GENERAL FEELING OF UNCERTAINTY AND SOCIAL ENTREPRENEURSHIP

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***Abstract**: This paper aims to try to determine the key challenges facing the company in the real sphere and financial institutions in the years to come in a new, uncertain, global macro-economic environment. The authors are aware of the limitations provided by the present, which serves as the basis for projections, and in light of current circumstances, the idea of social entrepreneurship by offering to remove the general feeling of uncertainty that exists in the world should be considered.*

***Keywords**: financial crisis, risk management, macro and micro prudential supervision, social entrepreneurship*

“Alas! It is delusion all;
The future cheats us from afar,
Nor can we be what we recall,
Nor dare we think on what we are.”

Lord Byron[1]

1. INTRODUCTION

Management of companies and financial institutions is different due to the differences that these entities play in the economy. In some aspects, there are certain common characteristics. A new economic space and the national and global level will not be the same after the “tectonic disturbance” caused by the financial crisis in 2007, and it will require new methods, greater flexibility, and innovation in activities of economic entities, risk management and value creation.

While social entrepreneurship can indirectly affect economic performance, it can be of great social benefit and as such, will gain more importance in the future. The concept

[1] George Gordon Byron, known as Lord Byron, an English poet

of entrepreneurship, among economically developed countries and recognized universities in the world, was recognized by less developed countries that face similar economic problems and the Republic of Serbia. This is the reason that some practical examples are included in the work, in order to start thinking on and use this form of entrepreneurship in solving economic problems in our country.

2. KEY CHALLENGES IN MANAGEMENT

In practice, relevant pillars of sustainable development and economic entity are: a) stakeholder protection, b) risk management and c) the creation of value. To this, we need to add what is called a citizen's corporatism that includes environmental, i.e. social and governance accountability. The roles of companies and community are connected. Companies does not any more only produce or provide services and make profit but must take responsibility for community development. [1] To this end companies and community must closely cooperate.

Stakeholder protection was required before the crisis, [2] but due to irresponsible management; it gained even more importance in financial institutions. While investors will continue to enjoy special treatment in terms of protecting the interests, in this protected group enters a large number of entities, such as local communities, suppliers/business partners, shareholders, customers, NGOs, employees and government. The insistence on the protection of stakeholders increases the liability of management and hinders the execution of its functions whose task is to increase shareholder wealth and achieve an operating profit of the business, adding other functions related to the satisfaction of the community or the achievement of certain social objectives.

Risk management in the context of globalization and increased competition and risks proliferation are among the greatest challenges of the economic subjects, especially due to the rise of risk and especially if the economic entities are engaged in cross-border transactions. This is due to volatile movements in exchange rates and securities prices, which are determined by the speculative transactions, the growing influence of psychological factors on their movements ("Psychology of hordes") (Keynes, Schiller), the unstable political situation in some regions, and poorly managed economic policies that lead to political instability in some countries. Instability in the Middle East could lead to a significant increase in world oil prices and reintroduce us into recession.

Risk management at the micro-level proved inefficient during the outbreak of the financial crisis 2007-2008. Conditional to the concept of inefficient micro-control could be given the behavior of individual countries with economic subjects believed that the prosperous period of economic growth will last forever and are entered in irresponsible borrowing in the international capital market. Weak micro protection and not finding a method for an exit strategy from the crisis strengthened the advocates of macro protection, which means greater involvement of the state and its authorities for direct involvement in the regulatory process, and the process of supervision. That gave the solid ground to the neoliberalism, but it is an open and complex issue of relations between state and market in the management of the economy, i.e. the question, what after neoliberalism?

