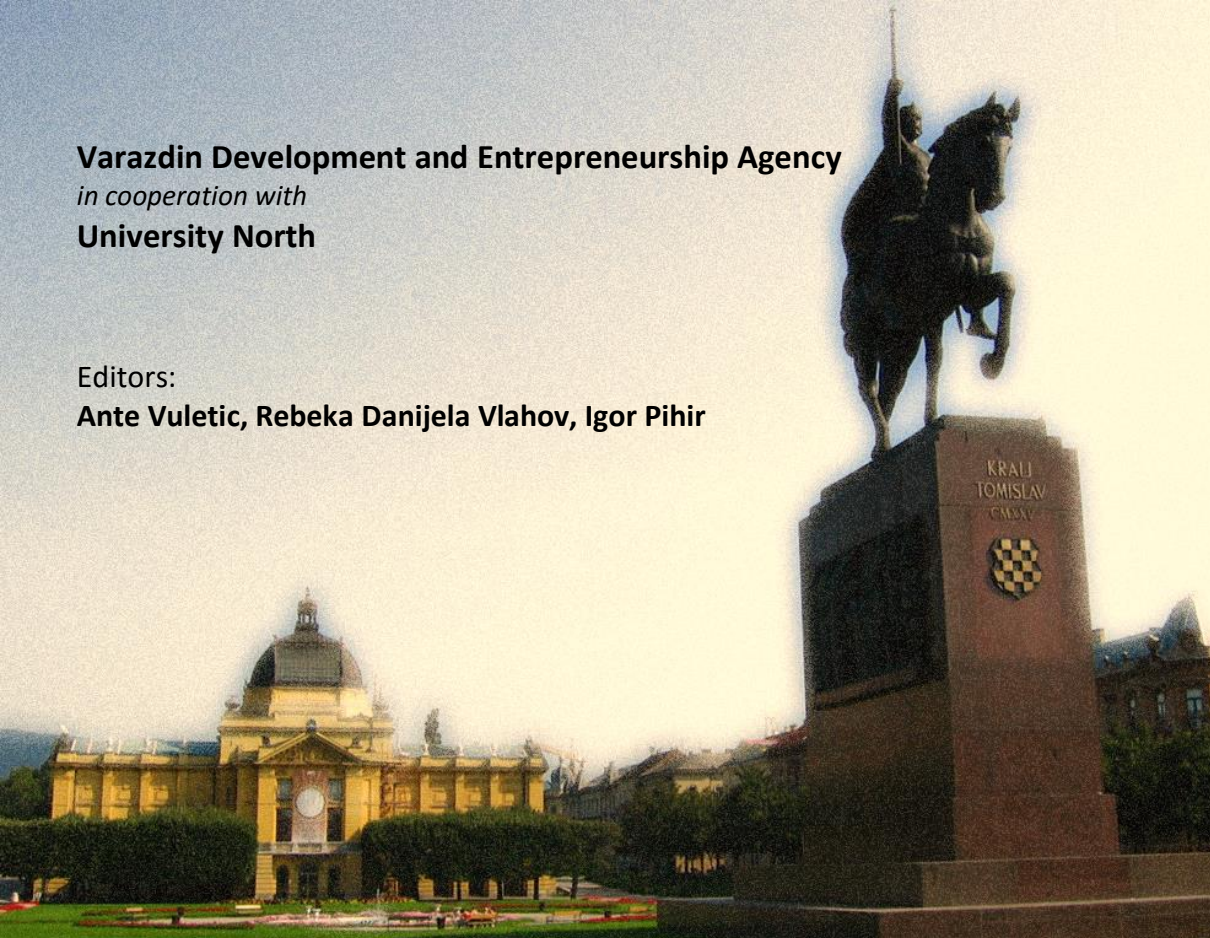


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Editors:

Ante Vuletic, Rebeka Danijela Vlahov, Igor Pihir



Economic and Social Development

11th International Scientific Conference on Economic
and Social Development – Building Resilient Society



Book of Abstracts

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Zagreb, 17-18 December 2015

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Building Resilient Society

EFFECTIVE MANAGEMENT OF HUMAN RESOURCES IN CATERING AFFECTS THE DEVELOPMENT OF TOURISM AND ECONOMIC DEVELOPMENT

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ABSTRACT

Human resource management in the hotel industry plays a crucial role to the success of catering business. Persons offer services to people and this is not at the best level, because in order to always provide adequate services you must motivate the staff. A good management of human resources in the catering business also means staff motivation which is one of the main problems in the hotel business in Kosovo. The purpose of this study is the development of human resources towards professionalism in the field of catering while maintaining the current staff through better motivation. Research question of this paper work is: what are the strategic ways that enable the development of tourism through human resource management in hotels. While taking a representative sample we have surveyed workers in the hotels, what motivates them to stay in the job where they work. As well as other sub-questions are what are the possible reasons for the change of work place, as well as are they also participants in decision-making process together with the managerial staff and are their recommendations taken under consideration. The methodology used for the study is quantitative. For the academic world, study is to understand how complexity, the similarities and differences of common tools of motivation for catering organizations and when it is necessary to use them. In conclusion, this study suggests a "model of motivation for hotel businesses" encouraged by the literature used and research results.

