

EUROPEAN INSTRUMENTS AND OUR EXPERIENCES IN SUPPORTING ENTERPRISES' COMPETITIVENESS

A call for thinking and acting differently

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The opinions and views presented here are those of the author and do not reflect the official opinion of the donor.

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A call for thinking and acting differently

This paper presents a call for thinking and acting differently, in terms of usage of the European instruments for supporting competitiveness of small and medium-sized enterprises in the Western Balkans' countries, where these instruments do not provide even closely expected results, as they have been developed and adjusted according to a significantly different environment. A motive for such a call was the diagnosis of some form of a "systemic error" in the methodology for the evaluation of the application of the European Small Business Act in these countries, which is done by using the SME Policy Index. The key question is: can one systematic and regulated approach, with good practices that have naturally matured in a well regulated environment, as is the characteristic of European countries with developed industry, be artificially replanted into a completely different, transitional environment, which is being radically changed and into the situational context which, most often, is characterized by uncertainty, instability, unreliability and unpredictability. Experiences based on the practices so far have shown that this cannot be the case.

The second part of the paper gives the baseline indications for redesigning some segments of the methodology, so as to revise that error and significantly improve the effectiveness of this generally very well accepted instrument. The main reason behind the proposed redesigning is in the lack of adjustment of some sub-dimensions and indicators of assessment to the logical rationale behind it and working as required in complex situations, which are abundant in any serious dealing with enterprises' competitiveness. In practice, this leads to the superficial taking and copying of the so-called good European practices, with huge spending of resources and time, on one side, and disproportionately small, and mainly minor actual effects, on the other side. The new approach, which is indicated here, can, to a good extent, turn things around: focusing initially to emerging practices and probes that are feasible with minimal resources and in short time periods, should lead to more flexible and effective policies and instruments which, with less engaged funds, produce significantly higher actual effects in terms of business environment and competitiveness of enterprises.

In professional terms, the redesigning should be used to, significantly more than it has been the case up to the present, take into account new knowledge and warnings that have been increasingly seriously offered by the complexity theory.

Observed from the European perspectives, an attempt to improve this methodology precisely in the area of the Western Balkans, hence starting from Bosnia and Herzegovina, can be treated as some form of a "safe-to-fail" experiment, which will not jeopardize anything, but could be used to get a lot, if even partially successful.

The key internal assumptions and levers for this undertaking exist, starting from the creative team that has been dealing for years now with strengthening competitiveness of enterprises and improving support instruments, up to the readiness of the public and private sector stakeholders to cooperate in this business. External support is necessary to make the performance of this undertaking easier and accelerated.

1. On advantages and disadvantages of the methodology

During the last couple of years, we have been intensively dealing with strengthening competitiveness of enterprises, primarily through the CREDO Krajina Project. In doing so, and in line with our mission, we have tried to do this in a creative manner, encouraging also those we work with to replace the reactive patterns of work with the creative ones. Our creative challenges have often related to the usage of the already developed tools, their adjustment, application, re-examination and, sometimes, improvement.

A part of our attention and experience, for more than three years, have been occupied by two instruments: the European Small Business Act and the SME Policy Index¹, by which this Act has been made operational, in order to provide monitoring and evaluation of progress of countries, whose economies have been in the phases of emerging or transformation, in terms of bringing their support closer to good practices achieved in the EU countries. After a year of adjustment and application, it seems that the time has come for some of our suggestions for re-examining of some aspects of the application of methodology for evaluation of compliance with the principles of the Small Business Act on the basis of the SME Policy Index to be shared with others dealing with supporting competitiveness and applying this methodology in the Western Balkans region.

Together with a number of advantages that this methodology manifests in the countries of our region, some weaknesses have also been manifested which cannot be remedied by significantly increased work of our experts on its improvement, according to our current insights. Simply, these are the things for which systematic repairs that are being done are not sufficient; instead, they would take a serious redesign of a systemic nature, based on proper taking into account the complexity of the situation that occurs when we deal with enterprises' competitiveness.

