


Contemporary limitations and opportunities for entrepreneurship development in southern Serbia

Güney Sırbistan'da girişimcilik gelişimi için çağdaş sınırlamalar ve fırsatlar

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Abstract

The entrepreneurial ecosystem consists of many elements: government policy, regulatory framework, institutions, finance, culture, education, human capital, local and global markets, and only the harmonization of these elements can create a healthy and stimulating environment for further development entrepreneurial ventures. Efforts have been made to improve the business environment in the Republic of Serbia to reduce the number of unemployed. However, entrepreneurship in Serbia faces several limitations. Some restrictions are specific to specific groups of entrepreneurs only, while others are general. This article will discuss the constraints and opportunities for developing entrepreneurship in Serbia in current business conditions, with particular reference to entrepreneurship research in the city of Vranje in southern Serbia.

Keywords: Entrepreneurship, Economic Development, Employment, Organization, Serbia

Jel Codes: M10, M14, Q56

Öz

Girişimcilik ekosistemi birçok unsurdan oluşur: hükümet politikası, düzenleyici çerçeve, kurumlar, finans, kültür, eğitim, insan sermayesi, yerel ve küresel pazarlar ve yalnızca bu unsurların uyumlu hale getirilmesi, girişimci girişimlerin daha da geliştirilmesi için sağlıklı ve teşvik edici bir ortam yaratabilir. İşsiz sayısını azaltmak için Sırbistan Cumhuriyeti'ndeki iş ortamını iyileştirmeye yönelik çabalar gösterilmiştir. Ancak, Sırbistan'da girişimcilik çeşitli sınırlamalarla karşı karşıyadır. Bazı kısıtlamalar yalnızca belirli girişimci gruplarına özgüken, diğerleri geneldir. Bu makale, Sırbistan'ın güneyindeki Vranje kentindeki girişimcilik araştırmalarına özellikle atıfta bulunarak, mevcut iş koşullarında Sırbistan'da girişimciliğin geliştirilmesi için kısıtlamaları ve fırsatları tartışacaktır.

Anahtar Kelimeler: Girişimcilik, Ekonomik kalkınma, İstihdam, Organizasyon, Sırbistan

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Introduction

Since 2016, Serbia has advanced six positions on the Doing Business list, thanks to streamlining obtaining construction permits, establishing a company and improving compliance with obligations. On the other hand, according to the Doing Business Report, Serbia is late adjusting its financial sector. Moreover, the problems persist in recognising and transparency the credit security system. However, despite apparent efforts to improve the business environment, Serbia has had poorer results in creating businesses and jobs than other transition countries. Namely, until 2016 the development of entrepreneurship in Serbia was prolonged.

Authors (Aničić, Aničić, Vasić, 2017, p. 29-39) point out that "Bearing in mind the following: foreign debt level, GDP structure (where almost two-thirds are realised through nontradable sectors), high foreign trade deficit and negative results of the environment in 2016, it is easy to understand that the economic policy creators in Serbia have a difficult task of negative economic trends prevention in front of them, as well as entrepreneurship development and unemployment reduction. In these conditions, there arises a question of economic policy change which will lead to sustainable economic growth and development, remove regional disparities, provide the necessary investment level and favourable environment for SMEs sector development. The affirmation of entrepreneurship as a whole, primarily productive entrepreneurship, can be a good start of progressive and undoubtedly pragmatic transformation and transition of our society towards the economically developed world." Entrepreneurship strongly encourages new development opportunities (Karavidić, 2020, p. 2-3). SMEs are increasingly important for the development of world economies and for contributing to balanced local and regional development (Stanišić, 2021, p. 71). The world of private entrepreneurship offers infinitely many opportunities. If you have a business idea and decide to take that bold step, make a business plan and take advantage of it, you will open the door to a comfortable life with the earnings and working hours you have always wanted. Entrepreneurship's most important social impact is new and innovative products and a progressive effect on the community (Ivković, Karavidić, Kvrčić, 2018, p. 71).

In economic terms, Serbia clearly distinguishes between the developed north, with its centre in the capital Belgrade, and the underdeveloped south, whose regional centre is the city of Vranje. Considering that entrepreneurship and private business initiative are the basis of economic growth, in this paper, we examined respondents' attitudes about the possibilities and limitations for the development of entrepreneurship in Vranje.

Literature review

The unemployment issue has been a significant problem that concerns all economies for many years. This issue mainly affected the young population because of social and psychological reasons. Youth unemployment is a problem in all developed and developing countries, not only in economic terms but also in the social dimension. Therefore, governments must constantly develop policies to solve the general unemployment and youth unemployment problem and increase society's welfare (Mete, 2021, 1012-1020).

Talking about the business environment, Jovanovic says that few factors can slow down managers' reactions and limit their ability to anticipate changing the business environment. These factors include (Jovanović, 2015, p. 151):

1. Cognitive limitations and problems associated with observation and interpretation, and responding to changing environments,
2. Managers tend to emphasize learning at a low level over a high level of learning,
3. A tendency to nurture organizational employment and promotion practices homogeneity in manager's opinion and
4. The power of standardized industrial practices to direct managers' attention to the status quo.

Two authors (Petrović, Leković, 2019, p. 55-66) in the paper analyzed the business conditions in the Southeast European region countries. They came to the following conclusion: "Entrepreneurship represents the basis of the economic activities of developed countries. It influences economic development and increases employment rates by generating new jobs. Creating new jobs is the entrepreneurial aspiration for achieving the growth of an entrepreneurial venture. The impact of personal characteristics of entrepreneurs on the development of entrepreneurial venture aspirations in the form of high growth is evident. However, the influence of psychological characteristics and demographic characteristics, the characteristics of the entrepreneurial enterprise and the business environment within which it exists is evident. Why do some entrepreneurs show a greater tendency towards the aspirations for the growth of an entrepreneurial enterprise? Which factors influence the

development of this type of entrepreneur's aspiration? These research questions represent the unlimited potential for future research ventures, at least as far as entrepreneurial aspirations are concerned, more substantial growth of entrepreneurial endeavours."

Entrepreneurship in Serbia faces numerous limitations. Some restrictions are characteristic only of some entrepreneurship groups, while others are general. This section will analyze four groups of constraints present in the literature.

1) Company registration procedure - Due to the complexity of procedures and corruption, the registration of companies in the Republic of Serbia was a significant problem for starting an entrepreneurial venture (Bobić, 2017, p. 39). However, the Republic of Serbia has significantly improved the registration system and simplified the procedure for this segment. The registration time has been reduced to only 5.5 days, while the procedure from 2018 can also be implemented through an online platform. However, the timing and complexity of registration are not the only elements that have plagued potential entrepreneurs. When registering a business, the problem is choosing the type of business entity. When applying, the most common forms are an entrepreneur and a limited liability company. The advantages of the first form are more straightforward registration, lower costs, the choice of financial reporting, the possibility of flat taxation, lower income tax rates, lower social contribution rates and simpler extinguishing. While the second form carries less risk, the company responds only with its assets and has more significant opportunities for business expansion. Unlike the founding process, the process of shutting down a business is given little attention. The reasons for the extinguishment can be numerous but are most often accompanied by outstanding claims, lawsuits and associated costs. The liquidation of an enterprise takes an average of one to three years.

2) Access to finance and capital - According to USAID's article published in 2016, insufficient access to finance is a challenge for all entrepreneurs in the Republic of Serbia, and young entrepreneurs are a particularly vulnerable group. In Serbia, only 32% of firms use external financing, significantly subordinate to self-financing. When it comes to access to finance, 60% of entrepreneurs report problems in reaching finance, which shows that Serbia is in comparison with medium-developed countries where only 30% report this problem and in highly developed countries where 15% report this problem significantly behind. The issue of financing an entrepreneurial venture in Serbia is even more significant given the relatively low standard of living and average earnings. In these conditions, the savings needed to invest in entrepreneurial projects are insufficient.

3) Fiscal and para-fiscal systems - Fiscal instruments in the Republic of Serbia aim to encourage entrepreneurship development. However, due to frequent changes, the fiscal system is unpredictable and non-transparent. In addition, the number of parafiscal levies is high, and they are disproportionately high in terms of what they are paid for. Finally, fiscal procedures are complex and expensive, and thus the whole system is disadvantageous for entrepreneurship development (Bobić, 2017, p. 22). The current budgetary and para-fiscal system is currently unfavourable for entrepreneurs because, from the moment of their establishment, regardless of their activity, entrepreneurs have obligations to state and local authorities. In fiscal levies, contributions and property taxes are the most significant burden. According to the Business Registers Agency, the average starting capital of start-ups in 2015 was EUR 5,000, while the monthly salary based on monthly wage was EUR 280 (only the annual contribution amounted to EUR 1,300). In addition, the banks have recently had an aversion to granting loans to entrepreneurs. (Vučenović, 2018, p. 126). Finally, entrepreneurs' awareness and timely education are insufficient for fiscal and para-fiscal levies. The volatility in this area, combined with the state's lack of information and expert assistance, results in the loss of valuable time and resources and hinders entrepreneurs' day-to-day business.

