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INDUSTRIAL PRODUCTION IN THE TRANSITION FROM COMMUNISM TO CAPITALISM: A CROATIAN CASE STUDY

DOROTHY S. MCCLELLAN, NIKOLA KNEZ

Abstract:

This article presents a social scientific case study that chronicles the remarkable business journey of a successful Croatian industrialist, who was recently named European Entrepreneur of the Year. Selected from among 150,000 entrepreneurs in 33 countries in one of the most prestigious, independently judged business competitions, he began his 55-year career in a 35-square-meter garage workshop in communist Croatia. Through semi-structured interviews with the winner, fellow industrialists, colleagues, and family members, the article sheds light on a rarely told story that traces the ideological and political challenges faced in industrial production in the transition of countries from communism to capitalism. The detailed analysis contributes to our understanding of the continuing obstacles to democratic nation-building and economic development faced by former communist countries in overcoming their historically anti-capitalist legacy.

Keywords:

transition from communism to capitalism, Yugoslavia, Croatian economic development, communist political economy, worker self-management, economic development in former-communist countries, industrial production, Croatian capitalist development, entrepreneurship

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Authors:

DOROTHY S. MCCLELLAN, Texas A&M University-Corpus Christi, United States, Email: dorothy.mcclellan@tamuucc.edu

NIKOLA KNEZ, President of iFilms LLC, Director of Croatian Film Institute, President 21st Century Society for Human Rights & Education, United States, Email: nikolaknez184@gmail.com

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1 Introduction & Overview

This article is a social scientific case study that chronicles the extraordinary career of Stjepan Šafran, a successful industrialist who began his business journey in a small 35-square-meter workshop in communist Croatia. On December 4, 2019 this Croatian industrialist was named European Entrepreneur of the Year in the Grand Final of the 2020-2021 European Business Awards at an exclusive awards ceremony in Warsaw, Poland.

The European Business Awards is one of the largest, most prestigious, and longest running business competitions. Over 500 successful business leaders from across Europe attended the awards ceremony along with politicians, ambassadors, and academics. The winner selected in this independently judged competition is chosen for demonstrating "vision, a persevering approach to enterprise expansion that places them at the heart of the business by identifying opportunity, understanding objectives, formulating ideas and making decisions, as well as acting as an inspiration to others to achieve greater business success." The seven criteria that the judges use for selecting their winner are leadership, real customer focus, engaging people, creativity and innovation, ethics, results, and growth. Stjepan Šafran was named the winner following a final face-to-face judging session, and his company, Metal Product, was selected from over 150,000 businesses from 33 countries.

Stjepan Šafran has today established two metal production factories that produce over 2500 different products and employ over 300 workers. Metal Product is a family-owned company that specializes in metal processing. The core business is the production of equipment for the energy sector, as well as the production of equipment for other industries. Metal Product is an internationally oriented company with more than 80% of its revenue coming from international partners with whom they have cooperated for over 25 years.

In the five years leading up to Šafran's earning this prestigious award, through Šafran's efforts Metal Product succeeded in making significant investments in expanding its production capacities and introducing new technologies. To effectively enter and excel in the highly competitive European marketplace required Šafran's overcoming obstacles created by Croatia's historically anti-capitalist legacy.

The significance of this detailed case study is that it traces the ideological and political challenges faced in industrial production in the transition of countries from communism to capitalism. Through semi-structured social scientific interviews with Mr. Šafran, fellow industrialists, colleagues, and family members, the article sheds light on a rarely told story that contributes to our understanding of the continuing challenges to democratic nation-building and economic development faced by former communist countries.

In announcing Šafran's selection, Adrian Tripp, CEO of European Business Awards said: "Metal Product has reached the gold standard for business excellence by winning this Award. They are a powerful example of a business, meeting the challenges of a hugely competitive global marketplace, achieving phenomenal success, and making a positive difference to the world we live in. They deserve their success, and we wish them well" (Tripp 2023). This is quite an achievement for any businessman. "This prestigious European award is the crown of my 55-year-long career, won with the support of my family, the loyalty of my employees, and the trust of our business partners," said Stjepan Šafran, founder of Metal Product, upon receiving the award.

Mr. Šafran's impressive business accomplishments gain significance and value when we realize that he began his industrial career in communist Yugoslavia, which legally opposed the development of a private free enterprise system. Private craftsmen were considered capitalists; thus, they represented the ideological antithesis of communism. With the establishment of a free and independent Republic of Croatia in 1991, Stjepan Šafran was able to systematically develop his business. Today, 80% of his products are exported to European markets.

2 Methodology

This study employs a social scientific case study methodology. As Zainal explains, in the social sciences, case studies are used to “explore and investigate contemporary real-life phenomena through detailed contextual analysis of a limited number of events or conditions, and their relationships” (Zainal 2007; see also Merriam 2009; Stake 1995).

Writing for the Environmental Protection Agency, Kathleen Williams provides details on the nature of this methodology: Case studies “can be exploratory, descriptive, evaluative, or explanatory.” Exploratory and explanatory case studies such as ours “include participant observation, interviews... and rely on mixed methods – both qualitative and quantitative data and analysis.” According to Williams, her research reveals that exploratory case studies “identify and characterize important aspects of the decision processes such as historical context, constraints, relationships, funding, and vision. The insights generated contribute to an understanding of the variables that influence decision processes beyond a simple focus on the lack of data or information” (Williams 2021).

She continues that explanatory case studies help us to “understand the *how and why* of a phenomenon when it cannot be distinguished from its context.” Williams argues that case studies are broadly useful in that they “illustrate how intensive qualitative social science provides a window into the human system where decisions are made.” She concludes that “The flexibility of the case study approach facilitates bringing different fields together to deepen our understanding of factors governing complex problems.” They “make it possible to deeply understand the context in which a solution is implemented and to theorize the relationships between programs, agencies, and citizens from evidence. Understanding contextual factors that influence outcomes enhances the transferability of solutions or approaches to other programs, questions or issues.” This “greatly contributes to understanding the biases and assumptions that operate in all social situations and confound the sharing of knowledge.” Our article attempts to incorporate the elements of exploratory, descriptive, evaluative, and explanatory case studies.

In the tradition of qualitative social science research (Alasuutari 2010, pp. 139-155), and employing an oral history methodology (Charlton et al. 2007), the authors conducted semi-structured interviews with a dozen individuals in 2023 whose relations with Mr. Šafran put them in a clear position to provide first-hand experience with this industrialist at key moments in his life and career. They were asked to describe their relationship and experiences with Šafran, and provide insights into his thinking, actions, and into the historically and politically challenging issues he faced and overcame over time. Mr. Šafran was interviewed and filmed at length over several weeks, guided us on tours of his facilities, and never failed to answer a single question, regardless of its personal or professional nature. All interviews were arranged and filmed in Croatia and lasted for a minimum of two to three hours. The precision, clarity, and detail of interviewees’ comments are noteworthy. Excerpts from the interviews are included in this article. All interviews were transcribed and translated from Croatian to English by the authors. The major highlights of these interviews comprise more than 50 pages of single-spaced text and represent more than 30 hours of film footage.

Documentary film is now integral to academic pedagogy and a powerful tool to reach broad audiences, so a major aspect of this study was to produce a documentary film that relies on those interviews. The documentary film, "Industrial Production in the Transition from Communism to Capitalism: A Croatian Case Study," was produced in Croatian in 2023. A version of the film that employs English narration and subtitles was completed in 2024. The documentary film was entered into competition at the 57th WorldFest International Film Festival Houston in 2024. It was awarded a Gold Remi for documentary film production in the categories of finance and biography in May 2025 (Knez 2024).

