Business Development Centre (SBDC) of the Corvinus University of Budapest (CUB) and me elaborated the Project on "Cooperation and networking amongst entrepreneurship and SME research and education colleges and universities in Central and Eastern Europe", which was circulated among several CEE and Hungarian institutions of higher education and universities. The concept of the project can be downloaded from the ERENET home-page. [1]

In Spring 2005, based on the positive answers of several university experts, the Entrepreneurship Research and Education network among the Central and Eastern-European Universities - called ERENET - was established at the Corvinus University of Budapest . ERENET is an acronym from **EntREpreneurship NETwork**.

2 Basic declaration

The higher education in Europe play an essential role in society, creating new knowledge and transferring it to students and the adult generation, fostering innovation. Europe has about 4,000 higher education institutions with 19 million students and around 1.5 million staff. there are many attempts to harmonize the curricula in Europe, however, the Bologna process did not justified so far. The two major tasks of the European Union are economic growth and employment. Europe needs to stimulate **entrepreneurial mindsets of young people**, encourage the start-ups, foster the culture which is most friendly toward entrepreneurship. The institutions of higher education has to **teach the most up-to-date business and entrepreneurial knowledge** to the future intellectuals, while they also have to open up towards economic actors and take part in **offering existing enterprises extracurricular, postgraduate trainings and education**.

Institutions of higher education as well as signers of the Declaration on the Establishment of ERENET have already taken the first steps as curriculum of fundamental importance have already been prepared, organisational units (e.g. research centres, departments and small business development centres, etc.) focusing on the conveyance of entrepreneurial knowledge and on carrying out research in their domestic SME sector have also been established. The creation of

this network was an initiative of Dr. Péter Szirmai, and Dr. Antal Szabó, Regional Adviser on Entrepreneurship and SMEs of the UNECE.

The **Declaration on the Establishment of the ERENET Network** was signed on 22. April 2005 during the International Entrepreneurship Experts Meeting at the Corvinus university of Budapest by representatives of 12 CEE universities and the UNECE Regional Adviser on Entrepreneurship and SMEs. Founding members are academicians from universities and institutions of higher education from Osiek (Croatia), Cluj and Tirgu Mures (Romania), Belgrade (Serbia), Košice (Slovakia) and Ljubljana (Slovenia). From Hungary lecturers/academicians from the universities of CUB, Miskolc, Veszprém, Szeged, the Heller Farkas High School, experts of the Europrofessional and Poziteam signed the declaration. The full text of the Declaration can be downloaded from the ERENET home-page. [2]

Signatories to the declaration recognized the mutual benefit of the cooperation and coordination, the possible advantages of entrepreneurial research within the framework of the network, and the successfulness of harmonized approaches in development of high-level teaching materials.

At time being ERENET has 170 Members from 41 countries not only from CEE but also from nearly the whole European area, Canada, US and even Venezuela. The ERENET Network as a pan-European organization became a member of the European Small Business Alliance with Headquarters in Brussels. [3]

3 Legal status

ERENET is an **open-ended research and development network** based on partnership relation among its Members. Both institutions of higher education and researchers as private individuals can join the network created in order to realise above outlined objectives. ERENET has no deed of foundation in form of international contract. According to international practice it is an unregistered contract type organization. The Members based on sovereign decision participate in specific project, support each other's events, and contribute with their scientific research results, publications to common intellectual capital. This is an indispensable condition of valid membership.

The coordination of the international network is undertaken by the Hungarian membership organisation. The managing agent called **Permanent Secretariat** is the Small Business Development Centre (SBDC) at the Corvinus University of Budapest. (At the establishment of the network it called Budapest University of Economic Sciences and Public Administration.) The network is moderated and the activities are organized by the Scientific Director of the ERENET. In 2009, the Institute for Economics Sciences based in Belgrade became the **ERENET South-Eastern Secretariat**. The **Plenary Organization** is

the **Annual Meeting**, and everybody has right to participate in it. The next, Fifth Annual Meeting will be held in May 2011 in Budapest during the Hungarian EU Presidency. ERENET has an Exclusive Board which consists of the members of the International Board of the own periodical ERENET PROFILE.

There is no membership fee in the network. The free of charge membership significantly contributed that members from the CIS and SEE countries could join the ERENET.

