

“Successful entrepreneurs, known for their commitment to honest business conduct, can play an instrumental role as mentors, guiding and motivating the youth.”

Interview With Professor Mladen J. Cudanov, Professor Sandra Jednak and Dr. Nedeljko Milosavljevic From Serbia, University of Belgrade

The Review of Economic Theory and Policy requested an interview from Professor Mladen J. Cudanov, Professor Sandra Jednak and Nedeljko Milosavljevic, PhD about the entrepreneurial activity in Serbia and the development path of the Serbian economy regarding the role of entrepreneurs. Mladen J. Cudanov is full professor at the Faculty of Organizational Sciences, University of Belgrade, Sandra Jednak is also full professor and vice-dean at the Faculty of Organizational Sciences, University of Belgrade and Nedeljko Milosavljevic is the Director of the Center for Technology Transfer at the University of Belgrade.

RETP: What leadership skills and capabilities do you believe entrepreneurs need to possess in order to meet the demands of new technologies within the emerging knowledge-based economy?

Mladen Cudanov: First of all, I would emphasize the ability to change and adapt. This world has never changed at such a fast pace as in recent decades, and entrepreneurs need to follow that change. They must constantly learn – it’s not just acquiring new information but also changing their mind patterns and fundamental assumptions. After this crucial trait and skill, I would choose the following:

- *Knowledge of new technologies, especially digital tools:* These are important not only as the context of most entrepreneurship endeavours, but also as communication tools.
- *Capability to manage crisis and risks:* Entrepreneurs have always created value in unstable and unexplored environments, and those

environment traits are exceptionally prevalent today. However, a simple readiness to take risks will not get them too far today as a blunt, brute force approach. They must be able to manage those risks and ever-occurring, or – as some would say – perpetual crises.

- *Focus on customers:* Technological development has improved the means to create value, but we are unsure if yesterday's value packages are still valid today. So entrepreneurs must maintain direct communication with the customers, from the idea's inception to the final stages of product development.
- *Development of social capital:* The ability to attract people to activities with uncertain consequences, without too many hard resources, has always been necessary. Today, in a global economy, competition for the best talent may be one of the paramount skills of the entrepreneur.
- *Global vision:* In the interconnected world, the skill to scale up is among the top-five necessary skills. Good startups soon outgrow national boundaries, and entrepreneurs need to have capabilities to grow their businesses globally.

Sandra Jednak: The knowledge-based economy is based on cooperation and coordination of knowledge, innovation, and ICT. New technology dominates every segment of the economy, society, and business today. Due to rapid changes in business, entrepreneurs should be flexible and innovative. So, to meet the demands of new technologies, entrepreneurs must think strategically and apply knowledge to make innovations and, in that way, raise efficiency. Besides, entrepreneurs should be curious, creative, committed, focused, and have good communication skills to succeed in business. The most important thing is to understand the needs of their customers.

Nedeljko Milosavljevic: The emerging knowledge-based economy, characterized by the significant role of information, technology, and a highly skilled labour force, presents unique challenges and opportunities for entrepreneurs. Navigating this landscape requires a complex set of leadership skills and capabilities:

- *Technological Literacy:* Entrepreneurs must understand the technologies that are shaping their industry. It doesn't mean they must be experts in every technical detail but should possess a functional understanding to make informed decisions.
- *Adaptability and Agility:* The rapid pace of technological change requires leaders to adapt their business models and strategies accordingly. Being agile and open to change is essential to keeping up with evolving technologies and market conditions.

