VETERAN COOPERATIVES AS A SUCCESSFUL EXAMPLE OF SOCIAL ENTREPRENEURSHIP

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Abstract
In Croatia, cooperatives began to develop under the influence of cooperative practice, which came from Western Europe. At the beginning of the 20th century, cooperative organizations became a very powerful social movement, which had influence even on the national political situation.

In the period of negative social and economic situation in Croatia while the economy is contracting, special attention should be devoted to the Croatian war veterans, the children of the killed, imprisoned and missing war veterans and the children of disabled war veterans who fought in the Croatian Homeland War, as a special group in the society.

Therefore, in this paper, we have analyzed and explained the activities of the war veteran cooperatives. The analysis involved all veteran cooperatives in Croatia. Veteran cooperatives, as an example of positive practice, represent a huge potential for the development of social entrepreneurship.

By involving the veterans population (especially veterans diagnosed with Post-Traumatic Stress Disorder) in social entrepreneurship, the effect of occupational therapy is achieved. Factors such as psychosocial empowerment and social support of veterans play a major role in the efforts of reintegrating them to society and reducing the risk of social exclusion.

Keywords: veteran cooperatives, cooperatives, social entrepreneurship, social exclusion

JEL classification: A13, D71, H55, L31, 035
1. Introduction

Croatian war veterans are a specific, very vulnerable and socially endangered social group. Unemployment and poverty, as well as difficulties of economic and/or social-psychological nature significantly hamper the quality of life of Croatian war veterans. In order to realize their rights and exchange experiences, they associate in different organizations within the civil society. Associations and cooperatives are some forms of non-profit organizations that protect and represent different interests and rights of war veterans, victims or members of their families. Social entrepreneurship, as a wider framework for the activities of veteran associations, enables working age persons (that have the skills and knowledge required for the labor market) to realize themselves via entrepreneurship, by networking through veteran cooperatives that help war veterans to achieve both social and economic goals throughout structured entrepreneurial models.

In the basis of the term cooperative is cooperation, and in the basis of the term association is the verb to associate, which indicates the importance of cooperation, association, community and togetherness. The very strength of both forms of non-profit organizations is in the unity of its members and joint action. It is important to represent common values, rights, interests through these organizations in order to achieve the defined goals by the joint efforts of the members of the cooperative. Through synergy, the organization becomes more powerful, recognizable, but also recognizable and recognized in the local community.

The strength of the cooperative movement is in its members and their joint efforts directed towards the same goal. Through business operations, the members of the cooperative realize their common economic interests, meet their social interests and by connecting, commonly grow both as individuals and entrepreneurs, and strengthen the local community. Cooperatives have a very long and important history in Europe and are as an economic power of cooperative business, probably the largest non-governmental organization in the world.

Social entrepreneurship is a process that involves innovative use and combination of resources to create opportunities for social change and social needs. Social entrepreneurship describes a concept that seeks to unify the social dimension of engagement for the improvement of an area of vital importance to people with entrepreneurial attitudes characteristic for profit organizations. Social entrepreneurship represents the innovation that veteran cooperatives implement in their organization, emphasizing the aspiration for a change in the society. It is important to point out that the social goals (unity and networking) are the guiding principle of all veteran cooperatives. Profit making is the secondary goal required for the economic viability of veteran cooperatives.

The development of social entrepreneurship rests on a determined need in society that social changes are necessary in order to reduce the unequal position of certain social groups. The war veterans’ population, as well as members of their families, is identified as a population at increased risk of social exclusion that has increased exposure to factors of social exclusion, leading to an unequal position in society. At the state level, the Ministry of Croatian Veterans has the task of reducing the consequences of such a position by implementing various

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2 Marić I, (2018) Menadžment neprofitnih organizacija (Management of non-profit organizations), University of Zagreb, Faculty of Economics, Zagreb, page 22.
programs and incentive measures. It is this Ministry that promotes social entrepreneurship and the work of veteran cooperatives.

