

Social Entrepreneurship in Croatia: do regional disparities influence young people's perception of social entrepreneurship as a potential career path?

Singer, Slavica, Ph.D., Professor
J.J. Strossmayer University in Osijek,
Faculty of Economics in Osijek
Gajev trg 7, 31000 Osijek, Croatia
e-mail: singer@efos.hr

Julia Perić, Ph.D. Teaching Assistant
J.J. Strossmayer University in Osijek,
Faculty of Economics in Osijek
Gajev trg 7, 31000 Osijek, Croatia
e-mail: julia@efos.hr

Anamarija Delić, M.Sc., Assistant
J.J. Strossmayer University of Osijek,
Faculty of Economics in Osijek
Gajev trg 7, 31000 Osijek, Croatia
e-mail: adelic@efos.hr

Abstract

The society which we live in, and which has been influenced by the rapid growth of globalization in the last two decades, is struggling with the loss of familiar social values and norms, as well as with complex economic and social problems such as poverty, unemployment and inadequate social conditions. Governments and public institutions in more and more countries around the world, including the most developed countries and not only limited to underdeveloped ones, are losing the fight against various social problems and major disparities caused by bureaucracy, tardiness, lack of entrepreneurial activities, innovativeness, support for young people and the ability to create entrepreneurial environment that would ensure better access to opportunities and therefore provide the basis for higher quality of living. Since today's social issues increasingly transcend the capabilities and capacities of institutions responsible for solving them, the process of creating better life in societies requires the engagement of all the actors of society. The level of personal readiness to participate actively in the community is a prerequisite for building social responsibilities of all individuals. It also influences the development of social entrepreneurship, which, by integrating economic and social values, offers more sustainable solutions for a variety of social problems and the removal of traditional boundaries between government, business community, academia and civil society. Using Croatia as a good example of a country which is experiencing mega changes of its political and economic system parallel to the war destruction of 1990ies, this paper will search the level of personal readiness of individuals in Croatia, by placing a special emphasis on youth because their energy and potential represent the pillar of future development of the society. At the same time, their inertness and passivity point out that young people are not aware of their important role in the society. Intensity of changes, combined with the war destruction led to crises of morals and values which have caused, especially among youth, the loss of the sense of personal responsibility for society's problems and personal contribution to the process of improving the quality of life in community. According to the UNDP, the quality of life concept refers to the overall well-being in society and is focused on enabling every

member of society to achieve their own goals.¹ The quality of life concept doesn't rely only on material indicators (indicators of income inequality, poverty rates and etc.), but also on various subjective factors that affect human life (e.g. social relations, security, mental health, quality of environment, leisure, cultural resources, etc.)² According to the research done in 2006 by the Office of UNDP in Croatia, there are significant regional disparities in quality of life in Croatia. This is particularly true for regional disparities in areas of education, employment, and feelings of happiness and personal satisfaction. The citizens of the capital (Zagreb) have the highest score in all three areas, mostly because life satisfaction are associated with a higher disposable income and a level of education, and employment is associated with inter-county differences in the degree of urbanization, demographic, educational and employment structure. The research results indicate that the economic prosperity of the region has significant impact on optimistic expectations of people, but also that regional differences are deepened due to the emigration of people from less developed to more developed areas.

In order to overcome various social problems, EU and OECD countries are strongly ahead with developing social entrepreneurship as new vehicles for sustainable development and innovative tools for improving job opportunities for all and strengthening social cohesion.³ Croatia still lags behind in recognizing social entrepreneurship as an important concept that builds entrepreneurial behavior and creates innovative solutions that will eliminate regional differences, decrease unemployment and enable better life and development of underdeveloped regions. Unfortunately, it also lags behind in recognizing its youth as a cornerstone of positive social change. There is a significant need for encouraging young people to carry out their activities with the aim of both personal development and the development of their society. Recognizing social entrepreneurship as a potential career path young people can develop critical skills and competences that will help them to become important actors in decision making processes and active agents of positive social change.

¹ <http://www.undp.hr/show.jsp?page=86767>.

² <http://www.undp.hr/show.jsp?page=86767>

³ http://www.inovum.si/social/public/files/concept_paper_on_regional_networking_and_joint_statement.pdf

This paper compares young people's perception of social entrepreneurship in Croatia and its importance in the process of personal and community development. By researching young people (students) from different regions (the City of Zagreb, as the most developed region, and in the City of Osijek, as the capital of one of the least developed region in Croatia) and with different educational orientation (business, electronic engineering and art) the paper explores whether students recognize the need for a new and different approach, such as social entrepreneurship, to solve various social problems. It is assumed that students from all regions do recognize that need, but that the students from underdeveloped region as opposed to students from developed region identify social entrepreneurship solely with the work of nonprofit organizations and not as a possible career option with which they can make a profit.