- *Strategic Vision:* Entrepreneurs need to foresee how technologies will shape their industry and how they can position their businesses to leverage these trends. Crafting a vision that aligns with technological advancements helps to steer the organization effectively.
- *Innovation Mindset:* Cultivating a culture of innovation is vital. It means encouraging experimentation, accepting failure as a learning opportunity, and continually exploring ways to innovate.
- *Collaboration and Networking:* Building relationships with technology experts, research institutions, and other businesses can provide valuable insights and partnerships. Collaborative leadership fosters an environment where knowledge-sharing thrives.
- *Emotional Intelligence (EQ):* Leading in a technology-driven environment requires understanding and managing the emotions of oneself and others. It includes empathy, motivation, self-regulation, and social skills, all of which help with managing a diverse and often remote workforce.
- *Critical Thinking and Problem-Solving:* The ability to analyse complex situations, identify underlying problems, and devise innovative solutions is essential. Critical thinking enables entrepreneurs to make decisions informed by data and reflective of the complexities of the technological landscape.
- *Ethical Leadership:* With the rise of technologies such as AI, ethical considerations have become increasingly significant. Entrepreneurs must navigate challenges related to privacy, security, and the social implications of technological advancements with integrity.
- *Continuous Learning:* Entrepreneurs must commit to lifelong learning to stay abreast of new technologies, methodologies, and industry best practices. It might include formal education, workshops, online courses, or other learning opportunities.
- *Global Perspective:* Understanding the global context of technology and being able to operate across different cultures and regulatory environments are crucial, especially as technology often transcends borders.
- *Resilience:* In a constantly shifting technological landscape, the dedication to overcome setbacks and continue to pursue goals, even in the face of uncertainty and rapid change, is a must.

RETP: The knowledge-based economy also means an emphasis on adapting local culture to international trends, monitoring global knowledge, and applying it to business. What does this mean in your specific economic context?

Mladen Cudanov: Finding what specific national traits fit in the global economic puzzle is very hard. In the context of the Serbian economy, most challenges are the same as for Hungary, Iceland, Chile or any other emerging economy, but some are specific. Entrepreneurs must have cultural flexibility and find the mutual traits applicable to all people but also identify the specific “spice” that each national culture has in particular. The ecosystem behind entrepreneurship also needs to help and disseminate global knowledge as fast and as efficiently as possible. That is, in particular, the role of academia, which can no longer rely on the ivory-tower approach. Also, some sterner, Humboldt-type university concepts are no longer appropriate, and the paradigm of the research university is too slow to create, disseminate and especially apply the knowledge needed by entrepreneurs. That is why we have established the Danube Cup network and are organizing our second international conference on entrepreneurship education.¹

Sandra Jednak: Any business and economy cannot progress unless it adapts to global trends. You can stay at the same level of development, or even lag, if you are not open to new knowledge, technology, and changes. You must keep track of global information and knowledge and apply it in business. In Serbia, for example, the ICT sector is very strong. It is the sector with the most exports. The industry adopted new global knowledge and culture of international business. As a result, it became competitive, and its services may now be sold globally.

Nedeljko Milosavljevic: Serbia is going through an economic transformation driven by its shift to a market economy, aspirations for European Union integration, and ongoing endeavours to refresh and innovate across its industries. Within this landscape, evolving towards a knowledge-centric economy has distinct connotations:

Serbia recognizes the significance of aligning with international best practices and standards. This alignment is crucial for its integration into global markets and for the competitiveness of its businesses. Through adherence to these global norms, Serbian enterprises can champion quality, efficiency, and innovation.

Education and nurturing a proficient workforce are central to the country's vision. Thriving in a globally competitive and knowledge-intensive economy is directly related to significant investments in education and

¹ <https://danubecup.fon.bg.ac.rs/>

training. Therefore, it is essential for Serbian academic institutions to resonate more with industrial requirements, ensuring they cultivate skills apt for a technologically advanced job market.

Talent is undeniably the backbone of a knowledge-driven economy. Accordingly, sculpting and maintaining an environment that provides education and ensures the retention of its brightest minds should be an everlasting national effort. Simultaneously, the country should continue with efforts to attract skilled professionals globally, offering them promising career prospects and a comfortable life.

Being at the forefront of technology and innovation is a priority for Serbian enterprises aiming to compete on the global stage. This ambition necessitates substantial R&D investments, backing for emerging startups, and partnerships with global tech titans and research entities.

On its journey towards global alignment, Serbia also emphasizes the importance of synchronizing with international ethical and regulatory benchmarks. This synchronization is particularly relevant in areas like data security, intellectual property rights, and workers' rights.

International collaboration is a strategic move for Serbia. Forging ties with global entities, organizations, corporate giants, and governments enhances Serbia's knowledge and technological reservoir. Such alliances also pave the way for Serbian businesses to integrate seamlessly into global supply chains and markets.

