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Social Entrepreneurship in Bosnia and Herzegovina - Opportunities and Constraints

Abstract

This research explores the possibilities and constraints to the development of social entrepreneurship in Bosnia and Herzegovina (B&H). The first part of the paper relies on some theoretical views on social entrepreneurship as a special business activity and social entrepreneurs as its actors. The second part checks whether these activities and their actors exist (and to what extent) in Bosnia and Herzegovina. We developed this research on the sample of 136 social entrepreneurs in B&H, who were the respondents in our survey and whose perceptions were analyzed in the research. The aim of this research is to show the relationship between opportunities and constraints for the development of social entrepreneurship in B&H. The findings of the research show that there are significant opportunities for the development of social entrepreneurship, but that they are insufficiently used. There are also numerous obstacles, both internal (the lack of self-confidence, determination and fear of failure) and external ones (financial, infrastructural, local government support).

Key words: *social entrepreneurship, social entrepreneurs, opportunities, barriers, models of social entrepreneurship in B&H*

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Introduction

Social entrepreneurship is attracting increasing attention, both of theorists and policy makers, as well as innovative and creative people - entrepreneurs. The growing popularity of this topic, as a consequence, has the increased interest of scientists and theorists to explore all forms of social entrepreneurship and to more precisely determine its elements, as well as its definition. In addition to defining the notion of social entrepreneurship as a business activity, researchers want to define the terms “social entrepreneurship” and “an entrepreneur” (Martin & Osberg, 2007). The idea of social entrepreneurship is becoming more and more popular with regard to the growing social issues that occur every day in contemporary societies, especially in underdeveloped societies, where there is a high level of poverty and a greater number of marginal social groups.

Social entrepreneurship seeks to exploit the dynamic development of total entrepreneurship, designated as commercial entrepreneurship. It seeks to fill the space of unsatisfied needs of people, which remains between the activities of general entrepreneurship and the activities of public and state institutions. What (commercial) entrepreneurs present to economy, the social ones present to society. The former are interested in profit, while the emphasis of the latter is on solving social problems and achieving social values and changes (Austin & Vei-Skillern, 2006).

Social entrepreneurship is often the result of the initiative, intuition and creativity of individuals who manage to find and exploit new opportunities or to question the already accepted norms and refuse to give up until they change the causes of social problems (Baporikar 2016). Social entrepreneurs have the same business impulse as commercial entrepreneurs, but use their talent, ideas and skills to tackle local and global social problems, such as: poverty, employment of people with disabilities, education of children from poor suburbs, the formation of a co-operative from small rural fruit producers, etc. The more numerous the challenges and problems in social sector, the greater the opportunity for the development of social entrepreneurship and the creation of social values.

In the continuation of the paper, we first gave a brief overview of the theoretical understanding of social entrepreneurship, then we presented some of the characteristics of social entrepreneurship research in B&H, and finally we analyzed the possibilities and restraints to the development of social entrepreneurship in Bosnia and Herzegovina, based on the perception of social entrepreneurs that work in this field.

The Literature Review

Why is social entrepreneurship important?

Social entrepreneurship is a process in which individuals or groups build or transform institutions to find and improve solutions to social problems, such as poverty, illness, illiteracy, environmental damage, human rights violation and corruption (Bornstein and Davis, 2010: 11). Social entrepreneurship is an activity that seeks to improve the life of a large number of people (Fiedler, Anne M.; Mann, Philip H., 2012). Experts, practitioners and philanthropists describe social entrepreneurship in a different way: as a profession, an area and a movement (Berzin, 2012). Social entrepreneurship creates public value, strives for new opportunities, innovations and adapts to different conditions, acts boldly and shows a strong sense of responsibility (Dees, 2001).

Drayton (2002) points out that both types of entrepreneurship (commercial and social ones) recognize the situation when a part of the society is stalled and try to provide new ways to solve the issue. He claims that social entrepreneurs see an opportunity, where others see problems. Peredo and McLean (2006) state that social entrepreneurship is achieved when an individual or a group show the ability to recognize and exploit opportunities and resources to create social value.