Social entrepreneurship has a key role in the development of veteran cooperatives due to orientation towards social goals such as the integration of veterans into society. Gaining profit in the veteran cooperatives is not the primary purpose of their activity, which is why they are classified in the group of the so-called social enterprises. Also, their goal is the inclusion of the Croatian war veterans into society and the stimulation of economic activities, which represents the process of their social inclusion. Croatian war veterans are, as a vulnerable group in the society, at high risk of social exclusion, hence they establish veteran cooperatives as an opportunity to act and answer to the many problems they face. Croatian war veterans have different needs, and the need of inclusion in the labor market has been particularly identified, in order for them to feel needed and to contribute to the development of the economy. Within this, the establishment of veteran cooperatives is taking place, resulting in the process of creating and implementing social innovations. Social innovation describes the entire process of developing new responses to social needs in order to achieve better social impacts. Veteran cooperatives fit into the profile of social economy. Marić (2018:241) defines social economy as a concept that refers to organizations that have primarily social purpose, are based on democratic values and are organized independently of the public sector. The three components (Social Entrepreneurship, Social Innovation and Social Economics) that cover the social activities of veteran cooperatives are shown in Figure 1.

**Figure 1: Social Economy and Social Entrepreneurship**

![Diagram showing the relationship between Social Economy, Social Innovation, and Social Entrepreneurship](source: prepared by the authors)

Figure 1 shows that social innovations are the result of the activity of social entrepreneurship and the partnerships of various organizations associated with the social economy. Cooperatives, especially veteran cooperatives, are the result of specific economic-social circumstances and entrepreneurial engagement of veterans, members of their families and others.

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2. Defining the concept of cooperatives

Cooperatives are a part of entrepreneurship in which profit is not the main and sole goal; the goal is to take care of the members of the cooperative and the local community, which ultimately contributes more to the society as a whole (Stanojević, 2014:51). The purpose of a cooperative is the realization and promotion of business interests of the members of the cooperative, and not the acquisition of profits, as is the case with corporations. In corporations, the result of the business is maximized, but in cooperatives, the result of each member of the cooperative is maximized.4

The history of the development of cooperatives has been going on for 150 years, and they have begun to develop in Croatia under the influence of the cooperative practice coming from Europe. Cooperatives as a model of entrepreneurship were launched in 1844 in the United Kingdom (Stanojević, 2014:56). In the Republic of Croatia, the first cooperative was founded in Pitomača in 1862 under the name “Pitomačka zanatnička zadružnica” and performed craftsmanship activities.5 At the beginning of the 20th century, cooperatives became a very powerful economic system, which had an influence on political movement as well.

Cooperative is one of the organizations that belong to civil society. The role of the cooperative is to operate as the “extended arm” of its members, i.e. the auxiliary drive of members who transfer certain economic functions from their economic units, such as procurement, sale or processing, to the cooperative (Babić, Račić (2011) according to Avsec, 2005).

A cooperative is a voluntary, open, independent and autonomous company governed by its members, and through its work and other activities or the use of its services, on the basis of community and mutual assistance, they realize, promote and protect their individual and common business, economic, social, educational, cultural and other needs and interests, and achieve the goals for which the cooperative was founded.6 Cooperative principles are the postulates or recommended values applied by the cooperatives, which makes them unique in relation to other organizations in the society.

Every cooperative, regardless of its activity, fosters basic cooperative principles:7

a) voluntary and open membership,
b) democratic member control
c) member economic participation
d) autonomy and independence,
e) education, training and information of members,
f) cooperation among cooperatives,
g) concern for the local community.

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4 Annual report on the status of cooperative entrepreneurship for 2016, page 2, Zagreb, Croatian Center for Cooperative Entrepreneurship.
Cooperatives differ in terms of their area of activities, so the following types exist: agricultural (most represented among cooperatives), fishery, social, crafts, workers’, construction, etc. Their detailed description is given in Table 1.