Prior to opening of the main questions for discussions, these are some of the basic information about the instruments we have considered.

¹ The Index has been jointly developed by the Organization for Economic Cooperation and Development (OECD), European Commission (EC), European Bank for Reconstruction and Development (EBRD) and European Training Foundation (ETF).

1.1. Briefly about the Act and the Index

The Small Business Act presents some form of a framework European Act for the creation, implementation and monitoring of policies aimed at small and medium-sized enterprises (SME). It was adopted in 2008 with an idea to serve as the best guide for adoption of measures which, on one side, take into account specificities of each member state, while, on the other, enable a gradual harmonization of legislation and support policies in the whole EU. The concept was based on constant improvement of entrepreneurship and incorporation of the principle “think small first” into the laws and policies that should strengthen the competitiveness of the SMEs in the countries of the European Union. It consists of ten principles² and a number of undertaken additional specific activities, so as to implement those into practice.

The application of the Small Business Act in the countries of the Western Balkans is performed through the SME Policy Index. It is about the methodology of assessment of the state of policies and instruments related to the SMEs, where the 10 principles of the Act have been transformed into 12 dimensions and 23 sub-dimensions³ with somewhat over 100 indicators, based on which the state of specific policies is evaluated, by providing answers to several hundreds of questions. In the Western Balkans countries (including Turkey), four rounds of assessment have been implemented until now: in 2006, 2009, 2012 and 2015.

1.2. Good sides of the application up to the present

First, both the Act, as a framework document, and the Index, as its operationalization, truly **present a comprehensive framework for the creation, implementation and monitoring of policies aimed at the SMEs**, as it is often emphasized when they are presented. This means that they have a well-covered and functional scope, as a good kit of tools necessary for setting of the environment and providing support to such sensitive mechanisms, such are the small and medium-sized enterprises, particularly in the countries where their economies are being transformed. Our experiences in working with these enterprises show that they rarely have the need to add something more, from the point of view of their needs and expectations, into that “kit”.

Second, the Index usage **enables systematic monitoring of progress of the Western Balkans countries, whose economies are in the phase of transformation, in terms of bringing closer the policies and practices of the creation of favorable business environment and strengthening of the SMEs’ competitiveness in the European Union countries**. This monitoring provides a very good overview of a multidimensional scope that we undertake, so that it is seen what is left to ad hoc activities (no framework - level 1 on the assessment scale), where a framework is in a probing/development stage (level 2), where such a framework has already been planned and agreed on (level 3), where there are serious signs of the implementation of a defined framework (level 4) and where do we already have

2 The principles are: the creation of environment for entrepreneurship, enabling a second chance, incorporation of the “think small first” rule, make public administrations responsive to the needs of the SMEs, availability of the state aid and public procurement for SMEs, access to finance, usage of the European Single Market, encouraging of skills and innovations, turning environmental challenges into opportunities and internationalization of business operations.

3 Each sub-dimension is evaluated from the three angles: how the specific policy was designed, how is it implemented and how is its effectiveness monitored and evaluated.

serious indicators of the framework's effectiveness, which has been realized for a while now, getting the characteristics of good practice, comparable to similar practices in the European Union countries (level 5).

Third, such a structured approach truly **enables a gradual harmonization of the framework and policies which are related to the business environment and competitiveness of the SMEs**. Its smart usage makes easier an agreed selection of focus and priorities for support for a new medium term period and/or for the next year. In this way, for example, in the Republic of Srpska, inclusion of the principles of the Act into the Law on Development of SME and later defining of the strategic goals and programs of support in the SME Development Strategy for 2015-2020 period, based on the assessment of the application of the Act through the Index, has created a partial normative and strategic assumptions for the harmonization within the country, with the Federation of BiH and, globally, with the European environment and practices in this area.