Social entrepreneurship adopts the mission of creating and maintaining social benefits. It is the core that distinguishes social entrepreneurship from business (commercial) entrepreneurship (Dees, 2001). By adopting such a social mission, social entrepreneurship cannot be reduced to creating private benefits for an individual or a group. Making profits, creating wealth, or serving the wishes of customers can be a part of the model of social entrepreneurship, but these are only means to achieve social benefits. Profit is not the only measure of value creation, nor it is customer satisfaction, but it is social impact and importance in the community (Del Forno and Ugo, 2009). Social entrepreneurship creates new models for products and services provision that is directly related to the social needs on which the objectives of sustainable development of the group, community and society are based. Social entrepreneurship often creates immense value when it comes to addressing basic needs, such as administering medicines or foods that can be the issue of the life or death of those who receive them (Densil and Kadamawe, 2012).

The role of social entrepreneurs

Social entrepreneurs work to ensure that rational ideas are rooted and truly change the thinking and behavior of people in a society (Martin & Osberg, 2007). Social entrepreneurs look for a long-term return on investment. They want something more than quick success. They want to create lasting improvements in a society. They think of expanding and maintaining the impact of good and socially useful ideas and entrepreneurial ventures (Bornstein and Davis, 2010). Social entrepreneurs solve social problems (poverty, homelessness, illiteracy, the lack of food and drinking water, employment and education) through business methods (Roundy, 2014). A social entrepreneur helps others find a new opportunity to appreciate their knowledge and recognize how the momentum for a change toward the better is created. Entrepreneurs are builders of natural institutions that are more concerned about resolving social problems than becoming personally rich (Bronstein, 2004).

Social entrepreneurs are those people - practical dreamers who have the talent, skills and vision to solve problems, whose aim is to change the world for the better. Social entrepreneurs have a unique approach that is both evaluative and revolutionary, operating in a free market where success is measured not only in financial gain, but also in improving the quality of people's lives. They believe that each individual has the potential to make positive changes not only in their communities, but also in the society as a whole (Nicholls, 2006: 3). Social entrepreneurs' basic notion is that they need to "save the world or at least make it a better place", but at the same time earn enough money to ensure the long-term sustainability of the business entity. (Tommaso and Antonino, 2014, 2). This means that social entrepreneurship combines a noble goal with business success.

Difference between social entrepreneurship and other similar activities

For social entrepreneurs, the ultimate goal is to maximize some form of social impact, usually by addressing an urgent need that is neglected by other institutions. For commercial entrepreneurs, the ultimate result can be to maximize profits or wealth of managers and shareholders. According to Nicholls (2006), the world needs both types of entrepreneurship and one should not be considered superior over another, although social entrepreneurship is often more challenging because it deals with issues that have been

rejected by governments, and the market has not yet shown interest or offered solutions. Both types of entrepreneurship require a vision, initiative, organization building and “marketing”. In terms of skills and temperament, social and business entrepreneurs are astoundingly similar, but their main goals are different (Nicholls, 2006: 5-7). The social mission and the creation of the social value of the company make a clear boundary that separates social entrepreneurship from other business ventures (Weerawardena, and Mort, 2006). Unlike a commercial entrepreneur who attempts to identify an empty space in order to gain a unique position on the market, a social entrepreneur seeks innovative ways to meet unsatisfied needs of the community and society (Ascigil, 2012). As commercial entrepreneurs change the face of business, the social entrepreneurs change the society, “using the opportunities that others miss to improve the system,” find new approaches and create new solutions for old practices to change society for the better (Baporikar, 2016, 25) .

We have already noted that profit is not necessarily the motivation of a social entrepreneur, but it is, most frequently, the need for a social problem solving and thus helping the community and society. However, social entrepreneurship is not the same as charity, philanthropy, altruism or volunteering. Social entrepreneurs are business people who passionately approach their business, even though their primary motivation is not profit, but benefit for the community (Roberts and Voods, 2005, 46). Therefore, social entrepreneurship is an activity that has economic rationality, strives for business success, develops a sustainable entrepreneurial venture, but all for the sake of social benefits and social value creation.

