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CHARACTERISTICS OF ROMA ENTREPRENEURSHIP IN SERBIA

Karakteristike romskog preduzetništva u Srbiji

Abstract

This paper presents key findings of the research on Roma entrepreneurship in the context of the overall entrepreneurial population in Serbia, and general characteristics of ethnic minority entrepreneurship in the world. The paper's objective is to show the importance of the development of Roma entrepreneurship for the solutions to economic and social problems of this ethnic group. The survey of 45 registered Roma entrepreneurs on the territory of the Republic of Serbia revealed that the majority are engaged in service provision, agriculture, manufacturing industry and waste recycling. The Roma are most often owners of microenterprises, which are usually family businesses. Roma entrepreneurs primarily operate on the local market, where revenues they generate are significantly lower than the revenues generated by other businesses. By gender, Roma entrepreneurs are mostly men. On average, they are insufficiently educated and trained to run a business, as suggested by the census data indicating that one out of three Roma people has primary education, and only 11.5% a secondary education. One of the most important problems faced by the Roma in business is obtaining finance. Another significant problem encountered by Roma entrepreneurs is related to high labour taxes and contributions, while other problems include insufficient knowledge about laws and procedures, grey economy, unstable prices of agricultural products, weak purchasing power of buyers, consumers' prejudice, etc. In order to develop Roma entrepreneurship, it is necessary to ensure a more significant financial assistance to the existing and potential Roma entrepreneurs from public and donor funds, to look into the possibility of introducing new mechanisms to finance entrepreneurial activities among the Roma, provide different types of non-financial support to Roma entrepreneurs, support associations and promote entrepreneurship.

Keywords: *Roma, entrepreneurship, ethnic minority, self-employment, family business, financing, associations, support to entrepreneurship development.*

Sažetak

U ovom radu predstavljeni su ključni nalazi istraživanja o romskom preduzetništvu u kontekstu celokupne preduzetničke populacije u Srbiji i opštih karakteristika etničko-manjinskog preduzetništva u svetu. Cilj rada je da ukaže na značaj razvoja romskog preduzetništva za rešavanje ekonomskih i socijalnih problema ove etničke grupe. Anketiranjem 45 registrovanih romskih preduzetnika na teritoriji Republike Srbije utvrđeno je da se najveći broj njih bavi pružanjem usluga, poljoprivredom, prerađivačkom industrijom i reciklažom otpada. Romi su najčešće vlasnici mikro preduzeća koja su obično porodične firme. Romski preduzetnici posluju primarno na lokalnom tržištu na kome ostvaruju prihod višestruko manji od prihoda koji ostvaruju druge preduzetničke firme. Posmatrano prema polu, romski preduzetnici su najčešće muškarci. U proseku, romski preduzetnici su nedovoljno obrazovani i obučeni za vođenje posla jer, prema popisu stanovništva, svaki treći pripadnik romske zajednice ima osnovno obrazovanje, a svega 11,5% ima srednji nivo obrazovanja. Jedan od najznačajnijih problema sa kojim se sreću Romi u poslovanju je obezbeđenje finansijskih sredstava. Drugi značajan problem sa kojim se sreću Romi preduzetnici su visoki porezi i doprinosi na rad, a među ostalim problemima ističu se nedovoljno poznavanje zakona i procedura, siva ekonomija, nestabilne cene poljoprivrednih proizvoda, slaba platežna moć kupaca, predrasude kupaca, itd. U cilju razvoja romskog preduzetništva potrebno je obezbediti veću finansijsku podršku postojećim i potencijalnim romskim preduzetnicima iz javnih i donatorskih sredstava, ispitati mogućnost uvođenja novih načina finansiranja preduzetničke aktivnosti Roma, obezbediti različite oblike nefinansijske podrške romskim preduzetnicima, podsticati njihovo udruživanje i promovisati preduzetništvo među Romima.

Ključne reči: *Romi, preduzetništvo, etničko-manjinske zajednice, samozapošljavanje, porodično preduzeće, finansiranje, udruživanje, podrška razvoju preduzetništva.*

Introduction

In the last 20-25 years, we have been witnessing a growing importance of self-employment in ethnic minority communities in industrialized and developed countries. This trend was additionally boosted by deindustrialisation and a growing importance of the service industry, which significantly reduces employment opportunities of insufficiently educated immigrants or members of ethnic minority communities [12, p. 183]. A consequence of these factors throughout Europe, as well as other developed parts of the world, is a growing number of small enterprises owned by members of ethnic minority communities. These enterprises are mostly established in labour-intensive sectors of the manufacturing industry and traditional service industries operating in a narrow market within urban agglomerations. These enterprises' competitiveness factors vary, from longer working hours, willingness to provide loan arrangements to buyers/consumers, willingness to sell very small product quantities, etc., through a firm family tradition and demand for culture-specific products, to self-employment and employment of family members and members of their ethnic community, strong ethnic connections and specific cultural features of owners and family members.

