

**ORIGINAL SCIENTIFIC PAPER**

## **RESEARCH ON ENTREPRENEURSHIP IN THE FUNCTION OF RESILIENCE IN SERBIA**

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### **ABSTRACT**

*In order to survive on the market, business entities must not be insecure, determine the way of doing business only in accordance with previous experiences and follow paths that have already been trodden. If they refuse to research and make any changes in the way of organization and work, their products lose the market race. In this paper, we have shown that entrepreneurs in Serbia, despite all the changes in the environment, do not invest enough in research in order to succeed in being resilient and competitive in the market. In line with this, the author concluded that a socially responsible, open and proactive approach to business entities is necessary, in order to encourage them to research in order to increase the degree of resilience.*

**Keywords:** *Entrepreneurship, resilience, business entities, Serbia.*

**JEL:** *L20, F63*

## INTRODUCTION

Back in 1962, Marshall McLuhan in his book "The Gutenberg Galaxy" [5] concluded that electromagnetic discoveries had created a simultaneous field in all human affairs, so that the human family now exists in the conditions of a "global village". At that time, it could not even be guessed how much business conditions would be changed under the influence of globalization. The benefits, in terms of rapid transfer of information and technologies, as well as market availability, were seen from several angles. Under the influence of globalization, state borders have not been an obstacle for business for decades. However, the pandemic caused by the disease COVID-19 has stopped the flow of people, raw materials and products. The international supply chain is broken. Life and business in the "global village" had to undergo radical changes. World leaders were not aware of the situation in time, which is best shown by the fact that the central topic of the World Economic Forum that took place at the end of January 2020 was climate change [10]. At that time, the SARS-COV-2 virus was already claiming lives in East Asia. No economic system was ready for the new conditions. In 2020, the world economy recorded a drop in GDP of 3.13% [11]. The disease has been somewhat brought under control, but the economy, which has not yet fully recovered even from the global economic crisis of 2008, still cannot return to its former level. It was shown that few economic entities were resistant to the changes that occurred. Large companies, as a rule inert, are trying to find the right path to recovery. On the other hand, many small and medium-sized enterprises disappeared from the economic scene, because they failed to cope with the newly created business conditions.

In the "global village", business risks transcend national borders and affect all economic entities in the economic chain.

## RESEARCH AS A PREMISE FOR RESILIENCE

The radical changes taking place at the global level have contributed to the fact that one of the basic topics that economic scientists deal with is the research of how businessmen can develop resistance to shocks that occur in the economic environment. It has been shown that a strong motivation system that can move an individual to learn, progress and adapt to his environment, as well as organizational flexibility are the most effective ways to improve the resilience of small and medium-sized enterprises [8].

At the informal meeting of EU leaders held in Sofia in 2018, it was concluded that society can ensure long-term prosperity only if it makes the most of the knowledge, entrepreneurial spirit and productivity of all people [2].

The above conclusion leads us to the premise that every economic system should make investment in research in order to learn, progress and adapt to the environment imperative.

Given that entrepreneurship can be seen as a key factor for economic growth, it is concluded that the ability of entrepreneurs to adapt to new circumstances is extremely important for any economic system. There are many questions that experts dealing with this field are trying to find an answer to. First of all, the concept of entrepreneurship has changed over the centuries. It can also be analyzed from the point of view of different types of entrepreneurship, both traditional forms and those types that are more recent or whose concepts have only recently been established. Therefore, many inconsistencies in interpretation or misuse of terminology can often be encountered [7].

Bygrave understood that entrepreneurship is not just business, but initiative, imagination, flexibility, creativity, willingness to think conceptually and the capacity to see change as a possibility [1]. Also, Kuratko and Morris defined entrepreneurship as seeking and capitalizing on opportunities, coupled with risk-taking and persistence to turn an innovative idea into reality [4]. Kuratko and Hodgetts defined that entrepreneurship is a process of innovation and creation of a new enterprise that has four basic dimensions - individual, organization, environment and process, and which is supported by collaborative networks in the state, education and institutions [3], [12].

From the above definitions, we can conclude that entrepreneurship implies seeing changes as a possibility, searching for and capitalizing on opportunities, along with the process of research and innovation, and that everything must be supported by state institutions.