4) Education, information and practical skills - Adequate information and practical skills for starting but still leading an entrepreneurial venture are prerequisites for survival. In contrast, good business networks are a prerequisite for further development. However, these conditions are not fulfilled in Serbia, but positive results in programs support entrepreneurs through counselling and education. The journey from creating an idea to finally delivering a successful business is long and arduous, filled with doubts, challenges, and many pitfalls. Although this process does not follow an established scientific model, several vital stages can be identified: motivation, idea creation, evaluation of ideas, identification of necessary resources, preparation for entry into business, start-up and survival. (Stojković, 2019). Entrepreneurship has only recently been represented in colleges and some high schools in a theoretical approach to the problem. Therefore, not even the youngest generation of graduates are ready for entrepreneurial ventures, and even more challenging are the groups of older potential entrepreneurs. In 2019, introducing entrepreneurship into 200 vocational schools was implemented. However, the coverage provided by this project was not sufficient for further effective dissemination, and there was no basis for the sustainability of the project. Entrepreneurs' awareness is also a problem in the Republic of Serbia, primarily due to many laws and by-laws regulating business.

This area is controlled by 156 statutory and 250 by-laws, and clarifications and guidelines are not available from state institutions. This situation often forces entrepreneurs to hire external advisors and expose them to costs that exacerbate their challenging problem. The practical skills necessary to successfully start and run a business are perhaps the most significant barrier in this area.

5) Business environment - The introduction to this section mentions the progress Serbia has made in creating a better business environment, which is needed not only to start a business but also to attract foreign investment. However, some limitations arise regarding the state's relationship to entrepreneurship, competition, and institutional protection. Young businesses and entrepreneurs are highly vulnerable to unfair competition. This situation is specific to Serbia, especially given that according to 2015 data, 30% of Serbia's GDP is created in the grey zone. In addition to adequately protecting competition, corruption is another segment that is problematic for all transition economies. Serbia ranked 87th out of a total of 180 countries according to the Corruption Perceptions Index 2018, while in 2015, it ranked 71st. This shows a negative tendency in this area despite progress in other segments of business regulation.

Entrepreneurial chances are situations in which the opportunity to realize new products, services, resources or materials and new ways of the organization at a price higher than the cost of acquiring them is recognized. What characterizes entrepreneurs is the effect of noticing such opportunities. Opportunities arise in extreme uncertainty, but uncertainty is at the same time their essential characteristic. According to his knowledge, capabilities, and courage, it is up to the entrepreneur to evaluate and take a chance. Entrepreneurship is a manifestation of ownership freedom and an expression of the restless human spirit. (Djordjević, 2021, p. 27).

Serbia's economy cannot be viewed outside the world economy, and today it is more than ever characterized by uncertainty. Modern technologies, new materials and new business models shape the world economy. Still, the most significant impact on the global economy changes is the customer preferences and the personalisation trend of each product and service. This section will point out the opportunities that potential entrepreneurs in Serbia can take advantage of, given the constraints that inevitably characterize the Serbian economy. The brief we will give in this section will only be the basis for potential further exploration and evaluation of opportunities. As mentioned above, situations in which entrepreneurs can find the right option are limitless.

Entrepreneurship as an idea is as old as a society and is not exclusively an economic phenomenon, and is an indispensable segment of the development and progress of every modern region. (Zakić, Vukotić, Aničić, Laketa, 2019, p. 49). However, the fact is that these days, the current business systems of creating new value and of placing that value on the market are faced with severe challenges. The main challenges and problems that accompany the business of modern business systems are pronounced globalization of business; the economic crisis in industrialized countries fueled by a global pandemic; limiting the functioning of the open market in developing countries; the emergence of new companies coming from growing economies, offering products at competitive prices; rapid development of new technologies based on information technologies, where the influence of the Internet on business models is a unique challenge, etc.

The most basic approach to economic thought was classical and neoclassical school, but it also points to the importance of a modern system in developing the concept of entrepreneurship. (Lajović, Nikolić, Drobnjak, 2020, p. 16-17). To sustain their business and to be able to survive in such a complex market, the leading global and domestic companies direct their managerial activities towards creating an innovative culture that should encourage innovation in the business model, product, and working operations region.

The overview of potential opportunities will be divided into several segments, and in each of them, we will explain the changes and their possible effects on the development of entrepreneurship. The details we will analyze are:

1) Financing an entrepreneurial venture - Since it is precisely the segment of financing an entrepreneurial venture that has been identified within the constraints of opportunities that arise within it, it represents a significant opportunity for any entrepreneur (Kovačević, 2021, p. 22). Crowdfunding or group financing is a relatively new way of overcoming the financial gap in the early stages of developing an idea or project, testing a hypothesis, forming a front line of users and supporting or promoting a belief in the wider community. In this way, entrepreneurs or projects can reach the start-up capital provided by backers and people who support the idea. In this way, any person around the world can give money. Entrepreneurship is an act of resource reallocation, and the entrepreneur is taught to make the right decisions. (Casson, 2005) The entrepreneur must recognize the changes that arise from the risk. (Knight, 2018).

2) Technological innovations - Technological innovations are taking over the dominance of the world economy. Substitution of primitive machine work is unavoidable shortly, while complete substitution of

specific natural resources with laboratory equivalents is somewhat further, but also very likely (Schwab, 2016, p. 9). In these trends, entrepreneurs in Serbia need to look for possible chances to stand out not only in the Serbian economy but also globally. The prevailing perception is that we live in the period of the IV Industrial Revolution, which will have far-reaching consequences on the economy and society. The holders of the IV Industrial Revolution can be divided into physical, digital and biological (Li, Hou, Wu, 2017, p. 626-637). This section will introduce only those who, in our opinion, have the most potential in the Serbian entrepreneurial ecosystem. The concept of innovation and novelty is typical of entrepreneurship. (Avlijaš, 2021, p. 8). When it comes to technologies that belong to physical media, 3D printing has the most significant implications in Serbia. This technology provides a whole new approach to prototype design and significantly shortens the path from idea to production (Jackson, Vialva, Essop, Lo, Petch, Colyer, 2019).

3) Potential propulsion sectors - The broadest and most abstract scope of observation in this section is represented by the new propulsive sectors. The use of opportunities in these sectors should rely on the comparative advantages of the Republic of Serbia and the maximum use of financial resources to support the development of these sectors. The sectors of particular importance in Serbia today are:

- ICT sector - In the last few years, information technology has stood out as a sector that records a noticeable share in the GDP of Serbia, and in 2021 the percentage of the IT industry will be around 6%. When it comes to significant results in the IT sector, the study "ICT in Serbia-At a Glance" points out that investments of the state and state-owned companies account for more than a third of total assets. Milovan states a significant and software-oriented sector within the IT industry with over 400 companies and revenue of over 650 million euros, with more than 13,000 employees. The study's authors think that this sector provides excellent performance, essential for the entire system's stability. The analysis showed that software exports have been growing steadily since 2007. There has been an exponential growth of 30% on an annual level, and from the initial 62 million euros of revenue in 2019, that number reached one billion and 290 million euros. Due to globalization and internet connectivity, this sector is an advantage over other "physical" sectors. The strategic approach to digitization enables firms in this field to have better and cheaper access to finance, simplified administrative procedures and strategic promotion of government funds in the world market.