3 The Broad Goals of the Project

While in Croatia as a Fulbright scholar 2002-2003, Dr. Dorothy McClellan, Regents Professor of Criminal Justice at Texas A&M University-Corpus Christi, undertook a multi-faceted, international collaborative project with filmmaker and human rights activist Nikola Knez, President of the Croatian Society for Human Rights, and President of iFilms LLC, to examine challenges to democratic nation building in this post-conflict society. Over the course of the Fulbright fellowships and beyond, the focus of our work has been on post-World War II forced repatriation and subsequent murder of Croatians in Yugoslavia, as well as the Croatian War for Independence (1991-1995) and its aftermath. We have also documented contemporary political challenges regarding election law that stand in the way of Croatia's move toward full democratic participation in elections and policymaking.

We now turn our attention to the economic complexity of the transition from communism to capitalism through our industrial production case study that illustrates the step-by-step moves that were required for Mr. Šafran to build a major industrial concern that contributes to his country. This article aims to highlight the challenges and barriers that have yet to be fully overcome and the continuing legacy of a communist-era mindset that impedes the full economic development of this eleven-hundred-year-old nation.

4 An Industrialist's Origins & Business Vision

Stjepan Šafran was born in Breznička Hum, a tiny hamlet perched among ornate orchards and vineyards in the rich rolling hills thirty kilometers from Varaždin, Croatia.

As Šafran explains,

According to official documents, the Šafran family first arrived in this area in the middle of the 17th century from Austria. My grandfather was one of the major landowners in this region. They were engaged in agriculture.

Varaždin was the capital of Croatia in 1776 when the American Declaration of Independence was adopted, which marked the birth of the United States of America. In this place, young Šafran, full of youthful dreams and ambition, began to think about the future.

Stjepan Šafran explains:

It started when I was 11 years old. I was present at a conversation of my parents and grandparents with a business partner who visited our home, and they reached an agreement on certain matters. I heard them discussing the metal profession, machines, and locksmiths. They felt that their occupation was the wave of the future and provided

many opportunities. There is no home, there is no product that does not need metal assembly parts. I realized that their inspiring mood had influenced me, and I started thinking that my future would be related to metal. When it came time to go to high school, I was able to persuade my parents of my interest. My dad was very supportive of me. My grandfather was concerned because he had a large estate, lots of land, and he expected that I would follow in his footsteps. However, my father's support prevailed, and I went to Zagreb to attend secondary school. As soon as I finished high school, I joined the army. After completing my service, I wished to start my own business.

5 Historical, Political & Economic Context of Transition from Communism to Capitalism

On August 23, 1945, communist Yugoslavia passed the Law on Agrarian Reform and Colonization, which confiscated land and agricultural property from the *kulaks* (prosperous peasants) and the church (Grubišić 2022; Josipović 2009; Vucinich 1954). This was a continuation of the policy of impoverishment and economic weakening of various peoples who, after World War II, were forced into a single, artificially created state through political decree. Communist Yugoslavia consisted of Slovenia, Croatia, Bosnia and Herzegovina, Montenegro, Macedonia, and Serbia, and included members of three religions, Catholic, Orthodox Christian, and Muslim (Yambrusic 2010, pp.9-13).

According to the law on nationalization, homes, shops, factories, machinery, all means of production and property, were also confiscated. The reform had negative economic consequences because it returned agricultural production to a virtually peasant economy. In addition, from January 1949, accelerated collectivization began in the countryside, the ideological basis of which is the deep-rooted belief that independent, individual agricultural farms reproduce capitalism in the countryside. Because of this, the management of large tracks of land was given to state collectives managed by communist party secretaries/officials (Milošević 2022, pp. 136-138; Sekulić et al. 1994).

In contrast to agricultural lands, shops, factories, and industrial facilities were confiscated and transferred to state ownership, and after the 1950s to "social ownership" to be managed by workers through what was called "worker self-management". Worker self-management is a form of worker decision-making in companies in which workers were to decide for themselves about issues such as general methods of production, planning, division of labor, use of technologies, financing, distribution of profits, and development of future production strategies. Considering that the overwhelming majority of workers had no idea of these processes, in practice, the people who proposed such plans were appointed to management positions. They were communist party officials operating under strict party control. They implemented the so-called "five-year plan" of the Communist Party of Yugoslavia. *Petoljetka* is the term for strategic planning and directing the economy towards the set goals of the party. The concept is a well-known feature of command economies under communist regimes. *Petoljetka* is the common term used in Serbo-Croatian for a five-year plan, the derivation coming from the word *pet* meaning "five" and *let* meaning "year" (Tito 1947).

The origin of the five-year plan was a series of centralized economic initiatives first introduced by Joseph Stalin in the Soviet Union in 1928. "These plans set ambitious, government-directed goals for rapid industrialization and collectivization of agriculture" (Robertson 2017). Key features of such plans are a centralized command economy: The state, led by the Communist Party, controlled all aspects of the economy, replacing free market mechanisms. "Such plans are characterized by rapid industrialization, prioritizing heavy industry over consumer goods and agricultural collectivization. Individual peasant farms are forcibly merged into large state-

controlled collective farms, often with devastating human consequences, including widespread famine" (Robertson 2017; see also Liotta 2001).

The authoritarian regime of the Communist Party of Yugoslavia introduced a police state with powerful secret services (UDBA and OZNA) to monitor "enemies of the state" (McClellan and Knez 2023). Their goal was to intimidate and prevent individuals from asking when their stolen property would be returned and why hundreds of thousands of people disappeared and were killed by Tito's Partisans in mass atrocities committed after the end of World War II (McClellan and Knez 2018).

After 1948 and Yugoslavia's split from Stalin's Soviet Union, Yugoslavia received the necessary foreign credit funds, largely from the United States, for the establishment of democratic socialism. These funds were used to build the country's military apparatus and the accompanying industry but did not lead to an improved standard of living for the people (Dragnich 1983, p. 72; Frucht 2005, pp. 460-468; Robertson 2017).

Yugoslavia distinguished itself from other agent states of the Soviet Union by introducing the concept of 'worker self-management' in 1950. As James Robertson explains,

During the Cold War, the Socialist Federative Republic of Yugoslavia represented to many a viable alternative to the Soviet model. Grounded by workplace self-management, the Yugoslav system seemingly gave workers the right to exercise democratic control on the shop floor.

The distinct Yugoslav path to socialism found admirers around the world. In Eastern Europe, the combination of market socialism and self-management offered a model for anti-Stalinist reformers. In the capitalist West, democratic socialists hopefully viewed the experiment as a more "human" socialism. And across much of the Third World, Yugoslavia — a leading member of the Non-Aligned Movement — demonstrated the viability of a "third way" between the capitalist United States and the communist Soviet Union (Robertson 2017).

The workers voted for proposed projects by raising their hands, mostly unanimously, and this process was called worker self-management (*samoupravljanje*). In Yugoslavia, the concept introduced the notion that the title of ownership was social, that is, it belonged to everyone, rather than to the state. In practice, it resulted in the creation of a self-interested management class, corruption, and low industrial production. When workers in Yugoslavia realized that profits were not shared fairly or at all, they began to alienate (borrow) or use the collective property (tools and material resources) for private purposes. This is how the crisis of non-productivity and high unemployment arose, due to which communist Yugoslavia opened its borders in the 1970s. More than 700,000 people went to work temporarily outside of Yugoslavia, which thereby freed itself from the pressure of unemployment (Robertson 2017; Kolarić et al. 2018); Hedin 2016).

Robertson concludes:

This system had contradictory results. On the one hand, self-management opened the country up to the wider world. As the West — eager to prop up an independent Yugoslavia — provided aid and investments, trade with foreign markets flourished.

The country's economic integration into world markets facilitated the cultural exchanges that gave socialist Yugoslavia its dynamism.... On the other hand, self-management and market reforms undermined the system's economic promises.

In the final decade of the Cold War...the country descended into crisis. The self-management system collapsed, leaving a crippling \$20 billion foreign debt in its wake (Robertson 2017).

In a 1962 speech in Split, Yugoslav President Josip Broz Tito attacked the "techno class," a term for industrial and commercial managers whom he accused of profiteering, luxury, and corruption at the community's expense. This speech marked a significant move against perceived social inequities that had emerged within Yugoslavia's self-management system (Underwood 1962, p. 3).