Also, social entrepreneurship is different from social activism, as a social entrepreneur launches direct business activity to provide a service or product that would help the community solve a problem. On the other hand, social activists try to solve problems by influencing others, such as governments, institutions, political organisations and NGOs to take action to solve them (Martin & Osberg, 2007; Galpin and Greg, 2010). However, social entrepreneurs can use some ideas of social activists in order to start a business with social value.

Possibilities for social entrepreneurship development

In the literature, the possibilities of social entrepreneurship are defined as those opportunities and resources that will, once used, enable entrepreneurs to develop a sustainable business with the goal of creating a better social value (Monllor, 2010). The possibilities of social entrepreneurship appear as a re-

sult of market failures and government failures. Social entrepreneurs should discover these opportunities, use them and thus create desirable social values (Seelos and Mair, 2005).

According to Thompson (2002) and Monllor (2010), the process of social entrepreneurship development passes through four steps: (1) understanding of all possibilities (resources, economic conditions, infrastructure, competition, social needs); (2) the process of using the perceived opportunities to launch an entrepreneurial venture (using local capacities to address the problem of poverty, education, employment, housing policy of vulnerable social categories); (3) using resources to meet identified needs (making cheap products for poorer community layers); (4) project management through continuous innovation and adaptation to create a sustainable business that meets the mission of building social values.

Mair and Marti (2006) argue that social entrepreneurs must be embedded in the environment in which they operate (community, society), because they are at the same time responsible for their environment and are limited by the environment.

The resources currently available to entrepreneurs play an important role in their decision to take advantage of the opportunity. Entrepreneurs must have necessary resources (Shane, 2003; Shrader, 2006), such as financial equity from appropriate funds or favorable government funding.

Obstacles to the development of social entrepreneurship

For the development of social entrepreneurship, it is important to identify the barriers that disturb and prevent the development of entrepreneurial intent. It is necessary to examine the types of barriers and the degree of their negative impact on the initiation and development of a sustainable social entrepreneurial business.

The first significant research at the beginning of the XXI century indicates initial barriers such as: high labour costs, high interest rates, strict state regulations, the lack of managerial experience, insufficient technical knowledge and the fear of uncertainty that they will face when launching and developing a new venture (Dees, 2001; Levit, 2004). Later on, some authors pointed to additional barriers in the absence of structural support and new knowledge, then, operational risk, initial risks and the lack of social support (Pruett et al., 2009, Giacomini et al., 2011).

Starting from the research carried out by Chuah et al. (2016); Wildmann's (2018); Zahari et al. (2018), the barriers to social entrepreneurship can be

divided into three groups: (1) personal entrepreneurial factors (the fear of failure, the lack of necessary skills, the insufficient knowledge of the area in which the business is started, the lack of organization and determination); (2) local policies and services (the lack of financial support, the lack of infrastructure support, the lack of entrepreneurial climate); (3) the state of the environment (general economic climate, political climate, tax policy, competition, technological progress and social structure of the society).

Social entrepreneurship in Bosnia and Herzegovina

Social entrepreneurship in Bosnia and Herzegovina started to develop only in the beginning of the XXI century. The beginnings are linked to the *Youth Employment Project* (YEP), which was initiated and supported by the Swiss Embassy in Bosnia and Herzegovina, and its implementation started in 2008. The project implementer is the German consulting company GOPA mbH. The aim of the project is to reduce youth unemployment in Bosnia and Herzegovina through better integration of young people in the labour market, especially the youth from vulnerable groups (The Romani, the poor from suburban settlements, children whose parents died in the 1992-1995 war in Bosnia). The stated goal is achieved through three groups of activities aimed at: (1) improving the performance of public employment services; (2) increasing the access of disadvantaged young people to the use of employment services and (3) increasing the importance of the youth employment in the public arena of B&H (Domazet, 2016).