4 The aim of the ERENET and it's main fields of activities

In order to realise above objectives, associating institutions have determined actions as follows:

- In order to create the organisational framework of their cooperation, **they establish an international network of higher education on teaching and investigating entrepreneurship.**
- Regularly and continuously provides exchange of information, **making each other acquainted with their curriculum and researches.**
- Elaboration and implementation of common research projects by taking advantage of international cooperation.
- In order to provide financial sources of outlined researches, they **collectively apply** for support in multilateral, pan-European projects.
- Organising **conferences, workshops, seminars** in the field of entrepreneurship and SME-development issues.
- **Promotion of exchange of their professors**, researchers and possibly students showing considerable interest in enterprise development, furthermore they also support students participating in integrated courses and education.
- They develop an **Internet network** with links of all participating departments.
- In the beginning only on a national level, however, later on also internationally they create a **forum for publications** in order to exchange, document and distribute their research results. The forum for publication is fundamentally an internet-based periodical nevertheless not excluding the publishing of special issues and unique publications.
- By keeping requirements of education development in mind, **they collectively elaborate new syllabus and curriculum.**

- Results of common research projects are regularly exchanged on **workshops**, conferences and round table discussions by taking advantage of researchers' personal mobility.

5 Central- and Eastern-European set of values

In addition to the professional interest of the ERENET network it has a far-reaching aim to strengthen the Central- and Eastern-European set of values. During the past centuries the Great Powers left rather chaotic and full of hatred nations. The doctrine of Maria Theresia "Divide et impera", the 1848-49 War of Independence, the attempt in Sarajevo, the Treaty of Trianon, the horrors of the I. and II. World War, the disintegration of the Soviet Union and Yugoslavia are illustrative examples of this process. This is why the CEE lecturers prefer to cooperate with professionals from the old Europe and beyond the sea instead of the neighbouring countries. And what is more, if some high-level policy-makers ignore the rule of the multiethnicism and punish their minority citizens for using the mother tongue, after this you won't be surprised if national authorities are hesitating to answer a call for cooperation from the neighbouring capital.

There is a need for paradigm shift, and ERENET wish to be on the cutting edge in this field. We have to unite our activities and cooperation against considering us as second-hand citizens by Brussels.

We are interdependent and we have to fend ourselves. We can be successful if we respect each other and cooperate between ourselves.

6 The ERENET main activities

ERENET HOME PAGE

The mission, the founding declaration, list of members and our activities can be followed from the ERENET home page at <http://www.erenet.org>. The home page is edited by the Scientific Director and the Secretary as web-master. In 2010, the ERENET home-page received more than 100,000 hits.

ERENET PROFILE

In 2006, in the line of the aim, an Internet-based periodical called ERENET PROFILE was created. The Mission of the ERENET PROFILE is to present and entrepreneurial curricula, their philosophy and best practices, as well as the national and regional enterprise development policies of the countries of the members. We highlights the major events relating to entrepreneurship and SMEs

every quarter, present the findings, conclusions and recommendations of those events in which ERENET members took place of those international events which have major significance for our members. The ERENET PROFILE introduces the institutions and organizations of the ERENET Members and other ones which arouse public interest. It draws attention to the coming entrepreneurship and SME-related events, present main poits of the news from the EU and international organization. Last but not least offers book reviews.

The ERENET PROFILE has an international registration in the ISSN - International Standard Serial Number - Network. The identification code is: **1789-624X**.

So far 22 issues were prepared. In 2008, following the firts ten issues we prepared a hard copy anthology titeled as „**4E – Entrepreneurship in Eastern European Economy**”. In 2011, we prepared the second volume containing selected papers from the 11st to 22nd issues. All periodicals can be downloaded from the home-page <http://www.erenet.org>. At time being we are compiling the continuation of the anthology.

6.1 Main projects

COMPARATIVE ANALYSIS AND BECNHMARKING OF BUSINESS INCUBATORS IN SELECTED CEE AND CIS COUNTRIES [4]

The project aimed at supporting the design and establishing business support institutions in transition and emerging market by analyzing the best practices in business incubation process in selected Central-Eastern European countries (CEE) and Commonwealth of Independent States (CIS). 13 countries participated in the project by preparing national studies on business incubation in their countries. The Workshop on “Benchmarking Business Incubators in Selected CEE and CIS Countries” held on 23 June 2006 at the CUB in Budapest. The Workshop was organized by the financial assistance of the Norwegian SINTEF within the framework of The Foundation for Scientific and Industrial Research at the Norwegian Institute of Technology through ENTRANSE. The Canadian Business Incubator Association provided assistance in financing the participation of the national expert from Moldova, while the OSEC office at Yerevan financed the participation of their experts.

The Workshop was aimed at:

- Sharing experiences in best practicing in business incubation in CEE (Croatia, Hungary, Poland, Romania, Serbia, Slovakia and Slovenia); and
- Discussing the modalities on how to design, establish and manage business incubator in the new EU countries in emerging and

transition economies, which could operate in sustainable manner in such a way, that those to contribute to the creation of a sound SME-sector.