The background and context of this speech was Yugoslavia's economic crisis, characterized by a balance of payments crisis and inflation. These resulted in large part from a poor harvest and failed economic liberalization measures, the rise of the managerial class that exhibited a lavish lifestyle in contrast to the living conditions of the average worker. Tito's speech condemned the managerial class for their extravagance and profiteering and prompted investigations of industrial and commercial enterprise directors.

The address signaled a turn away from liberalizing reforms and a return to tightening controls and reinforcing the authority of the League of Communists of Yugoslavia. The move was intended to reassert communist principles and address public dissatisfaction with rising economic inequality (Robertson 2021). The condemnation of managers initially led to a public "witch hunt." However, top officials, including Vice Presidents Edvard Kardelj and Aleksandar Ranković, later intervened to moderate the anti-managerial sentiment. They argued that the vast majority of directors were honest, and that the crackdown had gone too far.

Despite the walk-back, the criticism had a lasting impact. It caused industrial managers to be more cautious in their business dealings and consumption habits. For some, the new austerity meant the closure of favored luxury establishments (Underwood 1962, p. 3).

As Šafran saw it:

In 1962, Tito gave a famous speech in Split in which he declared the private sector, the techno-managerial class, as the enemy of communist Yugoslavia. Then, people began to leave the country *en masse*. It was then that a niche opened in Germany. Germany took in the workforce, and our people left for Germany in huge numbers. It was at that moment that Croatian craftsmanship was decimated because it was difficult to earn a personal salary here, or to contemplate a future one. No one saw that working in the metal industry would ensure their future, so they set off for Germany. I wasn't fully aware of the situation--the essence of everything that was going on. I only had one idea in my head. I wanted to have my own workshop, and that has guided me throughout my life.

I did not even dream of having 10 employees, no more than 5 employees. I only dreamed of working for myself and perhaps with the help of one, two, or as many people as I could. And I thought that with my work, if I could make money for others and profit from that, I would earn a salary for myself and others, too. I had a

philosophy that if I could earn a basic salary from which I could live, I could create something meaningful. That was my guiding thread. After the army, I met my wife.

One Sunday, while walking around Zagreb, I suggested to my girlfriend that we change the style of our socializing and think about the future. "Let's get married, let's rent an apartment, and I could open my own workshop, and I believe that this workshop will provide me with the funds to buy an apartment." And, lo and behold, it happened. We quickly pursued that, meeting my parents with my girlfriend and her parents. It was autumn. We got married and started our life together, which was successful. Thank God, from the very beginning and to this day, she has been understanding. There must have been many times when I was absent due to the long hours I worked. I used to work from morning until night, and sometimes overnight. She stoically endured this and witnessed all of my efforts, listened to my every word or statement, and we shared this.

Šafran was never distracted from his vision of building his own enterprise. His dream is always at the forefront of his actions, and his wife never wavers in her support.

According to Šafran's daughter, Dr. sc. Ana Klikovac:

Every day my dad awakens with new ideas. You never know what he's going to come up with, what he's going to do next. So, I think Mom to this day still dreams of a time when they will sit outdoors at a cafe or have some time off and go on walks. Mom is still waiting for this. She has supported him fully, completely in everything. Most certainly, yes, she was always his support.

His granddaughter confirms:

I think grandmother's greatest virtue is how much support she can give. Grandpa very often mentions that this could not have happened without her. Had he not had that support from her, someone who cared for this family while he was working, and this is really the case... Grandma is absolutely his greatest support, his rock, the one who always takes his side.

Šafran states:

In 1967, in my twenties, I entered my workshop for the first time. It was a garage 7 meters by 5 meters—35 square meters. At that time, being a craftsman was not a valued position, and that was reflected in the policy of Yugoslavia and the government. The craftsmen category included tailors, barbers, hairdressers, etc., but I went into the field of manufacturing production in the metal branch. However, any production was considered to be competing with state enterprises. Low productivity, ineffective worker self-management, and the strict dictatorial ideological underpinnings of society led to a shortage of qualified labor, and the party began to allow the formation of small craft associations that filled the gaps in socially managed production with their services.

Šafran states:

However, I didn't pay much attention to those matters. I didn't even know what awaited me throughout life. I was so young. At 22 years of age, in the rapture of my ideas, I borrowed money and generally arranged three old machines in that garage, because craftsmen operated under very large limitations.

Although the legal ownership of machinery, land, and workshops was prohibited, the party allowed the chosen ones to form their own private crafts under strict conditions. The novelty of this law was an unusual fact: It was strictly forbidden to carry money out of the country to purchase new machines and tools, but if you managed to do all this (buy in a Western country and somehow transfer it across the border to Yugoslavia) and then work with it, the government did not intervene.

Šafran describes the restrictions he faced:

First and foremost, you couldn't have more than five employees. The second was space restriction. The office space should not be more than 72 square meters. I had 35. We were not permitted to have a machine with a motor that used more than two kilowatts of energy. If you wanted to purchase a machine to use for production, it could not be less than 10 years old. That machine couldn't cost more than \$10,000. And, finally, farmers were not allowed to buy a tractor. Only in 1968 did the regulations begin to loosen slightly and farmers could buy tractors. In 1969, we were permitted to become entrepreneurs.

In an interview with a highly respected Croatian oil magnate, Tomislav Autunović, CEO and chairman of the Board of Directors of Antunović Oil Ltd., this close friend of Šafran's states:

When we opened our businesses, we were second-rate citizens in Yugoslavia. I was very pleased to meet someone who was similar to me. After our first conversation, we started to become good friends and develop a business relationship. When I was building a few buildings, he always worked for me. And what's strange, but I'm glad about that, whenever I had offers from different companies, I noticed that his were not the cheapest, but they were of the highest quality.

Being a craftsman (private business) in Yugoslavia meant being an outcast. Someone who did not want to be a member of an ideological collective society. The basics of communism versus capitalism.

According to Marijan Ozanić, economic historian and close friend of Šafran:

I have actually known Mr. Šafran for about thirty years, and I have always been impressed by him--his incredible feeling/sense for business and his vision. He thinks constantly about his company, about what will happen tomorrow, and the day after tomorrow. He has a complete picture of the business, of what it could be, say, in 10 years. This ability to think in a visionary way is a characteristic of great entrepreneurs. He is fully engaged in his business. In his business life, he must often make significant, strategic, visionary decisions.

According to Šafran, founder and first Chairman of the Board of Metal Product Ltd.:

I was lucky in 1968. A year earlier, I got my hands on a product that was intended for electrical distribution. I was approached with the question of whether I could make it in my private workshop. I immediately said yes, I could, and I did. When I delivered that shipment, I got an inquiry about another product, then another product.

Regarding the worker self-management of social production, the main goals were the fulfillment of the five-year plan. No one took care of the development and application of new technologies. Thus, a backlog was increasingly created in the development of materials and technologies. Craftsmen skillfully noticed this, tried to bypass the law to get knowledge and machines, which the large state - social production industrial units then began to use because they had no other choice. Clearly, only select individuals could get such lucrative jobs, which were carried out beyond the knowledge of any worker self-management collective. This marked the beginning of the collapse of the communist ideology, as corruption began to surface.

Šafran recalls:

By the early seventies, after the student uprisings, the Yugoslav government liberalized policies and there was a slight loosening of relations with the private sector. So, Croatia had already begun to tolerate 10, 15, or even as many as 20 employees. But the federal law was five. Slovenia tolerated between 50 to 70 employees, but the Federal Law there was also 5. It was tacitly implied, but that meant we were driving on a one-way street, and we didn't know what awaited us. There at the end of the street, it could, let's say, be the police.

