

Social Entrepreneurship as Sustainable Rural Development Supporting Model: The Case Study of Croatian Mountain Rural Area Lika

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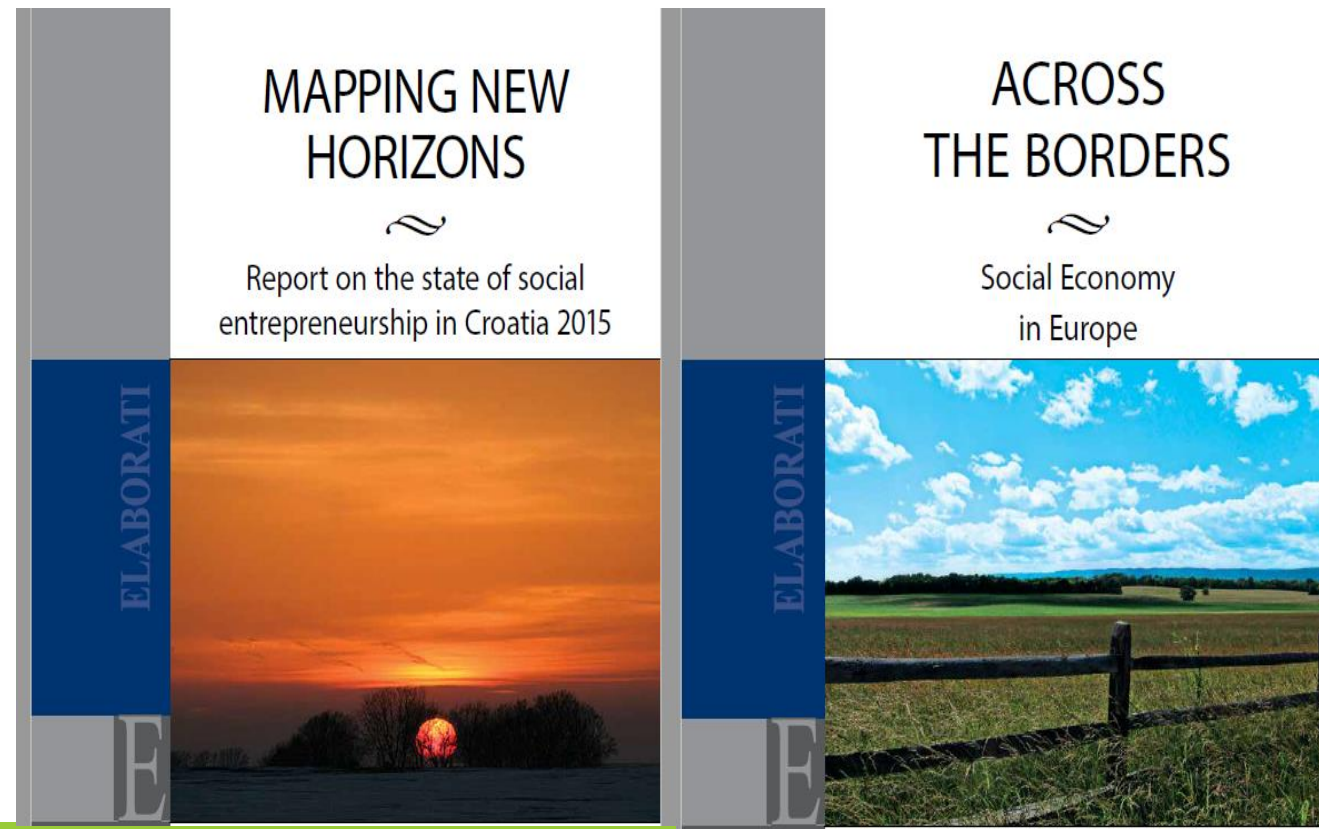
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1. Social Entrepreneurship in Croatia – short introduction

„**Management** based on the principles of **social, environmental and economic sustainability**, in which created profit / surplus of income entirely or largely is invested for **the benefit of the community**.“ (The strategy of development of social entrepreneurship in Croatia 2015 – 2020, page 7)

- Social entrepreneurship is part of the third sector and social economy
 - Social entrepreneurship is not currently sufficiently researched in Croatia
- Preliminary data research (iPRESENT project – 2 reports)