Within the framework of the project a harmonized questionnaire was prepared filled and analysed by national experts. The replies are evaluated by Ph.D. students of the SBDC of the CUB jointly with the former president of the Polish Association of Business Incubators and Innovation centers. and a benchmarking document was prepared. [5]

STRATEGIES FOR THE DEVELOPMENT OF ENTREPRENEURSHIP AND THE SME SECTOR IN THE BLACK SEA ECONOMIC COOPERATION REGION - BSEC

Since the launch of the initiative of the Black Sea Economic Cooperation (BSEC) in 1992, it has evolved into a full-fledged regional organization with the establishment of the Permanent International Secretariat (PERMIS) in Istanbul in 1994 and adoption of its Charter in 1999, supported by the Black Sea Trade and Development Bank based in Thessalonica. Now it has 12 members - Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Serbia, Ukraine and Turkey.

The core element of the political and economic transformation of any country in transition is the creation of a sound private sector and further development of SME & entrepreneurship. These are considered as the principal driving forces in economic development. SMEs promote private ownership, stimulate innovations and develop entrepreneurial

The adoption in Istanbul on 27 September 2001 of the document entitled “Declaration on Small and Medium-sized Enterprises at the Dawn of the 21st Century” by the Ministers in charge of SMEs as well as the subsequent establishment of the Working Group on SMEs (WG on SMEs) on 16-17 May 2002, have been timely steps in the right direction. Today SMEs rank high in the priority list of BSEC.

In order to assist to analyse the SME sector development in the BSEC region, especially in the transition economies as well as in the new or associated EU countries, the PERMIS BSEC and Konrad Adenauer Stiftung decided to organize a high-level policy meeting on achievement and task in the entrepreneurship and SME development policies to be held at the end of 2007 at the BSEC Headquarters in Istanbul. This project aims at elaboration of the background document for this meeting.

International experts from Armenia, Azerbaijan, Russia, Serbia and Turkey and the former UNECE Regional Adviser on Entrepreneurship and SMEs, Scientific Director of the ERENET Network prepared a Discussion Paper on “Strategies of the Development of Entrepreneurship and SME Sector in the Black Sea Economic Cooperation Region”, which served as a background paper for a High-level Meeting

held on 22-24 November 2007 in Istanbul. All experts preparing evaluation of the SME sector in geographically neighbouring countries are Members of the ERENET Network, and express their views independently from their Government authorities or any political parties. The Strategic Document was well received by the BSEC Governments and serves as a guiding material for further development of the SME sector in individual countries as well for the BSEC WG on SMEs. [6]

STRENGTHENING THE EDUCATIONAL AND SCIENTIFIC COLLABORATION AMONG FACULTIES OF ECONOMICS WITHIN V4 AND COUNTRIES OF SOUTH EASTERN EUROPE [7]

Strengthening the educational and scientific collaboration among Faculties of Economics within V4 and countries of South Eastern Europe (No. 30810004 - IVF) is a research project realised by an international consortium of partners, co-financed by **International Visegrad Fund**. Project started on 1 September 2008 and lasted for 22 months.

Project **aims at joining educational institutions of Economics for establishing mutual educational and scientific network of teachers and researchers from corresponding V4 countries and neighbouring countries**. This project reaches the priority “Sharing V4 know-how with neighbouring regions”. A network established within this project will coordinate the mobility of Faculties’ project personnel; prepare workshops on best practices in educational area within Investment, Banking and Business oriented study programmes. Moreover it has been coped with presentation of new teaching methods and know-how within distance and e-learning educational approaches. V4 practical abilities and skills in project targeting areas will be further on spread out to neighbouring regions via workshops and conferences with expert participation from praxis, leading industries and educational institutions besides the Visegrad Countries. Hence the Visual collaboration (videoconferences) between V4 and neighbouring countries will accelerate the exchange of research results, comments and ideas for starting further common project collaboration in near future. The project was implemented under the coordination of Dr. Renáta Vokorokosová, Associate Professor, Department of Investment and Banking, Faculty of Economics, Technical University of Košice.

The IVF project brought together a well-balanced mixture of partners, each one bringing into the project a different experiences and a different perspective of emphasis. **Consortium members were:**

- University of Economics in Bratislava, Faculty of National Economy
<http://nhf.euba.sk/>
- Silesian University in Opava, School of Business Administration in Karviná
<http://opf.slu.cz/>

- College of Social and Administrative Affairs, Havířov
<http://www.vsss.cz>
- University of Pardubice, Faculty of Economics and Administration
<http://www.upce.cz/fes/index.html>
- Czestochova University of Technology, Faculty of Management
<http://www.pcz.pl>
- University of Miskolc, Faculty of Economics
<http://www.uni-miskolc.hu>
- Union University of Belgrade, Belgrade Banking Academy
<http://www.ien.bg.ac.rs>

During the implementation of the project the participating institutions made acquainted with new teaching methodology including the distance learning and e-learning, visited each institutions and agreed on further cooperation.