Fourth, this way provides a **better structure and facilitation of a dialogue between the policy creators** (from the competent ministries and agencies related to them), **private sector, nongovernmental sector and international projects of support, that is, donors**. Fresh experiences from BiH confirm it best. In this way, dialogue and cooperation between the policy creators at the entity level and the BiH level in the things related to the process of framework and policy assessment according to the Act and Index, is one of, unfortunately, rare examples of an open dialogue and productive cooperation, giving a good joint result and, despite the growing politicizing of almost all other things, including those issues related to the economy. The example of eighteen municipalities where, at the end of 2014 and in 2015, the LocalAct⁴ methodology (based on the localization of the Act and Index) was tested and applied on, shows that, by this approach, "spinning in a circle" was avoided in the critical phases of establishing a dialogue between the public and private sector at a local level and it enabled fast and harmonized focusing onto common priorities. Also, examples of the projects such as ProLocal, which has quite successfully supported the work of the inter-sectoral working group for coordination of the application of the Act at all levels in BiH, or CREDO Krajina, which promotes perspective of the private sector and the bottom-up approach in initiating of improvements important for strengthening of competitiveness and "Support to SME Competitiveness in BiH" (EBRD), which promotes the practices of support based on the Act, all witness about the international projects and donors⁵ increasingly noticing and respecting the potential of this approach in channeling and accelerating changes of the business environment and harmonization of support policies in BiH.

1.3. Recent repairs

Here we do not enter into technical details of the application and methodological improvements of the Index that were performed in 2014 and 2015. Still, we should mention that all the improvements targeted removal of previously found shortcomings, such as: certain superficiality in the application, with the focus on the process, without getting deeper into the actual domain and effectiveness of policies the governments implement and evaluate; too much relying on the quality assessments ob-

⁴ LocalAct is a methodology of harmonized local work on development of small and medium-sized enterprises according to the principles and standards valid in the European Union states. It has provided fast focusing and concentration of local resources on improvement of the business environment and instruments of support for the SME&E, which enterprises consider significant for their business operations and development, and the local government considers them feasible from the point of view of its possibilities and resources. LocalAct methodology was developed by Eda within the CREDO Krajina Project.

⁵ ProLocal was financed by Germany, CREDO Krajina by Sweden, and Support to SME Competitiveness in BiH by the European Union.

tained from the government representatives, without the usage of additional sources pointing out towards the results of the policies “in the field”; with regards to that, unrealistically high marks obtained in the assessments of the countries whose economies are in transformation (level 3 and higher, which would mean that a higher level of compatibility was achieved with the policies and practices in the developed economies of the European Union); a limited possibility of comparison of practices only within the region and not with the European Union countries and the OECD⁶.

Methodological improvements have led to the inclusion of a number of data from the business statistics (structural business statistics) and indicators from the SBA Factsheet, thematic blocks and specific questions that are related to the design, implementation, as well as monitoring and assessment of achievement of the policy, inclusion of a parallel expert assessment besides assessment of governmental officials, etc.

Experts had a dominant role in the work on methodological improvements - as is most often the case with such things - which lead to the results as they usually produce. The application has now become somewhat more complicated and it can hardly be done without the experts' help; the whole work has become more extensive, instead of being more intensive; there is somewhat more bureaucracy than was the case before. Time will show to which extent the improvements have really achieved the previously set goals. The first results of the assessments performed in 2015 have shown again relatively high assessments of a number of policies within BiH, with the simultaneous diagnosis “from the field”, obtained through our interviews with enterprises⁷, that the domestic policies and institutions of support have affected their competitiveness in a neglecting manner or, sometimes, negatively. Maybe this complicated and combined bureaucratic and expert process of assessment still overlooks what should be the most relevant – the angle of looking of the enterprises.

1.4. It is Time for Redesign

Observed at a deeper level, it seems that the methodology of assessment according to the Act and Index has some sort of a “systemic error”, which is reflected in its not being adjusted to the character of complex situations and working that corresponds to such situations. Professionally put, the methodology does not take into account new knowledge and warnings that have been increasingly seriously imposed by the complexity theory.