And then came the time when there was a more liberal form of taxation that applied to craftsmen and to production. This is the so-called 'contracting of taxes'. At the beginning of the year, you contracted your annual tax, how much you will pay the government. If you agreed, then you were not required to keep a thorough accounting, but to register the invoice that you issued. And the bureaucracy was satisfied. At that time, in the first year it was permitted, I was already developing an electrical equipment program. In 1971, I had 12 employees. Since then, I have been among the fifty strongest taxpayers in the metal profession in the city of Zagreb. At age 26, I already had my first car, bought in 1969, an M3 Vento Fiat, the so-called Fiat 1300. By 1971, I drove a 1900 cubic centimeter Opel. My wife and I bought a brand new two-room, comfortable apartment, built with a telephone line and central heating, which was considered luxurious. Or better put, the greatest dream a young man could have had.

Marijan Ozanić concludes:

We can say that Mr. Safran is a true entrepreneur. His entrepreneurship had its beginning in socialism when entrepreneurs were actually considered enemies of the state and everyone was convinced of the belief that artisan entrepreneurs were actually exploiting the working class.

Šafran:

1971 was behind us. All politicians who were a little more democratic were fired from their positions. That was the era of Savka Dabčević, Mike Tripala, who tried to liberalize the economy.

Due to the economic crisis and the overrepresentation of Serbs in all political, economic, diplomatic, military, and monetary positions, there was disagreement within the Communist Party of Yugoslavia. In particular, the communists in the Communist Party of Croatia stood up to defend the interests of the Croatian people to dispose of the capital that Croatian citizens had earned and that Serbian communists had appropriated. The economy of socialist Croatia (with a population of approximately 4.5 million people) generated 74% of the entire economy of the whole of Yugoslavia (20 million people) (Frucht 2005; CIA 1990). All profits went to Belgrade, which was the seat of the federal government, from which the Serbian communists distributed the funds as they saw fit, mostly for their own benefit. This led to a crisis, and in 1971, Zagreb students went out to protest, demanding reform. They were supported by the Croatian communists. Croatian university students demanded social reforms, and some of the important topics for them were national equality and greater Croatian autonomy within the then centralized state (Bing 2012).

Historians generally agree that the Croatian Spring was initiated by a coalition of brave Croatian university students, Matica Hrvatska, an organization around which prominent intellectuals gathered, and the reform wing of the League of Communists of Croatia. In 1972, after the protests, the economy was liberalized, and in 1974 a law was passed that gave every socialist republic within communist Yugoslavia the right to secede. (Tanner 2001; McClellan and Knez 2021; NYT 1989, p. 17)

Šafran continues:

And then came 1972. And I experienced a tax audit. I complained about one tax procedure. My appeal was approved, as well. And they were upset about that. So, they audited me. And they had the right now to look at what you ate for lunch three years ago and what you did. And they took complete control of my business. The very first thing they found was 12 employees, which was documented, and at that moment I received an order for seven workers to be released, and to work within the limits of the law, which is 5. So, on the second morning, all 12 were not allowed to enter my workshop. Only five of them entered. In short, that process took 18 months and involved four inspectors. They examined everything to find a mistake in my business and punish me. After 18 months, I was invited to an interview at the Tax Administration. The inspector who was given the task of resolving the matter informed me of the decision of their colleagues, that they could not find any wrongdoing. Apart from the fact that I was fined for several employees, I did not pay a single penny. They did not find any wrongdoing. No mistakes.

Gorana Dragičević, independent auditor, explains:

In a word, Mr. Safran is a miracle to me in a business sense. I'm an auditor. I have met a lot of managers in Croatia, but he is really a top manager in every respect and at the same time a great man.

Šafran remembers:

We were approaching 1980. Then there was already a slight loosening, and by that time, 7 employees were permitted. To make a long story short, at this time

they changed their minds. Well, then 10 employees, then 15, then 20. We welcomed 1990 with 20, plus 20 from my wife's company – altogether 40 employees. And why, 20 plus 20. I was over my head with work, as they say, and couldn't fulfill my obligations. I had twice as much work as my workshop could handle. With the help of a friend, I was able to persuade my wife to leave her job in the civil service, which was very well paid, and to join me and to open a joint workshop with me.

But now it must also be mentioned that I couldn't hire my own wife. That would violate the Law on Marital Relations if I were to become my wife's superior. That would disrupt this marriage law. There was no other solution than for the woman to leave her job. But she was not in the metal profession. Rather, she had to earn the title of Metalist. And for that, she had to go to school to become a metal worker, so we decided that she should go to high school.

Since she already had a higher educational degree than what was required, although not in the metal profession, she went to a vocational school for a year, so she could take the specific courses that would enable her to pass the vocational exams. After a year, she became a graduate of the metal lathe, and we opened another workshop. She was a metal printing machine locksmith, so our business was completely covered, and she, too, could employ the maximum number of people. In the end she had 20 employees, and I had 20, so we had 40 employees.

According to Mr. Šafran's daughter, Dr. sc. Ana Klikovac:

His motto has always been quality. High quality. Deadlines must be met. Workers must be happy and satisfied, and, of course, he has always surrounded himself with quality people who follow through. Development of technology, quality, and expansion have always been a priority, and the development of leading new products. He follows it all. I think he works when he sleeps, so that he has time for everything.

Oil magnate Tomislav Antunović explains:

I am happy to say that we never signed a contract, we never gave an advance. We never asked for bank guarantees or anything. Yes, we always kept our word, and our invoices were correct down to the penny and we never had disagreements. I have rarely in my life met a man and collaborated with someone like Stjepan Šafran. So, we became great friends. We are still friends today. There are not many such people.

As Šafran explains:

It was the same with the office space. In September of 1972, I took over and bought a painting workshop from a car mechanic. The space of the room on Miramarska Street in Zagreb is over 250 square meters. So, we split the space between my company and my wife's company. The government didn't bother us about that. We were swimming between the law and our actual practice. That year we already had 40 employees. We also started the construction of a plant in Odra near Zagreb after ten years of searching. When in the 1990s restrictions to get a building permit were lifted, I could finally build a production facility. That is why we are here now. I bought this building site in the 1980s, and I had to wait ten years to get a building

permit. In the 1990s, after independence, we embarked on a new journey, a new world, a new life of capitalism.

The collapse of state production in communist Yugoslavia reached its peak between 1988 and 1990. The shortage of all kinds of items, the huge increase in prices, the devaluation of the national currency, and the lack of energy, especially gasoline, for which even and odd days for purchase were introduced. People bought foreign currency at any price. The economic collapse led to the ideological and political collapse of all of Yugoslavia. The Communist Party of Croatia decided to secede from Yugoslavia, which brought about the first free parliamentary elections. In a referendum, 94% of Croatian citizens voted to separate from communist Yugoslavia, and to form a free and independent democratic and pro-Western Republic of Croatia. This opened the door to the entry of foreign capital, the development of private property, and the free market (NYT 1991, p. 19; Yambrusic 2010, pp. 9-13).

According to Šafran:

The entire economy shifted from communism to capitalism. There were no longer any limitations on investments. That was necessary in order to import machinery. In other words, we could now import machines as we wished. So, from the nineties, our development began. Then I wanted to turn my workshop into a company.

Tomislav Autunović states:

Companies like Stjepan Šafran's are the best for our country. These companies are neither too small nor too big. If the company is too large, you cannot control what the employees are doing. You cannot permit someone else to control the company.

The Western understanding of business favored private ownership of the means of production over state ownership. The transition from communist planning to private entrepreneurship was seen by communist leaders as an opportunity to privatize state (people's) enterprises that were "managed" by workers under the guise of democracy. Enterprises suddenly went into negative territory. Then, communist party proxies obtained favorable loans from banks and used them to buy failed enterprises, thus enriching themselves overnight (Budimir 2011, Graubard 1993).