The development context of social entrepreneurship in Bosnia and Herzegovina can be presented in several points: (1) there are many social problems (high unemployment, poverty, socially excluded groups, such as jobless young people, the workers after bankruptcy or liquidation of their companies, older workers that were dismissed after the privatization of state-owned enterprises, single-parented mothers without jobs, the persons with reduced ability to work, then certain ethnic groups such as the Romani or members of minority ethnic groups in certain areas, pensioners, young people from poor families and the poor in the countryside); (2) there is a good opportunity for social entrepreneurship to be much more economically and socially acceptable way of addressing the issue of poverty and social exclusion than governmental aid through budgetary separation or commercial entrepreneurship; (3) Instead of being passive consumers of public money or various occasional donations, vulnerable groups are given the opportunity to be creative, create their income through social entrepreneurship, contribute to the

development of their community and support social values; (4) It is necessary to develop numerous models of social entrepreneurship that will disseminate knowledge, experience and find financial resources for the organization and sustainable development of social enterprises.

In Bosnia and Herzegovina, several studies on the topic of social entrepreneurship have been made (Ninković-Papić, et al., 2012, Papić, Ž. ed al., 2015; Halilbašić, M., Osmanković, J., Talić, A. 2015; Domazet, A. 2016; Miljević, D. 2016). These studies were based on the needs of mapping the actors and institutions of social entrepreneurship, forms and models in which social entrepreneurship is taking place, and the needs of developing a legal and institutional framework and measures to support social entrepreneurship.

Starting from these studies on social entrepreneurship, and especially bearing in mind the views of Halilbašić et. al. (2015); Šoljić, K. et al. (2005) and Selak, V. et al. (2002) it is possible to identify three main models of legal and organizational forms that are suitable for the development of social entrepreneurship in Bosnia and Herzegovina.

Firstly, the *Co-operative model* refers to co-operatives oriented towards social goals. This form is present in Italy, France, Portugal and Poland. Social co-operatives make the model primarily oriented towards achieving social goals. What distinguishes them from “ordinary” co-operatives is the social mission, i.e. the basic orientation towards some kind of social integration with the interests of the community. Additionally, they are not necessarily focused solely on the interests of their members, but they can include users from and outside the community to which they belong directly. Co-operative model provides direct benefit to its target group or “clients”, members of the co-operative, through member services (market information, technical and advisory support, collective agreements, organisation of purchase of products, better access to products and services, access to external markets for products and services members, access to other resources, for example capital or health care). A special target group in the model of social co-operation in B & H is the youth (18-30 years olds) living in the countryside, who own land and other economic facilities in villages. Self-help groups shall be mentioned, which bring together low-income women and are often organised into co-operatives to support the diversity of interests of trade, health and education of their members. Credit unions are another example of co-operatives linked to economic development and financial services programs.

Secondly, the *Company model* is partly based on profit-making, as well as the targeted and limited distribution of realized profits. This model is encountered in Belgium and the United Kingdom. This model of a social enterprise shows a stronger connection with the laws regulating the work of commercial enterprises and companies. In this model, social entrepreneurship is treated

as a type of enterprise, as a market activity with a social purpose. Although reinvesting profits to further institutional activities is preferred, a partial distribution of profits among members is made possible. Also, the underlying principle of governance is not necessarily normative and there is a greater, though limited, attachment to the principle of decision-making according to equity participation. Although emphasis is placed on the attachment to the community and its needs, the collective character of this type of social entrepreneurship is not the only motive, but strives to motivate people to develop a similar business. The Company model can achieve market linkage, as it facilitates trade relationships between the target group (customers or clients) with small producers, local businesses and co-operatives. Here, the social enterprise functions as a broker, which connects buyers with producers and vice versa. Types of these social enterprises include import-export, market research and brokerage services. Most importantly, their intention and motivation are aimed at meeting social needs and resolving social problems in the community and society by mediating the market.

Thirdly, the *Open Form Model* implies that there are laws regulating social entrepreneurial activities, but laws do not prevent a particular new legal-organizational form for such action. Therefore, social entrepreneurship can occur in different organizations or companies. For example, the law in Finland encourages any form of company that employs people with disabilities, the disabled and the unemployed who are looking for a job for a long time. Special incentives have been developed for such enterprises. The focus is primarily on social activities they pursue and the goals they achieve, not in the form of organization and management. Unlike the Finnish, the Italian law does not aim to promote a specific activity or areas of action, nor does it anticipate incentives and benefits. It refers to all forms of enterprises and organizations that are at least partly involved in social-entrepreneurial activities and are directed towards the general good (Ninković-Papić, R., 2012; Halilbašić et al., 2015). This model of social entrepreneurship is suitable for the working integration of people with disabilities and the need for other forms of medical care. Ex-Yugoslavia, with B&H in it, founded the companies that employed people with some degree of disability.