In the field of finance in the last 70 years, a dynamic growth was hiding the biggest risks to the business. According to the Global Risk of World Economic Forum [3] of 10 biggest risks, the 5 is, directly or indirectly, in the financial sector. Finances were in the focus of research not only because of the dynamic growth and volume of transactions, but for the fact that the financial world has become a paradigm of the global economy through financialization, and because they were the trigger of the global economic crisis. The crisis is more clearly revealed other weaknesses of the existing capitalist system, particularly the self-destruction that manifests itself in the long decline of investment in GDP and the need for its reconstruction to minimize the essential conditions for the emergence of crises in the future and to ensure sustainable development.

The transition to macroeconomic measures of protection raised the issue of relations between the state and the market, or finding a balanced relationship between the functions of the state and the market, because excessive involvement in the economy does not guarantee lesser risk. Among the relevant identified risks such as inflation, deflation, the measures that have a negative impact on capital flows, etc. are those related to the regulation. Too much regulation can be counterproductive to act on innovation and creativity in management.

In finance, in some relevant countries with mature markets, significant changes have occurred. Thus, for example, in the United States was established the Financial Stability Oversight Council (FSOC)[2], whose task is to identify risks that may arise in the financial services market, and in the EU European Banking Authority [4] with the task, as the appropriate authorities in the U.S., to control which banks pass the stress test. [5] The aim of establishing these bodies is the desire of the state to analyze the self-protection measures to minimize the conditions for the emergence of a new crisis.

Another important step is to abandon the rule that large financial institutions are "to big to fail." This radical shift was made when Lehman Brothers went bankrupt, i.e. when the U.S. Federal Deposit Insurance Corporation received authority to liquidate large financial and non-financial institutions, but also that transfer the losses of mismanagement to the shareholders, creditors and investors. The bankruptcy of Lehman Brothers is a great signal that they are not untouchables, that all financial institutions must provide greater transparency in the risk that its operations are included, as well as investors to demand that the management of the businesses is run in a way that does not threats financial stability. That includes their new relationship with the managers who have recently been forced to enter the growing risks in order to achieve the highest possible profit and dividend growth, which was promoted in other financial instruments with higher yields.

Strengthening the state in finding viable exit strategy in solving crucial problems, particularly unemployment, is obvious in the methods of innovative financing. Innovative methods of financing are obvious in collaboration with the private financing sector, for example, small and medium-sized enterprises that are start-up or in early business stage for raising the employment rate, particularly in risk areas. With this method of financing, a separate institution that is responsible for raising funds to finance projects that provide employment growth and that has the authority to monitor the achievement of the project is formed. Such an example is the application of SME financing in the United States for USD 1 billion in five years. Such a form of financing for the first time was applied in Michigan, a state that has faced high unemployment. Formed with InvestMichigen with Mezzanine Fund 2011 was formed which, in partnership with Michigan State retirement systems and the Dow Chemical Company, provided the funds invested in companies with high growth rates that

[2] FSOC je osnovan u okviru Dodd Frank WallStreet Reform and Consumer Protection