HARMONIZATION OF ENTREPRENEURIAL TEACHING PROGRAMS

EDARO Project

In mid 2007, the Management-Economy department of the Faculty of Economics, Law and Administrative Sciences at the Petru maior University of Tirgu Mures in cooperation with the ERENET Network has been launched the **Project on “Researcher Regarding Harmonization of Entrepreneurial Education of Romanian Universities with the EU and Eastern European Universities (EDARO)”**. [8] The purpose of this project is to collect current practice in entrepreneurship education at the Romanian universities as well as collect best practices and curriculums in entrepreneurship education in the old, new and associated EU countries as well as in North-America in order to develop and establish an advance similar education in the country too. The research is oriented to an educational component which support the economy based on knowledge and innovation, entrepreneurship, sustainable development, elaboration and development of the research networks. The project gathered information in the field of investigation and implementation of the entrepreneurial education in the Romanian universities, specialized institutions of Romania and European Union. The presented astudies were analysed and discussed on International Conferences on Economics, Law and Management - ICELM – in 2007, 2008 and 2009 in Tirgu Mures and the 3rd ERENET Annual Meetings in Budapest. The current practices in entrepreneurship education are collected. We looked out the European continent and highlighted some of the achievements made in North-America (Canada and US) as well as in advanced Middle East (Lebanon).

One of the cornerstones of the project was a Roundtable on "Entrepreneurship Education" held within the framework of the ICELM3 Conference on 5 June 2008 in Tirgu Mures.

The finding and studies are collected in a book "Comparative Studies on Entrepreneurship Education - National Case Studies" was prepared. [9]

Project on "European Entrepreneurship Education" ERASMUS-ECDM

In 2008-2009, the European Commission financed a **Project on European Entrepreneurship Education** under the supervision of the Petru Maior University in Tirgu Mures (Romania). In this project the Fachhochschule Frankfurt am Main – University for Applied Science (Germany), Université de Strasbourg IUT Louis Pasteur Schiltigheim (France), Miskolc University (Hungary), Technical University in Kosice (Slovakia) and Petru Maior University took place. The international teaching staff prepared 6 harmonized teaching materials on the following subjects:

1. Sustainable Development and Business Opportunities [10];
2. Entrepreneurial Creativity and Innovation Management [11];
3. Entrepreneurship [12];
4. Business Planning [13];
5. Small Business Administration [14]; and
6. English for Business [15].

These materials are already in the teaching curricula of these institutions.

THE REACTION AND PROTECTION MECHANISMS OF SMALL BUSINESSES AGAINST THE STRESS-FACTORS OF THE INTERNATIONAL FINANCIAL AND ECONOMIC CRISIS IN SOME COUNTRIES OF THE CENTRAL AND EASTERN EUROPEAN REGION

The international financial and economic crisis is such a global and overall concept that has evident interest on the economy of all European countries. At the same time it is also evident that this effect may be different in the single countries or even in the regions. There are places where the circumstances are very critical, there are some other ones where these effects are shorter-term, and we may suppose that the re-structuring processes have winners, too.

In 2009, Small Business Development Center of Corvinus University of Budapest, based on the intellectual basis of ERENET research network, undertook to explore the developed Hungarian circumstances and features **after the economic crisis** with the help of an examination, built on a detailed and overall empirical data acquisition. Furthermore it collects information about this issue for selected CEE countries in form of **national expert studies**. Our research work was invited for and is supported by one of the biggest CEE financial companies. It exercises considerable influence on the region, since it has interest and offices in eight countries altogether. So the bank has share in collecting information about the local appearance and feature of the global crisis in order to improve its

strategy. ERENET members from Bulgaria, Croatia, Romania, Serbia, Slovakia and Ukraine were involved in the research work. The topic and also the title of the research was: **“The reaction and protection mechanisms of small businesses against the stress-factors of the international financial and economic crisis in some countries of the Central Eastern European region”**

The global economic recession and crises significantly affected the Central- and Eastern-European (CEE) countries, the new member States, especially the export oriented ones due to the devaluation of their national currencies. The recession has been increased and the crises more severe and expanded than it was prognosed by optimistic politicians and governmental economic research institutions. The economic crises hit especially the SME-sector in each country, where due to weaker financial position and lack of orders SMEs in large number were ruined. In any case the economic crisis indicates that the free market economy is not a panacea and not a perfect system for safeguarding the economic welfare of the mankind. Certain countries in different manners provided assistance for survival of the sector and diminishing the consequences of the crises.