The paper argues also that the application of entrepreneurial principles in all activities of society (economic, social, political and educational) is contributing to better utilization of available resources and creation of an environment in which young people can find a purpose to create a better future for themselves and the society as a whole. Using business principles and techniques, social entrepreneurship creates positive social change and represents an important module for the development of regional communities (McConachie and Simpson, 2003). Social entrepreneurship as innovative approach responds to major social problems, develops new conceptual frameworks and creatively combines and accepts the social and business approaches in order to create social value. Such entrepreneurial approach to social problems should be encouraged in all sectors, at all levels and in all educational areas. That is why this paper researches students from different departments (business, electronic engineering and art) in order to, among other things, answer the question whether educational orientation also can influence the decision to choose social entrepreneurship as a potential career path. The answer to this question will create a foundation for further research and give the notion of relationship between social entrepreneurship and educational orientation, development of personal social responsibility and a process of including young people in solving various social problems and enhancing the quality of life in community.

Keywords: social entrepreneurship, regional disparities, youth

1. The importance of social entrepreneurship?

Social entrepreneurship is not a new phenomenon, although it seems as if it has just begun attracting more and more attention. The roots of social entrepreneurship go back to the 18th century when industrialist like Robert Owen⁴ started to protect employees by seeking to improve their working conditions, provide adequate education for them and their families and involve them in various cultural activities (Shaw and Carter 2007:419). In publication, the term *social entrepreneurship* could be found for the first time in 1972, thanks to Bill Drayton, the founder of Ashoka. Drayton recognized social entrepreneurship as an innovative approach by which individuals can solve serious social problems that their communities face. (*"The job of social entrepreneur is to recognize when a part of society is stuck and to provide new ways to get it unstuck"*, W. Drayton). By promoting people that continuously work on the development of social entrepreneurship, such as Muhammad Yunus, the Nobel Peace Prize winner, Drayton emphasizes that social entrepreneurship is an important tool for economic and social development not just for underdeveloped countries but for developing and developed countries as well.

According to Hayden (2005) social entrepreneurship represents a revolution in the process of doing business because, through the development of knowledge society, social problems and the “feel good“ factor (Thompson, 2002:413) are becoming almost even more important than profit making. The old paradigm in which "the *personal profit* is a central engine that powers *private enterprise and social wealth*" (Schumpeter, cited in Mair and Marti, 2005:5) does not correspond well to the present conditions, such as a greater gap between rich and poor, the increase of unemployment and the decrease of social sensibility, mainly because it does not direct its attention to those who are the most affected by the negative effects of globalization.

⁴ Robert Owen (1771 – 1858) – industrialist and co-owner of textile factory; he motivated his employees to work and cooperate in the business process – he organized decent housing, better wages, their children's education, minimum health protection, prohibition of child labor, etc.

Public institutions are often unable to recognize and solve those social issues. However, those who cannot remain indifferent to injustice and inequality do improve the quality of life of their communities on a daily basis. Those people, using their determination, social sensitivity and continuous innovativeness, have created a new business paradigm – social entrepreneurship – whose priority is to generate social good and solve problems in a more responsible, innovative and entrepreneurial way. Social entrepreneurship, as a new way of doing business is becoming a more and more popular catalyst that influences the development of social responsibilities of all actors in society.

However, despite the growing popularity of social entrepreneurship, in academic circles it is still an under-explored and not well defined area, as evidenced by the different definitions and understandings. (*"Social entrepreneurship is attracting growing amounts of talent, money and attention. But along with its increasing popularity has come less certainty what exactly a social entrepreneur is and does. As a result, all sorts of activities are now being called social entrepreneurship. Some say that a more inclusive term is all for the good but the authors argue that it is time for a more rigorous definition."*)⁵ Some authors associate social entrepreneurship with non-profit organizations, philanthropy, charities and other social responsible events (knowledge@warthon, 2003), while other consider it as a part of traditional entrepreneurship (Dees, 2001; Peredo and McLean, 2005).

Social entrepreneurship represents a new and innovative approach in dealing with unsolved economic and social issues. As such, it is based on the concept and characteristics of traditional entrepreneurship, because social entrepreneurs also use business principles and entrepreneurial skills and they achieve their goals with the same determination, creativity and resourcefulness as traditional entrepreneurs. Therefore, just like traditional entrepreneurs, social entrepreneurs must be innovators (Schumpeter, 1883–1950), must recognize and exploit perceived opportunities and take risks (Drucker 1909–2005), and they must not allow that the limiting factors, such as lack of resources,

⁵ Martin, R.L. and Osberg, S., Social Entrepreneurship: The Case for Definition, Stanford Social Innovation Review, Copyright©2007 by Leland Stanford Jr. University 2007, p. 29.

decrease the possibility of idea realization (Stevenson, 2007). However, social entrepreneurs, unlike traditional entrepreneurs, don't use business principles exclusively to generate profit, but rather to solve important social problems.

Sharir and Lerner (cited in Christie and Honig, 2006:3) define social entrepreneurship by defining social entrepreneurs. Sharir and Lerner, as well as some other authors, such as Seelos and Mair (2005:244) argue that social entrepreneurs are agents of change that create and sustain social value through creation of new business models, organizational strategies and structures while being limited with the lack of resources. (*"Social entrepreneurship creates novel business models, organizational structures and strategies for brokering between very limited and disparate resource to create social value."*) (Seelos and Mair, 2005:244.)