1.2. Social Entrepreneurship in Croatia – what is the potential?

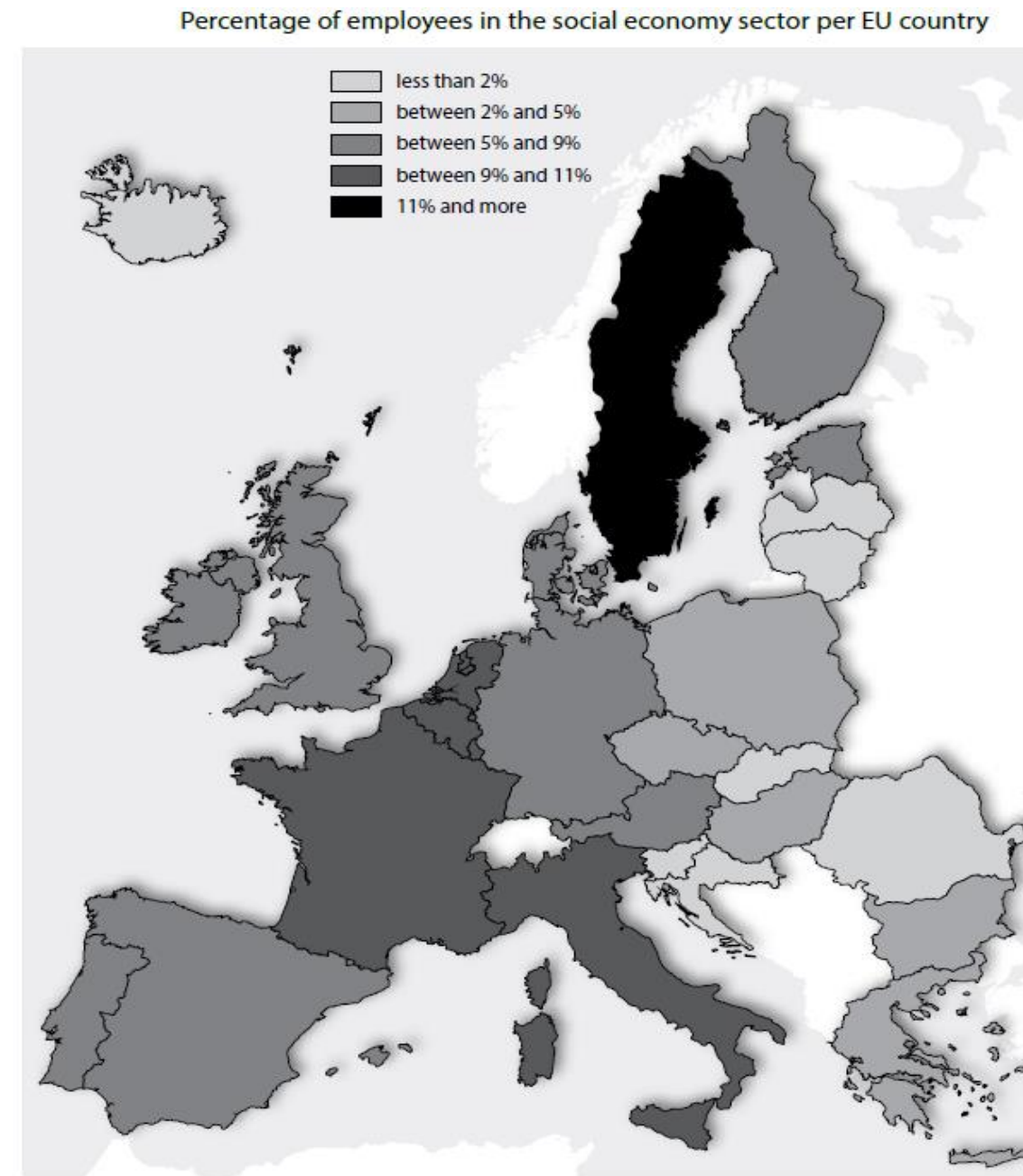
795 persons are employed in 90 SE legal subjects
(2014.) - 0,1%

Employment at the national level (National Bureau of Statistics, March 2014): 1 100 000

Assessment of the state (Public discussion on the strategy of social entrepreneurship): **80 000 of workplaces could be realized by social entrepreneurship**

E.g. 2017 employment at the national level should be 1 500 000

- projection for 80 000 workplaces in SE -
5,3%.



2. The Case Study of Lika Region

Theoretical background:

- Can we talk about „neo-endogenous” approach (Atterton et al. 2011)?
- We done some basic analysis about interrelationship between entrepreneurship and its spatial context
- We can talk about possibilities for achieving „endogenous growth model” (Terluin 2000).
- Model of rural development on the local level is not finished yet – could that be opportunity?
- For the first time Institute of Social science Ivo Pilar – Regional Centre in Gospić is in Council for creating Development Strategy 2016 – 2020 of the rural area closely connected to the County capital
- We have our suggestions...



