

## GUEST EDITORIAL PREFACE

# Special Issue on European Entrepreneurship Meets Globalized Economy: Challenges and Opportunities

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The EU 2020 Development Strategy sets big challenges in front of the European entrepreneurship, but also opportunities as an engine of socio-economic development. Increasing global competition, the struggle for resources, particularly in terms of political and economic crisis we are facing today, multicultural aspects of business are the basis of the entrepreneur's changing role.

Therefore, entrepreneurs are faced with the need to consider and take into account not only local but also global competitors whose products cross international boundaries using information and communication technologies (ICT), and enter regional markets that till recently seemed at least somewhat reserved for the local business. In this situation, European entrepreneurs should think and act flexibly and non-traditionally; they should generate, transform and apply innovation in a broader sense (turn to the 'new Schumpeterian entrepreneurship'). 'Think global, act local' is not only a slogan; it is a synthesized expression of today's dimensions of business and its players, i.e. entrepreneurs.

This special issue discusses these growing challenges, but also increasing opportunities for the European entrepreneurship. The discussion involves five papers of participants in the International conference held for the third time in September 2010 in Borovets, Bulgaria, considering the position and behaviour of European entrepreneurship in the globalizing world.

In the first paper *Necessity Entrepreneurship and Job Insecurity: The Hidden Face of Entrepreneurship* Alain Fayolle (France) gives some more light to the deeper understanding of entrepreneurship in different (recent) contexts. Especially, he put the focus on necessity entrepreneurship as an attempt to overcome the status of unemployed (particularly women). For this analysis, the author uses data from the Global Entrepreneurship Monitor (GEM) survey, which provides a good basis for analysis and comparison. This is entrepreneurship, quite different from the Schumpeterian and from the global entrepreneurship, mentioned above, but a necessary one, and deciding crucial existential problems of people. The paper of A. Fayolle adds value to the understanding

of necessity entrepreneurs in conditions of uncertainty and crisis.

The presence of a hidden side of entrepreneurship is important not only for researchers, but especially for policy makers, in their efforts to reduce poverty and insecurity, encouraging necessity entrepreneurs (especially women).

The paper of Mark Potts and George Puia (both from USA): *Entrepreneurship in the European Union: United is not Uniform*, shows an interesting aspect of the theme from American perspective, comparing status and situation in the EU and the United States of America concerning problems, opportunities and development of entrepreneurship. First of all, they make the arrangement that due to different regulations, taxes and measures of entrepreneurial activity, data for such comparisons are insufficient and to some extent incomparable (more efforts in this direction are necessary).

One of the main points of the authors is that the general policy and support for entrepreneurship (in EU), and the policy, differentiated by separate states, is leading to interesting results. Rather, individual policies of individual countries in the EU and individual states in the U.S. lead to higher value (results) as they account the local circumstances. Hence they do their main conclusion: 'Unity does not equal uniformity'.

Karl Sandberg and Gerth Öhman's paper *Innovative Behaviour of Rural Small Enterprises* connects innovation and regional development in rural areas (on the example of mid Sweden). Their starting point is that small companies introducing appropriate innovation in their activity could help less developed regions like rural areas.

Using research model launched by D. Smallbone and D. North the authors investigate a couple of rural SMEs, underlying such study is not easy because their heterogeneity comparing SMEs in more populated (developed) regions. Studying firms were divided into two groups: manufacturing and services.

The results of the study show some significant characteristics of rural SMEs (which type of innovation they use and who (how) implement this innovation:

- Product and service innovation. Those with over 10 employees are more (higher level) innovative.
- Market innovation. Fewer SMEs really use new marketing methods (more in manufacturing, less in services).
- Process, technology and innovation. More investigated SMEs practice process innovation, mainly internally originated (again more in manufacturing SMEs).
- Use of ICT – the authors find significant role of using ICT (more in manufacturing SMEs and having more than nine employees). The entrepreneurs (managers) use ICT as a key tool for their competitiveness.

As conclusion authors point: SMEs could contribute significantly to less developed (rural) regions through use of appropriate innovations ... product, process, marketing and especially ICT. Unfortunately, they mentioned less role of human and social capital in this context. But as they said, there is a need for more complex study of rural SMEs and their understanding to promote better regional policy.

The fourth paper *The Diffusion of Innovative Practices among Meat Retailers in Northern Greece: Think Meal not Meat* was prepared by Philippos Papadopoulos. This very interesting paper had some relation with previous paper but presenting original and specific processes mixing existing old values and need of innovation in such traditional sector. Analysing 'traditional butcher' against 'supermarket' (especially now in the crisis) the author pointed instead to resist to the new trends (ecological, bio food, health concerns) the butchers need to defend their position through relevant innovations. Such innovations with existing personal relations and trust could be winning combination for Greek butchers.

Using new standards, improve own skills how to pack, offer products and services in a new way, keeping good old traditions the butchers could jump from 'think meat' to 'think meal'. But this cannot be individual success event. There is a need for diffusion of innovations

with the help of small business chambers to have widespread effects.

The last paper *Entrepreneurial Tricks and Ethics Surveyed in Different Countries* presented by Miroslav Pivoda, Frank Hoy, Kiril Todorov, and Viktor Vojtko, propose to highlight not well known untraditional methods used by entrepreneurs in different countries. Tricks, bluffs, stories, slang, help entrepreneurs to understand and behave more efficiently in non-routine situations, especially now in the crisis. The paper is based in study begun at Bernelli University, USA. Later some countries joined additionally.

Using specific methodology, authors asked entrepreneurs and business students to judge some real tricks examples how they are applicable (efficiently) and acceptable by ethical and moral norms. At the same time respondents are asked to present their tricks or tricks they have heard.

The majority of respondents from different nations approved the tricks examples not only as business applicability but from ethical point too.

This study gives value for better understanding of entrepreneurial behaviour in different economic and cultural-psychological contexts. It is concluded such non-traditional forms and methods are of vital importance as addition to formal ones – especially in more informal national cultures.

So, the above presented papers (topics) help to understand better European entrepreneurs in a globalising world, at regional and national levels in the terms of the crisis. The key word is innovation in broader sense (following Schumpeter in recent terms) using it in different context (regional, branch, and business).

We do hope the above mentioned topics presented in special issue papers will be useful and of interest for professionals – researchers, consultants, policy-makers and, of course, practitioners.

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