Keywords: *Human Resources, Hospitality, Management, Motivation, Tourism*

ARABLE SOILS PRICE IN ALBANIA: A METHODOLOGICAL APPROACH

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ABSTRACT

This study discusses the price methodology of arable soil applied in Albania the last decade, giving explicit attention to the relationship between independent variables that determine the soil quality and soil variability prices of these soils. This study was undertaken in the context of determining the values for compensation and replacement of owners during the construction/operational phase of Trans Adriatic Pipeline onshore part that passes in Albania. In general, the land price (money value) is based on the average market price (sale – purchase transactions) adjusted with the specific characteristics of the site, inflation, time and potential production. The main characteristics of the land market in developed countries are the importance of the number of transactions and the relative transparency of prices. For several reasons, in many areas of Albania, there are not sufficient number of transactions to serve as a basis for setting a price of agricultural, pasture and forest land. Because of the lack of land market, it is advisable to use the methodology applied in Albania based on the

method drafted by FAO in 1976 and land categorisation based on Land Capability Classification. In order to find out the profit, it is necessary to know the yield, the cost of producing it and the incomes per surface unit, in order to calculate the profit. The method applied after 2012 in Albania is based on market price. This methodology is desirable (it is real, compelling for the seller and buyer) and the Albanian legislation gives priority to such method whenever it is possible. According to preliminary data, in the majority of Albanian regions, the number of transaction is small, making it difficult to calculate average prices. Compensation and replacement values found by both methods are compared mentioning their application gaps in three eco climate regions.

Keywords: *climatic zones, methodologies, price, soil, variables*

THE IMPORTANCE OF INNOVATION TO INCREASE THE VALUE OF SLOVENIA'S EXPORTS OF GOODS TO THE PACIFIC RIM COUNTRIES

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ABSTRACT

This paper discusses the importance of innovation to increase the value of Slovenia's exports of goods to the Pacific Rim countries. In 2013, the value of Slovenia's exports of goods to these countries amounted to €1,949 million, 9% of the value of Slovenia's exports of goods to the world and an increase of 2.7% from the previous year. In order to further increase the value of its exports of goods to these countries, Slovenia should increase the promotion of Slovenian products in the Pacific Rim markets and adopt some other measures, such as increasing the cooperation between Slovenian enterprises and their Pacific Rim counterparts in areas such as innovation. After all, in a competitive market, innovation is the most important source of competitive advantage.

Keywords: *competitive advantage, innovation, innovative entrepreneurship, foreign trade, Pacific Rim, Slovenia.*

GLOBAL UNDERSTANDING OF DEVELOPMENT IN HISTORICAL AND THEORETICAL CONTEXT

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ABSTRACT

This article provides a brief overview of the historical, institutional and theoretical understanding of global development. In this context, the focus of the analysis was on processes that have a significant influence on shaping the world after World War II. The crucial processes that have shaped the world after World War II were the process of decolonization as well as the creation and development of the UN system. The first process, the process of decolonization, was and still is implemented through the UN Special Committee on Decolonization in cooperation with specialized agencies. Decolonization is a very complex process and at the focus of this process are the developmental problems of former colonies. UN's system has, through the Special Committee on Decolonization and UN's specialized agencies, tried and is still trying to give valid answers to developmental problems of former colonies and other countries with development issues. In essence, the process of decolonization was and still is governed by the international system (UN) that is also developing itself. UN's system and its specialized agencies (IMF, WB and ILO) in cooperation with WTO and other international organizations tried to create a global economic system that would be the leading force in achieving global development. Somehow, these efforts in the form of projects, programs, resolutions and declarations, when they are applied in practice, do not deliver wanted outcomes, and they are often considered insufficient, inadequate and partial. Constructive criticism of the UN development projects should influence on improvement of global development programs.

Keywords: *Declonization, Development, International Labor Organization (ILO), International Monetary Fund (IMF), The World Bank (WB), United Nation Development Program (UNDP), World Trade Organization (WTO)*

THE CHANGES OF POPULATION PYRAMID IN IRAN AND ITS IMPACT ON SUPPORTIVE COVERAGE OF SOCIAL SECURITY ORGANIZATION

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At the present time ,the status quo of the population in Iran in its best condition through the perspective of the interests of pension organizations. Approximately, 60%of the population is within the range of employment age; but the situation will change and the age trend of the population will move towards the middle age and aging .As a result, the age pyramid in Iran will witness the fundamental changes. Population estimates indicate the fast growth of the number of the aged people up to 2050 and the fundamental changes will happen in the population pyramid up to this date, and the size of the middle section of the pyramid, indicating the active population and the labor force, will be reduced.

On the contrary, the volume of the upper part of the pyramid, indicating the aged population will be increased, and the peak age will reach 55-65 Years of age. On the other hand, the number of the young population will decrease gradually; that is a major challenge for the pension organizations such as the social security organizations in the future.

These population Changes should be taken into account immediately and the proper measures should be adopted to prevent the growing number of pensioners and to increase the resources in the years to come. Given the economic and social situation of the country, implementing the systematic and parametric change in the retirement schemes is not possible .As a matter of fact, the economic and living conditions of workers do not allow the rise in the rate of pension related deductions as well as the retirement age. Moreover, the society is not ready to accept any reforms in the retirement schemes.

Therefore, with regard to the newly established conditions in economy and society leading to the gradual arrival of many people into the labor market and significant rise in the number of active force, the social security organizations should take advantage of this opportunity.

The existence of labor force and employment gives the organization a unique change to increase the number of insured and promote the coverage rate.

Keywords: *population pyramid, Aging of Population, social security coverage*

GRAIN PRODUCTION AND PROCESSING IN POLAND AT THE BEGINNING OF THE XXI CENTURY

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ABSTRACT

This paper examines share price of the companies listed on the WIG-SPOŻYWCZY and their fair value between 2006 – 2015. Data from 2006 to 2015 were collected from the Stooq.pl (Polish portal of shares). Two hypotheses are tested: (1) value of the shares based on the market price; (2) value of the shares as the fair value of shares. Moreover, the financial condition of several companies with respect to the sector was examined with the selected financial ratios. In addition, the author expressed his view on the opportunities of the property companies market's WIG-SPOŻYWCZY in 2015-2018.