Table 1: Types of cooperative

<table>
<thead>
<tr>
<th>Type of cooperative</th>
<th>Basic characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural Cooperative</td>
<td>performs plant breeding, cattle breeding, forestry or hunting as the core activity, or the service activities related with the aforementioned activities, i.e. ancillary activities in agriculture or the activity of manufacturing plant breeding and cattle breeding products and the first stage of their processing.</td>
</tr>
<tr>
<td>Workers’ Cooperative</td>
<td>at least 2/3 of its members have a work contract concluded with the cooperative</td>
</tr>
<tr>
<td>Fishery Cooperative</td>
<td>fishery is the core activity and the main activity of its members is fish catch, fish farming, processing of fishing products, including their market placement, in line with the special regulation</td>
</tr>
<tr>
<td>Housing Cooperatives</td>
<td>established for the purpose of meeting the housing needs of its members</td>
</tr>
<tr>
<td>Construction Cooperatives</td>
<td>perform the construction activity</td>
</tr>
<tr>
<td>Social Cooperatives</td>
<td>perform activities referring to providing assistance to socially disprivileged persons, infirm and other natural persons in meeting their basic needs</td>
</tr>
<tr>
<td>Consumer Cooperatives</td>
<td>established for the purpose of joint acquisition, i.e. purchasing of goods or services.</td>
</tr>
<tr>
<td>Crafts Cooperatives</td>
<td>at least the half of its members perform the activity in line with the Crafts Act.</td>
</tr>
<tr>
<td>Secondary Cooperatives</td>
<td>established by two or more cooperatives for the purpose of joint access on the market, increasing competitiveness or meeting other mutual objectives</td>
</tr>
</tbody>
</table>

Source: Cooperatives Act, Title XI Types of cooperatives with particular specificities, Article 57 - Article 69, accessed on: 15 February 2018.

In the Cooperatives Act, veteran cooperatives are not listed as a separate type of cooperative in their division, which is a major disadvantage that should be corrected in the legal regulations.

The centenary tradition of establishment and operation of cooperatives on the territory of the Republic of Croatia is regulated by the Acts and Regulations on Cooperatives. The legislation was amended throughout history. It should be noted that cooperatives were established even before the first Cooperative Act was adopted, which is at the same time the oldest European Cooperative Act. In this Act on industrial and economic cooperatives, the cooperative is
defined as follows: „an association with open membership and economic activity that operates with its members, earns profit for them, and those profits can be directed to the reserve fund and distributed to members proportionally to their stake in the delivered products, ensures the acquisition of goods and sale of products, as well as favorable loans for them, all in accordance with cooperative rules“.

According to the analysis of the Croatian Center for Cooperative Entrepreneurship from 2016, there are 1,218 cooperatives operating in the Republic of Croatia, of which 48 are newly founded. On 31 December 2016, 20,483 members and 2,595 employees were recorded in cooperatives, and they generated income of HRK 1,627.12 million within the cooperative business as shown in Table 2.

Table 2: Cooperatives in numbers

<table>
<thead>
<tr>
<th>Feature</th>
<th>Numerical data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cooperatives</td>
<td>1,218</td>
</tr>
<tr>
<td>Members of cooperatives</td>
<td>20,483</td>
</tr>
<tr>
<td>Employees</td>
<td>2,595</td>
</tr>
<tr>
<td>Income</td>
<td>HRK 1,627.12 million</td>
</tr>
</tbody>
</table>

Source: Annual report on the status of cooperative entrepreneurship for 2016, Croatian Center for Cooperative Entrepreneurship, as at 31 December 2016, page 4

The most prominent activity of the cooperatives is agriculture and forestry, which is not surprising as it is a traditional activity, while the smallest number of cooperatives is represented in the fishery industry, 3% of them. Activities of cooperatives represented by importance following agriculture are: processing, service and trade activities, construction and tourism, as shown in Graph 1.

