ROLE OF THE STATE IN THE DEVELOPMENT OF ENTREPRENEURSHIP
Uloga države u razvoju preduzetništva

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Abstract

In times when the economy were less global, and with slower moving business environment, the main criterion was stability, and changes are coming slowly and infrequently. The problem of today’s modern economy is reflected in irrational spending of public money. Private Banks play a major role in financing the state, because the state is simply forced to address the same. One of the most pressing problems in our country is that very little is invested in job creation capacity, as well as bribery and corruption. Paper’s goal is to show how the state’s attitude towards the economy and about the conditions of doing business in Bosnia and Herzegovina, as well as state invests in entrepreneurial development, and how young people need to understand entrepreneurship? The State should be the main initiator of youth education in entrepreneurship.

Keywords: Economy, Entrepreneurship, State

1. Introduction

Transition economies undergoing economic liberalization, where market price is formed instead of the state. Organizations and trade barriers are removed, and thus begin the privatization of state enterprises and resources, as well as making financial and private sector to facilitate the movement of private capital. This process is applied
in China, the former Soviet Union and former communist countries of Europe and the Third World.

The transition process is usually characterized by change and the creation of new institutions, the opening of a number of private companies, and therefore the process of transition marks the democratization of the state, the abolition of monopolies in various sectors of the economy as well as creating competition in the world market.

On the occasion of historical change and the role of government is changing. State changes its role from the main controller, the process of resource allocation in the role of the person who provides legal statutes, which is necessary for self-regulation and directing resources to more profitable jobs within the system and to intervene in the markets of goods where necessary and where private initiative, which is motivated in the direction of profit, no interest. (Baroš, 2014)

2. The role of the State

Task of the state is public spending and resulting public expenditures and their allocation is done according to certain criteria. In the state system, there are much expenditure on goods and services and transfers, central government expenditures, expenditures entity authorities, local government expenditures, budgetary and extra-budgetary, military and civilian, regular and irregular, productive and unproductive, and so on. All expenditures are a function of national interest and development in the economy.

The transition from a socialist to a capitalist system in Bosnia and Herzegovina caused impact on the level of public debt and spending. So, will affect the overall public finances. In addition, these changes affect the legal norm, a way to organize, openness Bosnia economic system and the level of foreign exchange. The transformation of the economic system, which is observed at the level of privatization and transition our economy should lead to improvements.

The increase in public spending, which is observed free foreign trade activities of Bosnia and Herzegovina induce imports and trade deficit liquid. The data presented refers to the constantly high amount of current account deficits. If the deficit is too high, in cooperation with other countries when it comes to the exchange of goods, then the problem is excessive imports. The reason for these effects is that our production has a limited assortment of goods. When demand decreases and when incurred numerous non-economic reasons for the slower growth of the domestic economy, then problems arise and declining demand.

The highest level of organization is certainly the state. It should be noted that this is not considered the problem of the social order than with the organizational form. (Opšta enciklopedija, 1968)

For comparison: the country has a constitution and laws, the company has statutes and ordinances. The state has some form of parliament, the company has shareholders meeting. The state has (if any) presidency, the company has a board of directors. The State has a prime minister and government, the company has a CEO and board of directors.

1. Because of its great economic power of transnational companies -TNK are able to condition their entry into the markets of individual countries by seeking the adoption or modification of some of the laws (Mahatir, 2000) hundreds of billion. As a reminder, this corporation whose core business energy systems located in areas of their interest, Aerospace Engineering, household appliances, various types of motors,
conveyor systems, information services, plastics, lighting, medicine, etc. (Anual Report, 1996) Revenue in only one area the greater the number of times the revenues in the respective industries of certain countries.

2. History of the state are, as they were at the peak of its power, physically occupying a vast area and there lived many nations who have paid taxes to the state. Today's transnational companies, through technology and media, provide impact and generate revenues from various countries.

3. The budgets for research and development of TNK are several times larger than the total GNP of some countries. (Muslija, 2007)

Good practice shows that successful economic development at national, regional or local level always starts by formulating the strategy. Need to develop an economic development strategy is even more emphasized because of the existing challenges, include, among international, national, regional and local aspect.

Globalization definitely leads the company in a position of international competition, which offers the possibility of developing new markets, but also gets competition of foreign companies in the local market. Increases competition for investment, financial help, business attraction and retention of long-term investors. Multinational and global manufacturing, banking and service corporations compete on a global level to provide for themselves profitable areas of production operations and operations management services. In addition, local conditions determine the competitive advantage of the community to attract and retain investment.

Regional economic development challenges are related to the fact that the communities within the region and between regions compete to attract foreign and domestic investors. On the other hand, there are many chances that the local community work together on joint projects in communities pc interest of its own development. This cooperation could improve the competitive ability of the entire regional economy and create more space for the affirmation of the region and attract investment.