The summary of the research on the impact of the economic crises in six CEE countries is published in the ERENET PROFILE. [16]

7 Events organized by ERENET

One of the aims and main activities of the ERENET Network is organizing conferences, workshops, event on entrepreneurship, innovation and SME-related subjects. The passage below highlights some of the events in the line of the ERENET aim. The main institutions actively involved in these events are the Permanent International Secretary of the organization of the Black Sea Economic Cooperation jointly with the Turkish Representative of the Konrad Adenauer Foundation, the Petru Maior University of Tirgu Mures and the CUB.

ROUND TABLE ON "INCREASE INVESTMENT IN HUMAN CAPITAL THROUGH BETTER EDUCATION AND SKILLS - EXPERIENCES FROM THE EU" - ZAGREB

On 6 October 2006, ERENET and the J.J. Strossmayer University organized a Round table on "Increase investment in human capital through better education and skills" in the Congress Hall V. Lisinski in Zagreb. This event was organized within the framework of the 3rd European Day of Entrepreneurs - EDE 2006 - in Zagreb. The Roundtable raised awareness about new role of the education systems in EU and Croatia, in particular in the field of higher education and entrepreneurship education. Roundtable analyzed and compared several programs in entrepreneurship education in order to learn from the best practice

and share the experiences. The experiences of the universities in creating and developing entrepreneurship education, as well as strategies for collaboration such as networking, creating supporting infrastructure, private-public partnership, etc. were presented and best practices identified. A number of forming and governance challenges such as gaps in policy, strategy, and capacity, hinder responsiveness, accessibility and accountability of the entrepreneurship education. The main papers and conclusions on the EDE 2006 Round Table can be find in the ERENET PROFILE Vol.I. No.4. [17]

ROUND TABLE ON "HOW TO BECOME SUCCESSFUL AND SOCIALLY RESPONSIBLE ENTREPRENEUR? - LEARN FROM EXPERIENCE" - BUDAPEST

The European Academy of Science and Art (EASA) made an important initiative, when decided to devote the 2006 Budapest Round Table to the issue of Successful and Social Responsible Entrepreneurship. It was also a right decision to ask ERENET, to be a partner of this event and assist finding appropriate participants and moderators to facilitate dialogue in this field. ERENET Secretariat called its Members, the YES for Europe as well as YES for Hungary to delegate students and entrepreneurs experts. The Bank of Sweden Tercenterary Foundation, Korral Partners A/S from Denmark, Atlantis Research Organization from Greece and the Hungarian National Commission for UNESCO provided financial assistance to organize this event on 10 November 2006 at the premises of the Hungarian Academy of Sciences.

The selection of the subject is very appropriate, because it is the time to wake up political and governmental leaders to move from its lukewarm place the European economy, which is in the state of suspended animation and promote entrepreneurship in order to make the new and enlarged Europe a favourable place to work and live. Rediscovering the entrepreneurial spirit of Europe through better regulation, education, access to finance and innovation are the primary goals. It is not accidental, that in November 2005, the young European entrepreneurs, the YES for Europe requested the European Parliament to stimulate *EntrepreneurShip* and lower the sail with a stormy but well managed wind of change in the EU.

This time - more than 40 participants – entrepreneurs, start-ups and successful ones, venture capitalists, students and academicians from 13 countries sit at the Round Table. But the lively discussions soon had the audience involved.

The Round Table was proud to have two international experts to moderate the discussions. Both Professor David Smallbone, - BSc (Econ), MSc, Hon PhD, Professor Small Business and Entrepreneurship and Associate Director of the Small Business Research Centre – SBRC – at the Kingston University – and Professor János Vecsenyi, - Full Professor of Entrepreneurship at Budapest Corvinus University, Small Business Development Center and Head of Training and Development at GE Consumer Finance-Budapest Bank Hungary.

The main points of discussions included the following

- **To be a successful entrepreneur** (moderated by Prof. Vecsenyi)
- **To be a socially responsible entrepreneur** (moderated by Professor Smallbone)
- **To be young, creative, innovative entrepreneur** (moderated by Prof. Vecsenyi)
- **Lessons to learn from successful young and socially responsible entrepreneurs** (moderated by Professor Smallbone)

The Budapest Round Table adopted a Memorandum, dedicated to Professor László Sólyom, President of Hungary, and the European Economic and Social Committee, which was presented by Dr. Gilbert Fayl, Secretary of External Affairs of EASA, the organizer of the event. This Memorandum see in the news session of the ERENET PROFILE Vol.II, No.5. [18]

5th EUROPEAN DAY OF THE ENTREPRENEUR IN CROATIA - „CROATIAN GATEWAY TO GROWTH” - ZAGREB

The ERENET Scientific Director moderated the **Conference on “Employment through Education”** at the Almeria Centre in Zagreb held during the 5th EDE event on 1-2 October 2008. Some 60 participants including 40 high-school and university students attended this event. Other events run parallel in rather faraway places from each other. Several ERENET Members participated in this event. I wish to express by special thanks to Mrs. Visna Mc.Master, an innovative entrepreneur, founder and business owner, whose enthusiastic contribution raised the attention of the audience – especially youth – toward entrepreneurship.