create jobs. According to the same principle, the creation of a separate institution that receives the assets and then allocated them to finance attractive projects is dealing EMA (European Monetary Agency) in the allocation of funds and the first such example was the financial support for the consolidation of Spain's banking system. [6]
Financial institutions, in addition to the usual methods of risk management that have proven effective, will be faced with greater regulatory and supervisory functions of certain organs, especially with respect to certain transactions that contain potentially significant risks at the national level. At the international level, the largest innovations are linked to the BIS III (Basel Committee on Banking Supervision), which includes involvement of banks in order to strengthen their own resilience to stresses which they may be exposed to, but also to strengthen the macro-prudential system. Leading banks in the U.S. and the EU have passed stress test [5], which forms the basis for the conclusion that there are conditions for ensuring financial stability. However, the standards of Basel III will not be able to be implemented within the initially envisaged timeframe (2013) and their application is disposed of at the earliest in 2016.
The aim of Basel III is that at the level of banks, including foreign management, ensure their resilience to the stresses on the one hand, and on the other hand, to institute macro-prudential systems for major risks that may arise and spread outside the banking system. It is based on three pillars: first, referring to the capital and cover the risk, as the leverage; the second pillar is related to risk management and supervision, and the third pillar is relating to the establishment of market discipline. Liquidity Coverage Ratio (LCR) is related to the provision of liquidity and Net Stable Funding Ratio (NSFR) is a long-term ratio that creates the conditions for banks to find stable sources of funding to ensure liquidity.
There are numerous unresolved issues; the most important among them is the definition of systemically important banks (SIB) at the national level. This and other unsolved problems now indicate an objective failure to apply standards within the stipulated time, and it is certain that it moves to a later period. This would mean that an interval of asymmetric applications follows. It does not necessarily have to be negative, especially if systemically important banks in the counties with relevant banking industry are being applied, which would be a pledge of relative financial stability at the global level. [7]
Some other things in the banking industry may have a destabilizing effect. One such example is the existence of dark pools market in which the price of securities and the identity of the buyer and seller were not disclosed. In the USA, there are 40 dark pools and they operate in 13 markets. The most important institutions that have dark pools are Credit Suisse CrossFinder and Goldman Sacks Group Inc., which traded daily in hundreds of millions of shares. In addition to this market, further destabilization subjects are those who enter into so-called shadow banking, which includes the financial activities implemented by non-financial institutions that create leverage, which increase risks that could destabilize the financial system in the absence of prudential self-defense.
Strengthening regulation and supervision in the financial sphere is a solid foundation, but it is not a guarantee that there will be no new crises, due to the dynamic technological development, major innovation in the creation of financial instruments, and the need for synergistic action of all relevant actors in finance, both at the national as well as at international plan.
Risk management in financial difficulty is under the growing influence of psychological factors on the movement of exchange rates or securities prices, which in the conditions

of a globalized and internationalized financial system have even more dramatic effect on their already "random walk."
The acquisition of value over the next 3 to 6 years will require of management an innovation in the direction of increasing competition (which has its limitations regarding the cost reduction that came the border) but also by the state economic actors - both in the direction of creating a more favorable macro-economic environment in any regulatory or financial support, as well as direct support for finding innovative methods, as well as increased competition.
Why this time horizon is emphasized? Because, according to the experts, the U.S. economy will go out of the crisis in three years, and that for the EU, since the crisis began later and that is complicated due to the debt crisis and disagreements with UK, is going last longer. [5]

Global output growth – in period 2011- 2014 in %

	2011	2012	2013	2014
World	3,9	3,2	3,5	4,1
USA	1,8	2,3	2,0	3,0
Eurozone	1,4	- 0,4	- 0,2	1,0
Emerging markets and developing countries	6,3	5,1	5,5	5,9

Source: IMF, World Economic Outlook, Jan. 2013

Will the U.S. and the EU get out of the crisis strengthened and be a development locomotive or the Triad will be extended to the BRIC countries, remains to see, which for economic agents makes uncertain global economic environment and the necessity of constant adjustment to changes. In the long run, among the countries that will significantly affect the international economic system are given, or the „Eleven will have its affect" (Japan, China, India, Russia, Indonesia, South Korea, Australia, Canada, South Africa, Brazil and Mexico) according to Attali [8].
A mild out of the crisis and the constant fear of a recession, cause the weakening of aggregate demand in these markets and the negative impact on growth in economies that are strong in economic relations with these markets. They had to redefine their economic policies with a growth policy based on the investment policy of growth based on rising demand in the domestic market. Among these countries, the BRIC countries, whose economic growth has slowed due to the fall in global, aggregate demand. In this countries, as well as Southeast Asia, trade and FDI flows declined. Less developed countries, as marginal players in the crisis will be first removed from the market, which has negative effects on economic growth in them, but also slows down the dynamics of necessary structural changes.
Multilateral trade talks in Doha are in crisis, and STO deals with the analysis of the phenomenon and attempts to respond in new ways to the challenges of change in the production process. This applies, for example, to the rule of origin, which is supposed to redefine the conditions of valid trade in tasks rather than trade in goods. State involvement in the direction of increasing competitiveness, although not directly in the area of trade policy measures, may have resulted because of differences in the financial strength of individual countries and their commitment to create an environment in certain unfair trade seg-

ments, which will be difficult to control in the international plan, but you can act distorting on the trade flows. New protectionism along with the volatile movements in exchange rates and securities will pose serious risks for companies in the real sector.