- Organic agriculture sector - The history of organic food production in Serbia extends over more than thirty years. As a sustainable food system, organic production is an essential source of innovations that can help agriculture overcome existing challenges and improve the competitiveness of producers and domestic agriculture as a whole. The Republic of Serbia is a net exporter of agricultural and food products, and agriculture is a sector that significantly contributes to balancing the country's foreign trade balance. Share agriculture in the total value of exports of the economy of the Republic of Serbia is about 23%. Recognizing this potential, Serbia has been selflessly committed to development for years of organic production at all levels, designing and launching numerous initiatives to create a favourable environment that can contribute to the more significant growth of the entire sector. The topic of the transition to a sustainable food system that can positively impact the environment, health and society, and which can bring significant economic benefits, has never been more relevant than it is now in the context of looking at the consequences of the Covid -19 pandemic. She pointed out the importance of a solid and resilient food production system, functioning in all circumstances. Citizens provide access to a sufficient supply of food at affordable prices. She also warned us about the interconnectedness of health, ecosystems, supply chains, consumption patterns and planetary constraints. Areas in organic status in 2019 amounted to 13,726 hectares with a share of 64.6% of the total area. There is a trend of increasing the places in organic quality in the previous five years (2014-2019) and is especially noticeable in 2018 and 2019. The world market for organic products is constantly growing. Demand for organic products is increasing in many countries, new markets for these products have been opened in recent years, and the region of southern Serbia, whose regional centre is Vranje, has exceptional ecological and climatic conditions to provide organic agricultural production of berries and other fruits, vegetables and grains. With the investment support of IPARD, both producers and processors can start increasing the efficiency of organic production while maintaining its existing and numerous benefits. Most of the produced certified organic products in Serbia are exported. According to the Customs Administration, in 2019, 13,284 tons of organic products were exported from Serbia. The value of exports amounted to 29.75 million euros, of which fruits and fruit products accounted for over 28.7 million euros. Compared to the previous year, the total value of exports increased by about 2.3 million euros, and during the last four years by almost 11 million euros. In addition to IPARD incentives, national support measures related to plant and livestock production and which in 2020 reached a satisfactory level, and incentives to cover part of the costs of control and certification, remain essential support for organic producers. The development of organic production in Serbia is marked by the help of many foreign donors such as USAID, FAO, ADA, REC, SIDA, UNDP, SIPO, EU - through the IPA program Erasmus plus and others. Among them is the German organization for international cooperation GIZ, which since 2003 recognizes the importance of organic agriculture as an economic sector with a growing sales trend around the world and

with growing economic potential that can contribute to Serbia's economic progress and development. Namely, this organization promotes Serbian organic agricultural production on the international market and provides excellent support to this sector. Within the project "Private Sector Development in Serbia" (PSD), through In the past ten years, GIZ has been cooperating with German-Serbian development cooperation numerous partners, organized and supported through activities aimed at strengthening the organic sector in Serbia (Simić, I., 2021).

- Tourism sector - is of particular importance to the Republic of Serbia. One of the identified strategic sectors provides easier access to administrative and logistical support and finance. Health tourism, sports tourism, congress tourism, rural tourism are just some of the types of tourism that have been identified in the Republic of Serbia as potentially significant species for improving competitiveness on the world market. Compared to other countries, extremely affordable health services in Serbia open up considerable space for entrepreneurs both in mediation and in providing these services. Sports and congress tourism are not new trends, but they represent sectoral branches that have long relied on Serbia's natural potential in pristine nature, spas and mountains. Although represented for a long time, these two types of tourism bring enormous chances for entrepreneurial ventures in supporting activities. Finally, rural tourism represents a potential whose exploitation is only in its infancy. Negative demographic trends have suddenly left significant resources untapped precisely in areas that are attractive for rural tourism development. Given that this is one of the most popular types of tourism globally, entrepreneurs may be looking for a chance there. The third sector of importance is organic agriculture.

New trends, new technologies, new requirements are becoming a source of entrepreneurial activity, and space exists for entrepreneurs from Serbia. The entrepreneurship development opportunities in Serbia are numerous, but considerable objective constraints prevent entrepreneurs from taking full advantage of these opportunities compared to developed countries. The structure of this chapter is based on a logical sequence of activities necessary to realize the idea. Therefore, the limitations that entrepreneurs need to consider when embarking on any business venture are presented first. It is stated that the availability of finance is the most significant limitation that a potential entrepreneur faces. In addition to this, other systemic constraints, which even proclaimed orientations towards developing entrepreneurial activity, are obstacles to creating a successful company. (Stošić Mihajlović, 2020, 123-140). After looking at the objective constraints, the chances that exist in times of uncertainty are presented. Although opportunities occur in many forms, dominant trends continually shape economic reality.

Research methodology and hypothesis

This paper is based on qualitative and quantitative analysis. First, a study of the relevant literature related to entrepreneurship, modern possibilities and limitations in undertaking entrepreneurial ventures is given. The points of view are based on typical entrepreneurship settings in general. Then, further qualitative and quantitative research based on official literature and statistics showed the place and importance of entrepreneurship in the modern business environment. Based on this assumption, recommendations and conclusions on the progress of entrepreneurship in the Republic of Serbia are given, with particular reference to the economically underdeveloped south of Serbia, whose regional centre is the city of Vranje. This is especially important because, based on this study, the authors support the basic thesis that entrepreneurial orientation improves overall Serbian production and economic competitiveness.

Among the methods and techniques of data collection, the following were applied: statistical methods and analysis of the content of primary and secondary data sources and materials, using survey and interview techniques. The primary research of the available resources of the Pčinja district and the case study of the city of Vranje was conducted in the field - with a description and inventory of available potentials, with economic valorization. During the work, exponential research was conducted to obtain an overview of public resources for entrepreneurial businesses to find ways to overcome existing development problems and describe phenomena to define the problem.

By the set goal, all primary research was conducted personally, structured and unstructured research instruments and techniques (using surveys and questionnaires), and the so-called. On-desk research, i.e. using and studying available archival and recent material, case studies, etc. In addition, mathematical-statistical methods were used for quality coverage and analysis of competent data, such as trend and correlation methods, regression analysis, median, methods of analysis by absolute amount. The main task is to use market valorization to usefully identify the development opportunities of Vranje, with the accompanying positive trends related to poverty reduction with increasing employment.

From this basic assumption, the research will prove the general hypothesis: The more optimal the management of the resources of the Pčinja district, the more specific the entrepreneurial and overall economic and environmental development of the community as a whole and the city. Vranje.

We will improve the hypothetical general statement with the following auxiliary hypotheses from the research tasks.

H₁: The general business environment in Serbia significantly affects the success of an entrepreneurial venture in the extreme, less developed south of Serbia.

H₂: Entrepreneurial aspirations, primarily innovation and internationalization, have a significant impact on the expectations of entrepreneurship growth in Serbia.

H₃: The greater the awareness of entrepreneurs in Vranje, the easier it will be to manage resources sustainably.

Two concepts are inherent to the entrepreneurial vocabulary, namely innovation and internationalization of business. Only by striving to apply the most significant achievements in the field the entrepreneur is engaged in can he expect a much-needed and vital competitive advantage as a basis for survival in the market. Also, the nation-state borders have become too small for modern entrepreneurs. Therefore, entrepreneurship tends to expand beyond local borders.

Research results and discussion

Territorially, Vranje is located in the south of Serbia and is the district's administrative centre. Regarding the regional division of the country, Vranje is important as a centre and carrier of the development of the south of the country, as indicated by the number of inhabitants and settlements, activities and more. The natural-industrial entrepreneurial potential of Vranje includes geology, hydrology, climate, biodiversity, protected natural assets, land. Sectors that contribute to the development of the industry are agriculture and industry, utilities and transport infrastructure. The reasons for the underdevelopment of entrepreneurship in Vranje are multiple, starting with the failed privatization of large economic systems in this city. Nevertheless, the town was recognizable, such as SIMPO, YUMCO, Kostana.

Insufficient financial strength, a small number of economic entities, and an insufficient inflow of investments have been identified as critical problems that prevent the acceleration of entrepreneurship and economic growth, increasing employment and improving the living standards of citizens. Compared to the rest of Serbia, the Pcinj district and the city of Vranje are in an additional difficult position for several reasons. The first is that this district and the region of southeastern Serbia, to which it territorially belongs, is historically one of the less developed regions in Serbia. The second is that this region and Pcinj district are located near Kosovo, and investors have certain reservations (which are not necessarily justified) regarding the security and safety situation in the region. Third, this area is geographically distant from the most important markets to which our country places its exports (members of the Union) and the domestic market (e.g. Belgrade), manifested in the choice of place to invest. Fourth, in the Pčinja region, the privatization of socially-owned enterprises is slower than in other parts of Serbia, so the local economy is burdened with many companies that do not work. These factors are factors that entrepreneurs cannot directly influence. Therefore, for investments in the economic development of entrepreneurs to happen, local authorities must take the initiative and take steps to align their offer to investors (land, physical infrastructure, transparent administration, regulated property issues) with the needs of investors. This process is neither quick nor easy, but the results will not be missed if viewed responsibly and with total commitment.

The development of entrepreneurial initiatives is compatible with the economic development goals in Vranje. This primarily refers to:

- economic and financial consolidation of existing economic systems
- economic and rational exploitation of existing resources in a sustainable manner,
- completion of started research of natural potentials and new research,
- connecting with related companies from the closer area, from the industrial centres of Serbia and abroad,
- attracting free capital (credit, share capital) from domestic and foreign sources, establishing business-financial cooperation and cooperative relations with the private sector and persons working abroad,
- investments in reconstruction, modernization and completion of production programs, processes and technology,
- investments in the development of professional staff and raising employees' qualification structure and knowledge.

