

## Conference Report

### *“Innovative entrepreneurship and sustainable development for SMEs”*

**12-14 September 2012**

**Tbilisi, Georgia**

The Workshop on “Innovative Entrepreneurship and Sustainable Development for SMEs” was held in Tbilisi, Georgia, on 12-14 September 2012. It was jointly organized by the Permanent International Secretariat of the Organization of the Black Sea Economic Cooperation (BSEC PERMIS) and the Konrad-Adenauer-Stiftung (Foundation) (KAS) in Turkey.

Welcoming statements were delivered by Ambassador Traian Chebeleu, Deputy Secretary General of BSEC PERMIS; Dr. Colin DÜRKOP, Head of Office of the Konrad-Adenauer-Stiftung (KAS) in Turkey; Dr. Canan Atilgan, Head of the Regional Program “Political Dialogue South Caucasus” of the Konrad-Adenauer-Stiftung in Tbilisi; H.E. Irakli Matkava, First Deputy Minister of Economy and Sustainable Development of Georgia; and Mr. Giorgi Pertaia, Deputy Director, National Investment Agency of Georgia.

The Workshop was co-chaired by Ms. Eteri Mamukelashvili, Chief Specialist, Economic Analysis and Policy Department, Ministry of Economy and Sustainable Development of Georgia; Mr. Fikret N. ÜÇCAN, President of TOSYÖV (Turkish Foundation for Small and Medium Business); Ambassador T. Chebeleu; Mr. Samir Ahmadov, Executive Manager of BSEC PERMIS; and Dr. A. Szabo, UNECE ret. Regional Adviser on Entrepreneurship and SMEs, Scientific Director of ERENET.

The Workshop was attended by the representatives of the following BSEC Member States: Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Hellenic Republic, Moldova, Romania, Serbia, Turkey and Ukraine

On the second day of the Workshop, Ms. Lali Gogoberidze, Head of Economic Analysis and Policy Department, Ministry of Economy and Sustainable Development of Georgia, SME Coordinator, Eastern Partnership Platform 2 – Economic Integration and Convergence with EU Policies; Prof. Dr. Hans-Jürgen Weissbach, University of Applied Sciences Department of Economy and Law, Institute for Entrepreneurship, Frankfurt am Main; Mr. Dieter Ibielski, Presidential Counselor of the Union of Small and Medium Sized Enterprises (UMU); and Dr. A. Szabo addressed the Workshop as lead speakers.

On the third day of the Workshop, presentations were made by Mr. Raphael Jozan, Advisor to the Minister of Economy and Sustainable Development of

Georgia; Mr. George Nanobashvili, Team Leader of Economic Development in UNDP Georgia; Mr. Kakha Shavadze, Director of Ajara Economic Development Project; Ms. Nino Elizbarashvili, Founder and President of the Georgian Association Women in Business; and Dr. Kakha Nadiradze, President of Association for Farmers Right Defense.

**The following points were made in conclusion:**

1. Creativity and innovation are the heart and spirit of the enterprise and thus companies must constantly innovate, even if only gradually. Innovation is considered as an essential characteristic of entrepreneurship which relates to new products, new production methods, new market and/or new form of organization. ERENET Profile Vol. VII, No. 4. [www.erenet.org](http://www.erenet.org)
2. Innovative enterprises are those which respond to the challenges, accept change, increase the profitability, undertake new actions, develop new products and offer more efficient and user-friendly services.
3. Innovation is not a component of one designated Ministry's policies, but has to permeate all policies and be endowed with appropriate effective instruments with clear objectives, continuous assessment and benchmarking with competitors.
4. Innovation is market driven and pushed not only by the companies. Innovation management is a prerequisite for innovation. The majority of SMEs encounters difficulties in planning, implementing and marketing innovative products. Innovation should work only by taking people (employees, customers, stakeholders, etc.) into account.
5. SMEs often ignore the true meaning of innovation. Enterprises which do not innovate would quickly stagnate and lose their competitive position without renewing.
6. SMEs must feel the stimulating forces for the innovative environment and sustainable development and have to understand that when something is changing, they have to change too.
7. Reasons that slow down the process of innovation are:
  - fragmented and undeveloped markets;
  - political uncertainty and lack of confidence to build common research subregions in the BSEC countries;
  - costing price of innovations is too high;
  - SMEs have found it expensive to defend their intellectual property rights;
  - poor information levels about products and services;
  - low level of social acceptance for the innovation results and outcomes.
8. A different type of entrepreneurial creativity is required for factor-driven, efficiency-driven and innovation-driven economies.