Within the *Open Form model*, there is a narrow sub-model designated as “Entrepreneurial Support Model” (Halilbašić et al., 2015) which includes the sale of business support and financial services to its target group or “clients”, self-employed individuals or firms, but also sells its products and services in the open market. This model includes operations such as: financial entities (microcredit organisations), consulting agencies, professional services (accounting, legal advice and various service agencies).

Methodology

The aim of the paper is to analyze the possibilities for the development of social entrepreneurship in B&H, as well as the obstacles hindering this development.

Hypotheses

H1: Social entrepreneurship in Bosnia and Herzegovina is not sufficiently developed, although there is a need for its development.

H2: The launching and development of social entrepreneurship in Bosnia and Herzegovina encounters numerous obstacles, which range from financial to cultural ones.

H3: Regardless of the unfavorable business climate, there are many opportunities that open the way for the development of social entrepreneurship in Bosnia and Herzegovina.

H4: The conditions for the development of social entrepreneurship are nevertheless recognized by those actors who started social entrepreneurship in B&H.

Research questions

1. What are the possibilities that could influence the faster development of social entrepreneurs in Bosnia and Herzegovina?
2. Are there barriers that prevent entrepreneurs from starting up and developing a business that is socially motivated and driven by social values?
3. Is the lack of confidence one of the barriers to the development of social entrepreneurship and is it more pronounced for younger entrepreneurs?
4. Are the external social barriers more dominant than internal in social entrepreneurs?
5. What is the overall perspective of social entrepreneurship in B&H?

Sample characteristics

The survey involved 136 respondents, including social entrepreneurs, those who are already engaged in business, who themselves initiated, inherited or otherwise entered into a business with a social motive and social values.

The research was carried out in several major cities in Bosnia and Herzegovina (Sarajevo, Zenica, Tuzla, Mostar, Banja Luka, Bijeljina, Doboj, Prijedor and Trebinje) in the pre-selected enterprises. A total of 150 questionnaires were distributed, 141 questionnaires were returned, but a detailed survey found that 5 questionnaires were filled in incorrectly. Our respondents are from different areas of social entrepreneurship: co-operatives (among them few which employ only young people); companies that employ people with disabilities; foundations that support projects for the employment of members of marginal social groups; agencies and bureaus that employ workers who have lost their jobs due to bankruptcy and privatization of former social enterprises; agencies that train and retrain the unemployed; small souvenir manufacturers; healthy food stores; small companies in the field of environmental protection, as well as companies for the production of recycled materials packaging.

The questions from our survey (questions from the questionnaire) were conceived in the form of variables (grouped into categories): general characteristics of social entrepreneurs; general information about a business; perception of opportunities and barriers that hinder the development of social entrepreneurship. Each question from the questionnaire that relates to motivational factors and barriers is a variable coded as numbers from 1 to 5 in the following way: 1 - strongly disagree, 2 - disagree, 3 - neither agree nor disagree, 4 - agree, 5 - strongly agree.

Respondents' answers obtained by the above survey were processed by descriptive statistical method, as well as the method for allocating frequencies in the SPSS program package. We also used the chi-square independence test to analyse the relationship between categorical variables. The result was considered statistically significant if the probability was $p < 0.05$.

Results and discussion

The strongest motivational factor for starting a social business, according to our respondents, is "the issues of vulnerable social categories" in their environment (Table 1). Therefore, the respondents perceive the issues of certain social categories as an opportunity and possibility to start an entrepreneurial venture.