The subject of this Conference was appropriate both in Croatia as well as in the old and new EU countries. By 2010, half of the jobs available in Europe will require people with high skills. Only 15% will be available for those people who have only primary education. The Croatian current structure of the labour force – only 7.8% with higher education while 50% with primary education – does not fit with the future requirements in closing up with the Europe and shows the direction where the education Government and the society should go.

In addition to encourage the entrepreneurial spirit among the citizens there is also a need to encourage the entrepreneurial thinking at the government level as well.

There is an important task in increasing skill by developing and redefining the education. The Croatian Government has to improve its educational and training policies to make these more responsive to anticipated changes in the labour market.

WORKSHOP ON ENTREPRENEURSHIP IN COMPARATIVE PERSPECTIVE - LONDON

The University College London - School of Slavonic and East European Studies is one of the world's leading specialist institutions, and the largest national centre in the UK, for the study of Central, Eastern and South-East Europe and Russia. More than 60 academic staff work at UCL SSEES, teaching and conducting research in the history, economics, politics, sociology, anthropology, culture, literature and languages of the countries of the region.

On 3 November 2008, the UCL SSEES Centre for the Study of Economic and Social Change in Europe and ERENET organized a **Workshop on "Entrepreneurship in Comparative Perspective"** at the UCL SSEES Building in London. The program of the Workshop see below:

SESSION I Chair: Simona Iammarino (University of Sussex)

- **Igor Filatotchev** (Cass Business School)
Strategic Flexibility, Governance and Knowledge in Threshold Entrepreneurial Firms
- **Saul Estrin** (LSE), **Julia Korosteleva**, **Tomasz Mickiewicz** (UCL)
Determinants of High-Growth Entrepreneurship in Comparative Perspective
- **Slavo Radosevic** (UCL) and **Maja Savic** (Birkbeck)
Knowledge Intensive Entrepreneurship in Central and Eastern Europe.
Results of Firm Level Survey

SESSION II Chair: Natalia Isachenkova (Kingston University)

- **Friederike Welter** (JIBS) and **David Smallbone** (Kingston University)
Entrepreneurship in Transition Economies
- **William Bartlett** (University of Bristol) and **Mirela Xeneti** (Kingston University)
Entrepreneurship in the Western Balkans
- **Antal Szabó** (ERENET, Budapest), **Tigran Sukiasyan** (OSCE Yerevan Office), **Ishkhan Karapetyan** (SME Development National Centre of Armenia)
Entrepreneurship in the Southern Caucasus

INTERNATIONAL SCIENTIFIC CONFERENCE ON "THE CHALLENGES OF ECONOMICS SCIENCES IN THE 21ST CENTURY" - BELGRADE

The Institute of Economic Sciences - IES - was founded in 1958 as Department for Economic Researches and Methodology Planning of the Federal Bureau for Economic Planning. The Institute operated under this name until 1963 when, according to former Federal Executive Council Regulation, it became Yugoslav Institute for Economic Research. In 1969 the Institute got its current

name. The IES, as a research institution deals with scientific research in the field of macroeconomics, microeconomics, regional economic development, development studies of national and world market, beside the activities in consulting, professional training, and education related to current business economics, management, marketing, entrepreneurship, financing, banking, etc. The long tradition of successful business activities along with high professionalism of the employees in research engagement by many national and international organizations and institutions.

This event held on 4-5 December 2008, was milestone in the recent SEE economic development. Beside the celebration of the past 50 years it paved the way for further economic cooperation and regional development. The Session on Entrepreneurship and SME Activities was organized in cooperation with ERENET. This conference was a high-level events. Practically all main academicians and economic experts from the succession states of the former Yugoslavia plus experts from old and new EU countries and overseas attended this event. The papers are available in form of a book issued by the Institute of Economic Sciences. [19]

The author expresses the thanks of the ERENET Secretariat to the IES's Management offering IES to become the Secretary for SEE. ERENET considers this region more wider as just the Balkan countries, but it should be include all the countries after the disintegration of the former Yugoslavia, plus Albania, Bulgaria, Greece, Moldova, Romania and Turkey.