1.4.1. What is not good in this approach

The complexity of issues related to the business environment and competitiveness of SMEs is to be approached with an assumption of order: that these are the issues that, with adequate support of experts and adjustments of certain good practices, can be relatively fast regulated, set out with some sort of a framework, that is, some policy or instrument, and then implement them together with monitoring and evaluation of effects. This is a linear approach (first, design of a framework, then implementation,

⁶ Stated according to: TOWARDS AN ENHANCED SBA ASSESSMENT: REVISION OF THE CURRENT METHODOLOGY, Regional Workshop on the Small Business Act, Torino, 30 June - 2 July 2014.

⁷ See, for example, publications with gap analyses and value chain analyses for the key industrial sectors, accompanied by Business Environment Barometer, within the CREDO Krajina Project, at: <http://www.edabl.org/Izvor/Publikacije.aspx?CatID=12#>. The same diagnosis is also found in the document: “Framework Plan for Improvement of Competitiveness of Metal Processing Industry at the BEAR Region” (an internal document of the ProLocal project).

monitoring and evaluation) and the assumption that we know in advance, when creating a certain policy, what will be the effects produced by its implementation, and for this it is sufficient that we involve the knowledge of experts familiar with such policies and their consequences through their education, status and experience.

In this, huge over-estimation of the experts' knowledge leads to serious under-estimation of several decisive issues, because we do not pay attention that in the majority of sub-dimensions and indicators of assessment we deal with issues that, by their nature, resist to single regulation, as they are included into the so-called complex adaptive systems. In such "systems", the interactions and dependencies among the different stakeholders are to such an extent and in such form that their effect cannot be foreseen and planned in advance. Such interactions lead to non-linear effects, so that great things (e.g. policies and instruments into which significant funds have been invested and from which much is expected) frequently produce minor effects and, seemingly small things, into which quite little has been invested and which were not made with a clear intention, can lead to disproportionately higher effects, which could not have been foreseen.

In complex situations, a decisive role is not on some external intervention, whatever the investment had been made into it, but the context within which the stakeholders mutually act, adjusting and developing together with that context. Here *good practices*, especially *best practices* simply are not in play, as this is not their field. The field of "good practices" consists of so-called ordered situations, which have been sufficiently regulated and the interactions are controllable, so that with the help of experts, it may be determined in advance which of several available options, or actions, can lead to desired effects. When we truly deal with enterprises' competitiveness, we are in an unordered area where nothing is pre-determined, where things have not been regulated yet, and where we still do not know what to do to achieve something. Here things are not known in advance, as we are in the area ruled by uncertainty and unpredictability. This means that, at the moment of designing specific policies and instruments for this intervention area, we almost do not have any information about their possible effect and consequences within a specific context we face. What the experts offer and good practices of others cannot help here, as the information that we get from them are valid for past experiences and other contexts. In this area, when we deal with complex situations, only when something happens, in retrospect, it can be, through reflection, known how and why it happened. This is why this is the area of the *emerging practices* from which we can learn what we need to know, what we need to do and what we should not do if we would like to improve things. Only on the basis of that (and not on the basis of experts' analyses and somebody else's practices) we can then create and determine policies, carefully monitoring their effects, in order not to slip into complacency and, probably, chaos, which is really easy to be slipped into if those who take care about the policies become idle with self-satisfaction and presenting the situation better than it actually is.

It is not problematic that one part of the situation covered by the Act and Index may be considered as ordered and foreseeable, so that the idea of using good practices can be efficient and effective. This, above all, is related to decreasing and removing of the so-called bureaucratic barriers (Red Tape) which the public administration at all levels has been imposing to the business actors. In this, an approach that could be, though carefully, used implies approximately the following steps: analysis of the barriers, their effects and causes; studying of comparable good practices with which such a problem could be successfully resolved; selection of an adequate practice and its careful adjustment to the specific context within which it should be implemented; implementation of solutions and monitoring of effects, with the necessary adjustments "along the way".