Keywords: *food sector, financial condition, profitability, fair value*

ACCOUNTABILITY OF CORPORATE MANAGER: TO SYNTHESIZE OF THE DIFFERENT THEORIES BY ECONOMIC, POLITICAL, SOCIAL AND BEHAVIORAL PERSPECTIVES

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ABSTRACT

Following the high profile financial scandals of 2007-2008, corporate management has been faced with strong pressures resulting from more regulatory requirements, as well as the increasing expectations of various groups of stakeholders. The responsibility acquired a big importance in front of this financial crisis. This responsibility requires more transparency and communication, inside the company with the collaborators and outside of the company with the society, while companies try to improve the degree of control and to authorize managers to realize the objectives of the company. The objective of this paper is to present the concept of the responsibility generally and the various types of manager's responsibility in private individual within the company, as well as the explanatory theories of this responsibility through the various perspectives such as: economic, political, social and behavioral. This study should have academic and practical contributions particularly for regulators seeking to improve the companies' practices and organizational functioning within capital market economy.

Keywords: *Manager, accountability, corporate performance, financial crisis, behavior*

METHODOLOGICAL ASPECTS OF MEASURING BUSINESS RESILIENCE

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ABSTRACT

Business resilience is becoming increasingly important for companies because of the dynamic business environment and frequent appearances of crisis situations. Companies which are less resilient will lag behind after every crises situation. This paper is presenting positive effect that companies have from business resilient models, and stresses the importance of measuring resilience of the companies. After the historical review of measuring business resilience, this paper describes eight significant fields for measuring business resilience.

Keywords: *Business Resilience, Business Continuity, Disaster Recovery*

THE MOBILE BROADBAND MARKET: A COMPARATIVE ANALYSIS

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ABSTRACT

The purpose of this paper is to analyse the mobile broadband market in Slovenia and in the European Union (EU). Mobile broadband is available to almost all households in Slovenia and major operators already offer LTE services with an estimated 90% coverage. A comparison with the EU shows that the Slovenian mobile broadband market is underdeveloped, with the Slovenian mobile broadband penetration rate (47%) more than 25 percentage points below the EU average. The analysis reveals that low mobile broadband penetration is due to lack of customer demand, which may be attributable to lack of mobile services and applications requiring higher speeds. Therefore, mobile operators should not offer only LTE technologies but also stimulate the provision of new and attractive high-speed mobile services and applications. In addition, stimulating improvement in the computer literacy of mobile subscribers may also trigger the demand for mobile broadband services.

Keywords: *demand, LTE, mobile broadband*

THE CONFIGURATION OF LABOR MARKET IN ALBANIA AND ITS CHALLENGES

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ABSTRACT

When the economy goes in recession, the necessity of state intervention for its regulation becomes inevitable. Often, the monetary and fiscal policies undertaken by the government with the aim to achieve this target, may result with different economic configuration, probably undesirable. That's by the other steps undertaken in the priority economic sectors. Actually, the Albanian government has taken some measure in order to reduce the informal economy (focused especially on business agent) and to regulate the market labor in the country. As any reforms, the effectiveness of those initiatives will be seen after some years, but actually, some questions bring in mind: what is the impact of those in the economic performance of the agents (business-employee), and can improve their conditions? Is the labor market in able to handle the initiatives and have been those in the appropriate levels? How are the actual report private employment and state employment, and has been rise the employment rate during this time? Is the possibility that higher employment rate will be a good indicator for the improvement of the economic welfare? The configuration of the labor market in the country and its challenges will be the focus of this article.

Keywords: Labor Market, Mobility Employment, Rate of Employment

FOREIGN DIRECT INVESTMENTS IN THE GLOBALIZING WORLD: THE MUTUAL LINK

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ABSTRACT

While Foreign Direct Investment (FDI)s play an important role as a key instrument in the course of globalization that have taken place at a great pace especially in recent years, globalization acts as a stimulus for FDI movements as well. Thus, there is a mutual relationship between the globalization and FDIs. While increasing FDI movements can make countries more global, getting more global increases FDI movements in those countries. In this paper it has been pursued the goal of understanding the mutual relationship between the globalization and FDIs more clearly, and to satisfy this goal the factors that can affect the subject relationship have been studied and in the light of these factors, FDI movements in the globalizing world have been analyzed through a series of models that can reveal this mutual link. The paper emphasizes the importance of FDI movements in the globalizing world and the existence of the mutual link between them. However, it should not be forgotten that; while countries are deciding to take part in the globalization process or participating in FDI movements, they should absolutely take the potential positive and negative effects of both globalization and FDIs into consideration and should become more open to both only when the positive aspects outweigh the negative ones.

Keywords: *Foreign Direct Investment, Globalization*

AIRLINE CREW PAIRING PROBLEM: A LITERATURE REVIEW

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ABSTRACT

The airline crew scheduling problem is one of the most important problems by all airline companies that can affect cost structure, time constraints etc. substantially. In terms of cost structure, crew costs come second in scale after fuel costs. The airline crew scheduling problem, therefore, is the key for developing solutions in order to decrease operational costs (total crew cost). Unlike the fuel expenses, operational costs can be controlled. The airline crew scheduling (ACS) is generally divided into crew pairing problem and crew rostering (or crew assignment) problem. Crew pairing and crew rostering are considered separate but related problems. The aim of the airline crew pairing problem (CPP) is to come up with a set of minimal cost crew pairings by covering all flight legs. In the rostering problem, these pairings are assigned to specified crew members. In this paper, we review the literature on crew scheduling problems for airlines. Our aim is to present a comprehensive review, emphasizing recent studies and solution methodologies.

Keywords: Airline crew scheduling, Crew pairing, Crew rostering, Set partitioning.