Mair and Marti (2005:37) define social entrepreneurship as an innovative way of using and combining resources that support social change and help create new solutions to unsolved social problems. Peredo and McLean (2006) agree and define social entrepreneurship as a set of characteristics, such as recognizing and exploiting opportunities, used to create added value, innovations, tolerate risk and reject resource limitations. Because of such characteristics, according to Peredo and McLean, social entrepreneurs have the ability to create much significant value in a shorter period of time and thus create unusual contribution to the business world they are involved with. Alvord, Brown and Letts (2004., cited in Mair and Marti 2005:36) have also used terms of innovativeness and resource combinations within their own social entrepreneurship definitions. They argue that social entrepreneurship creates innovative solutions to important social problems and mobilizes ideas, skills and resources necessary for sustainable social transformation.

Peredo and McLean (2006:64) argue that social entrepreneurship is manifested in those situations when individual (or group):

1. aim(s) at creating social value, either exclusively or at least in some prominent way;
2. show(s) a capacity to recognize and take advantage of opportunities to create that value (“envision”);
3. employ(s) innovation, ranging from outright invention to adapting someone else’s novelty, in creating and/or distributing social value;
4. is/are willing to accept an above-average degree of risk in creating and disseminating social value tolerates the risk; and
5. is/are unusually resourceful in being relatively undaunted by scarce assets in pursuing their social venture.

The main focus of social entrepreneurs is the creation of social value, while creation of economic value represents the means to achieve their focus. Social entrepreneurs are focused on social problems and not on commercial markets. They create innovative initiatives, develop new social programs and mobilize resources in order for their businesses to respond to those problems.⁶ Charles Leadbeater (1997:11), a well known researcher in the field of social entrepreneurship, also thinks that the main goal of social entrepreneurs is not profit. Both Dees and Leadbeater argue that the main driving force of these people is the fact that they are simply not satisfied with the way things are happening in the environment, while profit falls entirely into the background. Such an exclusive way of thinking is very often criticized because some authors (Boschee and McClurg, 2003; Shaw and Carter, 2007; Simpson, 2007) argue that it is missing an important "ingredient" – *economic profit*.

Although the mission of social entrepreneurship is to generate social value, social entrepreneurs must also generate financial profit in order for their mission to be sustainable.

⁶ www.platonplus.net, 25.08.2011

Economic value does not represent the ultimate goal; but still it needs to be seriously taken into account because it represents an important side effect that ensures the sustainability of innovation, initiatives and financing (Mair and Marti 2005:39). Therefore, regardless of their focus and the way their goals are being achieved, in order for social entrepreneurs to be successful on a long term basis, critics (Boshee and McClurg, 2003) argue that they, as well as traditional entrepreneurs, must maintain their performance with profit and not only with subventions and donations. According to authors (Boshee and McClurg, 2003; Shaw and Carter, 2007), who advocate that economic value must be one of the important business goals, social entrepreneurs do not want to rely on subventions and charities and, as traditional entrepreneurs, use market activities in order to ensure financial sustainability and to achieve their social goals in the long run. (*“Without self – generated revenue, nonprofits will remain forever dependent on the generosity of others... and that’s a risk social entrepreneurs are unwilling to take. They are passionately committed to their mission – but they are just as passionately committed to becoming financially sustainable or self-sufficient – in order to do more mission!”*)

So, although there is no universal definition of social entrepreneurship, it can be seen that the mission of solving social problems and creation of social value represent the basis of each and every definition.

There are more and more individuals who use their determination, will and passion to change the world. There are also more and more organizations which in their performance include *triple bottom line* approach proving that they understand the importance of their own contribution in the process of community development. Social entrepreneurship has the ability and power to change the way local institutions, groups and individuals face social issues, create solutions for unresolved social problems and ensure better life in their community.

2. Regional disparities in Croatia – a fertile ground for social entrepreneurship development

The war and transition process (from war time to peace, change of politics and economic system, privatization process) boosted regional development imbalances in Croatia and dramatic economic delay in eastern Croatia. Osijek-Baranja County is above the average when it comes to availability and quality of important natural resources (land, water, forests and air) but according to many development indicators it still lags behind.

According to the research done in 2006 by the Office of UNDP in Croatia there are significant regional disparities in the quality of life in Croatia⁷. This is particularly true for regional disparities in the areas of education, employment, and feelings of happiness and personal satisfaction. Citizens of the City of Zagreb have the highest score in all three areas. Measured by gross domestic product per capita, regional disparity ranges from US\$3,074 in Osijek-Baranja County to US\$18,843 in the City of Zagreb. The differences in unemployment are even higher: 6.1% in the City of Zagreb and 23.3% in Osijek-Baranja County (5% among higher educated people).⁸ Also, Osijek-Baranja County has more economically inactive (more than 58%) and significantly less active agricultural population (60%).