9. BSEC countries are extremely heterogeneous from factor-driven economies (e.g. Azerbaijan) through efficiency-driven economies (e.g. Romania) and mixed economies (e.g. Russia) up to moderate innovator (e.g. Greece). Different types of entrepreneurs and entrepreneurial creativity are needed in different situations and countries.
10. In some BSEC countries the lack of transparent policy actions create unpredictable changes in legislation (e.g. in Ukraine) and the lack of analysis of the impact of legislation (e.g. in Romania) hamper the development of SMEs.
11. Not enough concern is given to the aspect of entrepreneurial training, particularly “financial literacy”, and to advisory services.
12. While focusing on tax and regulation system, the importance of improving the quality and “smartness” of business ideas has been widely neglected.
13. Agricultural producers are in a weak situation with regard to international chains as their main customers. The generated illiquidity hampers the development of SMEs and supports them to build adequate value chain (e.g. in Serbia).
14. Improvement of tax code (Albania, Georgia) containing incentives for micro and small businesses and simplification of starting business procedures would create a good basis for small and medium business further development.
15. The access to credit and capital is essential for SMEs. In that context, the Turkish SME support and credit model seems to be particularly efficient. It is close to the EU best practice.
16. The Europe 2020 Strategy, especially two cross-cutting flagship initiatives: The Innovation Union and Industrial Policy for the Globalization Era will help to improve and plug the innovation gap for the EU countries, the countries with the EU association agreements as well as with the ones ERENET Profile Vol. VII, No. 4. [www.erenet.org](http://www.erenet.org) within the EU Eastern Partnership Program.

**The following recommendations were made:**

1. In the time of economic crises measures and researches are needed to help transform ideas into new marketable products and services, creating jobs and growth both in Europe and in the BSEC region.
2. Governments have to introduce a wide range of schemes to support SMEs, including tax reduction for R&D, contribution to research investment and establishment of innovation centers, link SMEs with academic research institutions, universities and industry. A special range of subsidiary programs is needed for start-ups and small innovation companies.

3. There is a need for elimination of bureaucracy and legislation burdens, as well as for formulating new orientation policies towards an innovation friendly environment.
4. BSEC countries have to develop business skills through education, especially for young people. For some countries the project of Training of Trainees in youth SMEs should be developed.
5. Support actions have to be taken through (i) new legislative measures that simplify procedures and boost competitiveness; and (ii) creation of new financial schemes and facilities such as by more effective use of the EU structural funds.
6. An international workshop on leadership and partnership of youth SMEs in South Caucasus should be organized.
7. Cross-border cooperation, linkage, networking of business services institutions and innovation consultation companies should be required.
8. It is suggested to create networks of business incubators and technological parks in the BSEC countries and collect and disseminate best practices in this field.
9. BSEC countries should develop women entrepreneurship development policy within the framework of their national SME policies.
10. Support and control of the quality of the business concepts are needed if entrepreneurs are subsidized.
11. Innovation performance should be improved through:
  - (i) smart and new government policies;
  - (ii) creation of business and innovation friendly environment; and
  - (iii) creation/improvement of access to finance and innovation policies.
12. BSEC should continue to promote SMEs in the Black Sea region. In this process the traditional cooperation would be maintained with KAS. The BSEC countries would benefit from the intellectual potential of the ERENET Network which provides also a good platform for cooperation and exchange of experience among academicians, university lecturers, representatives of research institutions and NGOs in the field of entrepreneurship from the BSEC countries.
13. The BSEC countries are encouraged to prepare themselves for the application of the Competitiveness of Enterprises and SMEs (COSME) Program for 2014-2020 of the European Commission.
14. The Turkish Small and Medium Enterprise Development Organization (KOSGEB) expressed its readiness and willingness for sharing of experience on “SMEs Exchange”, “Venture Capital Trust” and “SMEs Credit Models” through organizing workshops and seminars (minimum five applications).