Most frequent members of ethnic minority communities in entrepreneurial activities vary across countries. In France, those are Moroccans, Tunisians and Chinese, in the Netherlands, in addition to the aforementioned, there are also Indonesians, in Great Britain Indians, Pakistanis and Koreans, in Germany the most significant ethnic and minority community is Turkish, while in North America those are Chinese, Cubans, Japanese, Jews, Koreans, etc.

The Roma are the largest and most vulnerable ethnic group in the Republic of Serbia. According to the 2011 Census, there are around 150,000 Roma living in Serbia, and according to the Council of Europe, this number is estimated at 600,000 [5]. The Roma in Serbia face numerous problems, including health care, housing, education, difficult employability and access to the labour market. According to the 2011 census data, only 28% of the Roma population belongs to the group of the economically active, of which 59% is unemployed. Also, the number of

unemployed Roma women is four times greater than the number of unemployed Roma men [11, p. 79-80].

Key reasons for this unfavourable situation of the Roma can be seen in the low level of education and the existence of discrimination in the labour market [9, p. 11]. These difficulties in accessing the labour market have led to a large representation of the Roma in the informal economy. One possible solution for such a position of the Roma population is creating an environment that will be conducive to the development of Roma entrepreneurship.

With this in mind, during the period from March through December 2016, the Institute for Territorial Economic Development (InTER) and Yurom Centre conducted a research titled "Roma Entrepreneurship: Challenges and Perspectives" in order to provide an insight into the characteristics of Roma entrepreneurs, the specifics that burden entrepreneurs from the Roma community, and offer practical policy solutions that would strive to overcome the identified problems. This paper presents the key findings of the research that have been analysed in the context of the entire entrepreneurial population in Serbia, as well as some general characteristics of ethnic minority entrepreneurship in the world.

Research methodology and limitations

Research methodology included different qualitative and quantitative methods used in different research phases. The target group was defined at the beginning of the research, and a database was developed including 100 registered Roma entrepreneurs. The term "Roma entrepreneurs" is used for members of the Roma ethnic group who have started a business, regardless of the scope of business and the number of employees.

The views and opinions of entrepreneurs from the database were collected through a survey. The survey included 37 questions divided into the following six sections: general information about the business, administrative and legal framework, access to the labour force, access to capital markets, access to financial and non-financial support, the state of the market and business environment. A total of 45 registered Roma entrepreneurs were surveyed on the territory of the Republic of Serbia, of which 41 were

active at the time of carrying out the survey, two had a temporary closure status and two had recently closed the business. After collecting and analysing the data from the survey, the research team conducted interviews with Roma entrepreneurs, as well as with other stakeholders from the public and private sectors, international organisations and non-governmental associations. A total of eight Roma entrepreneurs were interviewed and 13 representatives of institutions and organisations supporting the development of entrepreneurship and inclusion of the Roma. In the final phase of the research, all data collected during the previous phases were analysed, and the findings drawn were additionally verified during panel discussions organised in Niš, Novi Sad and Belgrade.