A STUDY ON THE INFLUENCING FACTORS ON THE R&D PERFORMANCE - IN CASE OF THE SMBS IN KOREA

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ABSTRACT

To overcome economic crisis, Korean government underlined the roles of R&D and SMB. This paper empirically examines the relationship between financial information as influencing factors and National R&D Performance of SMBs for instance patent, paper, commercialization rolaty. Total 7,736 of SMBs which participated in 31,722 R&D Projects from 2002 to 2010 are observed in this study. OLS(Ordinary Least Squares) regression is applied for the estimation using Heckerman Correction for assessing selection bias. The main results are as follows. Firstly, total research fund, growth rate of total asset, ratio of owner's equity and number of employers have positive effects on patent registration and applicatio while firm age of SMBs has a negative effect. In addition, total research fund, operating profit ratio, growth rate of total asset, number of employers and age of SMBs have positive effects on commercialization but asset and ratio of owner's equity have negative effects. Lastly, it is found that academic paper is affected positively by total research fund, ratio of owner's equity, asset and number of employers. The findings of this study have practical implications for the relationship between financial status and performance of SMBs.

Keywords: *Financial Information, Performances, Research and Development, SMBs(Small Medium-sized Businesses)*

WORK MIGRATION IN EUROPE

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ABSTRACT

The theme of work migration in Europe spiralled of the control. The labour mobility is low in EU region and despite of the positive changes in EU legislation in the labour mobility. Most of the EU countries implemented the law issues which make the work mobility much more easier as it was in the past. EU states try to make the public employment service reform and foster better and speedier recognition of qualifications. The work migration is also the point which helps to achieve the EU2020 goals of smart and inclusive growth.

Keywords: *work migration, labour migration, EU region, labour force, legislative*

COST CONTROL POLICY IN MAERSK LINE

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ABSTRACT

Cost control is a key factor of the survival in most activities where many competitors are present, because the possibilities for product differentiation are very limited. Slow steaming improves the reliability in the maritime transport, considering that greater flexibility, especially on longer distances, is enabled. The new generation vessels, the so-called Triple-Es, are designed to maximally take advantage of the slow steaming. There were made significant changes concerning the

architecture of the ships, where the engine is placed on the hull and specially adapted for the lesser speed. Considering the fact that maritime shipping represents the most significant transport activity on global scale, and that the most important part of the Maersk Group is Maersk Line, this will be the main subject of this paper. Finally, the aim of this paper is to analyse the cost savings in business dealings, with a special emphasis on the Slow Steaming and the technological innovations in shipping which contribute to the company's savings plan.

Keywords: *bunker cost, cost control, slow steaming, triple E-ships*

LOYALTY PROGRAMMES IN CROATIAN RETAIL COMPANIES

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ABSTRACT

Customer relationship management (CRM) is based on integrated market management, sales and special services for the clients, as organizational key functions of a company. On the whole it represents the strategic orientation of a company to put the customer in the spotlight. Customers are the most valuable asset, inasmuch as the success on the market and the future cash flow directly depend on their loyalty. The loyalty of the customer is reflected in a repeating purchase, forgiving possible errors and „recruiting“ of new customers by „word-of-mouth“ promotion. Loyalty programmes are already established praxis in service areas, but they have also been growing recently in retail business. The goal of this paper was to establish how CRM and

loyalty programmes can influence the business result and competitiveness of the chosen two Croatian big retailers: Konzum as the biggest chain of retailers and dm as the leader in drugstore products. The main hypothesis is that loyalty programmes contribute to an increase in customer satisfaction and profitability of Croatian retail companies. The sample of fifty-one (N=51) Croatian consumers also took part in an online survey. The findings indicated that a loyalty programme is „very important“ to a fifth (19.6%) of respondents when deciding on where to shop. Besides, the material benefits in terms of discounts and rewards are „very important“ to a near third of consumers (31.4%) in creating satisfaction with individual loyalty programmes. While the variety of rewards is „sometimes important and sometimes not“ for almost three fifths (58.80%) of consumers, 45.10% of them deem the retailer's attitude „the most important“ or „very important“ in their satisfaction with a loyalty programme. The research has shown that 56.9% of consumers will recommend a retail chain, the loyalty programme of which they are satisfied with, to family, relatives and friends.

Keywords: *consumer orientation, customer relationship management, loyalty cards*

RETROSPECTIVE ANALYSIS OF DEVELOPMENT OF TOURISM IN CROATIA

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ABSTRACT

Croatia is still defined as the land of sun and sea, which ultimately means uniformity in touristic offer and limitations in its further development. However, the opportunity for a change in the way of conducting business, related to a mass apartmanization and the uniformed offer of the accommodation, has been recognized by small and family hotels. In the last few years, small and family hotels have significantly improved the quality of its services. This paper analyzes and evaluates the development of tourism in the Republic of Croatia from 1990 to today, with a special emphasis on the economic functions of tourism, especially the influence of development of tourism in the overall economic development of the Republic of Croatia.

Keywords: *Croatia, economic development, small and family hotels*

USE OF BUSINESS INFORMATION SYSTEMS IN CROATIAN COMPANIES

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Today, business information systems are undoubtedly essential for the successful existence of every company. Over the years, business information systems have evolved from separate and disjointed information systems to the solutions that integrate the entire business activity of companies known by the acronym ERP systems. Furthermore, thanks to the development of technologies today we can talk about business solutions based on the use of mobile technologies and Cloud Computing (Cloud ERP systems).

The goal of this research is to obtain an actual state of application of business information systems in Croatian companies, in order to determine potential areas for improvement and identifying ways of raising the level of using information systems in the ways of doing their business.

The study is based on data collected through an online survey conducted among Croatian companies, with responses from total of 72 companies being collected. After analyzing the survey results, it is found that there are still a significant number of companies with separate information systems (legacy systems) that only partially support business functions and are not integrated with other parts of business. This state of affairs leaves plenty of possibilities to improve business by introducing comprehensive and integrated information systems (ERP system).

With regard to technological developments in Cloud Computing and Software as a service (SaaS) licensing models a Cloud ERP systems are imposed as possible solution. However, survey results do suggest low interest for Cloud ERP systems.