It does not seem disputable to us even to accept that some others, by their internal character of a complex situation, through the evolutionary process of maturation in a relatively regulated environment, such is the characteristic of the European countries with developed industry, have become controllable to a sufficient extent, so that the dominant approach of this methodology could be ap-

plied on them: shaping of a certain strategy, that is, policy – developing of an appropriate operational structure – monitoring and evaluation of influences of such a policy and structure, with unnecessary adjustments. But, can such an approach, with good practices that have naturally matured in a certain environment, be artificially replanted into a completely different, transitional environment, which is being radically changed and into the situational context which, most frequently, is characterized by uncertainty, instability, unreliability and unpredictability?

1.4.2. What happens when a wrong approach is selected

However, let us look at what it would look like if we would take a similar approach and apply it in case of support to innovative SMEs, for example, in Bosnia and Herzegovina. Namely, first the expert analyses (most frequently based on the internet browsing and superficial surveying of enterprises), then an analyses of good European practices, which strikes out into the front row solutions in the form of technological parks, sophisticated innovative centers and such, so the experts' elaboration of similar studies and projects of a selected solution (feasibility study, conceptual design, main project, individual feasibility studies...), then investments into construction works and equipping of a certain location, then... Years pass by, funds get allocated and frozen into the land, building, equipment, experts and bureaucrats convince all the others how things are going really great and things cannot be done either faster or cheaper, while there is no trace of the actual support to innovations in enterprises. "He who lives in hope will die fasting", as wise people would say. Enterprises soon stop to count on such support, provided that they ever hoped to get anything. In time, the situation changes also in the public sector, money in the budget become scarce, so someone, for example the mayor, comes up with an idea to earn something from selling locations in an envisaged technological park (this starts to be looked at as an industrial zone now) and thus patch up temporarily some of the bigger holes in the budget. A great idea of support to innovations at SMEs via a prestigious policy instrument called a technological park comes down to the ordinary market place where locations are sold according to the principle "whoever pays more". If somebody thinks that I am overstating it, they should ask around a bit about the history and the present state of the case called "Banja Luka Technological Park". The case is somewhat different with the ICBL, the Innovation Center of Banja Luka, which has been established and operating for a while now, however, its influence up to now to the innovations in enterprises is still of a minor significance. Still, mainly thanks to stating these two instruments, the Technological Park of BL and the ICBL, the sub-dimension of "Governmental Institutional Service of Support for Innovative SMEs" in the case of the Republic of Srpska, was evaluated with level 3⁸, and the actual support to innovations at SMEs comes down to more or less the story about the emperor's new suit, i.e. to a simple conclusion that the emperor is naked, at least when it comes to supporting innovations at enterprises.

It is worth mentioning that the actors from smaller municipalities, when facing complex situations, act differently. Our localization of the Act through the LocalAct⁹ methodology has shown, until now, at least two different approaches: some municipalities start with smaller, probing activities (for example, they organize a meeting of local businessmen and representatives of local administration with the Chief Inspector from the entity level, so as to start resolving the issue of grey economy; then, they temporarily give additional authorizations to their local inspector, etc.), whereas some try to get bureaucratically out of resolving complex situations, justifying it with the lack of competencies for such issues. This, however, is not sometimes easy to explain to the private sector, which considers that everything what is not prohibited is allowed.

8 Several things that exist "on paper" contributed to awarding of this mark: legal defining of the instrument (incubators, scientific and technological parks, offices for transfer of know-how, innovation centers), competence of the Ministry of Science and Technology for connecting the University with innovative companies, etc.

9 See more about the LocalAct methodology at: www.edabl.org/Uploads/admin/LocalAct%20-%20Metodologija%20lokalizacije%20Akta%20o%20malom%20biznisu.pdf

2. The main direction: different approach for complex situations

This brief taking into account the facts that, when we deal with enterprises' competitiveness, we most frequently find ourselves at a slippery area of complex situations, enabling to take out critical factors of "systemic error" of the methodology that we deal with. Namely, **it non-critically extends the validity of "good practices" outside their field, overestimating the role of experts and applicability of their knowledge, underestimating the significance of the context and uncertainty of the situations, as well as neglecting the significance and potential of emerging practices. The "systemic error" is in a wrong treatment of complex situations, as complicated ones¹⁰.**

If this is a "systemic error" of the methodology, can it be resolved and how?