Graph 1: Cooperatives by activity in 2016

Source: Annual report on the status of cooperative entrepreneurship for 2016, Croatian Center for Cooperative Entrepreneurship, page 6, http://zadruge.coop/hr

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8 http://zadruge.coop/hr/o-zadrugarstvu/iz-povijesti/3
10 Annual report on the status of cooperative entrepreneurship for 2016, page 6, Zagreb, Croatian Center for Cooperative Entrepreneurship.
The total number of cooperatives per year and the total income of cooperatives for the period from 2012 to 2016 is shown in Graph 2. In the observed period from 2012 to 2015, the growth of the total number of cooperatives is visible, while in the last observed year their number has reduced. The largest number of cooperatives was active in 2015, 1302 of them. The highest income was acquired in 2012, i.e. HRK 1,909,214,449.00, while in 2016, the total income amounted to HRK 1,627,127,978.00.

Graph 2: Total number of cooperatives and the amount of total income for the period 2012-2016

Source: Prepared by the author on the basis of the data of the Croatian Center for Cooperative Entrepreneurship, http://zadruge.coop/hr

3. Veteran cooperatives as civil society organizations

The values that they promote, the principles applied in business operations, and the very purpose of existence place cooperatives in the domain of civil society. Civil society is permeated with values such as humanity, dignity, respect, responsibility, freedom, etc. Civil society is a potential sphere of mediation between the state, the private sector and the citizens, and therefore opens up space for activities that are simultaneously voluntary and public.11

Croatian war veterans and the Homeland War are one of the foundations of the modern Croatian state.12 The law defines Croatian war veterans as follows: „A Croatian Homeland War veteran is a person who has, as a volunteer and a member of the Armed Forces of the Republic of Croatia (ZNG, Croatian Army, Ministry of Defense, Police, Ministry of Interior, Croatian Defense Forces (HOS) and a member of armed forces of National Defense, spent at least 5 months, until 24 December 1991, as their member), in an organized manner, participated in the defense of the independence, territorial integrity and sovereignty of the

Republic of Croatia in any period of the Homeland War (hereinafter: Croatian Homeland War veteran).¹³

Specificity of the war veterans population such as unemployment, post-traumatic stress - PTSD, partial or total disability, social vulnerability of family members of victims, makes the war veterans’ group a vulnerable social group. That is why non-profit organizations are founded - veteran cooperatives whose purpose is to help solve these social problems.

Veteran social-working cooperative is established for the purpose of achieving psychosocial empowerment and health rehabilitation, i.e. easier and faster reintegration of its members into society, and inclusion of the members with reduced working capacity and unemployed persons in the labor and economic processes.¹⁴

A veteran cooperative is established by minimally seven members¹⁵, of which at least two-thirds of the founders or members must have recognized status of a Croatian Homeland War veteran, the status of a disabled Croatian Homeland War veteran, or the status of a member of the family of a killed, imprisoned or missing Croatian Homeland War veteran. Veteran cooperatives represent only one of many types of cooperatives. The involvement of veteran cooperatives in the civil society is shown in Figure 2. They are a part of cooperatives belonging to a larger domain, the civil society.

Figure 2: Share of veteran cooperatives

Active recording of veteran cooperatives began in 2004, when the competent ministry initiated a program of vocational training and employment of Croatian war veterans and

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¹³ Act on the Rights of Croatian Homeland War Veterans and their Family Members, Official Gazette Nos. 174/04, 92/05, 02/07, 107/07, 65/09, 137/09, 146/10, 55/11, 140/12, 19/13, 33/13, 148/13, 92/14, Article 2, accessed on 15 February 2018.

¹⁴ Act on the Rights of Croatian Homeland War Veterans and their Family Members, Official Gazette Nos. 174/04, 92/05, 02/07, 107/07, 65/09, 137/09, 146/10, 55/11, 140/12, 19/13, 33/13, 148/13, 92/14, VETERAN SOCIAL-WORKING COOPERATIVE, Article 64.a (Official Gazette No. 92/14), https://www.zakon.hr/z/325/Zakon-o-pravima-hrvatskih-branitelja-iz-Domovinskog-rata-i-%C4%B0lanova-njihovih-obitelji, accessed on 15 February 2018.