In order to survive on the market, business entities must not be insecure and determine the way of doing business only in accordance with previous experiences, following paths that have already been trodden. If they refuse to research and make any changes in the way they work, they will not be able to adapt to the changes and will lose the market race.

When changes occur in the economic environment, it is not enough for a company to have good luck or good intuition. It is necessary for the company to have the ability to adapt and search for innovations, which implies that it has a good organization and nurtured innovative climate.

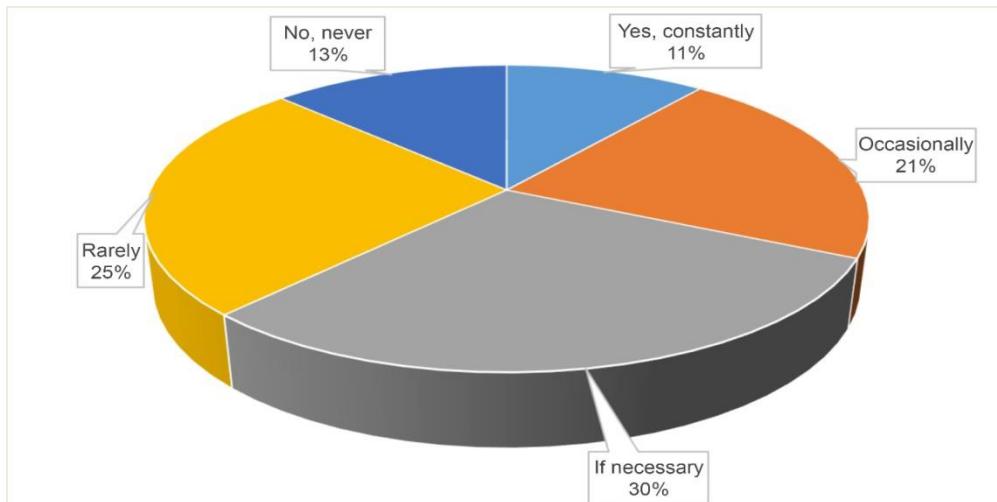
## RESEARCH ON ENTREPRENEURSHIP IN SERBIA

In the Republic of Serbia, in the first six months of 2022, 1.866 business entities and 12,829 entrepreneurs were deleted from the commercial register, which is more than in the previous six years for the mentioned period [10].

It seems that businessmen in Serbia are finding it increasingly difficult to conduct business in the new conditions and that they are not dealing with resilience enough. They need to invest in research in order to create innovative organizational schemes, products and services, so that they can better adapt to the changes that are taking place.

In a survey conducted in the field among business entities in Serbia at the beginning of 2021, a disappointing realization was reached that only 11% of respondents constantly rely on research in their business, while 21% rely on research occasionally [6].

The structure of the companies' responses to the question of whether they rely on research in their business for the purpose of development, which arrived during the research, can be seen in Graph 1.



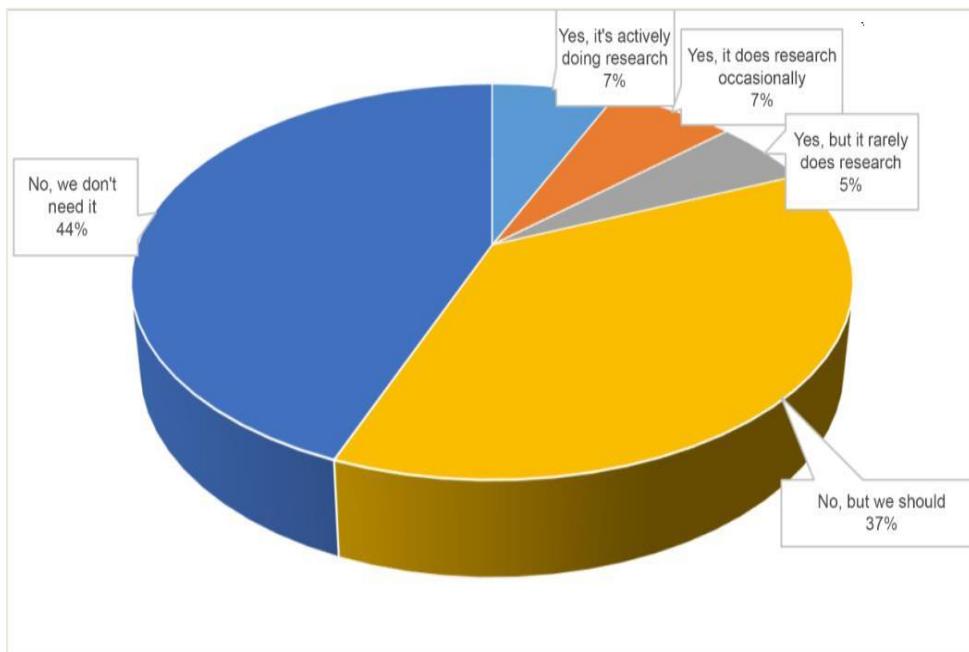
**Graph 1.** Firms' reliance on research for the purpose of development