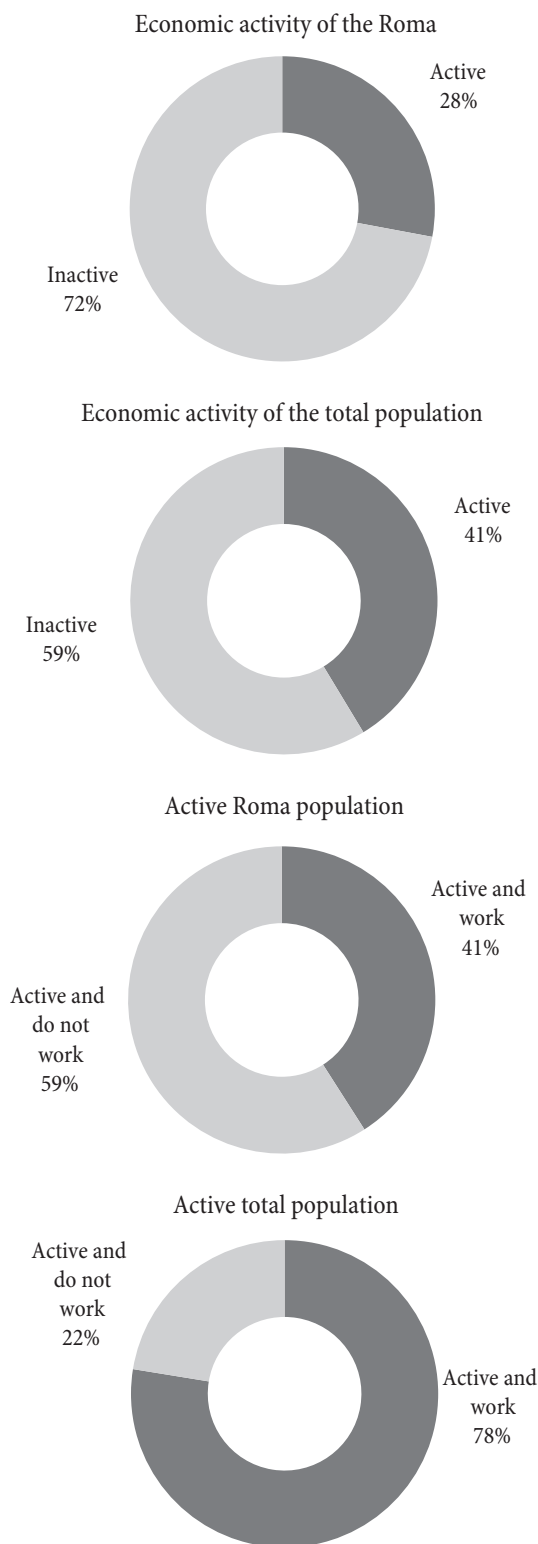
The biggest limitation of the research is the fact that it was not possible to determine the exact number of registered entrepreneurs in the Republic of Serbia who are members of the Roma ethnic minority. Namely, the registration of entrepreneurs does not keep records of their ethnicity, and there are no official data on the number of Roma entrepreneurs. This lack of information influenced the definition of the sample size and the identification of Roma entrepreneurs. For the purpose of the survey, contacts of Roma entrepreneurs were collected through institutions, non-governmental organisations and donors who have supported Roma entrepreneurs, which significantly facilitated their identification. Although the problem of determining the sample had not been overcome, subsequent interviews with Roma entrepreneurs confirmed the accuracy of the findings related to the problems in their business.

Economic activity of the Roma in Serbia

The data from 2011 Census indicate a low level of economic activity among the Roma. According to these data, only 28% of Roma population belongs to the category of economically active people¹, which is significantly less than the country's average (41%). Of economically active Roma people, only 41% work, which is also significantly

lower than the country's average (78%, see Chart 1). These data indicate that the Roma show much lower activity level compared to the Serbian average.

Chart 1: Economic activity of the Roma according to the 2011 Census



Source: [11, p. 78]

¹ According to the 2011 Census, an economically active person includes all persons, employed and unemployed, whereas an economically inactive person includes persons who do not work or seek employment (children younger than 15, retired persons, people with income from property, pupils, students, housewives and other persons) [11, p. 15].

The registry of unemployed persons in the National Employment Agency contains 25,748² members of the Roma minority. Considering that not all unemployed Roma are registered in this institution, this number is unofficially estimated as much higher.

Due to the low economic activity of Roma in the formal labour market, there is an evident large representation of this ethnic community in the informal economy. According to the data from a research conducted jointly by UNDP, the World Bank and the European Commission, the estimated unemployment rate among the Roma in Serbia amounted to 49% in 2011, and the rate of informal employment is estimated at 70% [1]. The data also indicate that Roma women are at a considerable disadvantage in the labour market, because out of the total number of active Roma who work, 22.5% are women [11, p. 80].

The most common occupation among active Roma are street sweepers and collectors of recyclables, with 59.3% [11, p. 79]. It is estimated that there are tens of thousands of individual collectors of recyclables, mainly Roma, who collect about 75% of the total collected recyclables in Serbia [9, p. 15]. Dominant occupations also include drivers and artisans with 10.8%, followed by farmers (9.9%) and retailers (8.9% [11, p. 79]).

According to data from the 2011 Census, of the total number of economically active Roma who work, 16% have their own business, and they are usually own-account workers. Also, the percentage of Roma who are self-employed among the economically active Roma is higher in comparison to the percentage of the total economically active population (Roma 10.9%, total population 4.1%, Table 1). On the other hand, a smaller share of Roma are individual farmers and employers, in relation to the total population. It is interesting to point out a high percentage of Roma whose profession could not be classified by categories of work status (up to 27.6%).