It can be, if the approach is adjusted to the character of complex situations and if we set the methodology instruments in such a way so as to include and use the potential of emerging practices.

This is a complex undertaking, which certainly requires significantly more resources to be implemented and significantly more space to be described then. Still, there are some signs as to where and how it can be started.

It seems that it should be started from the five-degree assessment scale. Its logic should be differently set for the things and situations, which, by their nature, are complex. The present scale is set in such a way so as to reflect the logic of complicated situations and things. So, for example, the sub-dimension of *Policy framework for innovations* implies the following: that there is a unique strategy of innovations or that it has been integrated into other, sectoral strategies, as well as that such a strategic framework defines a special focus on innovations at SMEs; that the private sector has been consulted prior to adoption of the strategy; that the strategy has defined measurable goals, an action plan and a part on monitoring and evaluation; that institutional responsibilities for its implementation and coordination have been defined, including own governmental agency for supporting innovations; that they have hired financial assets for incentivizing innovations from the budget and from other sources, etc. Here, as a form of request for an innovation strategy, an assumption has been implicitly included that we can know in advance relevant cause-effect relationships and define which goals should be set out with regards to the innovations at SMEs and what should we do in order to achieve those goals. Also, to be able to know in advance which individual actions, i.e. instruments and services, contribute, in a measurable manner, to set out operational goals, and to which extent: that we can set out in advance how different actors will behave in the realization of those external and predetermined activities; that the formation of a special governmental agency will surely have a positive influence over the innovations at SMEs, etc. Superficial assumptions, which do not take into account the actual (non)effect of the strategies and established structures, while neglecting a deeper dimension of the actual interactions of the included actors, which mainly happen outside of such an easily set framework, sometimes, even, despite of it¹¹.

10 More about this differentiation of the situations and their adequate approaches may be found on the websites: <http://cognitive-edge.com/> i <http://systemic-insight.com/>. We follow progress in this area primarily through the cooperation with the teams of Cognitive Edge and Mesopartner on research, development and application of the tools in accordance with this approach.

11 Numerous clusters in BiH and Serbia can serve as an example for illustration. They were established with the support of different projects as one of the structures that should be used to resolve the problem of insufficient cooperation between the SMEs in the issues significant for their competitiveness. The artificial and brief character of these attempts has shown a number of current "cluster" practices in the region, where the spontaneously occurring interactions between the actors prevail over the formally established structures, so that the companies mainly do not use the services offered by the "clusters", whereas the "clusters" survive by "joining onto the apparatuses" of new projects and donors.

Have we not had enough of the bad experience so far with numerous other strategies, action plans and agencies, in the areas that are not so much complex and unpredictable, as is the area of innovations at enterprises, so as to try with something different, which will cost us much less time and funds, and it could lead to disproportionately higher effects?

2.1. Starting from the assessment scale

The scale for complex situations and issues used to act within them should be set out differently.

Maybe it could keep the five levels of evaluation, however, their descriptions should be different, adjusted to the logic of working in complex situations, which is characterized by the impossibility to find out in advance about how things will work and where will they lead to.

In complex situations, it is not alarming if something is evaluated as level 1, as, in such situations, sometimes it is better to leave things to themselves and the engaged actors, however, with careful looking and listening to what is going on, so that we could learn something about the context and forms of behavior, which appear and the rules that the actors implicitly follow. Namely, the description of the mark at level 1 should be somewhat more demanding and include monitoring and learning from a number of spontaneous, living cases that happen before us – for example, brief notes, directly marked by the actors on what, how and when to innovate (but without the experts' preparation and processing, as their involvement and amendments lose all the truly important issues). Similar unprocessed stories should be caught even for unsuccessful undertakings; such is the above-mentioned technological park, as one learns most and best from errors, primarily about what and how not to be done. And this already means half the job done, with a great saving of resources that we could use for something smarter and more useful. **Level 1 in complex situations implies our passive acting: observing, listening, taking notes and learning about what is going on with the actors and amongst them, prior to assessing whether we can and should act.** This is about acting that still has not included the intervention, as there are no necessary assumptions about it (knowledge about whether we should act, what kind of intervention should be and what kind of consequences it will produce).

