

Original Paper

Comparative Analysis of Innovation in Micro Entrepreneurship

Inspired by Handicrafts

Vidovic Aleksandra, PhD^{1*}

¹ Pan-European university Apeiron, Banja Luka, Bosnia and Herzegovina

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Abstract

An entrepreneurial occupation, which people possess even though they do not have a formal economic education, represents a tendency, a tendency that can be acquired by raising a family or competing in school, which is actually the sum of success or failure, victory or defeat. The development of this type of “entrepreneurial culture” is mostly contributed by the economic situation in the countries. Innovation in all spheres of social development is crucial for the development and progress of each country's economy. Innovation management, in fact, is the management of ideas, that is, how to collect improve and implement an idea. The aim of this paper is to see the situation as well as to perform a comparative analysis of innovations in micro-entrepreneurship inspired by handicrafts in B&H and surrounding countries in relation to some other countries in the world.

Keywords

innovation, micro-entrepreneurship, analysis, handicrafts, marketing

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1. Introduction

Innovation is certainly one of the most important prerequisites for creating new values in a society. It is impossible to imagine the success of an economy without the application of new knowledge – innovation (Luka, Aleksandra, & Marko, 2018).

The consumer society logically favors revenues, earnings and material motivators. Although the importance of material stimuli and incentives for (individual, etc.) motivation is great, there is no universalism and automatism of this effect on the overall work motivation (Bracanović, 2018)

However, it is very important to stress that it is not enough to empower or equip an individual with a skill or knowledge of a vocation. Such an individual must display the capacity to use that knowledge or skill to set up a venture. When an individual is well equipped and is able to establish a business, either micro,

small or medium, such a person automatically wear the title “entrepreneur” (Sunday & Dumsani, 2018). Thanks to the accessibility of the Internet, digital marketing has paved the way for information to customers and consumers about individual businesses and their offer, as well as a way to communicate directly at any time from any location. For retailers, the Internet embodies a powerful tool for building relationships with customers, based on which gaining insight into the interests, desires and needs of customer’s speeds up the entire process (Nakić, 2017).

Companies in Bosnia and Herzegovina do not sufficiently use digital marketing, in order to develop such companies, which significantly affects their competitive advantage over companies from the European Union. For this reason, the process of opening the B&H economy to the European and world markets may result in the closure of such companies (Rodić, 2019).

2. Literature Review

The competitiveness of an economy depends to a large extent on its ability to innovate. There is agreement between researchers and business practice on the great importance of the innovation management process, especially at the earliest stage when it is necessary to identify business opportunities and find the best opportunities for their realization (Stevanović, Marjanović, & Štorga, 2019).

The term “entrepreneurial culture” began to be used more widely in political and economic circles, first in America in the late 1970s, and then later in Great Britain.

Given that modern societies are undergoing a number of changes, the question that arises is how to improve innovation for the purpose of economic development. The question is how much domestic product would be enough to drive the economic development and innovation of a particular country (Luka, Aleksandra, & Marko, 2018).

When we talk about the entrepreneurial climate and its characteristics, it is necessary to say that for modern business it is necessary to pay attention to three basic features which are: organizational culture, leadership style and entrepreneurial leadership. Organizational culture - the way in which members of the organization perceive their organization and its impact on the realization of their values (Vidović, 2010).

Tradition, customs, handicrafts and old crafts represent significant potential for development in the context of reviving, preserving, protecting and promoting traditional values.

Old crafts and skills are dying out and much more engagement is needed to preserve and revitalize them. As part of the intangible cultural heritage, they are the custodians of the tradition of each nation. Many connoisseurs of old crafts are old, and if they do not transfer their knowledge and skills to others, with their disappearance, some old crafts will become extinct. It is not enough that the legislation mentions old crafts, but much more engagement is needed in their preservation and revitalization. And of course, concrete help from the state and local self-government (Udruženje starih zanata i vještina i njegovanja nematerijalne kulturne baštine “Nit”, 2019).

The advent of the Internet in the 1990s greatly changed marketing. The speed with which this change took place was one of the main reasons for the shutdown of many companies. In a period of 30 years, a completely new type of marketing, digital or internet marketing, has emerged, which with its efficiency and effectiveness has completely changed the way, methods and strategies of advertising (Rodić, 2019).

3. Analysis of Innovative Development of Micro-Entrepreneurship Inspired by Handicrafts in the Western Balkans

In Bosnia and Herzegovina, i.e., Republic of Srpska, there is still knitting socks, but the way of knitting socks - PRIGLAVAK is not sufficiently culturally and historically valued and used for promotional and tourist purposes, and the number of women who process woolen and knitted authentic handicrafts PRIGLAVAK is decreasing. Maintaining a living cultural heritage anywhere in the world leads to a sense of identity, continuity and specialty, especially when it comes to rural areas of our country where women are still in a subordinate position and physical labor is a significant source of income. The main goal of including the headline on the list of intangible heritage of UNESCO is to contribute to the strengthening of cultural identity through the preservation, valorization and promotion of tradition and intangible cultural heritage, which is passed from generation to generation, preserved over time (Centar, 2019).

The question is whether traditional crafts can survive in the old craft center in Bosnia and Herzegovina known in the world as Bašćaršija in the time of mass production and import. Many of the old crafts in Sarajevo Bašćaršija are dying out. Old craftsmen have no one to leave their jobs to, but on the other hand, there are also young craftsmen who do not want to break the family tradition.