As physical and digital infrastructure is the foundation of a knowledge-based economy, there is a focus on connectivity enhancements, energy conservation, and transportation upgrades. The Serbian government is devising policies in sync with global knowledge trends, endorsing innovation, entrepreneurship, and international outreach, thus bolstering business growth that aligns with these global shifts.

Lastly, awareness of the potential hurdles and risks following a country's transition to a knowledge-oriented economy is equally important. Meticulous planning should result in strategies that ensure inclusive growth and counteract challenges like social or regional growth disparities.

RETP: What sectors and economic domains do you anticipate will experience growth in the upcoming decade? Are there any national industrial policies in place that aim to support the establishment and growth of internationally competitive knowledge-based enterprises?

Mladen Cudanov: I believe growth in information and communication technologies (ICT) will continue, especially as it is fuelled by artificial intelligence. However, the demand for some low-tech services will also increase. While our youth finds manual jobs especially unattractive, a gap is devel-

oping in the services AI still cannot provide. Handyman, repair services, and crafts are huge opportunities because the demand will steadily grow, but the supply is diminishing. Also, as our village population grows older and migrates to the cities, the demand for soil-grown food will increase. Serbian government keeps pace and, like other national governments, is working to answer those calls with a digital development strategy, dual education, and rural development strategies.

Sandra Jednak: It refers to any industry that is involved with new technology, digital technology, data-driven business, deep tech, fintech, agritech, gaming industry or artificial intelligence. Many companies are undergoing digital transformation and adapting to market demands. Furthermore, Serbia has a government strategy for the development of the IT sector, and initiatives for *the digital, entrepreneurial and startup* ecosystem. Serbia has progressed, and its ecosystems are not in the early stages. Also, Serbia is recognised for its engineering talents. There are also national industrial policies in place to support these developments. Furthermore, national industry policies are aligned with some EU industrial policies. For example, artificial intelligence fields should be regulated by law or regulations.

Nedeljko Milosavljevic: In Serbia, specific sectors and economic domains are well-positioned for growth in the upcoming decade, influenced by global trends, regional dynamics, and national industrial policies.

Sectors Anticipated for Growth:

- *Technology and IT Services:* Serbia's IT sector has experienced significant growth, and this trend is likely to continue. The country has become a hub for software development, IT outsourcing, and tech startups.
- *Agriculture and Agri-Tech:* With a strong agricultural tradition and increasing technology adoption, Serbia has the potential to become a leader in modern, sustainable agriculture.
- *Renewable Energy:* As Serbia aligns with EU environmental standards and global sustainability goals, investment in renewable energy sources like wind and solar is expected to increase.
- *Tourism:* Leveraging its rich cultural heritage and diverse landscapes, Serbia has significant potential in tourism, including niche markets like medical, adventure, and eco-tourism.
- *Automotive and Manufacturing:* The automotive and manufacturing industries are expected to evolve with a focus on more technologically advanced and high-value products.

- *Healthcare and Biotechnology*: Investments in healthcare technologies, pharmaceuticals, and biotechnology can drive growth, especially with global trends towards personalized medicine and digital health.
- *Creative Industries*: Areas like design, media, and arts can benefit from the fusion of creativity with technology, contributing to growth in the creative economy.

National Industrial Policies to Support Knowledge-Based Enterprises:

Serbia has indeed implemented several policies and initiatives to foster the establishment and growth of knowledge-based enterprises:

- *Innovation Fund*: Providing grants and financial support for innovative startups and research-oriented companies.
- *Science Technology Parks*: The creation of tech parks helps support technology companies by offering infrastructure, networking opportunities, and business development services.
- *Tax Incentives*: Offering various tax incentives for investments in research and development and technology adoption.
- *Collaboration with Educational Institutions*: Promoting partnerships between universities, research centres, and businesses to enhance technology transfer and the commercialization of research.
- *EU Integration Process*: Aligning regulations and standards with EU norms opens opportunities for Serbian enterprises to access European markets, funds, and partnerships.
- *Support for SMEs*: Various programs are targeted at supporting small and medium-sized enterprises, focusing on technology adoption, innovation, and internationalization.
- *Digitalization Strategy*: Emphasizing digital transformation across various sectors, improving digital infrastructure, and fostering e-governance.
- *Sustainable Development Goals Alignment*: Implementing strategies in line with global sustainability goals also promotes industries like renewable energy and sustainable agriculture.