¹⁵ Adapted to Cooperatives Act, Official Gazette Nos. 34/11, 125/13, 76/14 and Act on Croatian Homeland War Veterans and their Family Members, Official Gazette No. 121/2017.
members of their families, among whom the measure of granting support to veteran cooperatives was implemented. Ten years later, i.e. in 2014, veteran cooperatives were defined in the Act on Amendments to the Act on the Rights of Croatian Homeland War Veterans and their Family Members, to the Act on War Veterans. That same year, the Regulations on the keeping of records on veteran social-working cooperatives, their administrators and alliances was adopted, which stipulated, *inter alia*, the documentation veteran cooperatives have to submit to the competent ministry. Despite the registration of veteran cooperatives only since the introduction of the aforementioned measures by the Ministry of Croatian Veterans, the existence of veteran cooperatives before 2004 is not excluded. However, no records are available for earlier years.

The registered number of veteran cooperatives in 2017 amounts to 484 cooperatives, and these are exclusively veteran cooperatives that have received support from the Ministry of Croatian Veterans on the basis of the Measure of Support to Veteran Cooperatives.16 Also, it is assumed that a larger number of veteran cooperatives exists due to the fact that some do not have to use the Measure of the Ministry of Croatian Veterans and will therefore not be registered. The Ministry of Croatian Veterans has been implementing the above measure since 2004, when the number of veteran cooperatives amounted to 10. Their growth in the period from 2004 to 2017 is visible in Graph 3.

*Graph 3: Number of veterans cooperatives that are the beneficiaries of the support of the Ministry of Croatian Veterans*

![Graph 3](image)

Source: prepared by the authors

As with cooperatives in general, the most represented activity in veteran cooperatives is agriculture and forestry (59%) - see Graph 4. Other activities performed by veteran cooperatives are the following: tourism and catering industry 13%, and to a smaller degree fishery, processing, construction and services. The data relates to 2015, and the percentage of activities has not significantly changed.

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16 Data received from the Ministry of Croatian Veterans at request, date 22 January 2018.
The new Program of vocational training and employment of Croatian war veterans and children of killed, imprisoned or missing Croatian war veterans for the period 2014-2017 has been adopted in the conclusion of the Government of the Republic of Croatia of 19 March 2014 (Official Gazette No. 38/14). Its goals are to increase the employability and social inclusion of unemployed Croatian war veterans and unemployed children of killed, imprisoned or missing Croatian war veterans, and to continue to support the Croatian veteran cooperatives (two measures of the Program are directly intended for veteran cooperatives: The Measure of the support to the operation of the Croatian veteran cooperatives (the cooperatives can be granted funds in the amount of HRK 150,000.00, and HRK 180,000.00 if they are engaged in ecological production), and the Measure of co-financing projects of Croatian veteran cooperatives contracted under the European Union programs (EU’s co-financing of cooperatives’ projects in the amount up to HRK 100,000.00).

Cooperatives can also use the Measure of support for the extension of the existing business activity if they employ an unemployed Croatian war veteran or a child of a killed, imprisoned or missing Croatian war veteran (support amounting to HRK 45,000.00 per person employed, for a maximum of three persons). Through special provisions and on the basis of a cooperation agreement with the Fund for Environmental Protection and Energy Efficiency and the Ministry of Environmental Protection and Nature (which was concluded at the Fair of Croatian veteran cooperatives in Zadar on 28 February 2014), Croatian veteran cooperatives can use support for projects from the area of environmental protection.

In addition to financing from the Ministry and the Fund, veteran cooperatives have the option of applying for grants from the European Agricultural Fund for Rural Development and have the option of applying for ESIF loans. Sources of financing of veteran cooperatives are presented in Table 3. The Ministry also helps the operation of cooperatives through the
organization of fairs, thematic round tables and forums on current topics in the field of cooperative entrepreneurship and the activities of veteran cooperatives.