Mladen Vedriš, Professor, University of Applied Sciences, Deputy Chairman of the Board of Directors of Metal Product, and former Mayor of the City of Zagreb explains:

Croatia, unfortunately, in all its actions was not aware of the importance of entrepreneurs. Why was there such an objective circumstance? The privatization process that began in Croatia in the 1990s did not go in the right direction. First, it was neither socially just, nor was it economically efficient. There were people who had neither the knowledge to develop the enterprise nor the interest to develop it. And this process of privatization very often came down to the land ownership deed. Once they got the ownership deed to a piece of land, they closed the firm and sent people to the unemployment lines for social welfare. They then sold the land to

build a shopping center. Many people were confused and called them private entrepreneurs, but in fact, they were simply predators and invaders, taking profits.

Here's the difference. An entrepreneur is a person like Mr. Šafran who starts with a small number of employees and grows to a hundred, step by step. There is a big difference between Mr. Šafran and someone who takes over the firm with two thousand people, and within two years, sells it for a shopping center.

Tomislav Antunović adds:

When Croatia was formed after the war, it was much harder to work in the private sector. Many started doing business. People opened companies with a \$5000 investment and wanted to get large contracts.

The opening to the capitalist way of doing business triggered a huge mass of people who wanted to have their own small businesses and try to be their own bosses after the communist single-mindedness. The process of opening (registering) companies was relatively simple and did not require quality control or excessive control of financial fair play. The market was flooded with a large supply of private offers and services. As well as profiteers and people who wanted to make a quick buck.

I was in a position where I couldn't trust them because there was no guarantee either of the quality or the material value of their companies. People talked about themselves as if they had built New York City, but they hadn't accomplished anything in their lives. Stjepan and I always had a good nose for how to assess the situation.

Momir Jovičić, journalist, and public relations manager, explains:

For him, trust was most important. He knew how to judge people. He knew how to build relationships with people. He always gave them an opportunity to work. And it was essential that he not lose his reputation with them.

Under such 'Wild West' conditions, it was difficult to recognize quality and reliable entrepreneurs. Things happened where money was demanded in advance and goods and services were not delivered. On the other hand, some private entrepreneurs did not pay for the products and services received. A trust disorder arose in the market and made normal business difficult. Finding a trustworthy private entrepreneur was crucial for a successful business.

Tomislav Antunović adds:

But Stjepan is a man whom I definitely know well. He was never late in sending a bill or overdue on paying someone. He was never a day late. As they say, he was as punctual as a Swiss watch.

Gorana Dragičević explains:

His results are apparent. Every year, from year to year, his results are greater and greater. Nothing shakes him, neither the pandemic nor a world crisis, and that is

because he is a visionary. He feels that something is happening in the world, that he needs to react to. That is his great advantage. Not everyone has that capacity.

Between 1992 and 1995, since communist officials bought cheap state-owned enterprises and were not skilled in how to manage them, there were massive layoffs of workers, sales of machinery and finally the companies themselves. When that was all over, the political post-communist establishment began to raise taxes on private entrepreneurs to get their hands on the finances. The tax was raised every year until it reached almost 50% of profits. In addition, a 25% pre-tax was introduced which caused small and medium-sized private companies to close because they were left without capital for investment. The tax was mainly considered a punishment for private business. In addition to the tax, there was a gradation of payment of capital profit tax which forced entrepreneurs to split company ownership into several parts to remain in a lower tax bracket (Binder 1992; Benczes 2014; CIA 1990; CIA 2000).

According to Šafran:

In terms of equity, I had 2 million dollars. If I wanted to convert an artisan workshop into a company, I had to pay 28 percent sales tax. I let the workshop do its job and I went about setting up a new company, Metal Product, with my small investment. My workshop was the subcontractor for Metal Product. Metal Product was like a daughter. The daughter became the main person in the market. The mother and father worked for their child, which is normal and in a natural sense as we look at our life development. Isn't that true?

Tomislav Antunović states:

Mr. Šafran and I did not belong to that system. We didn't belong. We have always been privateers. We did not create our businesses through politics, but we were tied to politics. We were never members of any party, neither one nor the other. We may have been sympathizers of something, but we were sympathizers of the Croatian state when it was created. During the war, we were never soldiers, but we contributed to the Croatian state financially.

Serbia's attack on Croatia, supported by the Yugoslav army, brought destruction to the economy, civilian facilities, and human lives. The war forced Croatia to defend itself against the Serbian aggressor (Sekulić et al. 1994). And instead of the world standing with Croatia, the United Nations and other countries banned the sale of weapons for Croatia's defense, as well as other materials to maintain the functioning of the energy and economic system (McClellan and Knez 2021; Office of the Historian, U.S. Department of State 1992; Tanner 2001). During the war (1991-1995) true value was expressed in the material resources necessary for the defensive functioning of the state.

Šafran continues:

And, so, it is 1990. That year saw our development. Then came the unfortunate war. In that unfortunate war, we managed to carry on our production in various ways. I had great good luck. My good luck was that from 1967 until 1990, I did not spend my earnings on a luxurious lifestyle. I had my own lovely private life, I had a gorgeous apartment, I always had a good car, but I never thought about building a villa on the sea, buying a yacht, or taking expensive ski trips. And that benefitted me. I invested everything in my business. All of my profits except what was needed to finance my private life, for the education and well-being of my family, everything

else remained inside the business. That's how we created capital out of the \$2 million. This money was invested in materiel.

I had almost 450-500 tons in stock of steel materiel when the war started in Croatia. I didn't do it out of too much knowledge. Except I had a policy that it was better to keep money in materiel than to spend it or put it in the bank. In 1991-1992, Croatia faced an embargo on imports of steel, copper, and aluminum. Those are the three materials that we used in 98 percent of our production, and I had over 150 tons of aluminum in stock. Somewhat less copper, but all that stock was enough so that we spent the war producing with our own supplies. That enabled us to work and deliver products that were in high demand.

Šafran adds:

Most of what we produced was a connecting accessory for the electoral grid that supplied the whole country with power. This was not produced by anyone else in Croatia. Until then these were produced only outside Croatia. But as the borders in the former Yugoslavia disappeared, Croatia had to import it all. And I entered that niche with an idea and arranged a very important meeting. First, I went to the Minister of Economy. At that time Academician Bože Uдовић was the minister, and I proposed to him the idea that I develop equipment for electrical grids. He welcomed this idea with open arms. They supported me in the Croatian electricity industry. He promised in front of the Chamber of Commerce at a gathering of electrical industry experts and guests that within six months I would go on the market with the first connecting accessories.

Of course, I needed help with some technological issues. I worked in cooperation with our university faculties--the Faculty of Mechanical Engineering and the Faculty of Electrical Engineering. And, with an exemplary German firm. We had a great understanding, and they provided me with expert help. They offered us the right to use the technical data from their catalogs and to produce our goods accordingly. In the war, the enemy and the vandals demolished our power grid. We came in and rebuilt the power grid. We often donated a large part of the products. We never asked questions about payment. The Croatian state was engaged in total war, and we considered it right that we participate in this way.

Dr. sc. Ana Klikovac, Safran's daughter explains:

He helped everyone. That's my dad. It is characteristic of him to have a spiritual desire to help others and always think of others. He always considers how he can help others around him to do well. As a believer, he was thus brought up in the Catholic spirit. He raised us children in the same way, and of course, when it came to the church, whenever a church was destroyed, he offered assistance. Especially during the war, when many churches were destroyed. Of course, it was unquestioned that he would provide a bell if the church needed it. Absolutely, he did that with a full heart.

Marijan Ozanić states:

I am always impressed with both Mr. Safran's approach to business and his mindset. He always felt social responsibility toward the community and society in

which he lives. Many churches, both in Croatia and in the world, have bells donated by Mr. Safran. A lot of societies and institutions have often received large donations from Mr. Safran, because he feels it is his obligation, his duty to help others, and that is why I am truly happy to have met such a fine man. I admire him and have learned a great deal from him. I've written a lot about entrepreneurship and lectured a lot. However, a lot of what I have spoken and written I have learned from the example of Mr. Safran and from the example of several other large entrepreneurs who have been a model for the development of entrepreneurship in Croatia.