Table 1: SWOT ANALYSIS - economic potential for the development of entrepreneurship in Vranje

STRENGTHS	WEAKNESSES
1. Human resources 2. Good geographical position 3. Investment locations (Greenfield and Brownfield) 4. Efficient administration 5. Investment incentives 6. Urban planning 7. Natural resources 8. Examples of successful investments 9. Good image 10. Strategic development commitment 11. Tourist potentials (anthropogenic and natural resources) 12. Vranje as a regional centre	1. Inconsistency of educated profiles with the needs of the market 2. Incomplete privatization 3. Low IT education 4. Youth migration 5. Distance from the centre 6. Lack of gas capacity 7. Social problems as a result of the transition 8. Insufficient accommodation capacities and underdeveloped tourist infrastructure 9. Non-competitiveness of products 10. Inadequate economic structure (inflexible economic systems) 11. Insufficient sectoral connectivity 12. Insufficient development of the consulting market
OPPORTUNITIES	THREATS
1. Government support 2. Decentralization 3. Balancing regional development 4. Connecting regions and European integration 5. Better utilization of natural resources and renewable energy sources 6. Possibility of modernization 7. Industrial zone of national importance 8. Cross-border cooperation	1. Adverse demographic changes 2. Slow change of economic structure 3. Slow application of high technologies 4. Instability at the global economic level 5. Global market turbulence 6. Danger of transferring dirty technologies 7. Lack of a strategy for using natural resources in a sustainable way 8. Uneven regional development

According to the Strategy for Sustainable Development of Vranje, 2010-2020. EXCHANGE program, EU funded project, pp. 45. Available to: http://www.vranje.org.rs/dokumenti/sr/1_858_Vranje.pdf

We focused the practical part of the research on determining the interdependence of education and change management through adopting new entrepreneurial knowledge and skills. Such an approach to the subject of research provides specific opportunities to gain a relevant picture of the attitude of entrepreneurs towards education and their involvement in various educational and training activities. Furthermore, the practical research aims to establish the extent to which change management and the content of the work are associated with the need to educate entrepreneurs in terms of using the available resources in the observed territory. In the research, we started from the primary hypothesis: The formula for entrepreneurial success is in managing change by adopting new knowledge and skills, new innovative and creative techniques, i.e. insisting on knowledge-based development.

With this empirical research, we tried to determine the attitudes of entrepreneurs on the use of acquired knowledge in the field of sustainable development of the economy of the region and at the local level of Vranje, both during schooling, in the organization where they work, on the contribution of education and knowledge to economic success. Academic expertise in the function of technical-technological development, on motives, to get involved in teaching sustainable development. The research was conducted at the beginning of 2020 on a sample of 716 employees from different work environments and economic organizations: managers and experts, technical staff - engineers, administrative staff, scientists. The research was conducted at the beginning of 2020 on a sample of 716 employees from different work environments and economic organizations: managers and experts, technical staff - engineers, administrative staff, scientists. The research was divided into groups:

- Tables 4 and 5 show empirical research - Attitudes of the inhabitants of the City of Vranje on the possibilities of entrepreneurship development in correlation with the economic and environmental development of the city. In the research, we surveyed 129 respondents (two respondents did not answer the question from the questionnaire);
- Table 8 shows the structure of respondents by gender, while Table 9 shows data on the structure of respondents by age and personal interest in entrepreneurial projects. 129 respondents participated in the research (two respondents did not answer the question);
- Empirical research - attitudes of the city's inhabitants of Vranje about the possibilities of entrepreneurship development in correlation with the economic and ecological development of the town. One hundred twenty-nine people participated in this research. Three respondents did not answer the question. (Tables 10 and 11);
- 131 respondents participated in the research phase of general knowledge as a prerequisite for entrepreneurship (Table 15);
- 130 respondents participated in the research phase of initiators for entrepreneurial projects (Table 16);
- A total of 68 respondents answered an interesting question in which area they would most like to start a

business (Table 20).

Table 2: Sample of research by gender, education and content

Features	Sample	No	%
Gender	Male	380	53,1
	Female	336	46,9
	Total	716	100
School readiness	Incomplete primary school	23	3,2
	Elementary school	119	16,6
	High school	216	30,2
	Higher education	104	14,5
	Faculty	168	23,5
	Master of science	17	2,4
	Doctors of Science	69	9,6
Total	716	100,0	
Content of work	Managers	69	9,6
	Experts	23	3,2
	Immediate perpetrators	214	29,9
	Technical personnel-engineers	172	24,0
	Administrative staff	131	18,3
	Scientists	107	14,9
	Total	716	100,0

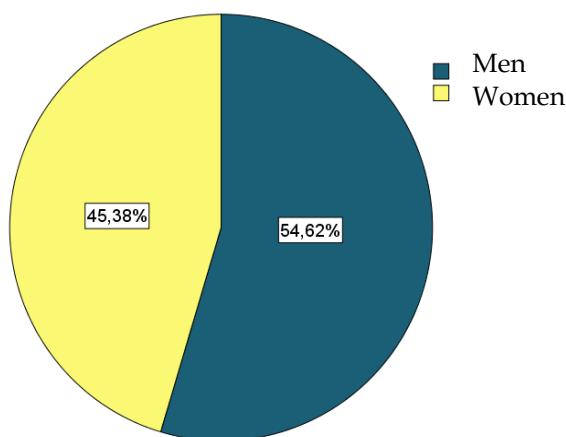
Data on the motives, wishes, interests and needs of employees in terms of education were collected using the Questionnaires.

By the theoretical research, we directed our empirical research in three directions:

1) Empirical research related to the sustainable development of entrepreneurial business in Vranje.

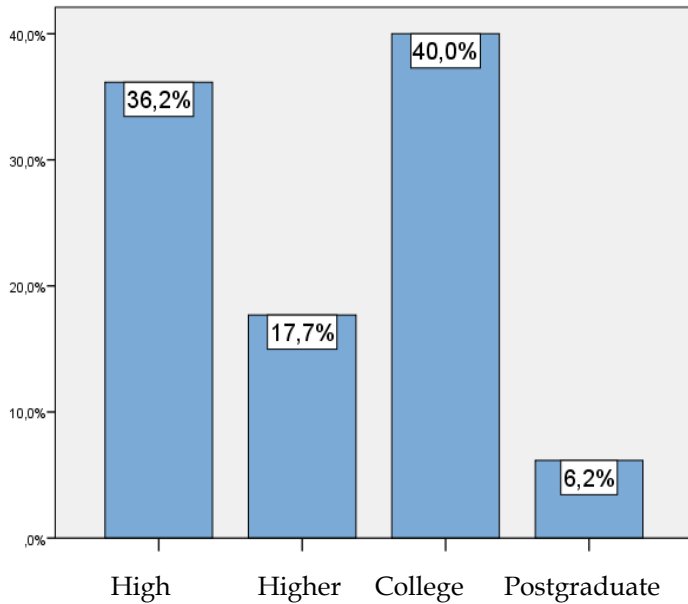
χ^2 is the most commonly used statistical test. First, the significance of the difference between observed (empirical) and expected (theoretical) frequencies is assessed. It is based on the chi-square distribution of absolute frequency.

Graph 1. shows the structure of respondents by gender.



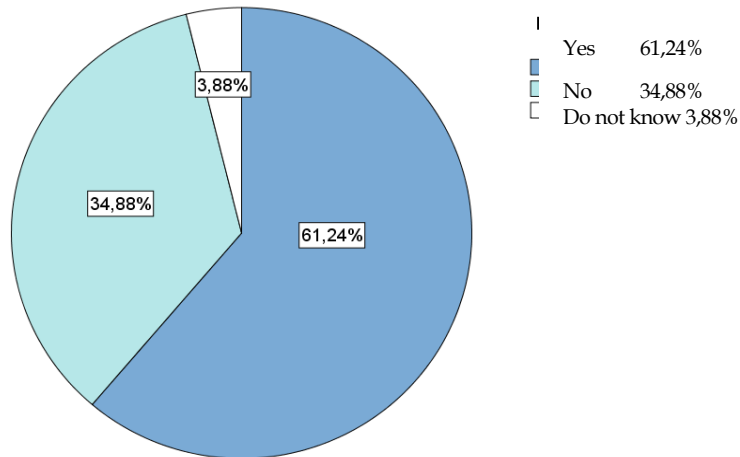
Graph 1: Structure of respondents by gender

Graph 2 shows the structure of respondents according to their level of education.



Graph 2: Structure of respondents according to the degree of education

Graph 3 shows the structure of respondents' answers from the point of view of knowledge of the concept of sustainable entrepreneurial business.



Graph 3: Attitudes of respondents regarding knowledge of the concept of sustainable entrepreneurial business

The following table shows the matrix of answers to the survey according to the questions asked and possible solutions.