Table 1: Economically active population that performs an occupation, according to the work status³

	Roma	Population
Employed person	51.6%	75.7%
Employer	0.7%	2.7%
Own-account worker	10.9%	4.1%
Individual farmer	4.3%	9.2%
Contributing worker	1.4%	2.9%
Contract	3.5%	2.5%
Cooperative member		0.1%
Other	27.6%	2.8%

Source: [11, p. 81], [4, pp. 20-21]

Results of the research on Roma entrepreneurship in Serbia

General characteristics of Roma entrepreneurship

As already pointed out, around 100 businesses owned by Roma men and women were identified.⁴ The analysis of these data revealed that Roma entrepreneurs operate in different business activities, where the dominating activities are services and manufacturing industry, followed by waste management and trade. These activities were confirmed during the survey of Roma entrepreneurs (total of 45 respondents), because most respondents were from the service industry (12), agriculture (11), manufacturing (8) and waste recycling (8).

Similar to the structure of industries among surveyed Roma, the largest number of economically active persons in Serbia perform business in the manufacturing sector (17.2%), agriculture, fishing and forestry (14.8%), wholesale and retail trade, repair of motor vehicles and motorcycles (14.7%). Most small and medium-sized enterprises (SMEs) in 2015 were in the following sectors: wholesale and retail trade and repair of motor vehicles (94,220), services (83,073) and manufacturing (50,997). At the same time, manufacturing industry and wholesale and retail trade

² The data as at 30 November 2016. Statement given by a representative of the National Employment Agency at a conference on Roma entrepreneurship organised on 15 December 2016 in Belgrade.

³ This category includes persons who had at least one hour of work in the census week, formally or informally organised, and persons who have a job but were for objective reasons prevented from attending it during that week [4, p. 9].

⁴ OSCE Mission in Serbia has provided data to the research team about applicants within the call for best practice in Roma employment within the OSCE Mission in Serbia project "We Are Here Together – European Support for Roma Inclusion". These data are used for the analysis of activities of Roma entrepreneurs who participated in the call.

dominate in the SME sector in all indicators (145,000 enterprises, 55.8% of employees, 65% of turnover and 50.8% of GVA in 2015) [7, p. 20]. However, despite the formal similarities between Roma and other entrepreneurs in Serbia in terms of the breakdown of activities, substantial differences exist when looking at diversification of these activities, technical equipment and other features. For example, the research shows that the Roma manufacturing industry is dominated by low-tech businesses or labour-intensive activities that generate little added value and are not sufficiently competitive.

The Roma are typically owners of microenterprises that are mostly family businesses. There are no comprehensive data about the number and significance of family businesses in Serbia. However, by analogy with other countries,⁵ it can be concluded that family businesses in Serbia are significant, as well as among the Roma population. Bearing in mind the fact that, due to ideological prejudices, there was no intensive development of entrepreneurship in Serbia before the '80s or the '90s, it can be assumed that a small number of family businesses were created by succession, or the transfer of business leadership from one generation to another in the family, and that there is a much bigger importance of family businesses which actively involve several family members.

According to the research findings, two-thirds of respondents have between one and nine formally employed workers. When necessary, respondents hire seasonal workers, but they also have one or more unregistered workers. Household members are also hired as workers, but they are not registered as employed. By comparison, in 2015, an average number of employees per enterprise in the SME sector was 2.5. On average, a microenterprise employs 1.2, a small enterprise 20 employees, and a medium-sized enterprise 102.4 employees [7, p. 12].

Roma entrepreneurs, with their services and products, are mainly present in the place where they live (48%) or

at the regional level (37%). A small number (3 out of 45) export their products or services, usually plastic products, photographic services and media content production. According to these results, Roma entrepreneurs are not significantly different from entrepreneurs in other ethnic minorities, whose economic activity is mainly concentrated in narrow local markets.

As for revenues, one in two respondents generated less than one million dinars of annual revenues in 2014, and one in three generated revenues between one and eight million dinars. Significantly higher revenue per company was recorded in the SME sector as a whole. In 2015, the revenue per company in the SME sector was 19.4 million dinars, where microfirms had an average turnover of 7.7 million dinars, small 184.7 million, and medium-sized 970.8 million dinars [7, p. 27].