Keywords: *Application of business information systems, Business information systems, Cloud ERP systems, ERP systems*

EFFECT OF CORPORATE GOVERNANCE INDEX ON DIVIDEND POLICY: AN INVESTIGATION OF TEXTILE INDUSTRY OF PAKISTAN

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ABSTRACT

This study observed empirically the impact of corporate governance index on dividend payout policy by using the data of seventeen textile firms listed in Karachi Stock Exchange. The data covered the five years period from 2009 to 2013. The data were gathered from financial statements of all the sample firms. Multiple regression models were

used to check the impact of corporate governance on dividend policy. No effect of corporate governance index on firm dividend policy was found, and the largest shareholders also had no impact on dividend pay-out policy. The association between payout policy and stock value was found to be significant positive. Gross profit margin and operating profit margin had significant positive impact on firm's dividend payout policy. There is a significant correlation between firm performance and payout policy.

Keywords: *Corporate Governance index, Dividend Policy, Textile Industry, Largest Shareholders, Multiple Regression Model*

DETERMINANTS OF INTRA-INDUSTRY TRADE OF THE NEW MEMBER STATES

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ABSTRACT

The paper aims to analyze the determinants of intra-industry trade (IIT = simultaneous export and import of similar goods produced in one industry) of the New Member States (NMS defined as 14 countries accessing the EU in the years 2004 and 2007). In our empirical analysis we use panel data with variables controlling for membership of these countries in the EU. Though the time series contain the years before the EU enlargement, we mainly focus on the period since the EU-Eastern enlargement (2004-2013). We estimate the determinants for EU members and NMS what permits us to find out, whether the changes in trade specialization differ between the old and the new EU members. We expect more intensive IIT as a proof of progress of economic integration of the NMS in the framework of the EU membership. Moreover, we examine additional impact of regionalism on IIT that represents the EU Common Commercial Policy (CCP) impact.

Keywords: *intra-industry trade, New Member States*

SUSTAINABLE ECONOMY AND MANAGEMENT SYSTEMS

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ABSTRACT

Sustainable economy which includes care about large number of aspects and influences which are generated as a result of certain economic entity becomes more and more a requirement of a successful development. The consequence is also a development of new management systems which are in function of sustainability or emphasize some of its segments as environment. More and more management systems include a tendency that everything that is being done is for a sustainable economy.

Systems that are present on the market in the last decade and gaining in importance and are mostly related to the sectors that are related to consumption of resources and are mostly implemented, maintained and certified through integrated management systems. However, given the increasingly interdisciplinary nature of the organization but also an increasing number of management systems, organisations are finding difficult to manage in variety of standards and management systems, to recognize the importance of each of them and decide correctly for application of those of which all sides will benefit the most.

This study will provide a review of the current situation in Republic of Croatia in implementation and certification according to various standards and will emphasize the differences of particular management systems and their ability of integration. The emphasis is on the following standards: ISO 14001, FSC (FM i COC) PEFC (FM i COC), GLOBAL GAP, ISO 50001, EMAS, ETS, ISCC.

Keywords: *environment, management systems, sustainability*

**THE PROCESS OF INTERNATIONALIZATION IN
HIGHER EDUCATION AND ITS IMPACT ON
EFFICENCY OF WORKING FORCE (CASE STUDY:
JOHN NAISBITT UNIVERSITY)**

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ABSTRACT

This paper analyses the phenomenon of internationalization of the university and multiple benefits it provides to both society and students. It also looks into the phases of the development of John Naisbitt University, the leader in education and the oldest private university in Southeast Europe. The focus of the paper is on the on-going phase, the phase of internationalization and achieved results, together with future plans. It will also show, how this process is reflecting on the efficiency of future work force (students) that are attending those programs at the University.

Keywords: *efficiency, higher education, internationalization, University, work force*

SUBJECTIVE WELL-BEING AS PART OF WELFARE ECONOMICS IN EUROPEAN UNION COUNTRIES

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ABSTRACT

The aim of the paper was to compare the relationship between subjective well-being in Poland and European Union countries. A comparison of a sample social well-being index, which is the life satisfaction index, indicates that Poland ranks in the middle of European Union countries. In fact, Poland took first place in the post-socialist corporatist countries.

Both in Poland and other EU countries, groups of people with the lowest level of well-being are: unemployed people; people who are separated or divorced; people with lower levels of education; people with illnesses or disabilities that limit their daily activities; and people in the bottom income quartile. There is a difference in the age category. Europeans aged 35–50 have the lowest well-being. In Poland, people aged 75 and more have the lowest well-being.

Keywords: *Poland and EU comparison, social well-being index*

THE FORECASTING ANALYSIS OF EUR/CHF EXCHANGE RATE VOLATILITY IN ALBANIAN MARKET

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ABSTRACT

This paper aims the estimation and forecasting of EUR/CHF exchange rate volatility in short term period in Albanian market, being that Euro is the mostly used currency in financial and commercial transactions and furthermore together with Swiss franc are considered as safe currencies with a probabilistic volatility distribution statistically interesting. Precisely the latter, represents a continuous concern for the economic agents dealing with the above mentioned exchange risk, hence the measurement of its volatility helps them in the assessment and maintenance of capital needed for coverage purposes. Meanwhile is observed an increasing export trend particularly during 2014 toward Italy, Spain, Germany, Greece and Switzerland where the goods are sold in EUR and CHF contemporary with the external debt issued in Euro. Under these circumstances, the financial time series dynamic models such as ARMA (1;1), ARCH (1) and GARCH (1;1) are used to estimate the EUR/CHF exchange rate volatility in short term period. The last one, which at 95% confidence level displays satisfactory statistical parameters in confront of the others in terms of normal residuals distribution is also used to forecast EUR/CHF exchange rate during 2015 in correspondence of moving average method based on latest 252 exchange rate values. The comparison of EUR/CHF exchange rate forecasted data through GARCH (1;1) model with the current ones demonstrated the robustness of the latter as the forecasted data didn't exceeded the established limit at the confidence level taken

into consideration. Therefore, the research in question suggests to the economic agents dealing with these kinds of transactions the implementation of GARCH models for the estimation and forecasting of EUR/CHF exchange rate volatility in the short term period, necessary for risk management purposes.