When it comes to education, Osijek-Baranja county has a significantly higher number of uneducated people (more than 20%) than the City of Zagreb (8.6%), and less higher educated people (6.1%) than the City of Zagreb (16.6%).⁹

Mentioned results confirm that governments and public institutions in Croatia are losing the fight against major regional disparities and various social problems caused by bureaucracy, tardiness, lack of entrepreneurial activities, innovativeness, support for young people and ability to create an entrepreneurial environment that would ensure higher quality of living. The above-average unemployment in Osijek-Baranja County and the greater number of dependent population are alerting that something needs to be done

⁷ <http://www.undp.hr/show.jsp?page=86767>

⁸ National Competitiveness Council, Regional Competitiveness Index of Croatia, 2010

⁹ Forum on regionalization and sustainable living, Conference proceedings the Heinrich Boll Foundation, Zagreb, 2007

in order to decrease regional disparities. Since regional disparities and social issues in Croatia increasingly transcend the capabilities and capacities of institutions responsible for solving them, the process of creating a better life in societies requires the engagement of all actors of society.

A prerequisite for the construction of social responsibilities of all individuals, regardless of what sector they come from, is the level of personal readiness to participate actively in the community. Active participation in community development influences the creation of social entrepreneurship, which, by integrating economic and social value, offers solutions for a variety of social problems and removes traditional boundaries between government, business community, academia and civil society.

2.1. Social entrepreneurship in Croatia

The concept of social entrepreneurship in Croatia has become recognizable in the last several years mostly because of initiatives from nonprofit organizations. Due to insufficient funding these organizations are increasingly turning to social entrepreneurship as the self-financing practice.

Although social entrepreneurship as a new paradigm in dealing with social problems is increasingly popularized in the world, organizations and individuals that are part of the social entrepreneurship development in Croatia are faced with various problems, such as misunderstanding of the concept and the lack of clarity about responsibilities for its implementation by institutions dealing with social issues.

In Croatia, all of the social enterprises are run by civil society organizations, and although, according to NESsT, there are around 30000 CSOs, only about 25% of them are active¹⁰. Still, not all CSOs are social enterprises; moreover, it is still a rare practice. Those who can be called social enterprises have a wide range of activities, mostly in the

¹⁰ Varga, E., Key findings from NESsT's research and activities in Croatia, NESsT Zagreb, 2010

field of environmental study, social services, education and research, culture and community development. Being social enterprises they do generate profit, but it is mostly comprised of fees for services.

Social enterprises in Croatia can operate within an existing legal entity (which allows better access to resources) or through a separate for-profit entity. However, there is no formal legislative framework for social enterprises, which causes many limitations to their performance:¹¹

- vague interpretations, leaving wide room for discretion:
 - “unjustified privilege on the market”
 - unclear whether commercial activity should be explicitly
- narrow definition of public benefit status
 - no direct recognition of public benefit status
 - no uniform definition; unclear regulations on criteria, benefits
- little involvement from CSOs in policy-making and legislative process
- other practical implications:
 - VAT, filing requirements

Also, besides the legislative framework limitations, social enterprises in Croatia are facing other obstacles as well, such as lack of financing for start-ups, lack of supporting environment (due to a lack of awareness of social entrepreneurship) and lack of infrastructure.

In order to address the obstacles social enterprises in Croatia are facing, and to increase the visibility of social entrepreneurship, Forum of social entrepreneurs was established and the development of this area has been introduced as an important component of the National Strategy for Creating an Enabling Environment for Civil Society Development from 2006 - 2011. Despite these initiatives, the development of social entrepreneurship in Croatia is still happening at a relatively slow pace.

¹¹ Varga, E., Key findings from NESsT’s research and activities in Croatia, NESsT Zagreb, 2010

2.2. Young people's perception of social entrepreneurship – do regional disparities matter?

Social entrepreneurship represents an important concept that builds entrepreneurial behavior and creates innovative solutions that can eliminate regional differences and secure a better life for everyone. However, Croatia still lags behind in supporting the development of social entrepreneurship and awareness of the importance of individual and social responsibility, especially among young people who have the capacity to make positive social changes and the potential to become the pillars of future development of society.