3. NEW IDEAS FOR ORGANIZING THE BUSINESS ACTIVITIES

Innovation and adaptability on the dynamic changes, in order to increase competition, become the leading paradigm of company operations. In the advanced capitalist countries are trying to have a certain number of years to find new forms of companies, in addition to the profit and exercised the satisfaction and solving social problems. It is a "living laboratory" [9] that experimentally survive for several years in the U.S. and the UK and refers to the so-called "social entrepreneurship." Social entrepreneurship is different from the "social business" which includes companies that create profits, but also generate some social goals. This term is not in any way connected with the social responsibility of companies. One possible definition could be that we are talking about innovative individuals who recognize a social problem and have a solution for it.

In the scope of social entrepreneurship some projects in the world, mainly in developing or less developed countries with the help of government agencies, multilateral development banks, governments, NGOs and other corporations, among which are very active in charitable foundations are already implemented.

Affirmation of social entrepreneurship reduces demand for all modest public means, with the inventiveness of individuals to solve some important social issues and increases the overall capacity of society to adapt to changes.

Some universities are actively engaged in this field. Stanford University is recognized for its Stratford Center for Social Innovation. Based on it d. light Company has been formed that in 2011has succeeded to ensure that two million people worldwide use, the university designed, solar lamp. The company thinks that by 2015, that number will reach 100 million people. The advantage is that it can easily be installed at a reasonable price, and reduces the cost of the population in the countries where there is no electricity for the purchase of jet fuel and reduces the risk of fire. ".... The school will continue the culture and mission of the d. light team in the distribution. Solar lighting is just the beginning. We see ourselves as suppliers of renewable energy in developing countries and we will continue to find solutions and organize a distribution network for years to come. "[10]

Innovativeness of individuals in solving social problems through social entrepreneurship has effects if it is recognized and financially supported by a variety of factors in society.

In the U.S. and the UK community interest companies and corporations benefit representing companies aiming to achieve a mix of social objectives and business structure are formed, as well as innovative financial instruments such as, for example, social impact bonds, which issue the companies in order to obtain financial resources, and the state is obliged to repay only if the business does not provide funds for the performance of duties. Goldman Sachs has invested 9, 6 billion dollars in social impact bonds for a program that is related to the reduction of return of frauds in the New York City. If it reaches the intended target, Goldman Sachs will return investment, and if achieve better results, it will profit; if not, it will realize a loss in the amount of ¼ investment, because Bloomberg philanthropic organizations will provide funds. [11]

How important is social entrepreneurship has become important, it is evident from the fact a special session is organized in the scope of the World Economic Forum. Besides that, U.S., Europe and Australia spend $1 billion for investments of this kind, and the Social Business Institute in Europe was established with the goal, as one of the main. In time of Hilary Clinton, a "global impact economy" was one of the pillars of U.S. foreign policy. These are some examples of the application of the expansion of the organizational concept in the function of solving social problems, but also to the gradual change in the philosophy of the company.

4. RESUME

The global financial and economic crisis has started all relevant subjects on the international scene in the direction of finding solutions to ensure long-term and sustainable growth. Despite the change in the business philosophy, abandoning neoliberalism, and highlighting the role of the state in the economy and the changes in the national and international level in some segments, the fact is that we did not come out of the crisis and that it is uncertain when we will come out. The business environment for companies in the real sector and in finance has not been fully defined. This fact makes it difficult to find the right business decisions and transactions continue to hold them in high-risk zone.

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