Keywords: *dynamic models, exchange rate volatility forecasting, financial time series.*

DRUGS CONSUMPTION IN KOSOVO AND IMPACT IN THE SOCIAL LIFE OF POPULATION

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ABSTRACT

Drug consumption in Kosovo is a research analysis published by Kosovo Medicines Agency where it is described for all the drugs the consumption during three year period 2011-2013 based on WHO methodology.

The analysis is based on two main indicators which are consumption according to Defined Daily Doses per inhabitant per day (DID) and in monetary value. As it has a three year reference it is also a very good analysis for comparing the trend of prescribing from the health professionals.

Kosovo is one of the poorest countries in Europe with only 2.6% of GDP dedicated for health and with the reports showing that in 2010-2013 a significant percentage of drugs were from the grey market. On the other hand the analysis of the drug consumption for 2014 in Kosovo shows that there is an increase of the consumption while there was no epidemics or increase in the significant numbers of the morbidity.

This paper analyses factors that influence this increase in the consumption and the impact in the social life of the population in Kosovo in the time period 2011- 2014.

The main results of this analysis show that changes in legislation play a crucial role in this increase because the registration procedures are facilitated and also the import license procedures are facilitated as well which in turn made the increase of the imports of the legal chain hence decreasing significantly the illegal chain. This in turn is changing also the perception of the population for the Kosovo Medicines Agency while there is a gain of trust with the belief of the increase of the quality, efficacy and safety of medicines as well.

Keywords: ATC classification, DDD, DID; Drug Consumption

BLACK MIRROR – THE PORTRAYAL OF ADVERTISING PROFESSIONALS IN HOLLYWOOD MOVIES

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ABSTRACT

The use of movies is a neglected tool in communication education, although there are a large number of motion pictures that feature professionals who work in advertising, marketing, or public relations, and these movies could be used excellently as illustrations in classrooms. At the same time it is a fact that movies often stereotype these professions; furthermore, in the majority of cases, they depict them negatively. This, however, is probably just the result of the negative public image of the advertising industry in general, and movie makers' efforts to create portrayals that are as dramatic as possible. In this study we examine how 27 films depict the marketing and communications profession, with special regard to the characters' personalities, clothes, appearance, family status, attitude to work and

harmful habits. As the results of the study suggest, we could state that people in advertising are workaholic lying males with chaotic private lives and harmful habits.

But how much of this statement is true? It would be easy to say 'none of it', but interviews conducted with Hungarian creative professionals have proven that half of it is actually true. At the end of the article we will see which half it is.

Keywords: *Advertising and PR professionals, Public image, Portrayal in movies, Communication education*

STRUCUTRAL CHANGES IN EXPORTS OF VISEGRAD COUNTRIES: EVIDENCE FROM THE SECTORAL DATA

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ABSTRACT

The paper aims to investigate the structural changes in exports of Visegrad group of countries (The Visegrad four, V-4: Poland, the Czech Republic, Slovakia, Hungary) after the EU accession in 2004-2014. We estimate the augmented gravity model for sectoral export flows of V-4 with the rest of the world for each BEC (UN Broad Economic Categories Classification) category by employing Poisson pseudo-maximum-likelihood (PPML) estimator. Estimation results indicate that V-4 mainly gain comparative advantage in "consumer goods" and "transport equipment and their parts and accessories". Trading with the EU15, new member states (NMS) of the EU and post-Soviet states is considerable, however the highest positive impacts come from the trading with the other V-4 countries.

Keywords: *international trade, sectoral trade analysis, gravity model, Visegrad group*

PRIVATIZATION METHODS IN KOSOVO

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ABSTRACT

Through the establishment of the Kosovo Trust Agency as the supervisor of the Socially Owned Enterprises, the conditions to start the privatization in Kosovo were created. The international structures that were administering Kosovo chose a special privatization model known as Spin off and another sub-type known as Special Spin off. For the potential disputes from this field, the Special Chamber within the Supreme Court of Kosovo was established. Also, the sub-normative acts were approved, respectively the Operational Policies. The process has been accompanied with many obstacles and problems, especially at the beginning when interruptions and delays occurred. The period between 2004 and 2008 was a dynamic one and a more efficient privatization took place. After the declaration of independence, the process was slowed down and recently it was almost completely interrupted. The privatization methods applied in Kosovo are being regarded as the right ones and the effect of the privatization in the economic development is not noticeable. To eliminate the obstacles and many dilemmas that occurred as a result of the difficulties in understanding the nature of the social property and Serbia's requirements as a claimant of the ownership towards this property in Kosovo, the need to adopt a number of Regulations, including the Regulation on Business Organizations, Regulation on KTA, Regulation on the Use of Land and the Regulation on Establishing the Special Chamber within the Supreme Court. After the successful first and second round of privatization, in the third round the process was interrupted for the sake of the consultations in New York, to resume again after a considerable delay. Failing to define the real owner and the status of the sold property is in contradiction with the programmed objectives from the international state makers for the definition of the legitimate owners. Especially, lack of clarity was upon the lands, where the SOEs were located. The solution has been asked specifically in this manner: when the assets of the SOEs are sold, the land will be rented out for up to 99 years.