Social entrepreneurship networks are another option in the opinion of our respondents, which suggests that social entrepreneurs in B&H consider collective pressure to be necessary for governmental institutions in order to create more space for social entrepreneurial activities. The frequency of "so-

cial value” is very high and belongs to the category “totally agree”, as a factor that motivates social entrepreneurs. This factor can have a double value: first, starting a business out of satisfaction with a sense of responsibility for the social problems of its environment. Second, this can show that social entrepreneurs, like other entrepreneurs, have a motive and intention to “create” work, and they do not just wait to get “employed somewhere”. We see that the attitude “the initial knowledge of client problems is the key to the development of social entrepreneurship”, is one of the 5 most common motivators for starting a business with social entrepreneurs in B&H. This is an indicator that social entrepreneurs consider that starting a business with a social and value goals is a very complex and responsible task.

Table 1. Respondents’ perceptions of the possibilities of social entrepreneurship development in B&H - descriptive statistics

	<i>N</i>	<i>Min</i>	<i>Max</i>	<i>Arithmetic mean</i>	<i>Standard deviation</i>
Prior knowledge of the market is important for starting a social business	136	1	3	2.17	.805
Prior knowledge of the clients’ issues is crucial for social entrepreneurship development	136	3	5	4.16	.721
The issues of vulnerable social categories can be a motive for starting social entrepreneurial venture.	136	4	5	4.80	.302
Social entrepreneur should link his knowledge of social needs with the means to meet those needs.	136	1	3	2.84	.721
Networks established by social entrepreneurs will significantly increase the impact of social entrepreneurship on the B&H government.	136	3	5	4.75	.468
For social entrepreneurs, social values are a bigger motive for starting a business than solely gaining profit.	136	3	5	4.25	.770
There are significant resources in B&H for social entrepreneurship development.	136	1	3	2.05	.845
Access to resources determines the strategy the entrepreneur will undertake during the development phase.	136	3	5	4.13	.737
In the following period much more attention should be paid to innovations in the area of social entrepreneurship in B&H	136	2	4	3.62	.737
Social entrepreneurs should use market failures and government failures as a motive for the development of their business	136	2	4	3.42	.638
Valid N (listwise)	136				

Table (1) shows that the view that “there are significant resources in B&H for social entrepreneurship development” is lowly valued by the respondents. This tells us about the difficulties encountered by people who want to start a business with a social dimension, which is useful for the community and not just for individuals.

When it comes to the barriers that stand in the way of social entrepreneurship development, we saw that our respondents (Table 2) perceive the “financial barriers” as more explicit than the “lack of knowledge and skills”, “the effort that should be invested in starting a social business”, “the lack of determination, self-confidence and fear of failure”. These are high barriers because they are located predominantly on the right of the horizontal side in the distribution of frequencies of these barriers (“agree” and “strongly agree”). It is understandable that the lack of finance and the weak financial stimulus stand as major obstacles to overall entrepreneurship in B&H, and thus to the social entrepreneurship, because B&H is underdeveloped and poor country, so financials are a general social problem. However, the “indecisiveness and fear of failure” and the awareness that “a lot of effort is needed to launch a social enterprise”, as well as “the lack of knowledge and skills” indicate poor psychological performance, poor knowledge, preparedness and determination of people in B&H to decide on personal entrepreneurial ventures aimed at general social benefit.

Tabela 2. *Barriers hindering social entrepreneurs in starting up business – descriptive statistics*

	<i>N</i>	<i>Min.</i>	<i>Max.</i>	<i>Arithmetic mean</i>	<i>Standard deviation</i>
Lack of financial support from local authorities as a barrier to social entrepreneurship	136	4	5	4.78	.416
A poor general entrepreneurial and business climate can be a barrier to social entrepreneurship	136	1	4	2.53	.643
Lack of determination, self-confidence and fear of failure represent a significant barrier to starting a social business	136	1	5	4.20	1.488
It requires a lot of effort to get started and run a business with a social goal and value	136	3	5	4.31	.662
Lack of knowledge and skills required can be a significant barrier to the launch of social entrepreneurship	136	3	5	4.57	.740
Lack of initial capital as a barrier to starting a social business	136	2	5	3.16	1.253
Political climate in B&H as a barrier to social entrepreneurship development	136	2	5	3.98	1.310
Strong competition as a barrier to social entrepreneurship	136	1	3	1.80	.853
Tax policy as a barrier to social entrepreneurship development	136	1	5	3.18	1.466
Bureaucratic procedures prevent the establishment of more social enterprises	136	1	4	2.41	.534
Valid N (listwise)	136				