RETP: What challenges arise from the aforementioned trends in RETP: In the context of the Central and Eastern European region, where business organizations often face significant corruption issues (as indicated by Transparency International's Corruption Perceptions Index), how can we effectively motivate young individuals to venture into entrepreneurship?

Mladen Cudanov: I would divide this issue into two parts. The first is the primary role of the government and the judicial system – these must use tough measures to eliminate corruption and make sure taking part in it is not worth for anyone. The second part is to change the culture and use softer means by promoting the narrative that we are all in the same boat and how low it is to drill holes in that boat through corruption. We need to educate our future officials, not just to scare them away from corruption, but also to diminish this phenomenon as much as possible for entrepreneurship to flourish. Otherwise, motivating youth to venture into startups to fill the pockets of corrupt officials around them is morally questionable. Transparent procedures and the digitization of public administration will be among our tools. I think that the message we need to send to young entrepreneurs is that the gains are still bigger than the hardships, even with the corruption involved.

Sandra Jednak: Corruption is an issue in the CEE region, but also worldwide. In some countries, corruption is high and obvious, while in some, it is not so dominant and open. However, business organisations and entrepreneurs should not be discouraged by that fact. They should face it and try to run businesses by law and regulations. Especially because the CEE region progressed toward a regulated economy, established institutions, and controlled corruption. A successful business relies on good ideas, hard work and professional expertise. That should lead entrepreneurs. Besides, although entrepreneurship is not so developed in unregulated countries, there are both EU and global trends for strengthening entrepreneurship and entrepreneurial culture. As the CEE region is part of the EU and global market, its countries should pursue the same aim as the EU and the world.

Nedeljko Milosavljevic: Corruption remains an imposing obstacle to entrepreneurship in the Central and Eastern European (CEE) region. Its presence raises distrust, escalates the cost of business operations, and potentially deters aspiring entrepreneurs, especially among the youth. Yet, there's an array of approaches that various stakeholders, including governments, educational establishments, business sectors, and civil societies, can adopt to inspire young individuals to embark on entrepreneurial journeys, even in the face of these adversities.

A crucial starting point is education and heightened awareness. Incorporation of entrepreneurial teachings into early-stage curriculums creates

an opportunity to stress the importance of ethics, integrity, and societal responsibility. Successful entrepreneurs, known for their commitment to honest business conduct, can play an instrumental role as mentors, guiding and motivating the youth. Additionally, workshops tailored around ethical choices, strategic business planning, and legal navigation can be invaluable.

Reforms in the legal and regulatory domains are equally essential. There's merit in simplifying regulations, as intricate processes often become breeding grounds for corrupt activities. The emphasis must also be on fortifying anti-corruption legislation and ensuring its rigorous enforcement to cultivate a fair entrepreneurial environment.

Ensuring that entrepreneurs have access to sufficient funding sources and resources is essential. Financial avenues that prioritize transparency and ethical business dealings make a significant difference.

A transformation in cultural values and active community participation can further the cause. Championing a business culture that treasures values like integrity, innovation, and social commitment over fleeting gains from corrupt means lays a foundation for ethical entrepreneurship. Teaming up with NGOs and community-centric organizations pushing for transparency and accountability can amplify these efforts.

Tapping into the international realm can also be beneficial. Urging businesses to align with global anti-corruption benchmarks, such as the United Nations Convention Against Corruption (UNCAC), maintains a global standard of operations. Forming alliances with international entities can provide the requisite support, specialized knowledge, and supervision.

Lastly, recognizing and incentivizing ethical entrepreneurship can act as a powerful motivator. Instituting awards for those showcasing unwavering integrity and making noteworthy societal contributions can send a positive message. Furthermore, incentives, including tax relaxations, can be extended to businesses that consistently uphold ethical and transparent operations.

RETP: What challenges arise from the aforementioned trends in entrepreneurship education? What specific professional knowledge and educational tools are required to foster the development of new entrepreneurial skills?