Source: Milošević, S. (2022), The impact of fiscal policy on the development of entrepreneurship in Serbia. Doctoral dissertation. Belgrade: UnionUniversity

With the shown trend of relying on research, Serbian businessmen will hardly be able to successfully adapt and operate in the turbulent business conditions that dominate the "global village".

In the aforementioned research, it was concluded that as many as 81% of economic entities do not have a separate research unit. Also, as many as 44% of the surveyed companies declared that they had no need for a research unit.

We can see the results of the research from Graph 2.

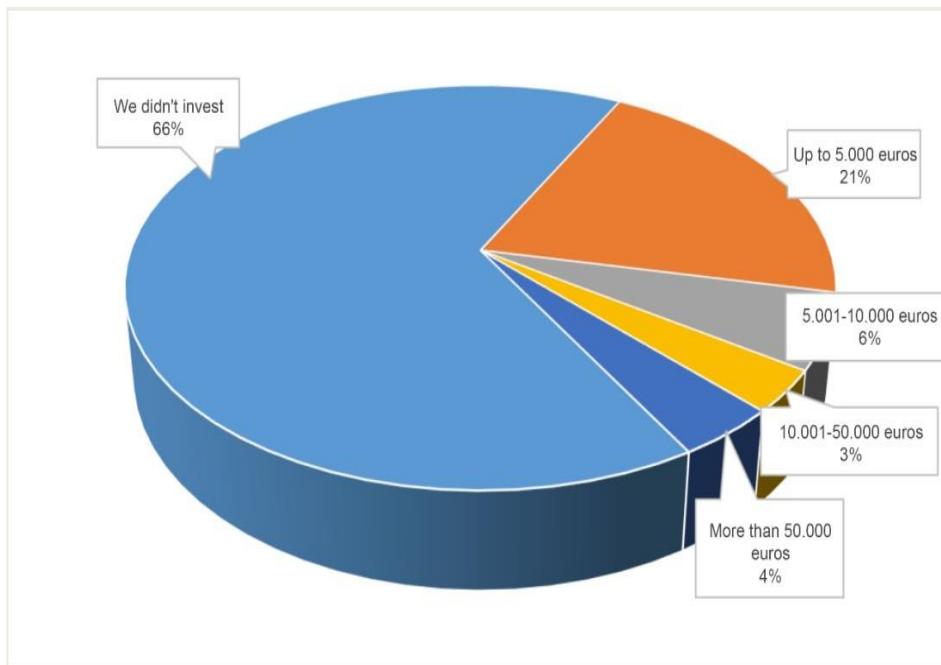


**Graph 2.** Representation of research units in companies

Source: Milošević, S. (2022), The impact of fiscal policy on the development of entrepreneurship in Serbia. Doctoral dissertation. Belgrade: Union University

In the survey that was conducted, business entities were also asked how much money they invested in research in the last two years. The results obtained can be viewed from Graph 3.

**Graph 3. How much money have you invested in research in the previous two years**



Source: Milošević, S. (2022), The impact of fiscal policy on the development of entrepreneurship in Serbia. Doctoral dissertation. Belgrade: Union University

## CONCLUSION

The summarized results are more than disappointing, because 66% of companies did not invest a single euro in research in the last two years, while 20,7% invested up to 5.000 euros in research. Only 13,3% of companies invested more than 5.000 euros in research.

The mentioned data reinforce the fact that the Serbian economy cannot hope for better results, unless certain constellations are fundamentally changed. A socially responsible, open and proactive approach to business entities is necessary, in order to encourage them to research in order to increase the degree of resilience.

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