Keywords: *Agency, Enterprise, Spin-off, Privatization, UNMIK, KTA.*

MODERNIZED POVERTY OR SOCIAL CONSTRUCTION OF DEPRIVATION

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ABSTRACT

Poverty is a recurrent phenomenon, its permanence as a subject of study proves it. The market evangelists' breach with the values of ancient societies was responsible for the advent of a new form of poverty, « a modernized poverty » unrelated to poverty under its Arab-Muslim, Greek or vernacular form. This new version of poverty is the fruit of the pressure and frustration conveyed by the economization of human societies. The modernized poverty flourished with the advent of the phenomenon of globalization. It is currently the art of underdeveloped countries as the counterpart of integration in the "planetary village" for these same countries is synonymous with the breach with the lifestyle of ancient societies. The present paper is meant to highlight deprivation in the era of successive crises and the questioning of the single-minded approach so dear to the market evangelists. This work is the fruit of a series of observations combined with a heterodox analysis of poverty and deprivation. We endeavoured to underline the nature of the poverty-growth causality. Is growth indeed synonymous with the decline of deprivation? Is economic growth actually beneficial to the poor? Shall we witness the advent of a new version of deprivation as a result of non-adherence to or rather exclusion from a dominant life standard?

Keywords: *Poverty, deprivation, market, despotism, growth, development, misery*

THE IMPACT OF PERCEIVED ORGANIZATIONAL PRESTIGE ON ORGANIZATIONAL IDENTIFICATION

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ABSTRACT

The aim of this study is to analyze the impacts of perceptions of employees' organizational prestige on organizational identification. Data sampling of the study is gathered from 450 employees of one national and international furniture manufacturing industry firm based in Kayseri, Turkey.

Organizational identification was designated as the dependent variable in this study, while perceived organizational prestige was considered as the independent variables. To measure perceived organizational prestige we used the 8 items Questionnaire developed by Mael and Ashforth (1992). Participants responded on a 5-point Likert-type scale dictating to the extent which they agreed with each statement (1=strongly disagree, 5=strongly agree). The Cronbach's alpha coefficient was 0,811.

On the other hand, organizational identification was measured with six items 5-point Likert scale (1=strongly decrease, 5=strongly agree) developed by Mael and Ashforth (1992). The Cronbach's alpha coefficient was 0.844.

The regression analysis was carried out to determine the efficacy level of perceived organizational prestige on organizational identification.

Keywords: *Perceived organizational prestige, organizational identification, furniture manufacturing industry*

GOVERNANCE AND ECONOMIC GROWTH THE ALGERIAN CASE

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ABSTRACT

The passage of Algeria from annuity and administered economy to an economy of market, its insertion in the free trade area with the European Union, and its membership to the World Trade Organization (WTO), commit the country in a new phase of profound transfers which touch the organization, the structures and the modes of management which, for a long time, characterized the governance of the Algerian companies. Indeed, the opening of the Algerian economy requires an acceleration of priority reforms intended to encourage the private investments, to diversify its economy to make it less dependent on hydrocarbons, and to create jobs. Compared to the figures of the 1990s, the growth of the Algerian economy has known significant increase since 2000. This improvement of the economic situation contains however some reserves. First of all, it does not concern all sectors; moreover, the external factors including the increase of oil prices and the manna which resulted have contributed strongly to this growth. To generalize this growth to all sectors and reduce its volatility according to the oil sector, international organizations (World Bank and IMF) recommend to improve the governance. To do this, the public authorities have adopted international standards, and have undertaken structural reforms to create an environment and an effective regulatory framework, in order to promote economic growth and durable development. It is the membership of Algeria to the principles of good governance. However, Algeria remains unattractive in foreign investment despite the importance of resources available. Also, the non-hydrocarbon sector displays very low growth rate. Our communication attempts to analyze the relationship between the state of the governance and economic growth in Algeria.

Keywords: Governance, Growth, Investment, market

IMPROVEMENT OF COMPETITIVENESS IN CROATIAN ECONOMY THROUGH THE IMPACT OF CERTIFICATION OF QUALITY MANAGEMENT

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ABSTRACT

Main reason for introduction of Quality management System (QMS) in the companies is the intent of the company to improve the business processes, and consequently the quality of the product or the service. However the key reason for the introduction of QMS on the other hand, is in the desire to upgrade the reputation and the competitiveness on the market. Possession of the certificate sends a message about seriousness of organization that it can guarantee continuity of the products or service to the costumers.

Most research conducted in Croatia and abroad refers to introduction of QMS and not taking into consideration the effectiveness of the certification process. For these reasons, an extensive study to determine the extent to which the companies are satisfied with the effects of certification from several different aspects. The purpose is to determine the extent to which the companies consider the possession of the certificate effects on competitive advantage. The paper shows one part of the research and analysis of collected data.

The study was conducted on the sample of 127 companies which have certificate in accordance with ISO 9001 standard for more than two years. The emphasis is on the companies from a metal – processing industry, as an activity that is most frequent in certification procedures in Croatia. Process of implementation, maintenance, improvement and certification of QMS according to ISO 9001 is closely associated to expenditure of resources, and costs. Consequently, it is extremely important to come to the knowledge about the stand of customers about the certification process.

Keywords: *quality, certification, competitiveness*

DOES FOREIGN TRADE LIBERALIZATION REDUCE POVERTY IN TURKEY?

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ABSTRACT

Economic liberalization was one of the main components of stabilization policies implemented in the 1970s in many developing countries. In order to overcome the shortcomings of the import substitution industrialization strategy, Turkey started to implement export-led growth strategy in the early 1980s and had become an integral part of the world economy. It is argued that trade liberalization by eliminating the obstacles in front of trade will spur the economic activities in the tradable goods and export sectors and create new employment opportunities. It is expected that trade liberalization leads economic growth and this, in turn, increase per capita income and reduces the poverty.

Therefore, the aim of the study is to investigate the effect of trade liberalization on poverty reduction in Turkey by using modern econometric techniques. The empirical findings show that trade liberalization has reduced poverty in Turkey.