Analysed by gender, Roma entrepreneurs are mostly men. The study included 29 male and 16 female Roma entrepreneurs. Women entrepreneurs are more present in the service industry (hairdressing and beauty, cleaning), manufacturing (cakes and cookies, tailor's shop) and in agriculture. However, they also collect secondary recyclables, work in production of plastics, and other professions. It is important to note that there are cases where registered owners of sole trade businesses or enterprises are women, while business is managed by male family members.

Low level of education and professional skills is a factor which influences entrepreneurship development among the Roma. According to the census data, one of three Roma people has primary education, and only 11.5% have a secondary education.⁶ Low education level among Roma entrepreneurs was evident in the research, because most respondents have a primary or a secondary school diploma, only 13% college or university education. However, it is important to mention that there are no significant differences among respondents regarding the educational structure in relation to gender.

Limitations in the available data make it difficult to compare the personal characteristics of Roma entrepreneurs with the overall entrepreneurial population in Serbia. Unfortunately, there are no serious recent sociological,

⁵ In the U.S., there are around 16 million family-owned businesses, which is around 90% of all businesses, employing more than 40 million people and generating around 60% of gross domestic product of the U.S. [13, p. 745]. It is estimated that in Great Britain, 75% of all enterprises are family businesses [6, p. 156]. Family businesses are also very important in Europe, where two out of five enterprises have two family generations, and it is estimated that in South America, South Asia and the Middle East the number of enterprises with two family generations is even greater.

⁶ Only 22% of young Roma attend secondary school, whereas this figure amounts to 90% in the general population [14, p. 35].

psychological and similar studies of entrepreneurs in Serbia. According to available data, based on the research conducted by the Institute for Sociological Research of the Faculty of Philosophy in Belgrade, Serbian entrepreneurs are a very heterogeneous social group. Educational structure of entrepreneurs is relatively favourable, much more favourable than the educational structure of Roma entrepreneurs, because 55% of respondents have secondary education, 15% have a college degree, and 27% a university degree [2, p. 494]. The age structure of entrepreneurs in Serbia is such that only 4% of respondents are older than 55, 38% are between 36 and 45 years of age, 40% between 26 and 35, while 7% of respondents are younger than 26 [2, p. 497]. Personal matrix, as the image entrepreneurs have of themselves, largely deviates from the results of the study of entrepreneurs in countries with developed market economy. Our entrepreneurs (on average) estimated themselves as: industrious people (24%), tenacious people (21%) and people with self-esteem (10%), while other features are selected by a small number of respondents (from 8% to 1%) [3, p. 397].

Challenges in business

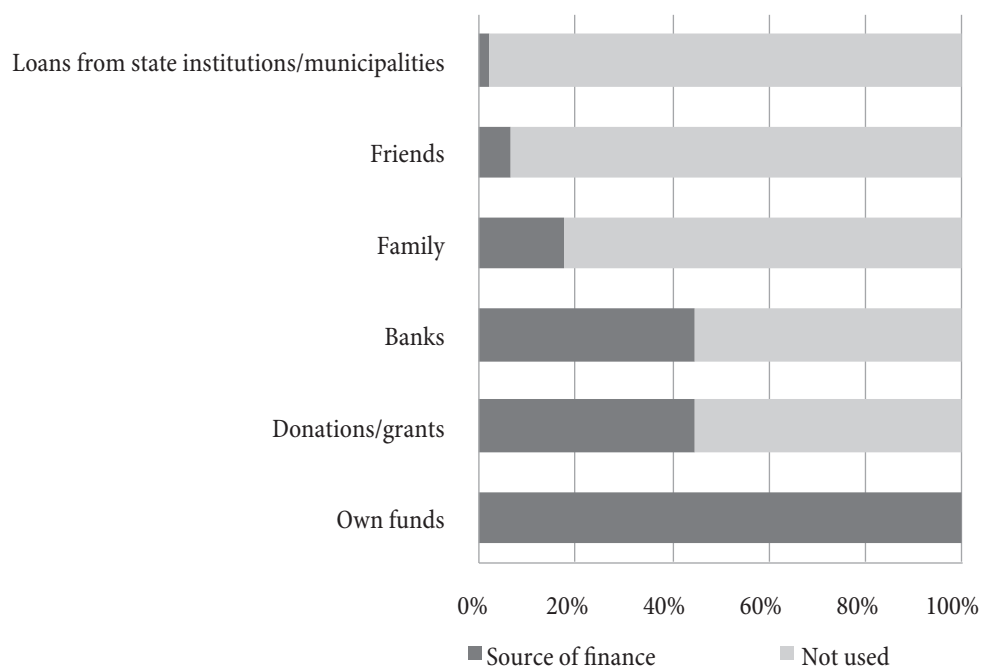
Most of the interviewed Roma entrepreneurs financed operations with their own funds. As for external sources

of finance, bank loans and donations (grants) were primarily used (Chart 2). Also, the research found that entrepreneurs with a higher operating income were more prone to taking bank loans. Most bank loan users did not have much difficulty in repayment, although they agree that interest rates could be lower. On the other hand, 56% of respondents did not take loans because they could not meet the conditions, or due to expensive and lengthy procedures for loan approval. Surprisingly, family was not selected as an important source of finance for the business.