Mladen Cudanov: We need to go beyond the traditional means of education. We need to use flipped classrooms, digital and remote learning. We need to adapt our knowledge chunks to the TikTok generation. I am not sure they can endure a classic ex-cathedra 45-minute class. We need

to understand that entrepreneurship is not taught at the university when one or two subjects, like “Entrepreneurship”, “Startup management”, etc. are put in the curriculum of the study program. Entrepreneurship is taught at the university when, besides focused entrepreneurship subjects, every subject has a part of entrepreneurship in its syllabus. It does not matter if the subject is business/management oriented (like finance, marketing, logistics or quality management) or technical (whatever is the main aim of the study program), entrepreneurship needs and can be infused into it. Entrepreneurship is taught at the university when students have equal chances to learn it in classes and by doing it during extracurricular activities and within a network of organizations.

Sandra Jednak: The EU set education policies that encourage entrepreneurship education. In a time of rapid changes, education needs to be adjusted to prepare young and adult people for action, creative problem-solving and quick decision-making. Entrepreneurship education gives students the entrepreneurial mindset and skills necessary to innovate or act upon opportunities by mobilising resources and creating economic, social, and cultural value. This kind of education should be spread through all levels of education, particularly in higher education. Besides, there is an entrepreneurial need for vocational training. All this is a demanding and long-lasting process. There are needs for financial resources, new teaching methods and approaches, teachers who possess that knowledge and skills, implementing real business into learning by including entrepreneurs as lecturers, and new content such as incorporating entrepreneurial knowledge into courses syllabus, programs, etc. In this way, the young generation will obtain the attitude, knowledge, and skills necessary to start and run a business based on the new idea toward growth and internationalisation. National and international projects, practice, training, international accreditation, and policies can influence the establishment of this kind of education.

Nedeljko Milosavljevic: Entrepreneurship education is essential in fostering a culture of innovation and entrepreneurial thinking. However, the fast-evolving nature of entrepreneurship, especially in a globalised and technology-driven world, presents specific challenges and demands particular professional knowledge and tools.

Challenges in Entrepreneurship Education:

- *Keeping Pace with Industry Changes:* The business landscape changes rapidly, and educational content must keep up with emerging trends, technologies, and market demands.
- *Balancing Theory and Practice:* Striking the right balance between theoretical knowledge and practical, hands-on experience can be challenging.

- *Accessibility and Inclusivity*: Ensuring that entrepreneurship education is accessible to diverse groups of people, regardless of socioeconomic background, can be a barrier.
- *Ethics and Social Responsibility*: Teaching ethics and social responsibility in the context of entrepreneurship is complex and requires careful consideration.
- *Interdisciplinary Approach*: Entrepreneurship often requires a blend of skills from different disciplines, which can be challenging to incorporate into a cohesive educational program.
- *Measuring Success*: Defining and measuring success in entrepreneurship education isn't straightforward, as it includes tangible (e.g., business creation) and intangible (e.g., mindset change) outcomes.
- *Resource Constraints*: Providing the necessary resources, such as mentors, networks, and funding opportunities, may be constrained by budgets and availability.
- *Global Perspective vs. Local Relevance*: Balancing global trends with local market needs and cultural considerations is a complex challenge.

Professional Knowledge and Educational Tools Required:

- *Industry Collaboration*: Educators should work closely with industry professionals to ensure the curriculum aligns with real-world needs and trends.
- *Experiential Learning Tools*: Implementing project-based learning, internships, and practical exercises that simulate real entrepreneurial experiences.
- *Technology Integration*: Utilizing technology to enhance learning, such as virtual reality for business simulations or AI-driven personalized learning paths.
- *Ethics and Social Responsibility Modules*: Crafting specific educational content that deals with ethical decision-making and social entrepreneurship.
- *Interdisciplinary Curriculum Design*: Developing courses with integrated knowledge from various fields, such as technology, marketing, finance, and social sciences.
- *Cultural Sensitivity Training*: Including content that acknowledges and navigates the diverse cultural backgrounds and perspectives in entrepreneurship.
- *Mentorship and Networking Opportunities*: Providing access to successful entrepreneurs, industry experts, and networks that can guide and support students.