Barbara Vuković, Master of Science, granddaughter, and former member of the Board of Directors of Metal Product states:

Our company has made about five hundred church bells, and I believe that my grandfather donated most of them. He always feels a calling to help others. That was especially true during the war. His desire to earn money is in last place. In first place, is his desire to help others. On countless occasions during the war, he sent truckloads of products to repair the electrical grid. During the war, when churches were demolished in both Croatia and Bosnia, and there were no bells left, let alone a place where masses could be held, that is where he absolutely felt it was his duty to contribute. There are many examples where he donated the bells and especially where he was emotionally affected when people had nowhere to come together to pray on holidays. There was a situation in Bosnia where the citizens didn't have a place to celebrate mass at Christmas, so my grandfather found a way to build a structure and improvise a bell tower and deliver a bell there, so that these people could experience the ringing of the bells and the festivity of Christmas.

Šafran:

Until 1991, the largest market for me was Bosnia and Herzegovina. At that time as a craftsman, I could not sell my products to compete with state products. The only way to do so was through state cooperatives. In the eighties, I marketed my products through a cooperative in Bosnia and Herzegovina, and through them I sold my products to the largest electro-distribution company in Yugoslavia -- Energoinvest. It was a large contractor in Africa because Tito had good relationships with the non-aligned countries. So, my goods had already been exported from Croatia. But in that process, everyone took their own commission. Even so, my products were still cheaper than the products produced by the state companies. I didn't have large administrative expenses, depreciation, and social taxation, which increase the cost of the product.

Mladen Vedriš adds:

In the 1990s, when the democratic changes came to Croatia, many people cried. Most of them welcomed the new country with tears of joy because we could build "a new home." However, some of them cried with sorrow because their old house, Yugoslavia, was being dismantled. Mr. Safran was very much among the majority who were looking forward to Croatian independence, who held these values before independence, when the situation was not easy. Then a new world began. In this

new world, there were new rules of the game--democratization of the market, etc., had to be managed.

A deep clash arose between private individuals and the fallen elite. Prior to independence, the communist political elites of the former Yugoslavia had held the decision-making levers, controlled the political reins, the media, and the financial flow of capital. They were prepared for the transition. To protect their dominant management position, they built a bureaucratic apparatus filled with former party staff. This communist political elite formed a clientelist economy and pressed for the return to communist values where successful private entrepreneurs were considered threats (McClellan and Knez 2023). This group continues to hinder the democratic and economic development of the entire country (Petrović 2017).

Marijan Ozanić explains:

Of course, when the nineties came, we all expected that when communism collapsed that now entrepreneurship would begin to prosper with full lungs and wide sails. A lot of companies were established, however, there were a lot of mistakes in all this, as in other post-communist countries. Unfortunately, when we expected the whole society to understand entrepreneurship, that the whole society would look at entrepreneurs as heroes who carry the entire economy on their backs, I was surprised and saddened by the fact that the whole of society was still governed by a very socialist way of thinking that looks upon entrepreneurs with great distrust and does not provide the kind of support and understanding that entrepreneurs deserve.

Independent auditor Gorana Dragičević explains:

What I see is that we have very few entrepreneurs like Mr. Safran, and we have very many mediocre ones. So, here we are. We have a large gap between these old successful guys and the new entrepreneurs. No one wants to work as hard because the conditions are very tough. Most would not like to sacrifice the energy and time required. There are many expenses for small enterprises that are difficult to cover. If we have more entrepreneurs, then their expenses will be lower.

Šafran states:

Over the ten years from 1990 to 2000, we almost rebuilt the entire country. In that period, I built three plants in Odra, somewhere around four and a half thousand square meters. Then a colleague put me in touch with an Italian businessman who wanted to build a new factory in Croatia. I met this fine gentleman, Vainer Marchesini. We built the plant. He wanted to build a plant of about 2500 to 3000 square meters on at least 25,000 square meters of land. He wanted to start production that was intended one hundred percent for export and that would employ between 50 to 100 people. And I knew immediately that I could not acquire that large a tract of land in Zagreb. I immediately decided to arrange to situate it in my hometown, Breznički Hum. And then, Marchesini and I started the implementation of that project. So, why am I so proud of him? Because when he came to me, his team had reviewed my company, and he recognized that we had

taken almost identical business paths, except that I began under communism and he began under capitalism.

He started in a garage in 1968. I started in 1967. His developmental path was then quite different from mine. When we met, he had 34 factories in the world with nearly 2,000 employees. I was in a different position. Now I was supposed to join this family, and when we started building this project from the construction site on, we signed a protocol on joint investment and joint construction. Two days before the opening and completion of the investment, we went to court and signed a joint venture agreement. So, we began and completed the entire project, cooperating on our given word, not on a given contract. And today, when you tell people about this arrangement with a foreign partner, they cannot believe it. This seems unprofessional to many. But I was lucky, and we judged each other correctly. When he shook my hand at a meeting, he said, "You're the one I'm going into this business with." And we developed a great deal of trust in one another. It was only the day before the opening that we officially signed a contract for a joint venture. I ran the plant for four years. And then I got sick because I couldn't run two firms. It was too demanding physically and on my health.

After four years, when I saw that even my health was threatened, and therefore the company that I had created, Metal Product and the workshop, I decided to hand over my share of our jointly owned business to him, and for him to continue to lead it. He returned my capital in a very fair agreement and then transferred all the money to me. I settled the loans I had. The rest I invested in the development of Metal Product, and I consider that I have done a good job because I have preserved my health.

Since then, I have handed over to him a company with 70 employees, which was already working well. I was then President of the management board for four years. I am proud that today the largest metal production industry is located in Varaždin County, in Breznički Hum. In this area are located three companies—Metal Product, Vainer Product, and Aluminum Product. Today, there are 20,000 square meters of production halls that export 99% of their products to the world market. My company continues to work, especially my foundry which processes our products. So, our business together continues. Today, in Breznički Hum, there are more than 300-350 employees in a town with 1200 inhabitants. Therefore, whoever wants to work can find a job. There is not a single unemployed worker.

Tomislav Antunović states:

It is truly a pleasure to work with him. I work and cooperate with many firms and companies in Croatia, Bosnia and Herzegovina, in Europe—Austria and Germany, but I have no one as reliable and trustworthy as Stjepan Šafran.

Šafran recalls:

A big milestone in our business was reached when we worked with foreign partners, and we increased our exports.

According to Igor Vrdoljak, President of the Board of Directors, Metal Product:

Our company is unusual in that it has four different production technologies under one roof, actually, the only such company in Europe. This has proven itself to be highly effective in that it can vertically integrate all production under one roof inside the same facility, and thus ensure high quality. What we have to do to improve in the future is to increase automation and robotization for the optimization of the company.

Marjan Ozanić recalls:

And after such decisions, his company took a new development step, increased the number of employees, and increased exports. We should be reminded that the ability to make such strategic decisions is a characteristic of great managers and great entrepreneurs. This ability cannot be learned at school or in seminars. A man with such instincts must be born. And in this capacity, great managers, of whom there are few, are to be distinguished from average managers of whom there are many.

Igor Vrdoljak, President of the Board of Directors, continues:

Our partners are, in fact, the largest European manufacturers of this type of equipment. For now, we focus on this electrical program, but our future intention is to expand into the railway industry at home and abroad. Currently, our products are sold around the world. What distinguishes us from other companies is that we have extremely high-quality products, delivered on time. We are highly reliable.

Šafran recalls:

At our company's fortieth anniversary, our exports amounted to 17 percent. I was proud of that. Then, I said that our goal is to continue to increase the development of our export business further. We celebrated our 50th anniversary. Back then, I was proud that our exports were over 50 percent. Today, five years after that, I am proud that our exports are over 80 percent. I also hope next year that it will be well over 80, almost 90 percent. Our domestic market should not be underestimated. But there is not so much need here anymore because of our innovations. The service life of our products is between 40 to 50 years. The technological device does not change much since it is about transmitting electricity through wires, and connecting these cables is accomplished with our accessory.