Providing funding and resources for business is the greatest challenge faced by Roma entrepreneurs, especially in the initial phase of operation. According to the survey, 64% of respondents (Chart 3) states that they need financial support to improve operations, such as favourable loans with longer grace periods or subsidies. When it comes to work facilities, the greatest need is the acquisition of equipment, but the problem is also the supply of raw materials and the provision of work space.

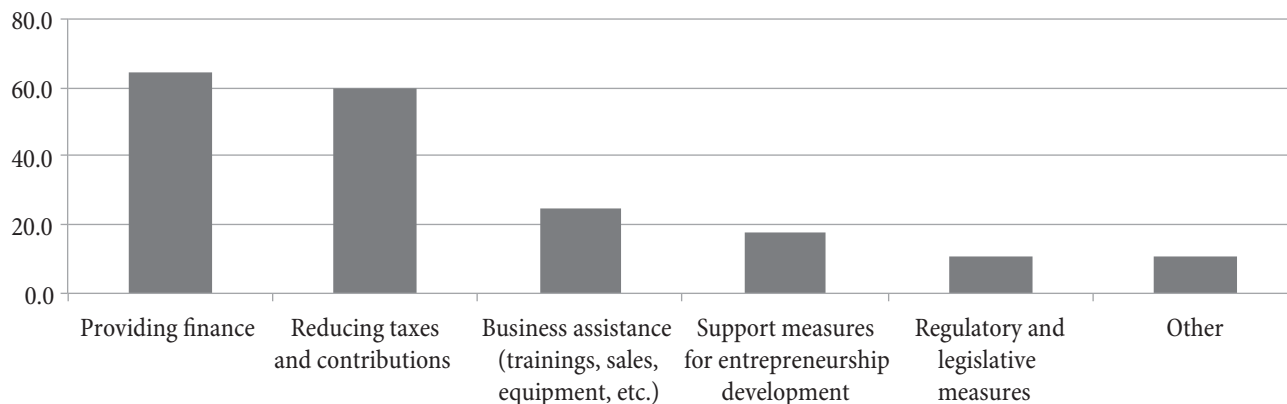
There have been several donor and national projects and programmes which supported Roma entrepreneurship. These projects and programmes were mostly focused on providing assistance to Roma people for self-employment, and they rarely included assistance to business owners and entrepreneurs from the Roma community who could

Chart 2: Source of finance for business



Source: Results of the research on Roma entrepreneurship

Chart 3: Business services and regulatory changes that would significantly contribute to improved conditions for business development



Source: Results of the research on Roma entrepreneurship

provide sustainable employment for the Roma. Financial assistance for Roma entrepreneurs mostly included business start-up and assistance for new employees (from the Roma community), and funds were most often allocated for purchase of equipment and machinery. The amount of provided funds and conditions for collateral varied, depending on the support programme. Most significant funds were provided through the OSCE project “We Are Here Together – European Support to Roma Inclusion”, with the average amount of around 20,000 € per supported enterprise.⁷ UNOPS project “EU Support for Roma Employment” provided grants of 3,400 € per beneficiary.⁸ German organisation HELP provides financial assistance for self-employment of Roma people with 1,500, 2,400 and 3,600 € grants. Also, HELP has financially supported the establishment of cooperatives and several associations whose founders belong to the Roma community.

Financial assistance for Roma entrepreneurs is also provided by the National Employment Agency through public calls within the programme “Self-Employment Subsidies for Roma People”. This programme included subsidies for entrepreneurs of 180,000 dinars in 2016, and 160,000 dinars in 2015.⁹ Provincial Secretariat for Economy, Employment and Gender Equality, in cooperation

with the Office for Roma Inclusion, also had a call for self-employment applications, which has supported the establishment of around 100 enterprises owned by the Roma [8]. Apart from these two programmes, there are no other programmes or measures at the state, provincial or local level which support the development of entrepreneurship among the Roma [9, p. 15].