For each economic development is very important local level in terms of business conditions in the community. In countries such as Bosnia and Herzegovina Companies often locate in urban areas because of agglomeration economies, maintained infrastructure, manpower, communication benefits, and the like.

The most important and most effective activity that a municipality may take with regard to the affirmation of economic development is to simplify and improve processes and procedures through which pass enterprises within the local administration. Numerous analyzes of the functioning of local authorities in B&H indicate a rather complex, poorly run, expensive and unnecessary registration system, which drastically reduces the competitive ability of the area.

3. Economic aspects of state

In the modern economy, there are three major functions of state, namely: allocative, distributive and stabilization. Besides the fact that the state provides the legal and institutional structure or framework within which the market operates, it must ensure the efficient allocation of resources in the production of certain social goods and services.

Allocative function of the state is based on the inability of the market to provide only satisfy the conditions of its functioning.
The distribution function of the state is inevitable, because the functioning of markets can produce an uneven distribution of income that is not socially acceptable and socially. Stabilization function promotes three main macroeconomic objectives:

- Full employment,
- Price stability and
- Economic growth. (Ilić, 2004)

The country is politically responsible for the distribution of income, which directly affects the accumulation and economic growth. The creation of this political enterprise justifies state intervention distribution of income and differences between societies. In part, the resources would eliminate differences in society between rich and poor, and partly resources to ensure production growth in the economy.

The benefits of the market mechanism are reflected in market alternatives:

- objective mechanism that "works" regardless of the will of the people: that means he is superior to "connect" contributes to the production of a good and the resulting income as a reward for it; market differentiated rewards, i.e. income according to the efficiency and quality of work,
- A mechanism that recognizes only the production for the customer, rather than production for production,
- Decentralized arrangement corresponding economic democracy and the autonomy of enterprises and other economic entities and that only in terms of economic freedom can act. (Baroš, 2014)

4. Government intervention

All modern market economies are "mixed economy" which means that in these countries the economic activity of different direct coordination, and allocation mechanisms, various forms of government intervention. In addition to the market that through competition and free-formed prices of goods and factors of production regulates economic activity and economic relations between the parties to work another non-market mechanism. It is a country of their allocation and coordination functions performed by non-market rules and principles. According to traditional beliefs, the state should intervene only when the market mechanism, private - sector ownership and a system of individual choice and decision-making does not contribute optimally efficient solutions, provided that their interference in the economy is confined to the following areas: prevention of monopolistic events and other forms of limited competition, neutralizing the negative externalities that arise in the process of doing business and the provision of public goods, i.e. public spending.

Basic forms of government intervention are:
1. Laws and regulations,
2. Plan and Market,
3. Exercise of transfer payments,
4. Conduct of macroeconomic stabilization policies through taxes and subsidies
5. Performing the allocation of scarce economic resources.
5. Globalization

Globalization as a process of establishing international value of its appearance and all current activities support the idea of overcoming local boundaries of individual states and their national economies and has primarily economic and political effects.

The economic effects are identified through the integration of world capital markets, technology, information and communication. The entire process, although complex in the study, resulting in a "financial strength and dominance of transnational corporations in the context of the global market. In the broadest sense, the economic dimensions of globalization are carried through the processes of intensification of free trade flows and the establishment of a more liberal flow of capital, people and information." (Todorović, 1994)

Globalization, as a general phenomenon, characterized by, among other things:
- The universal and homogenization of the world for some important principles, guidelines and standards of conduct and
- Affirmation of the growing interconnectedness and interdependence among countries, regions and large enterprises.

Globalization is developing along with many economic processes, such as economic liberalization and denationalization of commodity and financial flows in the global market. (Montengrin, 2002)

Risk for enterprises in the conditions that created the process of globalization is a major, if not carry out structural adjustment firms and adaptation managers or decision makers. Enterprise more precisely, as a participant in the international market, there is a need to develop and implement a sustainable strategy, which is based on constitute a competitive advantage. The basis of modern competitiveness makes innovation, quality, flexibility, organization skills, reliability and involvement in the business network. Key elements to maintain a competitive position in the global market are: knowledge, innovation, creativity, specialization, and information.

6. Economic aspects of globalization

If economic globalization is understood in the narrowest sense of that. As 'the growing economic interdependence of countries around the world', then we must be aware that it is not enough to commercial ties crossing boundaries of states or regions, it is necessary to establish a large number of countries that tend to encompass the whole world, that is. To become global and that only then an integral part of the process of economic globalization.

Economic globalization is a natural process and the product is functioning market laws, international economic policy, state and international economic institutions and organizations, as well as transnational and multinational companies.