The Chamber of Crafts and associations of craftsmen are trying to create a program to save the craft, but without the wholehearted support of the state, they say, it is difficult. What they can get from the state are the incentives given by the Ministries of Economy, and they are, they say, usually insufficient or presuppose for many unfulfillable criteria.

Many golden, old crafts were practiced or are still practiced on the soil of Montenegro, such as: embroidery, weaving, making folk costumes, making musical instruments, tanning leather, wood processing and soap production in traditional ways, food production in traditional ways, knitting, making wool products, etc. (Udruženje starih zanata i vještina i njegovanja nematerijalne kulturne baštine "Nit", 2019).

The Serbian Chamber of Commerce established the Group for Nurturing Old Crafts and Folk Traditions in order to draw public attention to the importance of what craftsmen do and support the revitalization of small family businesses. Quilting, shoe-making, glass-blowing, weaving, pottery, pottery, locksmith, basket-weaving, are some of the old crafts that preserve the making of objects in a specific way. There are fewer and fewer craft workshops in the cities. Entrepreneurs who deal with old crafts are enabled to receive special certificates and thus achieve benefits and incentives for better business (Novi sjaj starih zanata, 2017).

When it comes to larger companies that record lower earnings due to the decline in the purchasing power of citizens, they compensate for this shortcoming by extending payment deadlines to suppliers. However, small craftsmen, in addition to being left without customers, have heavy burdens - VAT, fiscal cash registers and their maintenance, social and pension contributions, at least one employee, rents, etc. Those that have survived are trades that have their own space, and the rest are closing and mostly going into the gray economy, into working from home. And worst of all, small businesses are a potential germ of big or big business (Pavlović, 2014).

The situation in Croatia is also gaining alarming proportions. This is especially visible in Zagreb, where in the very center many bars are empty. According to the Croatian Chamber of Commerce (HOK) and the Ministry of the Economy, the number of employees in the craft segment has decreased by almost 50,000 since the beginning of the crisis. At the same time, HOK believes that the crisis is not the only cause of the negative trend. A large number of craftsmen in financial difficulties that led to the closure of the workshops came due to the unfavorable entrepreneurial environment, financial indiscipline, unfair competition of those who work 'on the black', and lack of working capital (Al Jazeera, 2014).

In order for old crafts and handicrafts to be able to break into new markets, the use of internet technologies helps a lot. Data from the European Union Statistical Office, Eurostat, will be used to analyze the current situation in B&H. The following chart shows the percentage of people aged 16 to 74 who have used the Internet to buy or sell goods or services in the past 10 years. Display in Table 1.

Table 1. (Eurostat, 2019)

Country	Austria	B & H	Croatia	Germany	Greek	Montenegro	Poland	Serbia	Sweden	United Kingdom
2008	37	:	7	53	9	:	18	:	53	59
2009	41	:	10	56	10	:	23	5	63	64
2010	42	:	14	60	12	:	29	:	66	68
2011	44	:	17	64	18	:	30	:	71	70
2012	48	:	23	65	20	6	30	:	74	73
2013	54	:	26	69	25	:	32	:	73	77
2014	53	:	28	70	26	:	34	:	75	78
2015	58	:	31	73	32	:	37	22	71	79
2016	58	:	33	74	31	:	42	:	76	82
2017	62	:	29	75	32	13	45	31	81	80
2018	60	18	35	77	36	12	48	35	78	84

The following table shows the use of internet technologies of micro enterprises in Bosnia and Herzegovina, Croatia and Serbia.

Table 2. Indicators of the Use of Internet Technologies in Micro Enterprises, Expressed as a Percentage (Eurostat 2013 - 2018)

	B&H	Serbia	Croatia	EU average
Use a business blog or micro blog	-	10 (2014)	7 (2014)	12 (2014)
		9 (2017)	8 (2015)	13 (2015)
			7 (2016)	14 (2016)
			8 (2017)	14 (2017)
Pays online advertisers	22 (2018)	31 (2018)	27 (2018)	26 (2018)
Pays advertisers online, based on business site content or keywords searched by users	13 (2018)	20 (2018)	19 (2018)	21 (2018)
Use any social network	-	39 (2017)	45 (2017)	48 (2017)
He has a website and uses a social media channel	-	37 (2017)	39 (2018)	44 (2018)
Use two or more social networks	-	15 (2014)	15 (2014)	14 (2014)
		18 (2017)	15 (2015)	18 (2015)
			15 (2016)	20 (2016)
			16 (2017)	21 (2017)

4. Conclusion

After considering all aspects, it can be concluded that in the fast time we live in, in the time of rapid development of technique and technology, people increasingly need to engage in handicrafts and we are sure that a new time is coming for old crafts, to make these old crafts and handicrafts have found their way to the wider masses, today this path greatly facilitates the use of Internet technologies with special reference to the use of social networks. Social networks today represent a very economical but also profitable way of advertising products, which leads to the fact that handmade products will be more and more expensive. According to the data of the National Employment Service of the Republic of Serbia, there is a great interest of students in certain artistic crafts, while during the counseling of young people for choosing a profession, they almost did not have the opportunity to hear that someone is interested in old crafts. More precisely, there are no educational profiles for old crafts in the system of secondary vocational education, but it is possible to train for those occupations in the workshops of experienced craftsmen. It should be emphasized that handmade products are valued more in the world than in the Western Balkans.

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