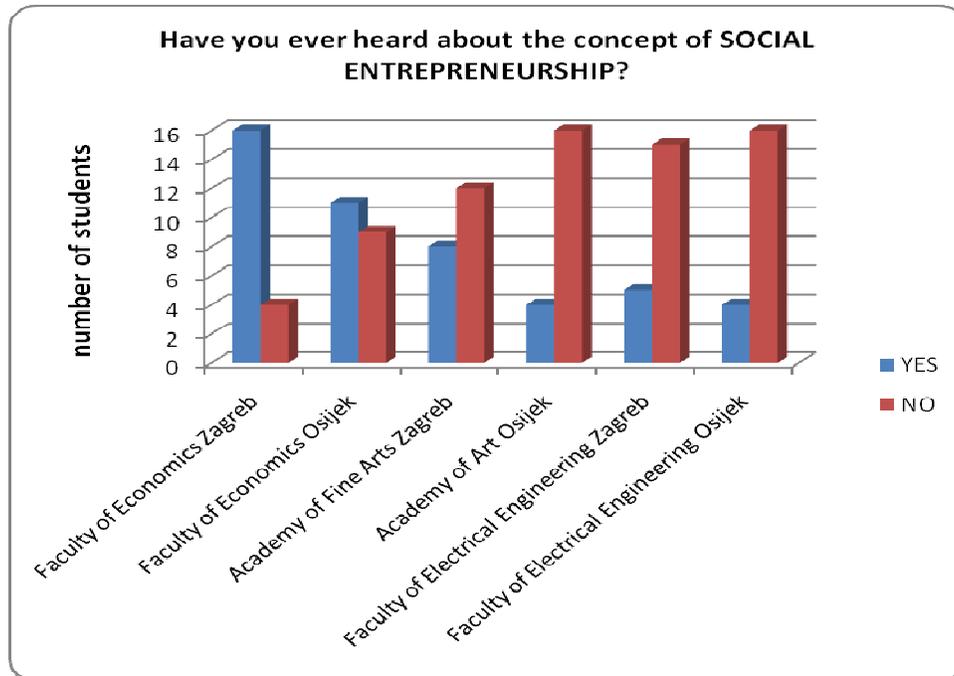
But how do young people in Croatia perceive social entrepreneurship? Are they aware that social entrepreneurship as innovative activity can respond to major social problems, develop new conceptual frameworks and creatively combine and accept the social and commercial approaches in order to create social value? And, do regional disparities and/or different educational backgrounds of young people influence the perception of social entrepreneurship as a potential component of personal (a potential career path) and community development (a problem solving method)?

In order to answer these questions a research was conducted among 120 students, 60 of whom were from the City of Zagreb (as the capital of Croatia) and 60 from Osijek (as the capital of one of the least developed regions in Croatia). Also, this research was conducted among students from three different departments in both cities: Faculty of Economics in Zagreb (20 students) and Osijek (20 students), Faculty of Electrical Engineering in Zagreb (20 students) and Osijek (20 students) and Academy of Arts in Zagreb (20 students) and Osijek (20 students).

Out of 120 students, 60% of them have never heard about the concept of social entrepreneurship. The first graph points out that out of 40 students from Faculties of Economics in Zagreb and Osijek, 27 of them (67%) were introduced to the concept of social entrepreneurship (mostly because it is incorporated within their curriculum).

However, in other departments in both cities there are more of those students that have never encountered this concept. When looking from the regional perspective, the concept of social entrepreneurship was more known to students from Zagreb, than to students from Osijek.

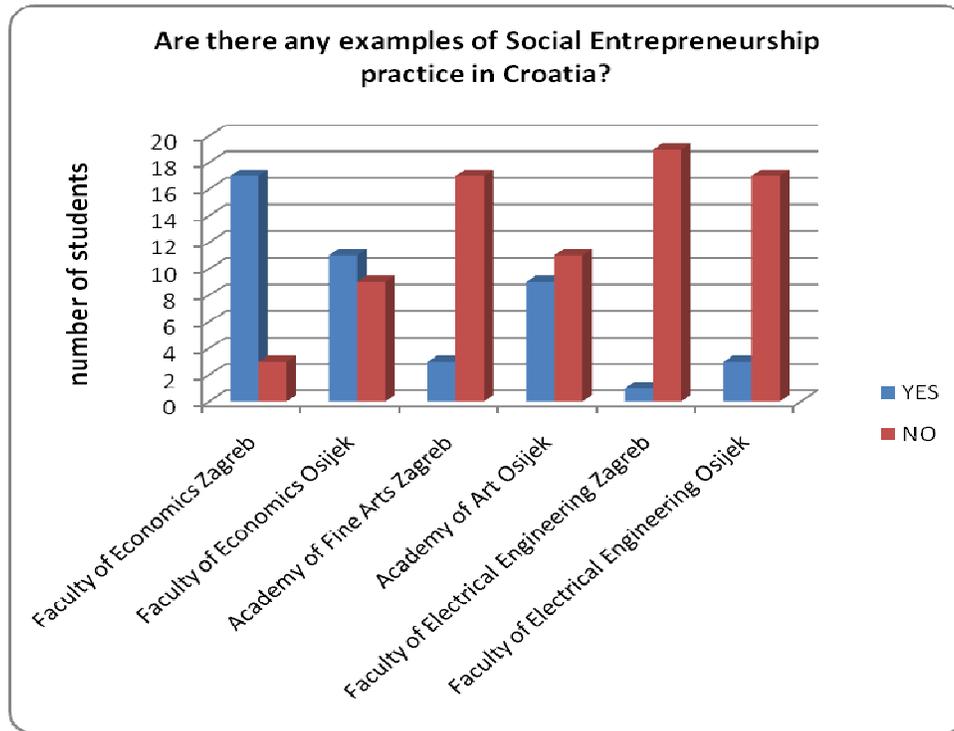
Graph 1: Have you ever heard about the concept of social entrepreneurship?