## **Call for Chapters**

### ***Geo-Regional Competitiveness in East Central Europe, the Baltic Countries, and Russia***

**Proposal Submission Deadline: April 30, 2013**

#### **Editors**

Anatoly Zhuplev (Loyola Marymount University, USA)

Kari Liuhto (University of Turku, Finland)

#### **Introduction**

Globalization affects people, organizations, nations, and regions. It exerts strong impacts on the driving forces and business landscape, creating and changing strategic opportunities and pressures for economic development, growth, employment, and sustainability. East Central Europe (ECE), the Baltics, and Russia play an increasingly important role in the European region both as emerging markets and competitive players. In contrast to Western European nations and business entities, ECE, the Baltics, and Russia receive more limited and sporadic coverage in business literature. The changing dynamics in the European region and beyond, the unfolding political-economic challenges across the European Union, as well as the rising global power of emerging economic powers such as Brazil, China, India, Russia, and others require knowledge, skills, and methodological platforms inducing strategies and operations in the new and ever changing business landscape. In turn, this facilitates the need for strategic competitive analysis on the national, regional, and company levels. The proposed book strives to contribute to the body of knowledge addressing and connecting these issues into the integrative comparative regional context.

#### **Mission**

This book will present a comparative, competitive geo-regional cross-country analysis of ECE, the Baltics, and Russia: implications for international business.

#### **Objectives**

- Analyze regional and national business competitiveness of ECE, the Baltics (two emerging European regions) and Russia (a major strategic player in the Commonwealth of Independent States - CIS).
- Contrast and compare ECE, the Baltics, and Russia in geo-regional and national strategic competitive context.
- Explore key strategic strengths, core competencies, weaknesses in a comparative strategic context.

- Identify key business trends, drivers, and dynamics on the national level across ECE, the Baltics, and Russia.
- Examine patterns and trends in regional trade and foreign investment.

### Scholarly Value, Potential Contribution/Impact, and Purpose

Increasingly powerful forces of globalization sharpen global and geo-regional business competitiveness and political-economic interdependence. They critically impact socio-economic development, job creation, and other strategic priorities at the regional, national, and company levels. The proposed book explores scholarly frontiers and applications in a strategic business study of emerging European regions: ECE, Baltics, and Russia. The book discusses subject issues in a comparative integrative perspective.

### Target Audience

This book is designated for scholars, professionals, managers, government agencies, universities, think tanks, and other individuals, organizations, and institutions interested in a deeper understanding of the geo-regional strategic business dynamics and landscape involving ECE, the Baltics, and Russia. More specifically, the book explores political-economic environment and competitiveness, and provides insights on attractiveness, strategic benefits, costs, and risks of doing business in these regions of Europe in a comparative context.

*Recommended topics include, but are not limited to, the following:*

1. Globalization, socio-economic development, and competitiveness: global concepts, trends, drivers, dynamics, and geo-regional implications
  - Competitiveness in the context of globalization
  - Implications of competitiveness in the regional context: ECE, Baltics, Russia
2. Socio-economic development and competitiveness: Regional view
  - Regional potential for socio-economic development, core competencies, and competitive advantages and disadvantages in the global and geo-regional context
  - Regional trends, drivers, and dynamics in socio-economic development and competitiveness: comparative view (competing/comparator geo-regions)
    - East central European (ECE) region
    - Baltic region
    - Russia

3. Socio-economic development and competitiveness: National view (list of countries -tentative)

*Suggested issues to be covered for each country:*

National potential for socio-economic development, core competencies, and competitive advantages and disadvantages in the regional context