Therefore, there is still a need that we are satisfying in Croatia to a large extent. But we do not underestimate the importance of the Croatian market simply because it is accessible. Our goods are available 24 hours a day and 365 days a year. If there was any accident, and recently there was an accident, there was ice. There was a breakdown of the network, and it would be the same if there were a fire. We are at their disposal. So, with the entry of Croatia into the European Union, we have started a stronger cycle of contacts with our business partners with whom we have already worked for about fifteen years. Now we have four strategic partners with whom we work and through whom we market our products to the world market.

After joining the European Union in 2017, by 2018, in a year, we hired 170 new people. It was a gigantic leap forward. There was confusion because they were not all fully trained people. It required new machines. It was necessary to adjust

the entire technological production. It was necessary to educate people. We had to find people, and that was quite tough. But by 2022, we could say that we passed the tremor stage, that this earthquake was behind us, that we coped with it positively, or we would not be able today to count on around 85 to 90 percent of next year's exports.

Marijan Osanić explains:

The business path of the Safran years is really fascinating and tells us what the Croatian economy could have been had it been created, grown, and developed in the manner of Mr. Safran's enterprise.

Mladen Vedriš adds:

One additional quality is that a few years ago he realized that he had to think about the transition process from a craft workshop to a factory, to a corporation. A larger company must have a supervisory board. It must, of course, have an owner or owners, and it must have a professional board, professional management. And he has taken that path. Today, he is still, of course, the owner, but at the same time, he is on the supervisory board with people with whom he can manage qualitatively. There is a management board that does it professionally. One must move with the times. As Darwin said, it is not those who are the strongest who survive, but those who know how to adapt. And Mr. Safran, along with the growth of the company, he himself grew and developed in this direction, and vice versa.

His ability to grow and develop has given vitality to the business and to his company. Americans talk about a 'killer instinct'. Instinct is involved, whether it is a football player who knows how to score a goal or a businessman who knows how to recognize an opportunity. That reflex is one Mr. Safran always had, knowing at any given moment what needed to be done. Whether it is about the type of product, about the market, or about choosing the people he works with. Or about the infrastructure that has to be developed.

To summarize, if Croatia had a thousand people like Mr. Šafran, not only in Zagreb or here where we are, but in other parts of Croatia, it would be better and simpler. The main quality of such people is that they employ other people. Therefore, dozens and hundreds of people have qualities, have an education, but who, by their nature, are not entrepreneurs, cannot open a kiosk to sell hamburgers or buy or build three apartments. But this is not an economy. Economics is actually a sophisticated way of creating new value. This is where engineers are hired--quality control people. So, you must have one vertical line according to which people who have certain qualifications can then prove themselves professionally. Families provide livelihoods, and all this together provides a metal product. With Mr. Safran at the helm.

According to Igor Vrdoljak, President of the Board of Directors:

What is required of us and what we are primarily oriented to from the very beginning, is quality, high quality that ensures achieving the company's very stable position in the market. Now, 80 percent are exports with a tendency in the future that these exports will grow over the medium term of the next six to seven years

and practically double. We base our growth on increasing the development of our own products. Our company has traditionally developed its own production processes and thus becomes stronger and more stable. Mr. Šafran has had a distinctive logic of development all his life, which turned out to be the right one, and he is always ahead of everyone. So, it initially seemed that he had too much capital, that the company was overinvested in. Now, in fact, that has provided us a cushion for the next five years, without requiring significant and major investments.

Dr. sc. Ana Klikovac, Mr. Šafran's daughter, states:

What I have been stressing about a lot lately, in terms of the mission and vision of the company, is that we want to be recognized all over Europe, and I am constantly pressing for worldwide expansion. Expansion and development are key. I see it growing more and more every year.

Granddaughter Barbara Vuković, Member of Board of Directors, Metal Product, states:

In the next five to ten years, I see him greatly strengthening development. We have always been a development company, and we want to return to that. We continue to work on the competitiveness of our enterprise in terms of automation and robotization optimization. In fifteen years, I see Metal Product as a development center for metalworking on the territory of at least Europe, if not more broadly as one of the most competitive firms that is vertically integrated. It covers a lot of technologies; we can provide a complete solution for our customers.

Šafran states:

Another aspect of development requires that we restore the Croatian Chamber of Crafts. The Croatian Chamber of Crafts was abolished in 1946. The property was nationalized by the Communist Party and its entire business and all capital were confiscated. In 1992, two of my colleagues and I asked President Tudjman to welcome us for an interview to share a proposal for how to restore the Croatian Chamber of Crafts. At this reception, President Tudjman's decision was made to start drafting the Law on Crafts and to create the Croatian Chamber of Crafts, and to return its property and to resume its activities which included vocational education and administering mastery exams. The Chamber would be responsible for training masters who know how to work, no matter what form their work takes tomorrow, whether in a small business or in a large company, whether in their own workshop, whether they have one or wish to acquire one, with theoretical and professional knowledge, and to engage in the craft that values work as the foundation of their future.

Mladen Vedriš recalls:

I was the mayor of the City of Zagreb at that time. I had extremely fine contacts with all other institutions. The formation of the Croatian Chamber of Commerce began, and very soon after that the formation of the Croatian Chamber of Crafts. We held various meetings. But intensive contacts began when I became president of the Croatian Chamber of Commerce. My stance was clear from the beginning that the soul of the nation was the Chamber of Crafts. These are people who are

entrepreneurs. As you know very well, in any society, somewhere between two to three percent of people have the talent and the motivation to be an entrepreneur, and those two to three percent are the engine of society.

So, Mr. Safran is clearly a person of great quality. Not only was he an entrepreneur who proved himself, but he also demonstrated public interest. It is a public good to open space accordingly, to organize artisans. It was he who took this path and that of the Croatian Chamber of Crafts with all those qualities that meant promotion of the profession, the master's exam, and the opening of international cooperation. Almost overnight, that means by the year 2003, it became a very important institution. A significant institution that brought together thousands of members, provided them the opportunity to be promoted and earn professional advancement. And this is a merit. Mr. Šafran is a man who aided the public good, who promoted the public policy of public values in 1996.

Šafran :

In 1996, we had the first restoration assembly of the Chamber of Crafts. The chamber had been founded in 1852. So, we continued the tradition that we inherited and in the same style. The Chamber of Crafts is still functioning today.

Momir Jovičić, journalist and public relations manager, shares his insights:

Mr. Safran and I have known each other for 35 years. We started a collaboration when I was the editor-in-chief of Radio Sljeme in 1988. I participated in the preparation of the restoration assembly of the Croatian Chamber of Crafts. My task was to build the reputation of the Croatian Chamber of Crafts, to build the reputation of Croatian craftsmanship.

Šafran states:

I'm proud to have been elected three times as Chairman of the Executive Committee and served two terms as President of the Chamber of Crafts. I did everything in all structures and state bodies related to the development of vocational education. I participated in the unification of the Croatian Chamber of Crafts into the European Association of Chambers of Crafts. I was there in Brussels as a member of the Executive Board of the Chambers of Crafts of Europe.

Natko Vlahović, CEO, Vlahović Group:

I then became an advisor to President Safran, President of the Croatian Chamber of Crafts for International Relations and European Integration. Shortly after that, we opened the first foreign office of the Croatian Chamber of Crafts in Brussels with the idea and work of Mr. Safran. In fact, it was Mr. Šafran's vision that Croatian craftsmen should present themselves to the world and connect with Europe, with European institutions. We started to use European funds, organize various trips, and protect the interests of different craftsmen, from fishermen to other sectors, to welcome our entry into the European Union and demonstrate that we were as ready and able as possible.

Mr. Safran was always open to new ideas for new collaborators. He wanted great progress for the Croatian economy, and he achieved it as the President of the

Croatian Chamber of Crafts, and, of course, as the owner of one of the most successful Croatian manufacturing companies, the company Metal Product, which he has been running for 55 years. I can truly offer only the most beautiful words of praise for both Mr. Šafran and his entire family for this great business success.