2.1. Lika in short terms

- Lika is main part of the Lika-senj County - the biggest county in Croatia with smallest population (50 927, Census 2011)
 - Population density covers 9.6 inhabitants per square kilometer – is this problem?
 - Lika takes 85% of the County's territory and 89% of population)
 - More than a half of the area of Croatian national and nature parks (58%) is situated in Lika-Senj County – is this opportunity?
- Potential in natural resources (clean water, soil, forests, air) – modernization processes mostly bypassed Lika!
- Urban and rural population rate:

55 % - 45%
 - The city of Gospić is administrative centre of the County and the Lika region (Population: 12 745)



2.2. The Economic Dimension of Sustainable Development and the Beginnings of Social Entrepreneurship in Lika - Research Results

Metodology:

qualitative research in two segments:

1. semi-structural interviews - the participants were local social actors involved in Likas current socio-economical reality (2013) // topic: the economic dimension of sustainable development
2. focus group with participants of social entrepreneurship in Lika (2015) // topic: social entrepreneurship

- Sample :

Ad 1.: **Employees in the state institutions and the media** (people in leadership positions in the state, county or city institutions, representatives of the local media, people from the educational system, employees of institutions for the protection of nature), and **the self-employed** (entrepreneurs, craftsmen, family farm owners). The study included 29 respondents.

Ad. 2.: **Focus group with the civil society association**, which is the only actor of social entrepreneurship in Lika, 7 participants of the focus group

A method of processing interviews: **Thematic analysis** was conducted in a computer program called *Atlas ti*. – open coding

Details of participants – groups and subgroups characteristics

Demographics of sample – age and gender

First group: public sector and media employees	Second group: self-employed
First subgroup: <ul style="list-style-type: none"> representatives of national, regional and local authorities representatives of local media educators 	First subgroup: <ul style="list-style-type: none"> private producers/entrepreneurs craftsmen
Second subgroup: <ul style="list-style-type: none"> members of environmental protection agencies 	Second subgroup: <ul style="list-style-type: none"> family farm owners (agriculturalists)
	Third subgroup: <ul style="list-style-type: none"> heads of non-governmental organisations agricultural cooperative managers

Gender and age	18-31	31-45	46-60	61 and older	Total
Female	1	5	4	2	12
Male	2	7	6	2	17
Total	3	12	10	4	29

Demographics of sample – education and gender

Education level and gender	Primary school	Secondary school	College/ Master's degree	Doctorate	Total
Female	1	4	5	2	12
Male	0	5	11	1	17
Total	1	9	16	3	29

Demographics of sample – occupation and gender

Occupation and gender	Agriculturalist	Forester	Economists	Craftsmen	Entrepreneurs	Agronomist, biologist and related professions	Geographers, archaeologists and related professions	IT specialists	Total
Female	3	-	3	1	1	2	2	-	12
Male	3	2	2	4	2	2	-	2	17
Total	6	2	5	5	3	4	2	2	29

Semi-structural interview results:

The basic assumption: lower degree of total development of the economy in Lika is a result of deficit in knowledge, expertise, ideas and creativity

Un/employment – there is no particular problem with unemployment, but the problem will be...

The degree of development of tourism – undeveloped and disorganized

The food production (family farms) – is existing, but it is insufficient production which does not contribute enough to the annual family budget

Ecological Agriculture – eco products are produced because...

Recommendations of respondents for (better) future:

- Connecting, mutual cooperation
- Using of the EU funds
- Taking into consideration the opinion of experts
- To „focused economy” - production of domestic products and organic food, production of energy from renewable resources – that includes local community!
- To strengthen civil society which would take over the role of "mediator"

	For achieving modern, sustainable and profitable economy it is necessary to:	In achieving of modern, sustainable and profitable economy the problems are:	Ideas for achieving modern, sustainable and profitable economy
1.	Education about new/contemporary models of economy (expert knowledges)	Lack of experts	To take over the contemporary models from the EU. Strategic plan of economic development. Fairer distribution using new economic forms → e.g. social entrepreneurship
2.	Learning at the examples / praxis in other parts of Croatia and especially in the EU countries	Lack of information about all economic forms (lack of alternative economy opportunity)	
3.	Networking and cooperation (mutual institutions and cooperation with the civil sector)	The current economy is not adapted to the needs and possibilities of local community The political structure does not recognize the possibilities of new economies	
4.	Association and cooperation for achieving new (alternative) forms of economy	Economy of „doing everything“	
5.	Better demographic picture (missing of youth) Financial support		
6.	The basic infrastructure Work habits		
7.	Creativity		
8.	Social responsibility Complementary supply Enterprising		*external locus of control!