When asked if they can name an example of social entrepreneurship students have replied very similarly as to the previous question. Most of the students think that there are no examples of social entrepreneurship practice in Croatia. Again, students from Faculties of Economics, because of the same reason, have named some of the examples of social entrepreneurship; however, most of the examples were familiar non-profit organizations or large companies that are known for their involvement in the community. Their examples confirm the argument that students associate social entrepreneurship with the work of NPOs and corporate social responsibility. Among those students who responded negatively to this question, there are those who say that the examples of social entrepreneurship practice probably exist but that the media do not cover their stories well

enough. However, when looking from the regional perspective, more examples were given by Osijek students (23) than by Zagreb students (21).

Graph 2: Examples of social entrepreneurship practice in Croatia



Although more than half of surveyed students have never heard about the concept of social entrepreneurship, 97 of them (almost 81%) said that social entrepreneurship can help in solving many social issues. Out of 97 students, 50 of them come from Osijek. However, most of them argued that social entrepreneurship might have some influence in solving social problems, but it cannot be the solution for the problems Croatia is facing. Some of the issues that can be addressed by the social entrepreneurship, according to students are:

- **Unemployment** – many students think that by supporting the development of social entrepreneurship socially disadvantaged groups of people can be hired,
- **Generating social value rather than profit** – many students argue that Croatia is a corrupted country with people that foremostly think about themselves and the ways of earning money. Students think that social entrepreneurship might raise

the social sensitivity and awareness of the responsibility of those people towards their own communities

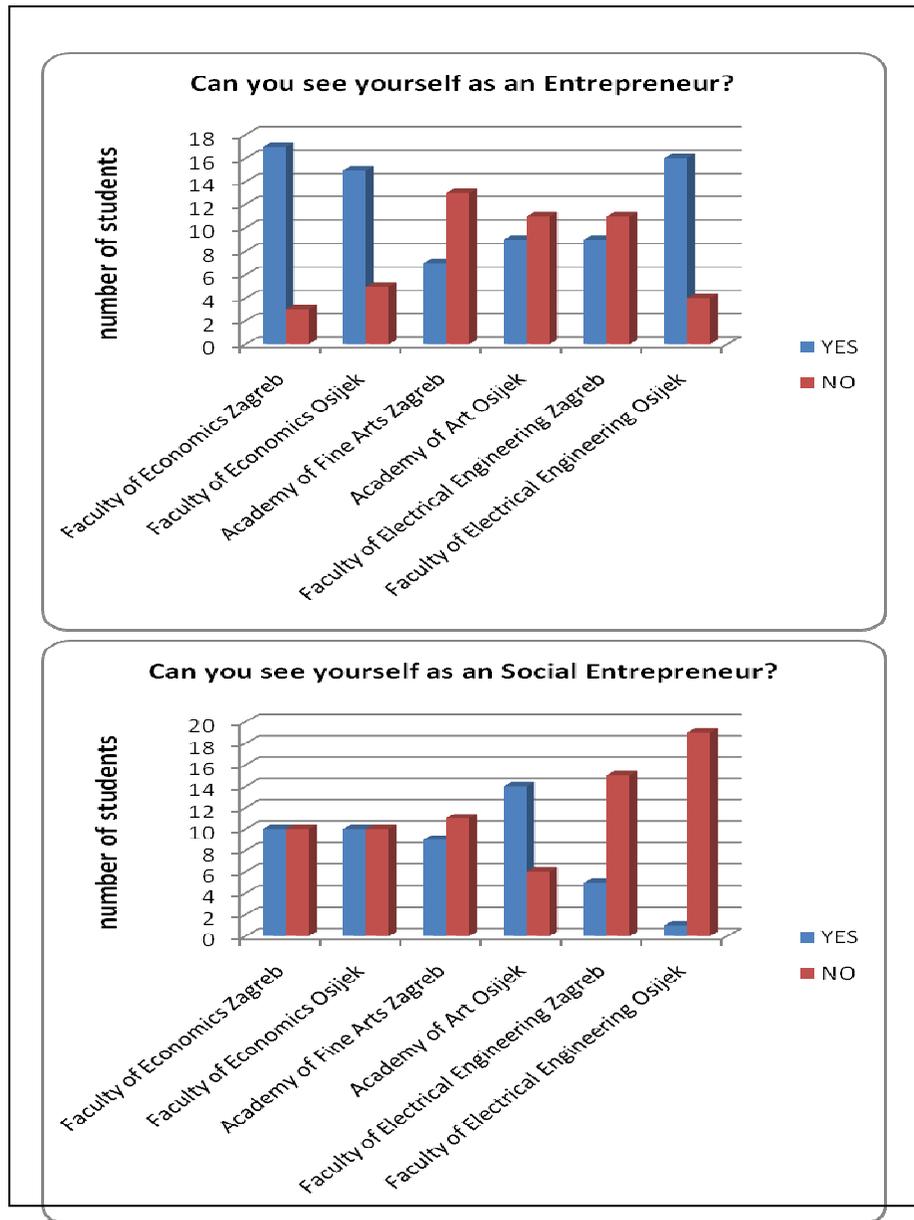
- **Self-employment** – students view social entrepreneurship as a way to decrease unemployment by supporting individuals to start their own businesses and employ other people,
- **Education** – according to students, social entrepreneurship can develop knowledge and skills by organizing workshops, creative seminars and other various events for children, young people, unemployed or marginalized parts of the community.