INTERNATIONAL SCIENTIFIC CONFERENCE ON ENTREPRENEURSHIP AND GROWTH OF FAMILY FIRMS - CRACOW

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 Department of European Studies and the Department of Entrepreneurship and Innovation from the Cracow University of Economics, together with the Entrepreneurship Research and Education Network of Central European Universities (ERENET) organized on 4-5 June 2009 the **International Scientific Conference "Entrepreneurship and Growth of Family Firms"**. The conference was held in Cracow, at the campus of Cracow University of Economics. Almost 40 scholars from 20 countries took part in this interesting event. Dr. Krzysztof Wach from the Department of Entrepreneurship and Innovation, and Prof. Dr. Aleksander Surdej, head of the Department of European Studies played and extremely hard work in bringing experts and organizing this event. The conference participants were welcome by the co-organizer Dr. Antal Szabo. Financial support for the conference was provided by Polish Ministry of Science and Higher Education (MNiSW), Polish Agency for Enterprise Development (PARP), the Municipality of Cracow (UMK) and the Italian Culture Institute of Cracow (IIC). The conference was an event within the research project

“Succession scenarios in the first generation of family firms in Poland” financed by Polish Ministry of Science and Higher Education realized by Prof. Aleksander Surdej and Dr. Krzysztof Wach at the Faculty of Economics and International Relations at Cracow University of Economics.

Conference Topics:

- The idea and determinants of entrepreneurship in modern economies.
- The relations between entrepreneurship and family firms
- The advantages and disadvantages of family as a vehicle for entrepreneurship.
- The impact of family entrepreneurs on local development: spatial dimension of entrepreneurship.
- Challenges of family firms' succession.
- Various research approaches to study family firms' development and growth.
- Public policy instrument to promote the growth of entrepreneurship.

Outcome of the Conference:

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.

It was suggested that Cracow University of Economics should be a centre of excellence for family businesses and let organize jointly with ERENET regular biannual event on this subject.

Cracow University of Economics - CUE - has designed the conference as a meeting point to discuss past, present and future tendencies with regard to entrepreneurship and family firms as well as to share ideas on modern entrepreneurship and family firms research. Main papers presented at the Conference can be found in the ERENET PROFILES Vol. IV, No.4 and Vol. V, No.1 as well as in the book titled Managing Ownership and Succession in Family Firms issued by CUE. [20]

PRE-CONFERENCE ON "ENTREPRENEURSHIP IN TIME OF CRISES" - BUDAPEST

The 23rd Researching Entrepreneurship and Small Business - RENT - Annual Conference held in November 2008 in Budapest, aimed to encourage discussions about entrepreneurship and growth. Scholars as well as practitioners commonly associate business growth with entrepreneurship. In addition, the European Council has also set the objective to breed European gazelles by 2010.

Connecting the conference with the actual economic situation CUB in collaboration with the European Council of Small Business and Entrepreneurship and ERENET organized a pre-conference forum for collaboration among policy-makers, advisors, practitioners and conference participants on the issue of Entrepreneurship Policy in Times of Economic Crises. This event was held on 18 November 2009 and the CUB, in Budapest.

Most of the discussion surrounding the current economic crisis has focused on the implications for large businesses and their hiring and investment decisions, or households and their employment possibilities. One overlooked and underemphasized aspect of the issue is the impact on small and medium-sized firms. The crisis in fact has had deep implications to entrepreneurship since SMEs have the least access to retained earnings, and have to rely most on bank credit as opposed to capital markets. And of course for new firms, startup capital will be even harder to access.

The Pre-Conference was opened by Dr. Thomas M. Cooney, President of ESCB and Dr. Károly Balaton, Corvinus University of Budapest. During the Conference two Sessions were held on Entrepreneurship and the business cycle: a way out of the Bust and Policies for Entrepreneurship at the Time of Crisis moderated by Professor David Smallbone, Kingstone University, UK, and Dr. Antal Szabó, Scientific Director of ERENET, respectively. Between these sessions a comprehensive lecture was delivered on Criteria for identifying good practice policies by Professor Zoltán Roman (Hungarian Academy of Sciences, Hungary).

As part of the pre-conference ERENET organized a Forum Round-table on Forum: Breeding Gazelles and Sustainable SMEs in the Time of Economic Crisis (Chaired: Dr. Antal Szabó). The panelists of the Forum were Dr. Péter Szirmai (Corvinus University of Budapest, Hungary), Dr. Sanja Pfeifer (J.J. Strossmayer University of Osijek, Croatia), Dr. Eric Dejan (Institute of Economic Sciences, Serbia), Dr. Zsuzsanna Katalin Szabó (Petru Maior University, Romania), Dr. Krzysztof Wach (Cracow University of Economics, Poland), Dr. Vincent Šoltés (Technical University of Košice, Slovakia) and Dieter Ibielski (UMU, Germany)

The participation fee of the regular RENT conferences are relatively very expensive. Experts from CEE and CIS could not afford to participate in these event. Therefore, the ERENET supported by the CUB invited experts and discussants free of charge. Some 60 participants from 35 countries attended the pre-conference.