Table 3: Survey response matrix

Questions	Does not matter	Important	Very important	Average grade	Standard Deviation
Formal and non-formal entrepreneurship education	1,7%	24,0%	62,0%	4,43	0,874
Involved in implementation and education	2,5%	37,8%	47,1%	4,24	0,936
Getting clear instructions	0,9%	31,0%	57,8%	4,44	0,772
Possibility to choose your own way working	3,3%	34,7%	37,2%	3,98	1,037
Possibility of decision making	4,2%	31,1%	36,1%	3,91	1,073
Cooper. with colleagues	0,8%	24,2%	60,8%	4,42	0,856
Communication with superiors	0,9%	23,1%	65,0%	4,50	0,805
Income level	1,7%	41,5%	35,6%	4,07	0,894
Opportunity to progress	1,7%	32,2%	44,9%	4,14	0,978
Opportunity for professional development	3,4%	30,5%	49,2%	4,18	1,035

Table 4 shows the empirical research - Attitudes of the inhabitants of the City of Vranje on the possibilities of entrepreneurship development in correlation with the economic and environmental development of the city, according to the sex and age of the respondents. In the research, we surveyed **129** respondents.

Table 4: Structure of respondents by gender

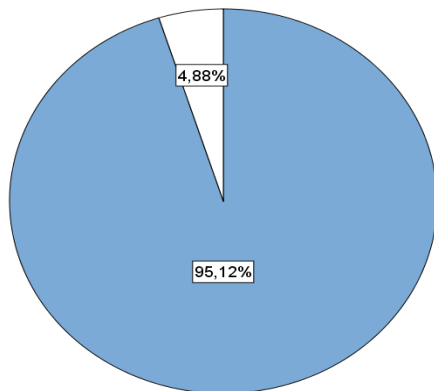
			Gender		Total
			Men	Women	
Age	18-25	Number	5	4	9
		%	6,8%	7,3%	7,0%
	26-35	Number	20	13	33
		%	27,0%	23,6%	25,6%
	36-45	Number	18	18	36
		%	24,3%	32,7%	27,9%
	46-55	Number	14	6	20
		%	18,9%	10,9%	15,5%
	over 55	Number	17	14	31
		%	23,0%	25,5%	24,0%
Total	er	74	55	129	
	%	100,0%	100,0%	100,0%	

Table 5 shows the empirical research - Attitudes of the inhabitants of the City of Vranje on the possibilities of entrepreneurship development in correlation with the economic and environmental development of the city, the structure of respondents by gender and education.

Table 5: Structure of surveyed respondents by gender and education

			Gender		Total
			Men	Women	
Education	Primary school	Number	0	2	2
		%	0,0%	3,6%	1,6%
	High School	Number	30	23	53
		%	40,5%	41,8%	41,1%
	College	Number	13	8	21
		%	17,6%	14,5%	16,3%
	High School	Number	25	21	46
		%	33,8%	38,2%	35,7%
	Postgraduate	Number	6	1	7
		%	8,1%	1,8%	5,4%
Total	Number	74	55	129	
	%	100,0%	100,0%	100,0%	

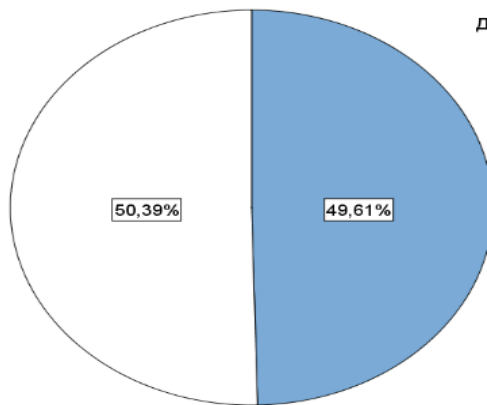
Graph 4 shows the structure of respondents according to their knowledge of the definition of entrepreneurship. As many as 95.12% of respondents stated they know and understand entrepreneurship.



Meaning: Yes 95.12%; Not 4.88%

Graph 4: Structure of respondents according to the knowledge of the definition of entrepreneurship

Graph 5 shows the Structure of respondents according to the answer whether they think they have the potential for entrepreneurial initiative. Half of the respondents believe that they do not have enough potential for entrepreneurial initiative.



Meaning: Yes 49.61%; Not 50.39%

Graph 5: Structure of respondents according to the knowledge of the definition of entrepreneurship

Tables 6 and 7 contain the statistical report, i.e. χ^2 test, which indicates the importance of the difference between the observed (empirical) and expected (theoretical) frequencies. Unfortunately, two respondents did not answer the question in the questionnaire.

Table 6: χ^2 significance of the difference between observed (empirical) and expected (theoretical) frequencies

			Age					Total
			18-25	26-35	36-45	46-55	over 55	
<i>notions of sustainable entrepreneurial business development and employment</i>	Yes	Number	6	28	27	17	18	96
		%	75,0%	84,8%	75,0%	85,0%	60,0%	75,6%
	Not	Number	2	5	9	3	12	31
		%	25,0%	15,2%	25,0%	15,0%	40,0%	24,4%
Total	Number	8	33	36	20	30	127	
	%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	

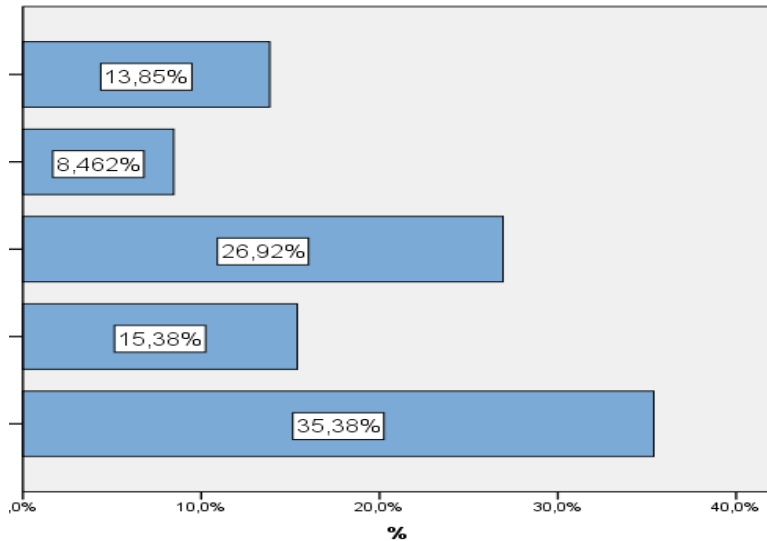
$$\chi^2_e = 6,315 < \chi^2_m (DF=4 \text{ u } 0,05) = 9,488 \Rightarrow n > 0,05 \Rightarrow X_0$$

Table 7: χ^2 significance of the difference between observed (empirical) and expected (theoretical) frequencies

			Education					Total
			Primary school	High School	Higher school	College	Postgraduate	
<i>concepts of sustainable entrepreneurial business development and employment</i>	Yes	No	0	33	17	40	6	96
		%	0,0%	64,7%	81,0%	87,0%	85,7%	75,6%
	Not	No	2	18	4	6	1	31
		%	100,0%	35,3%	19,0%	13,0%	14,3%	24,4%
Total	No	2	51	21	46	7	127	
	%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	

$$\chi^2_e = 13,405 > \chi^2_m (DF=4 \text{ u } 0,05) = 9,488 \Rightarrow n < 0,05 \Rightarrow X_1$$

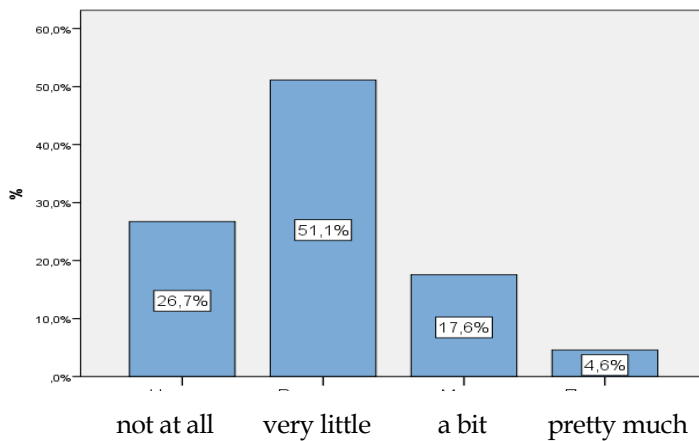
The following chart shows the structure of respondents according to the method of obtaining information on projects implemented by the local government of the city of Vranje for the development and support of entrepreneurship.



Graph 6: Structure of respondents according to the method of obtaining information on projects implemented by local self-government for development and support of entrepreneurship

Meaning: I do not receive information 13.65%; from other sources 8.46%; via internet sources 26.92%; by print 15.38%; via television 35.38%.