Those students who said that social entrepreneurship cannot respond to social problems think that people in Croatia are oriented far more towards money than towards other people, and that Croatia has way too many problems, such as conservatism, nepotism, corruption, lack of political will and poor government and management in all sectors. Also, some students argue that social entrepreneurship does not generate any profit, which can be the reason why, both individuals and institutions, are losing interest in supporting social entrepreneurship. It is significant to note that this kind of attitude mostly comes from students from Osijek (as a less developed region).

When talking about entrepreneurship as a potential career path for students, 73 of them (almost 61%) see themselves as being entrepreneurs one day. The most recognized reason for that is that students want to be their own bosses and they want to manage their professional life and their time by themselves. Those who said that they do not want to become entrepreneurs have mentioned corruption (among other problems Croatia is facing), competition, fear of risk, lack of skills, lack of financial and other resources and lack of interest as their main reasons. However, it is a different situation when it comes to the question of being a social entrepreneur. 71 students (59%) said that they do not see themselves as social entrepreneurs mostly because (a) they do not quite understand what social entrepreneurship is and how does it work, (b) social entrepreneurship cannot be connected with their own field of interest (especially according to the students from Faculties of Electrical Engineering), (c) it is not profitable (most of them want a

profitable business), and (d) they do not have the necessary skills (creativity, motivation, will).

Graph 3 and 4: Becoming an entrepreneur/ becoming a social entrepreneur



When looking from the regional perspective, students from Osijek are more interested in becoming entrepreneurs (both traditional and social) than students from Zagreb. It is assumed that the reason for this lies in the possibility for finding a job, which is

substantially lower in Osijek. According to the Global Entrepreneurship Monitor¹² Eastern Croatia has much more entrepreneurs out of necessity – people who have been forced by unsatisfactory circumstances to become entrepreneurs. Most of the students argue that being an entrepreneur is the only possible way to survive in a country with so many political, economic and social problems, such as Croatia.

It is also valuable to mention, as can be seen from Graph 4, that students from Academy of Arts in Osijek (but it can be also seen from the comments of students from Academy of Fine Arts in Zagreb) are much more socially sensitive than students from other departments. Most of them view social entrepreneurship through the prisms of culture elevation, connecting it with the projects that can help children (especially from the correctional homes and homes for the abandoned children), young people (especially those who are unemployed) and the elderly, developing skills which will enhance the quality of their lives. Most of them said that they want to spend their professional life both investing in their own future, and helping others as well.

The research has shown that students, regardless of the region they come from, recognize social entrepreneurship as a possible approach in solving various social problems. However, most of the students are not familiar with the concept, do not quite understand it, and do not see themselves becoming social entrepreneurs. This observation, confirmed by the study, leads to the conclusion that there is much to be done to create a better foundation in the process of developing social entrepreneurship as an approach that can create positive social changes, especially in the area of education.

¹² <http://www.gemhrvatska.org/>

3. Educating students to become social entrepreneurs

In the process of supporting development and recognition of social entrepreneurship as an important career path and innovative approach in solving regional disparities, Croatia is missing an important component – the educational one. Many universities worldwide have recognized the importance of their own contribution to sustainable development of both their local communities and their national economies by encouraging the development of social entrepreneurship and the sense of social responsibility in young people. Hayden (2008) argues that social entrepreneurship is not an idea but rather a global movement. This statement can be confirmed by a large number of famous universities, such as Harvard Business School, whose missions are based on social responsible performance and which have created a curricula that incorporates social entrepreneurship as an innovative approach in addressing social issues. (*“Harvard University is proud to be an integral part of Greater Boston. The vitality of our host communities, united with the academic and cultural power of Harvard, results in extraordinary, mutually beneficial relationships that enrich lives both at Harvard and in the community.”*)

Brock (2008) argues that teaching students how to apply knowledge and skills into real life situations can be extremely rewarding for both students and teachers themselves. This author testifies that the interest for social entrepreneurship education has increased significantly in the last twenty years. Arriving at Harvard, in the early 90s of the last century, Brock has proposed a course titled "Social Entrepreneurship". Her request was denied on the grounds that such a course is not appropriate for the business school. Several years later, social entrepreneurship had started becoming an increasingly important research field, so Harvard founded the so-called Initiative on Social Enterprise within which Brock started the course "Entrepreneurship in the Social Sector."