Obtaining funds is one of the biggest problems for all entrepreneurs in Serbia. The majority of SMEs do not have access to all sources of finance, and funds they obtain from available sources go together with conditions less favourable than those for large companies. This is primarily due to a higher risk of financing these enterprises than the risk of financing large companies. In that sense, entrepreneurs are in a somewhat closed circle for financing, because undercapitalisation of these enterprises is one of the most frequent causes of their high failure rates. On the other hand, high failure rates of newly established enterprises increase the risk for financing, which is why financial organisations are not willing to provide loans or invest in them. It is important to emphasize that there are no financial organisations and institutions in Serbia established for the purpose of easier collection of finance from ownership of loans, such as venture capital funds, guarantee funds, etc. Apart from the problems related to securing funds, entrepreneurs in Serbia also face significant fiscal and parafiscal burdens.

Even though the problems with finance are common for all entrepreneurs, some are especially serious in case

⁷ This project supported 17 enterprises and provided equipment of the total value of 365,000 €.

⁸ The project “EU Support for Roma Employment” provided financial assistance to 51 beneficiaries (30 Roma men and 21 Roma women).

⁹ As a part of this programme, 65 contracts were signed in 2016 with the members of Roma community, and 98 in 2015.

of Roma entrepreneurs. A significant problem is the lack of collateral. Roma entrepreneurs have property of relatively low value, due to several factors, starting from their poverty, the location of their real estate, its lack of marketability, quality of construction, etc. Lack of collateral is a problem, not only to obtain loans from banks, but also to have access to finance from other, non-banking sources (donations, grants, etc.).

High taxes and contributions for labour are also a great burden for the development of entrepreneurship among the Roma. According to the findings of this research, 60% of respondents stated that the reduction of taxes and contributions would significantly contribute to the improvement of their business (Chart 3). Bearing in mind that Roma entrepreneurs usually have low revenues, high taxes and contributions for salaries notably threaten their business and encourage work in the informal economy. The research results indicate that two-thirds of respondents have employees who are not registered. The prevailing opinion is that this problem can be solved only by reducing labour taxes and contributions.

There is also a visible problem of insufficient knowledge of the laws and procedures. According to the research data, one in three respondents claims that insufficient knowledge of laws and procedures limits their business operations. This problem is more common with the surveyed female entrepreneurs (one out of two) than male (27% of the surveyed entrepreneurs).

Grey economy is one of the biggest challenges faced by entrepreneurs in Serbia, which is not surprising given that the size of grey economy is estimated at 30.1% of GDP [5, p. 2]. This phenomenon also affects Roma entrepreneurs, and the research showed that one-third of respondents stated that unfair competition was the main problem they faced in the market. The problem of unfair competition, which affects the operation of registered business entities with low prices of products and services, is underlined.

Other challenges faced by Roma entrepreneurs in the market are mainly unstable prices of agricultural products, poor purchasing power of buyers and sales of products and services. Roma entrepreneurs, especially farmers, are faced with prejudice of customers, which negatively affects the price of their products.

Access to qualified labour is not a difficulty for the majority of Roma entrepreneurs, which can be explained by the fact that respondents are mainly engaged in activities that do not require highly skilled workers. The labour force is often hired within the immediate and extended family, or in the local community. There are examples of members of the Roma community not wanting to be registered because in this case they lose the right to social welfare. About 60% of respondents emphasized the need for further training of workers, which suggests that there is a clear need to improve the quality of the workforce.

The respondents generally state that they want to expand business (83% of male and half of female respondents), primarily due to the fact that survival of their families depends on the business. However, one out of ten respondents is planning to close the enterprise or sole trade business, due to the inability to keep pace with the competition, due to the reduction in price of products/ services and increased operating costs.

Business associations and cooperation among entrepreneurs

Roma entrepreneurs are characterized by a low level of gathering into business associations. Based on the results, 70% of respondents are not members of any business association. Those who are a part of some associations usually belong to professional associations and Roma NGOs. It is important to emphasize that there is no association of Roma entrepreneurs in Serbia that would promote the improvement of conditions for their business, development of business skills or a joint approach to the market.

Roma entrepreneurs also have a low degree of cooperation with business associations and business development service providers. According to the research findings, only a few respondents had contact with the Serbian Chamber of Commerce, and only one of them is a member. Roma entrepreneurs rarely come into contact with other organisations that offer business development services, such as clusters, regional development agencies and similar organisations. According to the survey results, respondents had no contact with the Union of Employers or business incubators. These results can be explained by the fact that associations of entrepreneurs, chambers of

commerce and development agencies do not deal with issues that are targeting entrepreneurship among Roma.