Marijan Ozanić concludes:

I always thought that Mr. Šafran's professional journey should be taught in schools. Our children, as well as college students, should be brought up on such examples. Examples of entrepreneurs like this are what make me an optimist. I know that Croatia and its economy can progress, as seen in the thinking and results of such great entrepreneurs who carry the entire Croatian economy on their backs.

Šafran's drive and energy extend beyond his dream of creating an industrial enterprise from which he and his country profit and prosper.

As is apparent from the extensive interviews with Šafran's colleagues and family, his commitment is rooted in a deep sense of social responsibility:

I was appointed by the Albanian Government as Honorary Consul of the Republic of Albania for the territory of Varaždin Međimurje and Koprivnica Križevci Counties. And that was a pleasant surprise for me. It was the policy of the Albanian government to create several honorary consulates in Croatia that would support the ambassador in the development of Croatian-Albanian relations and focus on the economy, tourism, history, and the connection of our peoples. The Albanian and Croatian people have a centuries-old tradition of friendship. We have never had hostile thoughts, let alone actions against each other.

Šafran continues:

In this activity, I often take part in the visits of Albanian delegations to Croatia, from businessmen to the president and ministers. At the very beginning of my career, I immediately made it clear that whenever they visit, they should feel at home, and that my door is always open to them. My activities are aimed at the development and improvement of Albanian-Croatian relations, and I want this to be a small contribution to our success. I certainly believe that they are satisfied because the Albanian President has been a guest here twice. He awarded me the highest distinction of the Albanian state for the services I render in the development of Albanian-Croatian relations. I am proud of that. I must mention that my relationship with the Ambassador of Albania, Mr. Riza Poda, is fantastic. We have put many projects into motion. A lot of things that have been initiated have been triggered by his ideas, and with my support, and I hope that our actions are recognizable in every annual report. Each year, both exports and mutual trade cooperation increase at a rate of 20 to 30 percent or more. We want to continue to greatly contribute to the development of Croatian-Albanian relations and ensure that there is no chance for it to be broken.

After 65 years of vision and imagination, and 55 years of continuous dedicated work, Stjepan Šafran has proudly inherited the fruits of his success. The great work of Stjepan Šafran is reflected in his manufacturing enterprise--Metal Product--which produces over 2500 different products and parts in the field of electrical equipment, which serve to connect and carry electrical current. All

this started from a small 35-square-meter workshop, then a foundry. The factory was built on two sites, one in Odra in Novi Zagreb, which consists of three production facilities. The second is in Breznicke Hum, thirty kilometers from Varaždin, where there is a 12,500 square meter factory. There are currently over 300 workers in both factories. Stjepan Šafran does not walk alone in this world. He is aware that he has been blessed.

According to Tomislav Antunović:

I am sure that Stjepan Šafran will continue to work. He will not retire. I am one year older than Stjepan, and I am not retiring yet. I am still working. People tell me that if they were in my position, they would retire and enjoy life. I enjoy my work. This is what we have been creating for 50 years. That is what we enjoy. There is nowhere else I would rather be.

Marijan Ozanić reminds us:

And that boy, a 15-year-old boy, kept his promise, but he did not simply build a workshop. He built a huge enterprise, a large estate based on his belief, which is work, work, and work. Mr. Safran has always impressed me, not only for his deeply innate entrepreneurial abilities, but also, for the fact that he is not simply a manager who only has his profits in mind. What I know, what has always impressed me, and why I both appreciate and love him as a friend, is what a good family man he is. He thinks about his family in everything. He always sees his workers in this factory as one extended family, and he is proud of that. I think he truly has something to be proud of. It is that the salary of his workers was never late.

Looking back on his life, Šafran states:

I am aware that I was born in the era of the second technological revolution. Today, the fourth technological revolution is behind us. The fifth technological revolution is underway, and man must change drastically. One must educate oneself, but not forget our past, not forget what you are, what you were, and where you came from.

In my childhood, I was always interested in the history of this region of ours, and particularly when it comes to events that happened several hundred years ago. I liked the stories about the old Curia castles from the former Austro-Hungarian monarchy to the present day. I liked listening to my grandfather, who talked often about the cemetery in which were buried children who died at birth or shortly thereafter, who had not enjoyed the honor and happiness of receiving baptism and were therefore not permitted to be buried in a Christian cemetery.

When we started landscaping here for my vineyard, I found out about this place. When I received the documents, I saw it was now owned by the Croatian state. And then I decided to demand that the state of Croatia give up this territory in favor of the municipality, and I would clear that part of the terrain and restore the memory of what it was, and that was the fact that for centuries these children from Zelina to Novi Marof and Zlatar were buried here. I managed to gain acceptance for this project from the Croatian church, government, and institutions. It was absolutely phenomenal. The church, government, and institutions supported my idea. There used to be a cross of the Patron Saint Michael on this spot. In 1945, when the

Communists came to power, it was taken down, but saved by the villagers. This place was left without any marker.

Immediately, the idea came to me, and it dawned on me that if anyone deserves to have the name of this chapel, it was Blessed Alojzije Stepinac. He saved the lives of many children, whether they were Jewish, Muslim or pagans. He did not try to convert them to our Christian Catholic faith. His primary goal was to save their lives. And that is where his strength lies. That is his power. I decided to place him as the protector of the souls of these innocent children in the Chapel of Blessed Alojzije Stepinac and the innocent children. And it happened here. The chapel was blessed by Bishop Husjak. Bishop Mrzljak and several priests participated in the blessing. Over 350 people attended the Holy Mass. With that, the 400-year-old history is marked. We have saved it from oblivion, and I believe that in the future no vandals will tear down this object and sacrament, but the chapel will guard, cherish, and honor the memory of these innocent children.

I must say that I am happy that I have had such a life. And I would be even happier if my grandchildren and great-grandchildren take a similar pathway. Let them be diligent. Let them know that man is created, not simply to spend and enjoy. Enjoyment can come from both good work and good deeds. It is nice when you create, and in that process, you can have a hobby and pleasure. When, at the end of life or towards the end of life you see that something is left behind, then you have achieved your goal. That is what everyone should be thinking about. Even at an early age.

Šafran continues:

The greatest word in history is trust. If you have no trust in your partner, there is no love, no results, no family, no business. So, trust is in first place, then love for parents, homeland, etc., and to transmit confidence in that principle to our children. It is also important to educate ourselves and to keep up with technology. I will repeat once again the words and principles that my father instilled in me in my life: When things are good, do not project yourself above others. And in evil, do not humble yourself before evil. So, be what you are and follow the path laid out for you. Do not think about some unspecified obstacles. Everything can be overcome, but at the right time, in the right way, with the right advice, and with the right faith.

6 Conclusion

Given that Stjepan Šafran has succeeded in building and maintaining an impressive, imposing, industrial enterprise under two political systems, there can be little doubt that he is an exceptionally capable man. His family and business associates confirm that he is well-endowed with nobility and courage. Those interviewed agree that had people with his character, vision, and drive been allowed to prosper, Croatia would have advanced economically decades ago, in a way that it has not, and it would have been highly competitive, certainly in the European market (Croatian Bureau of Statistics, 2025; Graubard 1993; Petrovic 2017; Kotarski et al. 2019; Croatia.eu 2025).

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 Gorana Dragičević, Independent auditor
 Momir Jovičić, Journalist and public relations manager
 Dr. sc. Ana Klikovac, Daughter of Stjepan Šafran, former member Board of Directors Metal Product
 Marijan Ozanić, Economic historian
 Stjepan Šafran, Founder, Honorary President of Metal Product

Mladen Vedriš, Professor, University of Applied Sciences, Deputy Chairman of the Board of Directors of Metal Product, former Mayor of City of Zagreb, Croatia

Natko Vlahović, CEO and President Vlahović Group

Igor Vrdoljak, Chairman of the Board of Directors of Metal Product

Barbara Vuković, M. sc., Granddaughter of Stjepan Šafran, former member Board of Directors Metal Product

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