Social entrepreneurship education has grown dramatically, which can be seen in many programs and initiatives around the world that offer a variety of opportunities for students

to learn about social entrepreneurship and to transfer gained knowledge into various community projects¹³:

- Center for Advancement of Social Entrepreneurship at Duke University
- Berea College Entrepreneurship for the Public Good
- Skoll Centre for Social Entrepreneurship at Oxford University
- The Asian Institute of Management Social and Development Entrepreneurship
- The Sustainable Venturing Initiative at the University of Colorado marries social entrepreneurship and sustainability
- Tata Institute of Social Sciences has developed the first Masters in Social Entrepreneurship in India
- Collaboration between the Catholic University of Louvain and University of Liege in Belgium offered the first PhD course in social entrepreneurship
- A number of programs in the United Kingdom and the University of Cork in Ireland offer masters degrees in Social Enterprise
- As the demand for social entrepreneurs to help alleviate some of the world's social problems grows, the number of majors, minors and certificate programs has increased

In Croatia, only several faculties (Faculty of Economics in Zagreb, the Zagreb School of Economics and Management, Faculty of Economics in Osijek) educate students on social entrepreneurship, but only as part of the *entrepreneurship* course. This lack of education can be seen in the conducted research as well. Social entrepreneurship is still seen as a marginal activity of non-profit organizations or as a component of corporate social responsibility. For this reason, or just neglecting the issue, Croatian universities are not sufficiently active in incorporating social entrepreneurship into curriculum and educational programs, which makes Croatian students unable to recognize the importance of social entrepreneurship for their own personal development and for the development of their community as well.

¹³http://www.community-wealth.org/_pdfs/news/recent-articles/04-09/tool-ashoka-teaching-resources.pdf

4. Conclusion

Although there are individual attempts to develop social entrepreneurship in Croatia, mostly by non-profit organizations, in order to get better results there is need for systematic support and intersectoral cooperation. Research has shown that students from the less develop region are more likely to become entrepreneurs, both traditional and social. Still, it seems as though many students do not understand the impact they can make by being social entrepreneurs. There is still a significant need for encouraging young people to carry out their activities with the aim of both personal development and development of their society - responsibility for which lies on universities. Croatian universities must take the initiative through education, and show that social entrepreneurship promotes society's common interests and that it can only be understood with a responsible attitude towards the community. By recognizing social entrepreneurship as a potential career path, young people can develop critical skills and competences that will help them become important actors in the decision-making process and active agents of positive social change.

LITERATURE

1. Boschee, J. and McClurg, J. Toward a better understanding of social entrepreneurship: some important distinctions, 2003, (http://www.se-alliance.org/better_understanding.pdf)
2. Brock, D., & Ashoka's Global Academy for Social Entrepreneurship "Social Entrepreneurship teaching Resource Handbook", Ashoka, 2008.
3. Christie, M.J., Honig, B. (2006), "Social entrepreneurship: new research findings", *Journal of World Business*, Vol. 41 pp.1-5. Elsevier Inc.
4. Dees, J.G. "The meanings of social entrepreneurship", Working paper, Stanford University, 2001
5. Dees, J.G., "Taking Social Entrepreneurship Seriously", *Social Science and Modern Society*, Vol. 44, No. 3, 2007, p. 24-31.
6. Forum on regionalization and sustainable living, Conference proceedings the Heinrich Boll Foundation, Zagreb, 2007
7. Hayden, C.J., If You Can't make a Living, How Can You Make a Difference (<http://www.getclientsnow.com/jan2005.htm>; 18.11.2008)
8. Leadbeater, C., "The Rise of the Social Entrepreneur", Demos, London, 1997
9. Mair, J., Marti, I., "Social entrepreneurship research: a source of explanation, prediction, and delight", Working Paper, No. 546, IESE Business School, 2005, p. 36-44.
10. Martin, R.L. and Osberg, S., *Social Entrepreneurship: The Case for Definition*, Stanford Social Innovation Review, Copyright©2007 by Leland Stanford Jr. University 2007, p. 29.
11. McConachie, J., and Simpson J., *Social Entrepreneurship: An Australian university transforms a regional community through diversity and innovation – Contents* Vol.19, 2003. (www.iier.org.au/qjer/qjer19/mcconachie.html)
12. National Competitiveness Council, *Regional Competitiveness Index of Croatia*, 2010.
13. Peredo, A.M., McLean, M., "Social entrepreneurship: a critical review of the concept", *Journal of World Business*, Vol. 41, 2006, p. 56-65.

14. Seelos, C., Mair, J., "Social entrepreneurship: creating new business models to serve the poor", *Business Horizons*, Vol. 48 No.3, 2005, p. 241-246.
15. Shaw E. and Carter, S. Social Entrepreneurship: Theoretical Antecedents and Empirical Analysis of Entrepreneurial Processes and Outcomes, *Journal of Small Business and Enterprise Development*, Vol.14, No. 3, 2007, p.418–434.
16. Simpson H., Social Entrepreneurship and you, 2007. (<http://www.scribd.com/doc/477846/Social-Entrepreneurship-and-You>, 23.06.2009)
17. Thompson, J.L., “The World of a Social Entrepreneur”, *International Journal of Public Sector Management*, Vol. 15, No 4/5, 2002, p. 412–431.
18. Varga, E., Key findings from NESsT’s research and activities in Croatia, NESsT Zagreb, 2010
19. <http://www.undp.hr/show.jsp?page=86767>
20. http://www.inovum.si/social/public/files/concept_paper_on_regional_networking_and_joint_statement.pdf
21. <http://www.knowledge.wharton.upenn.edu>
22. <http://www.platonplus.net>
23. http://www.community-wealth.org/_pdfs/news/recent-articles/04-09/tool-ashoka-teaching-resources.pdf