Graph 7 shows the structure of respondents according to the attitude of citizen participation in designing entrepreneurial projects at the regional and local levels in the city of Vranje. More than half of the respondents believe that the involvement of citizens is insufficient in terms of participation in the planning and implementation of entrepreneurial projects at the regional and local levels. **One hundred twenty-nine** respondents participated in the research.



Graph 7: Structure of respondents according to the attitude of citizen participation in designing entrepreneurial projects

Table 8 contains the structure of respondents by gender, while Table 9 shows data on the form of respondents by age and personal interest in entrepreneurial projects. The tables establish a statistical report, i.e. the χ^2 test, which indicates the importance of the difference between the observed (empirical) and expected (theoretical) frequency.

Table 8: Structure of respondents by gender and personal interest in entrepreneurial projects

			Gender		Total
			Men	Women	
Personally interested in projects?	Yes	N	52	43	95
		%	72,2%	78,2%	74,8%
	Not	N	20	12	32
		%	27,8%	21,8%	25,2%
Total	N	72	55	127	
	%	100,0%	100,0%	100,0%	

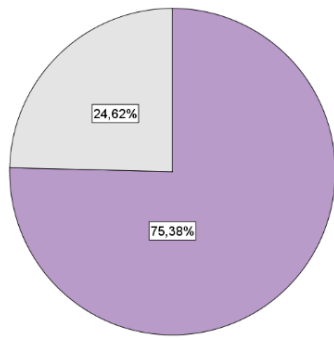
$$\chi^2_e = 0,588 < \chi^2_m (DF=1 \text{ u } 0,05) = 3.847 \Rightarrow n > 0,05 \Rightarrow X_0$$

Table 9: Structure of respondents by age and personal interest in entrepreneurial projects

			Age					Total
			18-25	26-35	36-45	46-55	Over 55	
Personally interested in entrepreneurial projects?	Yes	N	5	26	25	20	21	97
		%	62,5%	78,8%	69,4%	95,2%	67,7%	75,2%
	Not	N	3	7	11	1	10	32
		%	37,5%	21,2%	30,6%	4,8%	32,3%	24,8%
Total	N	8	33	36	21	31	129	
	%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	

$$\chi^2_e = 7,004 < \chi^2_m (DF=4 \text{ u } 0,05) = 9.488 \Rightarrow n > 0,05 \Rightarrow X_0$$

Graph 8 shows the structure of respondents according to the attitude of personal possession of entrepreneurial spirit. The vast majority of respondents (75.38%) believe that they have an entrepreneurial spirit.

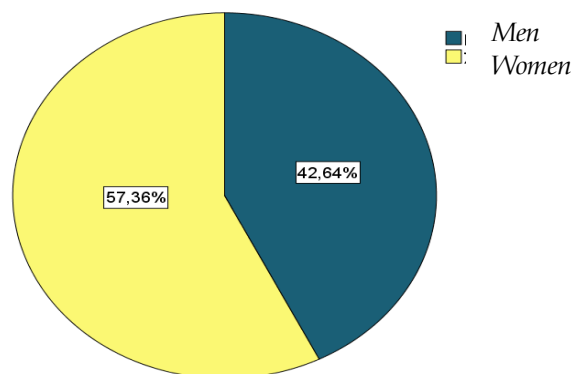


Meaning: Yes 75,38; Not 24,62

Graph 8: Structure of respondents according to the position on personal possession of the entrepreneurial spirit

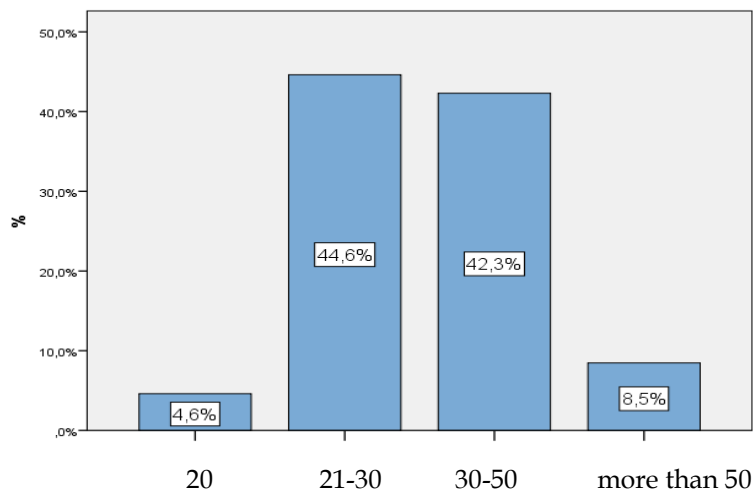
Empirical research - attitudes of the city's inhabitants of Vranje about the possibility of entrepreneurship development in correlation with the economic and ecological development of the town. One hundred twenty-six people participated in this research.

Graph 9 contains data on the structure of respondents by gender.



Graph 9: Structure of respondents by gender

Graph 10 contains data on the structure of respondents according to age.



Graph 10: Structure of respondents by age

Table 10 contains the Matrix of respondents' participation by gender and occupation and their opinion on the possibilities of entrepreneurship in correlation with the economic and environmental development of Vranje. In contrast, Table 11 shows the matrix of respondents by education and age and their opinion on opportunities for entrepreneurship in correlation with the economic and ecological development of the city of Vranje. The tables show a statistical report, i.e. the χ^2 test, which indicates the importance of the difference between the observed (empirical) and expected (theoretical) frequency.

Table 10: Matrix: participation of respondents by gender and occupation

			Gender		Total
			Men	Women	
Occupation	Dependent person	N	2	5	7
		%	3,8%	6,8%	5,6%
	Employed	N	40	58	98
		%	75,5%	79,5%	77,8%
	Unemployed	N	8	4	12
		%	15,1%	5,5%	9,5%
	Retired	N	3	6	9
		%	5,7%	8,2%	7,1%
Total	N	53	73	126	
	%	100,0%	100,0%	100,0%	

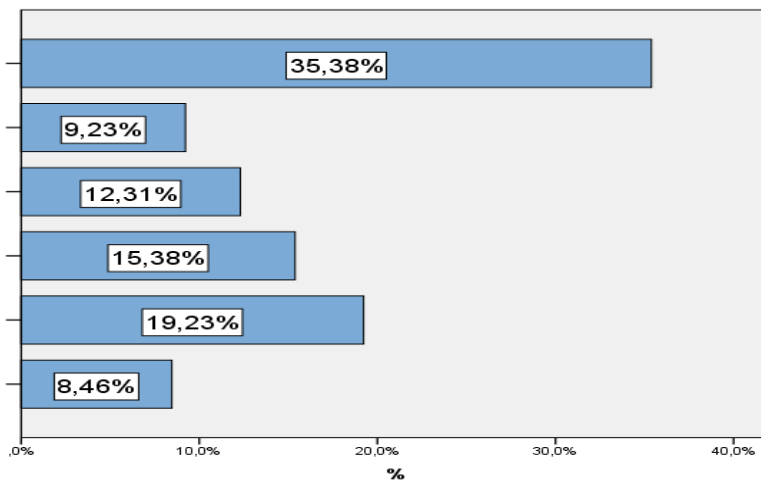
$$\chi^2_e = 3,848 < \chi^2_{\tau} (DF=3 \text{ and } 0,05) = 7,817 \Rightarrow \pi > 0,05 \Rightarrow X_0$$

Table 11: χ^2 significance of the difference between observed (empirical) and expected (theoretical) frequencies according to gender and level of education

		Gender		Total	
		Men	Women		
Education	Primary school	No	2	3	5
		%	3,6%	4,1%	3,9%
	High School	No	21	29	50
		%	38,2%	39,2%	38,8%
	Higher	N	11	15	26
		%	20,0%	20,3%	20,2%
	College	N	20	24	44
		%	36,4%	32,4%	34,1%
	Postgraduate	N	1	3	4
		%	1,8%	4,1%	3,1%
Total	N	55	74	129	
	%	100,0%	100,0%	100,0%	

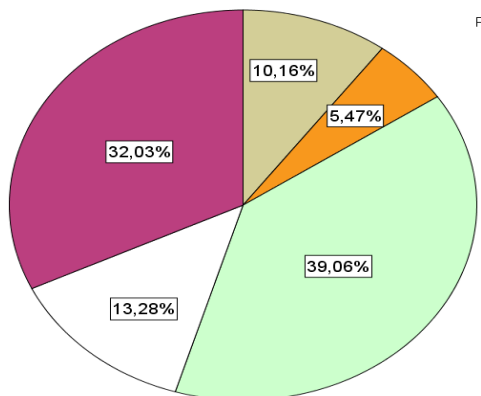
$$\chi^2_e = 0,707 < \chi^2_{\tau} (DF=4 \text{ and } 0,05) = 9,488 \Rightarrow \pi > 0,05 \Rightarrow X_0$$

Graph 11 provides data on the structure of respondents according to monthly household income.