Table 3: Financing of veteran cooperatives

<table>
<thead>
<tr>
<th>GRANTS</th>
<th></th>
</tr>
</thead>
</table>
| **RURAL DEVELOPMENT PROGRAMME**  
(co-financed by the European Agricultural Fund for Rural Development and the State Budget of the Republic of Croatia) | • M4 – Investments in physical assets  
• M6 – Development of agricultural holdings and business  
• M11 – Ecological farming |

<table>
<thead>
<tr>
<th>FINANCIAL INSTRUMENTS</th>
<th></th>
</tr>
</thead>
</table>
| **Croatian Agency for SMEs, Innovations and Investments**  
(HAMAG) | • ESIF loans |

<table>
<thead>
<tr>
<th>OTHER SUPPORT</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ministry of Croatian Veterans</strong></td>
<td>• Measure for the encouragement of the founding of Croatian veteran cooperatives of the Program of vocational training and employment of Croatian war veterans and children of killed, imprisoned or missing Croatian war veterans</td>
</tr>
</tbody>
</table>

| Environmental Protection Fund | • Public tender for the allocation of funds of the Energy Efficiency and Environmental Protection Fund and the Ministry of Croatian Veterans for the joint financing of projects of Croatian veteran cooperatives in the area of environmental protection |

Source: prepared by the authors

Veteran cooperatives, as well as other cooperatives, operate in accordance with the Cooperatives Act, so a large number of them face obstacles leading to their bankruptcy, liquidation and the like. In order to assist the veteran cooperatives, the Ministry of Croatian Veterans regularly publishes a public call for the election of the referral centers. The purpose of the establishment of referral centers is to assist the newly established and already existing veteran cooperatives in their operation and activities in the market. Referral centers for 2016/2017 are the following:  

a) Production-service cooperative MODRO ZELENE from Metković,  
b) Veteran social-working cooperative DALMATIA RURALIS from Sinj,

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c) Beekeeping veteran cooperative TOMPOJEVCI from Tompojevci.

Cooperatives, as an important economic form of association of small entrepreneurs that take care of the interests of the members of cooperatives by equally representing both social and economic goals. The dimension of the social aspect may be even more significant in veteran cooperatives because their primary purpose is reintegration into society, re-socialization and occupational therapy. Throughout the in-depth analysis of available literature, specific data of the Ministry of Croatian Veterans, Croatian Center for Cooperative Entrepreneurship and discussions with veterans, we identified the key problems, potentials, possibilities for development and improvement of the further work of veteran cooperatives. The following Table 4 shows the advantages and disadvantages of the veteran cooperatives, highlighting the current problems and opportunities of this specific form of social entrepreneurship.

<table>
<thead>
<tr>
<th>VETERAN COOPERATIVES</th>
<th>ADVANTAGES</th>
<th>DISADVANTAGES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>special form of social entrepreneurship</td>
<td>insufficient information and networking of the war veterans’ population</td>
</tr>
<tr>
<td></td>
<td>reintegration into society</td>
<td>absence of a single registry</td>
</tr>
<tr>
<td></td>
<td>joint action</td>
<td>lack of entrepreneurial skills</td>
</tr>
<tr>
<td></td>
<td>occupational therapy and economic activity</td>
<td>insufficient product recognizability</td>
</tr>
<tr>
<td></td>
<td>restoration of dignity</td>
<td>lack of funding sources</td>
</tr>
<tr>
<td></td>
<td>production of domestic products</td>
<td>stereotypes and prejudices about the war veterans’ population</td>
</tr>
<tr>
<td></td>
<td>involvement and local community building</td>
<td>unclear legislative framework within the definition of cooperatives</td>
</tr>
<tr>
<td></td>
<td>building positive attitudes about war veterans</td>
<td></td>
</tr>
<tr>
<td></td>
<td>agents of change and innovation in society</td>
<td></td>
</tr>
</tbody>
</table>

Source: prepared by the authors

3.1. Examples of good practice and success stories

Figure 3. Example 1

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18 The data is collected on the basis of following documents: Strategic Plan of the Ministry of Croatian Veterans for the period 2018 - 2020, Annual Report on the Status of cooperative entrepreneurship for 2016, discussion with the Ministry of Croatian Veterans and with the Croatian Center for Cooperative Entrepreneurship, interviews with veteran cooperative managers (veteran cooperative Pauk-Ceka and veteran cooperative Tompojevci).
Veteran social-working cooperative DALMATIA RURALIS from Sinj, was registered in December 2009, for business advisory and other management activities. Cooperative manager is Mr. Stipe Efendić, and the cooperative has two employees.