There is a visible need among respondents to connect through cooperatives, particularly in the area of collecting recyclables, agriculture and construction works. An example of this type of association is a building cooperative “Mahala 1” from Niš, founded in 2015 with the support of Yurom Centre and the German NGO Help. The cooperative “Mahala 1” performs various tasks in the field of construction and it is also involved in house renovation projects in Roma settlements. Another example of joint work is the Roma eco-recycling Centre “Amala 1”, which brings together about 30 collectors of recyclables. “Amala 1” was founded in 2014 in Pirot as a civic association.

Roma entrepreneurs cooperate with international organisations and non-governmental associations, and as for state institutions, with the National Employment Service. This is directly related to the existence of different support programmes for the development of entrepreneurship within Roma community implemented by these organisations.

Conclusion

Previous analysis showed that there were certain similarities, but also many differences between Roma entrepreneurs and other entrepreneurs in Serbia, and these differences are mainly at the expense of Roma entrepreneurs and their businesses. Thus, the Roma entrepreneurs are less educated and trained to run a business than an average entrepreneur in Serbia, have lower entrepreneurial inclination, operate in more labour-intensive sectors with lower technical complexity that create less added value, generate much lower revenues, etc.

The problems faced by Roma entrepreneurs are basically similar to the problems encountered by other entrepreneurs in Serbia, but some of these problems manifest themselves in a more severe form and in a specific way, which is primarily the result of higher vulnerability of the Roma population and their operation to obstacles and problems in business. Therefore, the well-known and confirmed measures of financial and non-financial assistance supporting the growth, establishment of

new and development of the existing SMEs will have a positive impact on the development of entrepreneurship in general, including Roma entrepreneurship. However, high sensitivity of Roma entrepreneurs to obstacles in business and specific problems this population is faced with requirement that some of the systemic economic measures and policies be carefully designed and tailored to the specifics of Roma entrepreneurship. Just as the EU, aware of the fact that small companies are the most sensitive part of its economy, is committed to respecting the “Thinking Small First” principle when designing economic policy, the government of the Republic of Serbia should design specific instruments for the promotion of Roma entrepreneurship. Although the development of Roma entrepreneurship is *conditio sine qua non* for solving social problems of the Roma population, those measures should only partly be aimed at supporting social entrepreneurship. Those should primarily be measures to encourage the solutions for economic and social problems of the Roma by achieving economic goals through entrepreneurship, since Roma entrepreneurship, as well as the entrepreneurship of any other ethnic minority, is primarily an economic phenomenon.

Drawing from these notes and the research results, the first area where a significant contribution to the promotion of the establishment and growth of businesses can be achieved is financial assistance. It includes a number of economic measures, primarily related to loan, monetary and fiscal policy, but also the need to develop specialised institutions and organisations. In addition to general measures to encourage lending activities of banks, they also include ensuring more favourable sources of finance for existing and potential Roma entrepreneurs through greater financial support from public and donor funds. The establishment of a guarantee fund would encourage bank lending, because it would contribute to alleviating the problem of credit risk due to a lack of collateral.

Non-financial support should primarily be focused on solving the problem of inadequate education and training of Roma for entrepreneurial activities, as well as promotion of mutual cooperation among the Roma, and cooperation of the Roma with other members of the social and business community. In this sense, it is necessary

to provide intensive training for business improvement to Roma entrepreneurs (business plan development, mentoring, assistance with marketing, participation in fairs, etc.), and organise professional trainings specific to their business. In addition, it is necessary to encourage cooperation between Roma entrepreneurs through the establishment of associations that would gather Roma entrepreneurs and build capacity for the improvement of Roma entrepreneurship including advocacy for a better position of Roma entrepreneurs in Serbia. It is also necessary to encourage cooperation between Roma entrepreneurs and other business associations and business development service providers (chambers of commerce, regional development agencies, business incubators, clusters, etc.). A significant problem of the informal economy can be gradually solved by encouraging the transition of Roma entrepreneurs from the informal to the formal sector through various measures such as: gradual reduction of social benefits, the introduction of incentives for the payment of taxes during the first year of operations, encouraging business registration, etc. Finally, in order for these measures to be effective, it is necessary to ensure the participation of Roma community in the process of developing, implementing and evaluating programmes aimed at promoting entrepreneurship and continuously analyse the effects of support programmes for self-employment of unemployed Roma.

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