The barriers to “self-confidence”, “determination”, a priori “sense of effort” and “the lack of knowledge” are the most important internal barriers that prevent the commitment to entrepreneurship, especially social entrepreneurship. It is noticeable that the barrier “the lack of self-confidence and determination” has full horizontal frequency (1-5) and that all respondents see it as very important. Its concentration at the beginning of the right side of the frequency distribution, as well as its vertical maximum on the option “agree” and the subsequent decline in the final option “strongly agree”, indicate that confidence presents a significant barrier in social entrepreneurship, but that it is not of solid structure and can be significantly improved by certain training and education. By applying the chi - square test of independence for the variables “age” and “barriers of self-confidence”, the received value of Pirson’s statistics was 91.187, with an extended level of significance of 0.000. Since this value is well below the significance level of 0.05, it is clear that it is statistically significant.

The barrier “political climate in B&H” is the second most common external barrier (in addition to the “lack of financial support from local com-

munity”) and occupies the fifth place in the overall order of barriers among our respondents. Its concentration on the right side of frequency horizontal dispersion speaks of a multitude of psychological dilemmas caused by political relations that hinder the people who have started social entrepreneurship in B&H. This can be a significant discouraging fact, both for social, as well as for total entrepreneurship in B&H. It is especially important to point out that this barrier is more pronounced in male respondents, i.e. age group between 35 and 45.

By analysis of the key indicators from our research, we noticed that there are significant opportunities for the development of social entrepreneurship in B&H. Our respondents pointed out that “problems of vulnerable social categories” and “social values” ahead of net profit, are good enough motives to start a business with a social mark. This indicates a high degree of awareness and responsibility among social entrepreneurs, which can further influence the creation of a favorable atmosphere for solving social problems and the development of social values in B&H.

Our research has shown that the respondents perceive “access to resources” and “good knowledge of client needs” as important factors that expand the opportunities for the social entrepreneurship development in B&H. Particularly important is the cognition that social entrepreneurs recognize the importance of “networks” that are created by interconnection and collective influence on authorities and other stakeholders in the society responsible for creating a favorable climate for social entrepreneurship development. The answer to our first question (“what are the possibilities for developing social entrepreneurship in B&H”) is that these are the social problems of the majority of the population, then the business activities aimed at developing social values, and that it is necessary to take wider and more resolute approach to the total social resources, in order to further develop the social entrepreneurship in B&H in the following period.

When it comes to the barriers that hinder, impede and prevent the social entrepreneurship development in B&H, our research shows that external barriers (financial, infrastructural and political) are almost equally present as the internal barriers (confidence, the fear of failure, the lack of knowledge and skills). Our second research question (“Are there barriers that inhibit entrepreneurs in starting and developing a business that is socially motivated and driven by social values?”) indicates that there are significant objective external barriers, but that there are also significant internal barriers and that these two types of barriers are brought closer and have equal impact on the social entrepreneurship development.

Conclusion

The main goal of this research is the intention to examine the perception of the potential of social entrepreneurship in B&H and the barriers that entrepreneurs face and make it difficult for them to start, develop and improve social entrepreneurship. In the theoretical part, we have found the main points behind our attitudes on these two key issues of social entrepreneurship, while in the research work we collected indicators for our claims about the importance of the perception of opportunities for social entrepreneurship, as well as the barriers that hinder it. It is important to note that we have examined people who already deal with social entrepreneurship and that their attitudes can be considered as very relevant. The research has shown that there are good opportunities for the development of social entrepreneurship in B&H and that the actors already dealing with social entrepreneurship are aware of them.

Furthermore, the respondents pointed to the existence of significant internal and external barriers that hinder the further development of social entrepreneurship in B&H. If we take into account both our starting categories (opportunities and barriers), we can conclude that social entrepreneurship is not sufficiently developed in B&H, although there is a sufficient need, as well as expectations for its development.

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