"Extremely important role of emerging independent transnational capital, which in economic terms non-national, because it has its own existence and the logic of development, the original structure and internal goals, great freedom of moving and low capacity to control." (Drašković, 2002)

7. Liberalization of the company

The liberalization process facilitates integration of poor countries and a possible economic progress. Shop raises her income, her transfer of technology and capital yields
additional benefits. That poor country, which by the liberalization process integrates into the global world, and receives a higher income and lower inequality compared to economically developed countries, which are already included in global processes. However, recent case law has shown that the integration and increasing trade led to a reduction in inequality in poor countries, but on the contrary, inequality has risen in most cases.

The basic rules governing the process of globalization, to the extent defined by the leading - and most developed countries, they benefit most. Most developed countries, thanks to its economic power, dominating in international organizations dealing with economic issues, which means that problems and regulations in these countries remitted or imposed and other - less developed countries.

Business success is based on the competitive advantage is a dynamic process and is basically conditioned by the ability to use strategies based on knowledge and innovation processes of companies.

The concept of liberal and market-oriented economy has become accepted by almost all countries in the world. No matter what positive and negative effects caused economic globalization has become a dominant process, which cannot be stopped. The question is not whether globalization is desirable, but at what speed and in what ways is best for the state and businesses to become part of that process. The goal is to find institutional solutions that will enable the achievement of greater benefit to all, while eliminating unwanted negative side effects.

8. The importance of entrepreneurship

As a consequence of major changes, and the globalization of technology based on the achievements of electronics, computers and telecommunications, particularly in the economies of developed countries, there is: a sudden increase productivity and redundancies, increased self-employment, the emergence of many small businesses that create numerous jobs, practicing labor from home and home.

All of these activities are an integral part of the process of renewing and flourishing of entrepreneurship that becomes the subject of broad interest to all entities doing business and put the economy of many countries towards a modern society.

Experience in many countries shows that at the practical, indispensable path to modern society, the path of sustainable development, which is characterized by:

- Entrepreneurship, which is reflected in the creation of a large number of small and medium-sized enterprises and the restructuring of existing ones with the aim of involving as many people to actively influence their destiny,
- a new approach to local and regional development, relying on their own strength implied in the concern for employment in their local community, which amounts to the provision of infrastructure conditions and the need for the emergence of small and medium-sized enterprises,
- Partnership between the public and private sectors.

9. Entrepreneurship in Bosnia and Herzegovina

Generally, entrepreneurship can be understood as a synonym for human action, action that is motivated by profit and as a result human capacity to recognize opportunities for profit in their environment. According to this understanding of the rule
that states that there are more entrepreneurs, the situation should be improved, and that the foundation is laid that will ensure a better tomorrow.

Looking at the statistics on the rate of private business units (statistics showing the percentage of the population between 18-64 years old who runs her own business activity that is paid to owners pay or other compensation in the last 42 months), Bosnia and Herzegovina they are not on the rise, but not in the unenviable position in relation to some 60 countries, which were also the subject of investigations by the Global Entrepreneurship research Association's.

10. Conclusion

Our main potential is the economy. That's the future of Bosnia and Herzegovina, as well as tourism with its natural beauty. We just need a good potential human resource, knowledge and creativity. State support is essential to facilitate entrepreneurs bar a little and let them help from the state to be wind. We have great opportunities for this business, but they should not be wasted.

Bosnia and Herzegovina has for many years had a problem with crime and corruption. And these are the factors that can influence the development of entrepreneurship. In view of this, we should change the consciousness of citizens. For many years, we are in place and do not solve anything. We have the lowest number of private companies, unlike some European countries.

A true entrepreneur will find himself a job, and will wait to obtain the same from others. Most entrepreneurs are starting a business in the larger cities and smaller communities are ignored. Probably there are many prejudices about it, and expect greater success in business. It does not always have to be the fact, if we consider that good marketing can do much to achieve. Neither the number of laws and other acts not in favor of entrepreneurs, because we know that the poor business conditions in our area. Therefore, you should edit the legislation in order to improve the business environment.

Literaturna


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Apstrakt

U vremenima kad su tokovi privrede bili manje globalnog karaktera i uz sporije kretanje poslovnog okruženja, osnovni kriterijum je bila stabilnost, a do promjena se dolazilo postepeno i ne tako često. Problem današnje modernje ekonomije se ogleda u neracionalnom trošenju državnog novca. Privatne banke igraju veliku ulogu u finansiranju države, jer je država, naprosto, prinuđena da se obraća istim. Jedan od gorućih problema na našim prostorima jeste to da se jako malo ulaže u otvaranje novih radnih kapaciteta, kao i mito i korupcija. Cilj rada jeste da se prikaže kakav je odnos države prema ekonomiji i kakvi su uslovi poslovanja u Bosni i Hercegovini, te na koji način mladi ljudi treba da shvate preduzetništvo? Država treba da bude glavni inicijator obrazovanja mladih iz preduzetništva.

Ključne reči: ekonomija, preduzetništvo, država.