Strategic activities include: development of business plans for the realization of business ideas and preparing project documentation for the application and use of financial instruments from European Structural and Investment Funds. Also, the cooperative produces honey, dry plums, and apple chips.

In 2016, DALMATIA RURALIS was selected as a referral center for other Croatian war veteran cooperatives that are situated in the central and northern Croatia regions. This cooperative organizes various education and training informative workshops with the purpose of providing the necessary information to other cooperatives.

DALMATIA RURALIS has implemented a project called Job Club for unemployed veterans of the region Cetina Krajina whose total project value amounted to 26,088,89 € (the project was 100% co-financed by EU funds).

This was an application for the tender called: Micro Projects support the innovative activities of small civil society organizations for local development (Measure 5.2). The project was implemented in the period from 29 December 2014 to 28 December 2015.

In 2016 the cooperative has achieved 552,604,00 HRK total revenue and 11,589,00 Net profit.


Figure 4. Example 2
Veteran social-working cooperative PAUK ĆEKA

Veteran social-working cooperative PAUK ĆEKA from Imotski was registered in 2008 for agricultural activity and animal breeding. Cooperative manager is Mr. Željko Tomas.

- **Mission**: include Croatian war veterans in everyday work activities
- **Vision**: gathering Croatian war veterans in retirement to enable them a dignified life
- **Projects**:
  1. bee breeding and production of bee products: honey, propolis, bee poison,
  2. breeding rabbits for hunting tourism, which are then sold to hunting lodges for hunting grounds,
  3. breeding traditional Croatian hens, protected breeds, from free, organic farming for egg production.

PAUK ĆEKA is recognizable for producing quality honey and has a certificate "Honey made by the Croatian Bees”. Through daily work, the cooperative faces the problem of lack of agricultural land.

The cooperative used the measure provided by the Ministry of Croatian Veterans in the amount of 150,000,00 HRK. Because of the sustainability of the project, after two years PAUK ĆEKA received an additional incentive in the amount of 50,000,00 HRK. Subsidies by the Ministry Croatian Veterans and Environmental Protection Fund where twice received in the amount of 100,000,00 HRK. From the European Agricultural Fund for Rural Development, measure 6.3.1., PAUK ĆEKA has received the amount of 15,000,00 €.

Source: interview with Mr. Željko Tomas, cooperative manager

Figure 5. Example 3

Beekeepers Veteran Cooperative Tompojevci

Beekeepers Veteran Cooperative Tompojevci is established on 08 June 2009 in the municipality of Tompojevci. The cooperative manager is Mr. Dalibor Bajči. This cooperative is the Referral Center for other Croatian war veterans cooperatives. The cooperative has 10 members, of which 8 are Croatian war veterans. **Main cooperative activities are**: a) beekeeping, b) agriculture, c) breeding animals.

**Long-term goals**: a) ecological production, b) income increase, c) the development of new activities, d) an increase of production and production on a sustainable basis, e) associating and linking.

The cooperative used the measure of the Ministry Croatian Veterans in 2010 in the amount of 150,000.00 HRK. Also, important projects were carried out such as: a) beekeeping to development (project worth 225,000.00 HRK), b) planting honey plants on demonstration fields to improve the quality of agricultural land (project worth 92,475.00 HRK), c) cleaning and maintenance of wetlands of the Municipality of Tompojevci for the wellbeing of wildlife (project worth 200,000.00 HRK).

**Measurable results** of implemented projects are reflected through the recruitment of new employees, the purchase of new vehicles for transport to the beehives, sown 25 ha of agricultural land honeybee plants, 127 beehives with production communities, made a map of bees pasture in the municipality of Tompojevci, educated and certified 48 beekeepers from the area Vukovarsko - srijemske županija, etc.
4. Discussion

The form of cooperative entrepreneurship has been recognized both in Europe and the world for more than 150 years. The Republic of Croatia has been following the development of cooperatives, so cooperatives have existed in our country since 1862. The first ones were crafts cooperatives, but today they are mostly agricultural. Throughout the history, cooperatives have played an important economic role in the society, and even today there is a significant number of cooperatives in the world, and their membership is counted in hundreds of thousands of persons who find their place and function in this form of social entrepreneurship in Europe and the world.