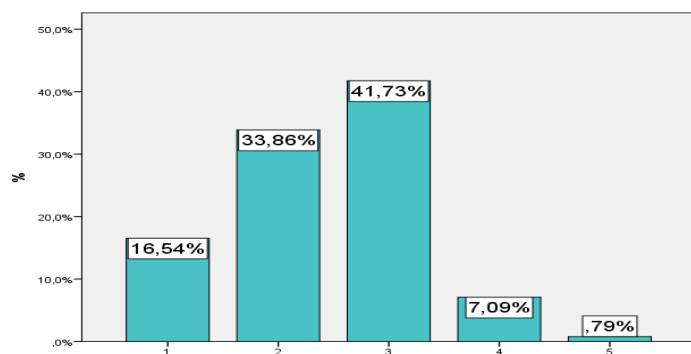
Graph 11: Structure of respondents according to monthly household income

Meaning: 35,38% no answer; over 50.000 rsd 9,23% ; up to 40.000 rsd 12,31%; up to 30.000rsd 15,38%; up to 20.000rsd 19,23%; less than 20.000rsd 8,46%



Graph 12: Structure of respondents according to the reasons why they would leave Vranje

Structure of respondents' answers to why they would leave Vranje: 10.16% poor public service; 5.47% high price, 39.06% polluted environment; 13.28% clutter and cleanliness in the city; 32.03% lack of work. Graph 13 shows the respondents' assessment of the question of how they assess the quality of life in Vranje



Graph 13: Assessment of the quality of life in Vranje

Table 12 contains the structure of respondents according to whether they have entrepreneurial skills to start their own business, specifically in Vranje. Table 13 shows the matrix of respondents by gender, age, occupation, income, and personal attitude whether they have entrepreneurial skills to start their own business, specifically in Vranje.

Table 12: Structure of respondents according to whether they have entrepreneurial skills to start their own business in Vranje

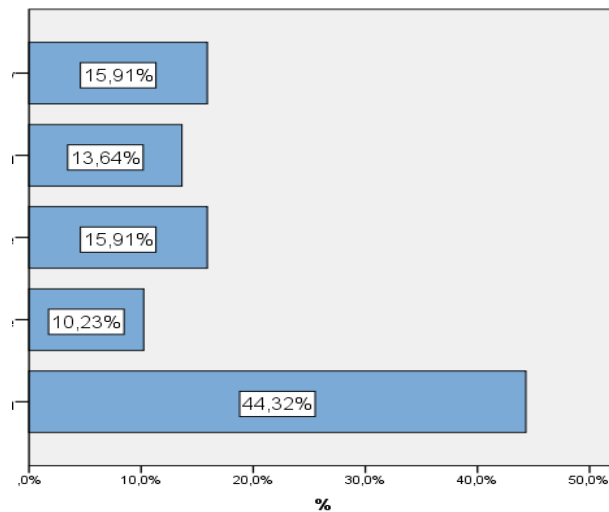
Do you have entrepreneurial skills?	Yes	62,20%
	Not	37,80%
Would you start your own business in Vranje?	Yes	58,27%
	Not	41,73%

Table 13: Matrix by gender, age, occupation, the income of respondents and personal attitude whether they have entrepreneurial skills

		Do you have entrepreneurial skills?	
		Yes	Not
Gender	Men	56,6%	43,4%
	Women	65,8%	34,2%
Age	20	16,7%	83,3%
	21-40	78,2%	21,8%
	41-60	58,2%	41,8%
	Across 60	27,3%	72,7%
Occupation	Dependent person	42,9%	57,1%
	Employed	70,1%	29,9%
	Unemployed	45,5%	54,5%
	Retired	11,1%	88,9%
Education	Primary school	20,0%	80,0%
	Medium	55,1%	44,9%
	Higher	60,0%	40,0%
	High	72,7%	27,3%
Monthly income in RSD (1 EUR = 120 RSD) *	Postgraduate	100,0%	0,0%
	To the 20.000	45,5%	54,5%
	To the 30.000	39,1%	60,9%
	To the 40.000	75,0%	25,0%
	To the 50.000	50,0%	50,0%
	Across 50.000	91,7%	8,3%
	I don't want to answer	68,9%	31,1%

*RSD – Serbian Dinar

Graph 14 contains data on the structure of respondents according to the answer in which area they would start their own business.



Graph 14: Structure of respondents according to the answer in which area they would start their own business

Meaning: some other production 15.91%; production of energy from renewable sources 13.64%; organic food production 15.91%; services 10.23%; trade 10.23

Table 14 contains data on the structure of respondents according to the choice of the most important factors influencing the decision to start their own business

Table 14: Structure of respondents according to the choice of the most important factors influencing the decision to start their own business

Resource name / category	100 %
Nothing	36,71 %
Economic development	15,82 %
New investments	12,66 %
Change of city leadership	6,33 %
Professionalism	6,33 %
Environmental protection-ecology	6,33 %
Culture	6,33 %
Educational staff	3,80 %
Better public sector services	3,16 %
Better communication	2,53 %

Based on the analysis, we conclude that the first factor explains the analysis as the personal satisfaction of each respondent. In contrast, the second can be called organizational because it presents the business environment.

The main trigger of motivation is the personal progress of an individual, which can be expressed through the ability to make decisions in the organization of work and entrepreneurship and improve professionally during career, of course, and to have a good income during that time. But, in addition to that personal factor, interpersonal relationships in the environment must be the best.

The phase - general knowledge as a prerequisite for entrepreneurship

Table 15: Familiarity with project implementation

	Empirical Answers	Hypothetical Answers	Difference
I don't know at all	37	26,2	10,8
I know very little	32	26,2	5,8
I'm a little familiar	53	26,2	26,8
I'm pretty familiar	8	26,2	-18,2
I am fully acquainted	1	26,2	-25,2
Total	131		

Statistical parameters

Chi-Square matching test matches	70,031
Df	4
Probability of error	0,000

The practical value of the statistical test is the highest statistical significance ($\chi^2 = 70.031$), which means that we do not accept the theoretical framework of equal distribution of answers from 5 offered in surveys to respondents through and over the hypothesis equal probability of responses for each provided solution. solutions in question with 99% probability of security, and we believe that the differences are not accidental, but real - respondents believe that they are less familiar than they should be with projects of sustainable entrepreneurial business

Table 16 contains data on the respondents' answers to initiate entrepreneurial projects. Again, 130 respondents participated in the survey.

Table 16: Initiators for entrepreneurial projects

	Empirical answers	Hypothetical answers	Difference
Country	38	32,5	5,5
Individuals	78	32,5	45,5
Local government	12	32,5	-20,5
No one	2	32,5	-30,5
Total	130		

Statistical parameters

Chi-Square matching test	106,185
Df	3
Probability of error	0,000

The practical value of the statistical test is highly statistically significant ($\chi^2_{0.01} = 106.185$, which means that we do not accept the theoretical framework of equal distribution of answers from 4 offered in the survey to respondents through and over the hypothesis of equal probability of responses for each provided solution. Respondents believe that individuals, with the help and support of the state and local authorities, should be the initiators of work in their field of entrepreneurial business.

Table 17 contains data on the respondents' answers to whether they think they have an entrepreneurial spirit. Again, 130 respondents participated in the research, but four respondents did not answer.

Table 17: Do you have an entrepreneurial spirit? / The concept of sustainable development - cross table

			The concept of sustainable development		Total
			Yes	Not	
Do you have an entrepreneurial spirit?	Yes	No	80	15	95
		%	84,2%	48,4%	75,4%
	Not	No	15	16	31
		%	15,8%	51,6%	24,6%
Total	No	95	31	126	
	%	100,0%	100,0%	100,0%	

Statistical parameters

	Values	Df	Probability of error
Pearson Chi-Square	16,170	1	0,000
Contingency Coefficient	0,337	1	0,000
Odds Ratio	5,7		

From the previous table, we can report the conclusion based on the test of interdependence for definite answers that the knowledge respondents have about sustainable development depends to a greater extent (χ^2 -dependence = 16,170) on their entrepreneurial traits join this type of project. The contingency coefficient test ($C \approx 0.34$) varies in 34% of cases, which in the same percentage explains the entrepreneurial spirit of individuals for the concept of sustainable development on ecological principles. The entrepreneurial spirit of individuals is 5.7 (odds-ratio) times more pronounced among those who know about sustainable development.