- a. Key global business rankings (competitiveness cost of doing business, trade, FDI, risks, etc.)
- b. Trends, drivers, and dynamics in socio-economic development and competitiveness: comparative view
- c. Key economic sectors/industries, their dynamics, current state, and future outlook
- d. Environment, climate, profile, and patterns in international business (trade, FDI)
- e. Competitive SWOT analysis (Strengths, Weakness, Opportunities, Threats)
- f. Best corporate practices in competitiveness
  - Domestic forms
  - Foreign-based/international firms
- g. Cases/other materials illustrating best practices and lessons in business competitiveness and developments
- h. Main country-specific sources of information and consulting assistance in doing business (domestic government, international organizations, foreign government, non-profit organizations and think tanks, private consultancies)

*East central Europe*

- Bulgaria
- Czech Republic
- Poland
- Hungary
- Romania
- Ukraine

*Baltic countries*

- Estonia
- Latvia
- Lithuania

*Russia*

- Countrywide
- Leading economic regions

### **Submission Procedure and Format**

Contributors are invited to submit on or before **April 30, 2013**, a 2-3 page chapter proposal clearly explaining the mission, priorities, structure, and format of his/her proposed chapter. Authors of accepted proposals will be notified by May 15, 2013 about the status of their proposals and sent chapter guidelines. Full chapters (written in English under American Psychological Association

style, approximately 8,000 words each) are expected to be submitted by **August 30, 2013**. All submitted chapters are subject to double blind reviews. Contributors may also be requested to serve as reviewers for this project.

### **Publisher**

This book (<http://www.igi-global.com/publish/call-for-papers/call-details/884>) is scheduled to be published by IGI Global (formerly Idea Group Inc.), publisher of the “Information Science Reference” (formerly Idea Group Reference), “Medical Information Science Reference,” and “IGI Publishing” imprints. For additional information regarding the publisher, please visit [www.igi-global.com](http://www.igi-global.com). This publication is anticipated to be released in 2014.

### **Important Deadlines**

Chapter proposal submission: on or before April 30, 2013

Chapter proposal acceptance notification: May 15, 2013

Full chapter submission: August 30, 2013

Review Process: August 30 – October 15, 2013

Review Results to Authors: October 30, 2013

Revised Chapter Submission: November 30, 2013

Final Acceptance Notifications: December 30, 2013

Submission of Final Chapters: January 15, 2014

Book publication: 2014

Inquiries and submissions can be forwarded electronically (Word document):

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**Call for Papers**  
**11th Chemnitz East Forum**  
***“Corporate Governance in Central and Eastern Europe”***  
**Chemnitz, Germany**  
**11 – 13 September 2013**

The Chemnitz East Forum provides a platform for researchers studying management and organizational processes in transformational contexts of Central and East European (CEE) countries. The 11th Eastforum Chemnitz will particularly address the issues of **corporate governance**.

We would like to invite research papers exploring different aspects of corporate governance with respect to CEE countries. We welcome theory-based empirical studies, grounded in any methodological tradition (qualitative as well as quantitative), conceptual contributions or papers dealing with methodological issues or questions.

- Papers may deal with (but are not limited to) the following topics:
- Corporate governance models and practices in CEE countries
- Transfer of governance models from West and East and vice versa
- Corporate governance and industrial relations in the CEE context
- Ownership and control of CEE companies
- CEE companies: democracies or oligarchies?
- Democratic vs. oligarchic organizational cultures
- Specific contexts of corporate governance in CEE countries (f.e. governance of family business, public and non profit organizations, cooperatives)
- Top Management Teams and Business Elites in post-transformational societies
- Women on top management teams and boards of CEE companies

Please note that there will be a special stream “GLOBE research in CEE countries: national culture, leadership and future leaders”.

We particularly encourage young researchers and PhD students to submit their papers. Selected papers submitted to the conference will be invited for publication in a special issue of the *Journal for East European Management Studies (JEEMS)*.

The conference fee is 150 Euro. As far as possible, participants from East European countries will have the conference fee refunded.

Please send an extended abstract (up to 1,500 words) (in doc or pdf) via email to:

Irma.Rybnikova@wirtschaft.tu-chemnitz.de.

Abstracts should contain the author(s) name(s), title and position, institution as well as e-mail address.

Submissions should be received by **30 April 2013**. Authors will be notified of acceptance by 31 May 2013. In case of acceptance, authors will be asked to submit a full paper by 31 July 2013.