Regarding the legal regulations of veteran cooperatives, there is room for a better legal definition due to the fact that they do not exist in the legal division nor in the list of types in the Cooperatives Act. Further problems are the lack of a single register of veteran cooperatives, and therefore there are no concrete figures. The existing records of veteran cooperatives and membership are not harmonized.

Among the main limiting factors of this form of social entrepreneurship are certainly the low level of education and poor awareness of the Croatian society of the values of the cooperative form of entrepreneurship at all levels. This primarily applies to the creators of the legislative framework and to those who should enforce these laws, educational institutions that should include cooperatives in their formal and non-formal education programs, and also to the members of cooperatives themselves, who are often not familiar with all the advantages and disadvantages that cooperatives offer, as pointed out by Stanojević (2014:55).

In Table 5, we have summed up the total operations of veteran cooperatives in different dimensions: (1) form, (2) mission, (3) values, (4) management, (5) programs, (6) activities, (7) measurement, (8) financing, (9) difficulties/challenges, (10) social impact and (11) cooperation.

Table 5: Discussion

<table>
<thead>
<tr>
<th>DIMENSIONS</th>
<th>SPECIFICS</th>
</tr>
</thead>
</table>
| FORM       | • social entrepreneurship  
            | • cooperative subtype     
            | • civil society organizations |
| MISSION    | • revitalization of a specific socially vulnerable group (veterans and their families) |
| VALUES     | • community  
            | • cooperative principles  
            | • mutual aid  
            | • occupational therapy  
            | • gaining self-esteem and personal |
It is important to emphasize the importance of mutual cooperation of veteran cooperatives, as well as sharing good practice examples with other cooperatives. It is extremely important to point out the issue of effective management and measurement of the success of results and of the possibility of connecting with other organizations (state and private) in regards to funding, volunteering and marketing promotion.

### 5. CONCLUSION

Cooperatives represent a form of open, shared action of members who jointly enter into business and implement organizational goals. Members of cooperatives, as agents of development and bearers of social innovations in the local community, are important in conducting economic activities.
In Croatia, there is more than 1,200 cooperatives, of which most are of the agricultural type. We observe cooperatives in regards to their activity and geographical presence, their financial strength and the number of members, and their continuity.

Veteran cooperatives are important because about a bit less than half of the total number of cooperatives encompass the war veterans population with the desire to represent their interests in the economic and social aspect. War veterans, as well as the members of their families, struggle with numerous problems such as unemployment, risk of poverty, social exclusion, and other difficulties (psychological and health). Re-socialization and reintegration through occupational therapy via involvement in cooperative business restores their trust in themselves, but also in the state institutions that initiate social entrepreneurship. With inclusion in the labor market through their own efforts and ventures, they restore their confidence, sense of respect and dignity, and through community action and sharing of work experience, they continue to act and be recognized through their activities, work and business results.

By gathering at regional fairs one or two times a year, they share knowledge, information, they increase their awareness in the public, win and receive rewards, whereby their efforts through specific products and services are valued by the community, as well as by foreign professionals. It should be emphasized that the fundamental question is how to connect veteran cooperatives into a unified organization that would enable them to share information and knowledge, where education and training, as well as the development of the necessary entrepreneurial skills, would be provided.

Although the difficulties that the veterans gathered in cooperatives face are numerous, the advantages of this form of social entrepreneurship are greater than the disadvantages because they have a significant social impact on the local community. The most significant dimension is the realization of the mission, which is the reintegration of veterans into the society, in addition to a concrete economic activity that is important for a particular geographical area.

The networking, connection and strengthening of this sensitive social group is extremely important for the Croatian society today. The veterans and members of their families, with the help of the support of local community and the competent Ministry, recognize the business opportunities and the strength of cooperatives, and transform the potential from their ideas into concrete actions and good business results.

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