WORKSHOP ON "THE HUNGARIAN SME POLICY - EVALUATION AND POSSIBLE FUTURE DEVELOPMENT" - GYŐR

Similar to everywhere in Europe, micro, small and medium-sized enterprises (SMEs) play a determining role in the Hungarian economy. These enterprises during the past two decade of the transition followed the way of the creation of the private sector in the transition economies. The regulatory framework could not followed the requested changes, and the governing elite

considered the only possibility of creation of the private sector by mass privatization, while it neglected the establishment and development of the private sector based on sound SME sector. The political elite never used the scientific approach for creation and development of the SME sector.

On 11 April 2010, Hungary faced Parliamentary election followed by the formulation of a new Government. This process provided a new change to correct the direction of the economic policy, its means, the regulatory framework and within it the creation of a business friendly condition for SMEs. The

Hungarian Session of the ERENET Network decided to review the current national SME policy, its strength and weaknesses and highlights those issues, which could lead to adjustment of the current not effective policy and assist the new Government to adjust its policy for entrepreneurship development.

The Hungarian Branch of the ERENET consists of the most excellent experts from 14 Hungarian universities and high-schools, the Hungarian Academy of Sciences and the Hungarian Enterprise Development Network Consortia. ERENET has kept an eye on the situation of the indigenous SME-sector, and has compared it from time to time with the CEE and EU countries. Workshop on "The Hungarian SME Policy - Evaluation and Possible Future Development" was organized on 27 March 2010 at the Szécheny István University in Győr by ERENET and the Szécheny István University in cooperation with the Hungarian Enterprise Development network Consortium.

During the Workshop the following main topics were discussed:

- National SME policy in the light of the overall economic policy;
- Characteristics of the Hungarian SME sector, international comparison with the countries of the
- region;
- The situation of the SME support infrastructure, the main direction of its development and
- government tasks;
- SME financing and requested steps for improvement;
- The necessity of innovation aiming at improvement of the international competitiveness;
- Modernisation and updating of the Hungarian taxation system;
- Challenges in the field of human resource development: task in the field of entrepreneurial
- vocational training and high/university education; and
- Experiencing and practicing in domestic entrepreneurial and entrepreneurship education.

The Workshop adopted recommendations - called Győr Declaration - for the **elaboration of a new national SME enterprise development policy**. Following the Parliamentary election the Győr Declaration was sent to the new

Prime-Minister Viktor Orbán, the Minister for National Economic development Mr. György Matolcsy and all parliamentary political parties. [21]

8 Cooperation with European Small Business Alliance ESBA



The European Small Business Alliance was founded in 1998 by 8 independent national small business associations. It is a non-party political group, which cares for small business entrepreneurs and the self-employed and represents them through targeted EU advocacy and profiling activities. ESBA also works towards the development of strong independent advocacy and benefits groups in European countries. ESBA's new website, which provides an innovative approach to communication amongst business organisations, reflects these three main fields of activity.

Today, ESBA is one of the largest organisations based on voluntary membership in Europe. Through its direct membership, associate membership and cooperation agreements, the Alliance now represents almost one million small businesses and covers 35 European countries. Increased support and recognition, internally and externally, however will only be achieved through tangible results. Through implementation of its 'Vision 2020' and the corresponding business plan, this is what ESBA is constantly striving to achieve on behalf of its members and SMEs in Europe.

In 2006, the ERENET became an Associated Member of the European Small Business Alliance (ESBA), which was approved by the ESBA Board at the ESBA Board Meeting of 15-16 September in Amsterdam. ESBA and ERENET agreed to exchange information and send to each other all relevant information.

The ERENET Secretary sends to its members the most important documents published by ESBA. We also provided contact information for ESBA for exploring the cooperation with Croatia, Poland and Serbia. In consequence of our activity ESBA prepared a country study on Croatia and UMIS became a member of the ESBA.

Since the ESBA President, Tina Sommer, is also the Chairperson of European and International Affairs of the Federation of Small Businesses (UK), ERENET got an invitation as a honorable guest to participate in the FSB Annual Meetings from 2008 held in London, South Wales, Aberdeen and Liverpool.

In December 2010, ESBA has been awarded the European Public Affairs Award 2010 in the category "European Trade Association of the Year". ESBA has been working hard to fight for recognition by the Institutions of micro-enterprises as a separate group of businesses that needs a tailored approach when legislating. People hear the word "micro" make faces, however, one should not forget that 91% of all enterprises in EU are microenterprises! This is why the advocacy is ESBA's core activity, and hereby it is also a very important issue for the ERENET's member countries.

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