For further information please visit the conference homepage at

[www.tu-chemnitz.de/wirtschaft/bwl5/konferenzen/ostforum](http://www.tu-chemnitz.de/wirtschaft/bwl5/konferenzen/ostforum).



## Call for Guest Editors

### **Zeitschrift für Personalforschung (ZfP) – German Journal of Research in Human Resource Management**

#### *“HRM or Leadership”*

**Deadline for synopsis submissions: 30 June 2013**

The Zeitschrift für Personalforschung (ZfP) – German Journal of Research in Human Resource Management – regularly publishes Special Issues on a specific topic in HRM or Leadership. Interested guest editors of a Special Issue are recommended to contact the editors-in-chief of the ZfP with the title and a short synopsis of the proposed topic. The decision on a special issue is made by the editors of the ZfP.

These Special Issues should cover the state of the art and should contribute to the theoretical, empirical, or methodological knowledge in the respective research field. Synopses that have the potential to stimulate future debates and research on HRM or Leadership will be particularly welcome.

This call is open and competitive. The editors of the ZfP will support the guest editors with the production and the distribution of the call for papers, with the review process, and with book reviewers on the selected field (optional). The language of the Special Issue is English. At least one guest editor should come from an academic institution outside the German speaking area. All guest

editors should have a high-level publication record in the proposed field of research.

Currently proposals for Special Issue(s) to be published in 2015 or 2016 are invited

**Contact:**

All synopses should be electronically addressed to Hampp@RHVerlag.de

For more information about the journal follow this link:

<http://www.zfp-personalforschung.de/pmwiki.php>

The editors-in-chief of the ZfP are very happy to discuss initial ideas for synopses, and may be contacted directly

Michael.Muller-Camen@wu.ac.at (on HRM)

Juergen.Weibler@fernuni-hagen.de (on Leadership and HRM)



**Call for Papers**

**1st conference for Leadership in Russia & Global Context**

**Moscow**

**22-24 October 2013**

Sponsored by the National Research University Higher School of Economics (HSE) and the Centre for Cross Cultural Comparisons

The 1st conference for Leadership in Russia & Global Context is scheduled to be held in Moscow 22-24 October 2013 co-located with the HSE 5th Annual Conference on Management.

The conference will consist of presentations of academic research, and plenary addresses by business leaders and renowned academics in English or Russian; we plan simultaneous translation.

**Conference contact address**

Romie Littrell, Facilitator, Centre for Cross Cultural Comparisons and Auckland University of Technology, New Zealand (click following email address to connect): [lirmoscow2013@yahoo.com](mailto:lirmoscow2013@yahoo.com)

## Call for Papers

Final version of manuscripts must be received midnight, 1 May 2013, your local date & time, at the email address above. Papers may be in English or Russian. The format of the paper must follow the American Psychological Association (APA) current formatting (headings, fonts, etc.) and citation and reference guidelines. See the Purdue University site for a good discussion and example: <http://owl.english.purdue.edu/owl/resource/560/01/>

- Proceedings will be published with an ISSN.
- Papers will be refereed; all papers may not be accepted
- Content should relate to leadership in Russia; if you don't include Russia in your focus, perhaps you can compare your research stream to the work that has been done in Russia.
- Content of the paper is more important than length; if we feel your paper is too long or short we will suggest revision

## Conference information, fee & expenses

- The conference fee will be announced 1Q2013, we are working to keep it at a reasonable level.
- All participants, including presenters, are responsible for paying his or her conference fee, travel, hotel, and subsistence expenses; subsidies are not available.
- The location of the conference is at the HSE campus at 33 Kirpichnaya Street, in downtown Moscow, near the Semyenovskaya Metro station on the Blue line.

All non-Russian and non-CIS citizens need to apply for a visa for entering the territory of the Russian Federation. Prior to your application for a visa please contact [lirmoscow2013@yahoo.com](mailto:lirmoscow2013@yahoo.com) to discuss arrangements, no later than 70 days prior to your arrival in Russia. Proof of medical and travel insurance is required for citizens of some countries.