If we would like more, meaning, to improve the things, facilitate them, speed them up, to come to what and how should be done, then we should set differently level 2. The present description suggests that the government's work on defining of a framework, i.e. policy, by which this area of intervention should be (uniformly) regulated, is in progress. The problem is that in this area there are probably several good solutions (of course, the bad ones as well) and that we cannot know in advance what these solutions are like. In such situations, it is recommended to do probes, active research acting using several small experiments, safe for the actors (safe-to-fail), which are not certain in terms of the results, namely, planned in such a way that both errors and success have equal chances of happening. In the case of incentivizing innovations at enterprises, this means that, instead of working on an innovation strategy or planning higher funds for triple-helix¹² initiatives, we should start with the design and implementation of several parallel, cheap, fast feasible, purposeful and mutually different, sometimes even opposite, small interventions/initiatives, which should only show us where the real barriers are and opportunities for later, larger in the scope of funds and expected influence, policy initiatives and framework. The purpose of a number of these small interventions/initiatives is to show the behavior of actors "an example in small" in their interactions and specific contexts. On the other side, their failure must not jeopardize any of the participants nor to aggravate our continuation on working on shaping an adequate framework. Namely, **level 2 should be redefined so that it is, for example, called an**

12 Triple-Helix model implies the partnership of enterprises, academic institutions and government on strengthening of innovation at enterprises.

experimental phase, and its description should emphasize an active research work on designing and performing of a number of parallel probes and learning on the basis of those trials, which will create minimum assumptions for later shaping of adequate policies. In terms of value, awarding of an assessment mark of such a level to some complex area for a government presents a recognition for its efforts that they do not act with the usual bureaucratic numbness, but, instead, to adjust its working to the specificities of the context and situations it deals with, so as to achieve, with lower amount of resources, significantly more than before when using more resources.

Only after a number of such trials, which does not have to last for a long time, it can be moved to the next level of acting: **a higher exploitation of those interventions and solutions which have, when tried out, proven to be functional and coherent**. We may invest now more funds into their development and application and we can gradually increase the level of expectation of the actors. This, in principle, means that we can now treat the situation and issues we deal with according to the logic of complicated situations, as this enables us the knowledge obtained by learning from the experimental phase. This, of course, means that the description of this level (level 3) also should be redefined; however, this should be discussed another time.

2.2. What next

This paper, where the marks, comments and suggestions are more scattered around than given in order, does not present something completed, but this is to serve as a **hint and a call for thinking and different acting, when it comes to the instruments that have been increasingly used in the Western Balkans countries**.

We would like to contribute to the practical innovation of one valuable and promising methodology. We start from an assumption that in this way, together with the key actors from the public and private sector, we can significantly improve both the methodology and the situation in the field, making this methodology more flexible, in terms of constant adjustments to the specific context of the situation, and more effective, in terms of constant improvement of policy intervention quality. To start with, we consider that this could be a serious alternative to the existing approach, which defines in advance a solution in a similar way in which the problem is defined, on the basis of information that have not been practically checked within the context where the problem appears, which, as a rule, leads to the fact that we need all the more resources and time for the realization of such a solution, and the effects are uncertain, to say the very least.

In this, we do not consider the fact that we intend to do this in the country, such is Bosnia and Herzegovina and in the region such is the Western Balkans, to be a shortcoming, instead, we consider it to be our advantage, as the methodology here shows at work its advantages and disadvantages, while an attempt to improve it can be done as a “safe-to-fail” intervention, observed from an European perspective.

When it comes to the Eda's creative team, things have matured, so in the next couple of years, this can become one of the main issues we will be dealing with. **In order to do this in a faster, better quality and effective manner, it is necessary that we get support, smaller than what we had for the CREDO Krajina Project, where the new application of the methodology based on the Small Business Act, at a local level, was only one secondary segment of our work**.

Ensuring cooperation with the domestic institutions and enterprises is our concern.

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