- *Entrepreneurial Mindset Development*: Creating programs focused on creativity, resilience, critical thinking, and other entrepreneurial attitudes and mindsets.
- *Access to Innovation Labs and Incubators*: Facilitating hands-on experiences in innovation labs, incubators, or accelerators that can support students in testing and developing their ideas.
- *Global Exposure*: Offering opportunities for international exchanges, collaborations, and market insights to prepare students for the global business landscape.
- *Regular Assessment and Feedback*: Implementing regular assessments, feedback, and personalized coaching to help students continuously refine and develop their entrepreneurial skills.

RETP: Is there a recognized necessity to expand entrepreneurship education to public schools, and are there any ongoing initiatives aiming to accomplish this goal?

Mladen Cudanov: The Serbian ministry of education has recognized the necessity of entrepreneurship. While the government's efforts can and should be criticized, secondary technical schools' students have this subject in their final years, and there are initiatives to incorporate entrepreneurship into elementary schools, even kindergartens. More than two-thirds of EU countries have entrepreneurship integrated into their elementary education. Every "lemonade stand" initiative counts, and we need to work together not only in formal education of all levels, but also in informal education. When the role models of our children are no longer reality-show stars, youtubers, or even shady entrepreneurs, but real entrepreneurs who work hard to discover and create value in the context of high uncertainty, when our children see them properly rewarded and recognized, we can say that we are doing a good job.

Sandra Jednak: Changes and crises require those who can be adaptable, solution-oriented and run their own business and/or entrepreneurial in private and public companies, non-profit organisations, or academia. So, expanding entrepreneurship education to private and public schools and universities is necessary. Still, entrepreneurship education is more developed and applied in EU countries than in CEE countries and Serbia. In Serbia, there are some initiatives to incorporate entrepreneurial mindset and culture into courses and programs via projects, workshops, training for lecturers and students, etc. However, there is still room for even greater progress. But, as time passes, it will be mandatory.

Nedeljko Milosavljevic: The significance of integrating entrepreneurship education into public schools is gaining traction on a global scale. The motivation behind this movement lies in the realization that entrepreneurial competencies — like creativity, problem-solving, teamwork, and resilience — are indispensable for all students, irrespective of their future career choices.

There are several compelling factors behind the push for entrepreneurship education in public schools:

- *Preparing for Tomorrow:* Entrepreneurship education equips students with soft skills and critical thinking abilities that are becoming increasingly vital in the contemporary job landscape.
- *Trying Experience for Innovation:* Such an educational approach inspires students to harness their creative and innovative potential, qualities sought after in many career fields.
- *Economic Prosperity:* By introducing students to entrepreneurship at an early age, there's a potential to ignite a passion for business ventures, which can subsequently boost economic advancement.
- *Positive Societal Change:* Exploring social entrepreneurship can motivate students to devise solutions to pressing community challenges.
- *Expanding Career Horizons:* Entrepreneurship education sheds light on a diverse range of career opportunities, from conventional job roles to self-employment and initiating startups.

Numerous initiatives are under way to realize the vision of widespread entrepreneurship education:

- Junior Achievement (JA) Worldwide is making strides in numerous countries, inclusive of the CEE region. Their programs are tailored to impart entrepreneurship, financial acumen, and work preparedness to younger generations.
- On the European front, the European Union is championing entrepreneurship education through different programs and strategic plans.
- On a national scale, some countries are crafting strategies or blueprints to seamlessly integrate entrepreneurship education into their public-school systems. These endeavours often encompass curricular innovations, training educators, and building alliances with regional businesses.
- Collaborative ventures between educational institutions and nearby businesses or trade associations frequently culminate in mentorship schemes, internships, or tangible business assignments for pupils.

- Numerous Non-Governmental Organizations (NGOs) have set their sights on nurturing the entrepreneurial spirit among the youth, extending a plethora of resources, training modules, and competitive events.
- The EdTech industry is also making a significant contribution, with numerous enterprises and startups launching digital platforms and tools meticulously crafted to impart entrepreneurial proficiencies to school-going children.
- The pivotal role of teachers in actualizing entrepreneurship education hasn't gone unnoticed. There's a concerted effort to offer them specialized training, an arsenal of resources, and consistent backing to ensure they can effectively guide their students.

Thank you for the interview!

Loretta Huszák – László Trautmann