Focus group results:

There is only one actor who deals with social entrepreneurship in the region of Lika (Association Prospero)

- The association operates on the territory of Lika, but because of administrative division belongs to Zadar County

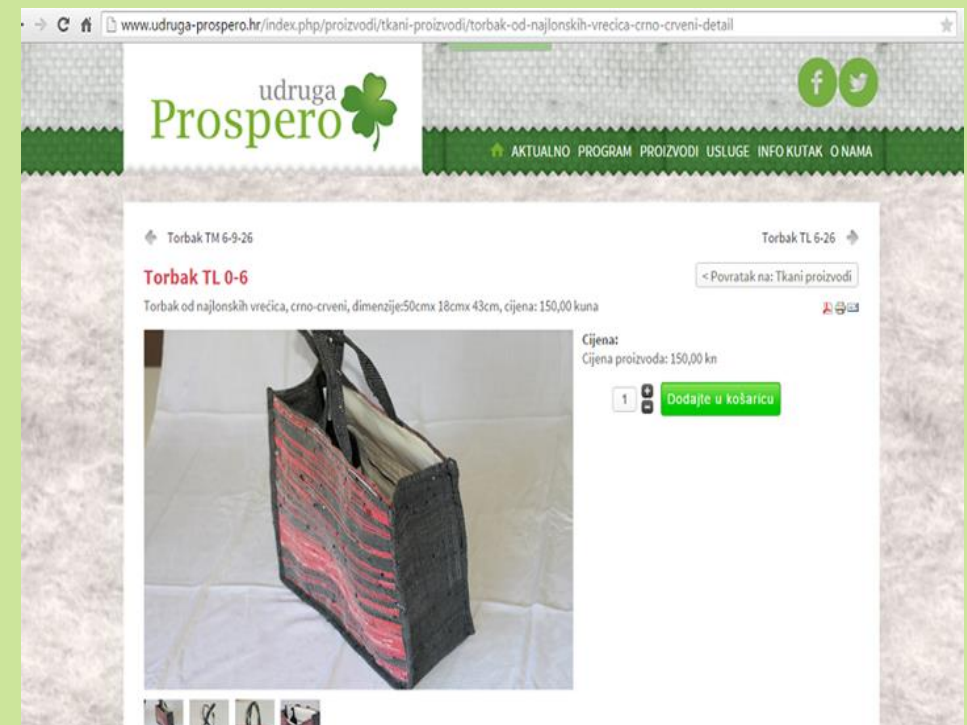
Analysis of the results of the focus group:

- Familiar with the concept of social entrepreneurship
- Inventiveness
- Social value
- Social capital
- The position of social entrepreneurship
- In lower level; Civil society is the most important actor in social entrepreneurship development; the state and local government are not contributing enough



- The possibility of the development of social entrepreneurship
- Agriculture, Eko-social farms
- Grouping of farms and intergenerational solidarity
- Contribution of Prospero through the project "Eco-social development of Velebit area; Works in progress!"

Social innovations of association Prospero: Torbak - preserving the environment and traditions



2.3. The Potentials for the Development of Social Entrepreneurship in Lika

The respondents emphasize the need for "customized" economic forms:

- to incorporate ideas of people in the economy and to adapt the economy to people
- to find forms of business, which would be in favor of communities (developing SE and economy connected to energy production form renewable resources)
- economy doesn't have to be a "necessary evil"

Prospero is working on:

- Education (innovativeness, social value, social capital)
- Eco-social farms and grouping of farms
- Intergenerational solidarity



3. Conclusion

- Social entrepreneurship could be realised as supporting model for shaping and implementing sustainable rural development in Lika Region.
- It has its platform in local social actors understanding of need for using „alternative economy opportunity”
- Civil society (Prospero) is also strengthening the platform!
- National Strategy (2015) is one of the *conditio sine qua non* for further SE development on national level



At the end...

- The basis of the definition of social entrepreneurship requires social, environmental and economic sustainability → SE is part of the concept of sustainable development
- If we are talking about sustainable development and social entrepreneurship in Croatian rural region Lika, we should also try to shape of neo-endogenous model of development for this particular area as this concept is closely connected to the sustainable development concept!

First step is to write a paper... ☺





THANK YOU!

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