Table 18 contains data on the respondents' answers to whether they think entrepreneurial skills have a spirit. Again, 130 respondents participated in the research, but three did not answer.

Table 18: Do you have entrepreneurial skills?

	Empirical answers	Hypothetical answers	Difference
Yes	79	63,5	15,5
No	48	63,5	-15,5
Total	127		

Statistical parameters

Pearson Chi-Square	7,567
Contingency Coefficient	1
Odds Ratio	0,006

The practical value of the statistical test is highly statistically significant ($\chi^2_{0.01} = 7.567$), which means that we do not accept the theoretical framework of equal distribution of answers from 2 offered in the survey to respondents through and over the hypothesis equal probability of responses for each provided solution. Therefore, we reject the theoretical framework for the two offered solutions in terms of 99% probability of security, and we believe that the differences are not accidental but natural - respondents believe that their entrepreneurship is essential for triggering economic prosperity.

Table 19: Would you start your own business?

	Empirical answers	Hypothetical answers	Difference
Yes	74	63,5	10,5
Not	53	63,5	-10,5
Total	127		

Chi-Square -conformance test	3,472
Df	1
Probability of errors	0,062

The practical value of the statistical test is highly statistically significant ($\chi^2_{0.05} = 7.567$), which means that we do not accept the theoretical framework for equal distribution of answers from 2 offered in the survey to respondents through and over the hypothesis of equal probability of responses for each provided solution. Solutions in question with a 99% probability of security, and we believe that the differences are not accidental but natural - respondents think they would start their own business on the principles of sustainable development.

Seventy respondents answered the question from the questionnaire in which area they would start their business, but two did not respond. The data are contained in Table 20.

Table 20: In which area would you most like to start a business?

	Empirical answers	Hypothetical answers	Difference
Trade	24	14,0	12,0
Services	8	14,0	-6,0
Organic food production	12	14,0	-2,0
Renewable energy production	11	14,0	-3,0
Some other production	13	14,0	-1,0
Total	68		

Chi-Square -conformance test	13,857
Df	4
Probability of errors	0,008

The practical value of the statistical test is highly statistically significant ($\chi^2_{0.01} = 13.857$), which means that we do not accept the theoretical framework of equal distribution of answers of 5 offered in the survey to respondents through and over the hypothesis of equal probability of responses for each provided solution. Solutions in question with 99% probability of safety, and we believe that the differences are not accidental, but real - surveyed employees believe that investing in trade through the supply of organic food and similar products would provide better economic growth and development of the district and city of Vranje. The last question in the third questionnaire was: In your opinion, what should be improved in Vranje and thus improve the entrepreneurship of this regional centre? Respondents' answers are systematized in the following table.

Table 21: What should Vranje do and thus improve this regional centre?

Name / category	%
Nothing	36,71%
Economic development	15,82%
New investments	12,66%
Change of city leadership	6,33%
Professionalism	6,33%
Environmental protection-ecology	6,33%
Culture	6,33%
Educational staff	3,80%
Better public sector services	3,16%
Better communication	2,53%
Total	100,00%

The conclusions we came to after the statistical processing are as follows:

- Respondents believe that they are less familiar than they should be with sustainable entrepreneurial development projects.
- The entrepreneurial spirit of individuals is 5.7 times more pronounced among those who know about sustainable development
- Respondents believe that the participation of citizens is significantly lower than the expected level in the area where they live.
- Respondents believe that their entrepreneurial opportunities are essential for initiating economic prosperity.
- Respondents believe that they would start their own business on the principles of sustainable development.

The surveyed employees believe that they are less satisfied with the district's quality and concept of life than they should otherwise. Therefore, in the future, we should work more on indicators of citizens' quality of life in the community of Vranje. Thus, the above points to the conclusion that the General hypothesis, which reads "The more optimal the management of natural resources of Pcinja district, the more certain the economic and environmental development of the district and the city of Vranje" - confirmed with a tremendous statistical certainty of 99% and auxiliary hypotheses arising from the basic tasks.

Conclusion

New trends, new technologies, new requirements are becoming a source of entrepreneurial activity, and space exists for entrepreneurs from Serbia. However, once again, it should be noted that the categories discussed above are by no means an exhaustive list of changes. Still, only initial guidelines for further research and further research will enable entrepreneurs to find adequate opportunities and make the best use of them.

The entrepreneurship development opportunities in Serbia are numerous, but considerable objective constraints prevent entrepreneurs from taking full advantage of these opportunities compared to developed countries. The structure of this chapter is based on a logical sequence of activities necessary to realize the idea. Therefore, the limitations that entrepreneurs need to consider when embarking on any business venture are presented first. It is stated that the availability of finance is the most significant limitation that a potential entrepreneur faces. In addition to this, other systemic constraints, which even proclaimed orientations towards developing entrepreneurial activity, are obstacles to creating a successful company.

As this paper aimed to determine the environmental factors that influence the expectations of high growth of entrepreneurial ideas and the application of innovations and internationalization of business, the authors performed a detailed analysis looking at knowledge and skills, motivation, innovation and internationalization, and entrepreneurial aspiration. The contribution of this research is reflected in the combination of entrepreneurial competencies and their business motives, on the one hand, and innovation and internationalization of the entrepreneurial endeavour, on the other. It should be emphasized that this research covered the expectations defined by the primary and auxiliary hypotheses.

After looking at the objective constraints, the chances that exist in times of uncertainty are presented. Although opportunities occur in many forms, dominant trends continually shape economic reality. This is precisely the reason for giving specific trends and economic trends that will inevitably change the social and business environment, and the ability to adapt will determine the success of future entrepreneurs.

This paper has researched the possibilities and limitations for developing entrepreneurship in the Pčinja district. The basic yes is proven the business environment largely determines both the character of the entrepreneurial venture and the finally realized entrepreneurial ideas. Furthermore, auxiliary hypotheses have been established that entrepreneurial aspirations, primarily innovation and internationalization, significantly impact the expectations of entrepreneurship growth in Serbia and Vranje on available resources sustainably. In the end, it has been proven that the higher the economic development, the higher the employment rate will be, while the quality of life of citizens will be better.

The research conducted on the possibilities and limitations of entrepreneurship development in the economically underdeveloped south of Serbia, whose regional centre is in Vranje, is the final result of extensive and complex research and contributes to a better understanding of research subjects and better information for stakeholders. The practical goal of the study was to research attitudes about social and personal potentials for the development of entrepreneurship in the south of Serbia, different social groups (by gender, age, education, economic status).

The scientific justification of this research is undoubted because it is insufficiently researched, determined and verified scientific knowledge about entrepreneurship and especially potential entrepreneurs, in conditions of unfavourable factors of the business environment and underdevelopment of the region in which they live. The scientific justification of this research also consists of the fact that new knowledge about potential entrepreneurs' motivation will determine the need for more organized work for better and more efficient business. The professional justification of the research is also indisputable because the expected scientific contributions will affect the more efficient solution of the unemployment problem through self-employment, better business and the typology of entrepreneurial characteristics, which certainly has the nature of the general professional problem. The professional justification of this research consists of improving the existing, for now, insufficient knowledge about the characteristics of potential entrepreneurs in an economically underdeveloped region.

The results obtained by this research will determine the actual state of the theory and practices, relevant factors related to entrepreneurship and improving the development of the economy of southern Serbia with the help of entrepreneurial (business) inspirations. All this together will contribute to raising more versatile people, young or not individuals with experience, thus increasing entrepreneurs' efficiency.

The research we conducted gives us the basis to conclude that there are real opportunities for improving the entrepreneurial environment in the region of southern Serbia. People living in this area are interested in improving their economic position through entrepreneurial ventures, thus contributing to economic development.

During the research, we concluded that perhaps the biggest mistake that potential entrepreneurs make is related to the area in which they see their possibility is the idea that it must be unique. They are entrepreneurs simply obsessed with finding the original idea and all the forces they try to hide it from the people they encounter because they are afraid someone will steal that idea from them. As a result, they don't like to talk much about their vision, which is entirely wrong, bearing in mind that such a potential entrepreneur cannot evaluate his idea well.

Entrepreneurship development requires freedom: free entrepreneurship in the free market system. This implies the right of establishment companies, freedom of choice of business facilities, free assembly jobs, free choice of organizational form, provided a method of acquiring property and space of investment.

Institutional preconditions are also needed to function a free, integrated and open market, free competition, the absence of monopolistic behaviour and the reduction of state regulation only to the extent necessary in the function of free and secure market relations and legal certainty. Moreover, there must be a socio-political environment and general attitudes, philosophy and mood that will not be hostile to entrepreneurship. We hope that by patient analysis and systematization of the collected facts, we have managed to make a modest contribution to the study of problems significant for entrepreneurs and characteristics of society that must develop rapidly.

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