Keywords: *Trade liberalization, Poverty Reduction, cointegration, Turkey*

QUALITATIVE VALUE PROFILING: A REASSESSMENT

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ABSTRACT

Qualitative value profiling (QVP) is a relatively unknown method of strategic analysis for companies in international business-to-business settings. The purpose of QVP is to reduce the information complexity that is faced by international companies in dealing with business partners. The QVP method allows the development of 1) profiles of the target country in which operations are to take place, 2) profiles of the buying center (i.e. the group of decision makers) in the partner company, and 3) profiles of the product/service offering. It also allows the development of a semantic scaling method for deeper analysis of all involved factors. This paper presents the method and compares and contrasts it with other similar methods like the PESTELE method known from corporate strategy, the STEEPAL method known from scenario analysis, and the Politics-Institutions-Economy (PIE) framework known from International Business. This comparison suggests that QVP on most accounts provides deeper insights than alternative methods and thus lays the foundation for better strategic planning in international business-to-business markets. Hence, it is a valuable addition to the toolbox of business strategists and consequently, for the advancement of international development. Further use of QVP is recommended and suggestions for future research are provided.

Keywords: *Business-to-Business Marketing, Corporate Strategy, International Business, International Development, Qualitative Value Profiling*

PROS AND CONS OF INTERNAL DEVALUATION IN THE EU

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ABSTRACT

The causes and outcomes of internal devaluation policy are in the focus of this research. The analysis is conducted on the sample of EU member states using theoretical and statistical tools. The arguments for the implementation of this policy are summarized and examined alongside the arguments that point to its inefficiency and the long-term negative consequences of putting the brakes on economic development. Emphasis is placed on the PIIGS countries that are most affected by the global economic crisis and the Baltic states that, after a sharp decline, have begun to show growth. The policy of internal devaluation is not applicable in any of the EU member states; the solution should be stronger EU governance which will take the heterogeneity of the EU member states into consideration in the process of creating policies and solution finding.

Keywords: *Baltic states, EU governance, internal devaluation, PIIGS.*

THE IMPACT OF FDI OUTFLOWS ON THE UNEMPLOYMENT RATE IN THE SOURCE COUNTRIES

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ABSTRACT

Over the past three decades the global trends in foreign direct investment (FDI) have been constantly increasing. Whereas FDI outflows have played a positive role in generating economic growth in developing countries, some feel that it plays a negative role in exporting jobs from the source countries to the host countries. This study is motivated by the puzzle in scholarly literature that outflows from high-

wage countries serves as an instrument for exporting jobs to low-wage countries. In this paper I will attempt to explain why FDI outflows from “advanced economies”, leading to decrease in GPDI (Gross Private Domestic Investment), do not lead to job losses. It is somewhat paradoxical that with the decline of domestic investment in “advanced economies”, the employment rate does not decrease. The empirical data is based on the relationship between FDI outflows and the employment rate. It is clear that because of expansion of sales FDI outflows complement exports and, consequently, lead not to losses of jobs but to their protection in “advanced economies”. The theory is empirically tested using a sample of “advanced economies” by International Monetary Fund for the years 1960 to 2011. However, the FDI outflows data on such units of analysis as Taiwan and San Marino was not available. As a result, the theory is empirically tested using a sample of 33 “advanced economies” instead of 35.

Keywords: FDI, GPDI, Unemployment rate

GLOBAL TRENDS IN THE PUBLISHING INDUSTRY: POST-INDUSTRIAL SOCIETY AND GEOGRAPHICAL DIVERSIFICATION OF THE PUBLISHING SEGMENTS

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ABSTRACT

The aim of this paper is to point out the various trends in the publishing industry with respect to environmental factors that are prevalent in a particular geographical segment. The geographical changes in the

industry distribution that have occurred as a result of globalization did not miss publishing industry. Publishing industry, as part of the media industry, followed the trends dictated by the countries with most developed media. Within the publishing industry, special attention is paid to the segment of the newspaper industry, which, by the convergence of the technological solutions, is undergoing a transformation of both production and distribution of content. However, the publishing industry can not be analyzed only as a branch of industry because it includes various socio-cultural factors of social development. Comparing the results of research from different geographical areas, trends that will determine the development of the global publishing industry and newspaper production, can be indicated. Sector of the newspaper industry in Croatia, which is associated with the printing industry, follows the trends dictated by the post-modern society.

Keywords: *financial management, media industry, newspaper industry, post-modern society, publishing industry.*

THE ORCHESTRATION OF WEB-BASED SALES PROCESSES – A CASE STUDY

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ABSTRACT

Contemporary businesses are performing their sales processes widely using Web-based information systems support like web shops. This raises many questions like security issues, legal conformity, integration and other issues, while insuring the demanded operational performance level. This paper addresses the orchestration of Sales processes and its impact on architectural construction of information systems in order to meet the requirements of modern selling in businesses.

Keywords: *Web Shop, e-Business, Process Orchestration*

SHORT TERM VALUE CREATION FOR THE BIDDER – EVIDENCE FROM FINLAND

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ABSTRACT

In this paper we investigate the short term abnormal return to the bidding firm's shareholders in takeover transactions in Finland during the time period from January 2000 to December 2013. Specific features of the market for corporate acquisitions in Finland are that almost all of the transactions are friendly acquisitions and usually aim for 100 % of the target company. We estimate the abnormal return around 314 individual takeover announcements and investigate determinants of the abnormal returns. Our results show that the takeover announcement on average yields a positive abnormal return to the bidding firm's shareholders, thus, support the value creating hypothesis. The announcement effect on the announcement day is 1.4 % and statistically significant. Both pre-event and post-event abnormal returns are statistically insignificant, although there is sign of a negative revaluation in the post-event period. Among the takeover characteristics, we document a significant impact on the bidder's abnormal return on the announcement day for small deals yielding a higher abnormal return, but a positive relationship between the announcement effect and the relative size of the deal, cross-border deals giving a smaller abnormal return, and diversification deals giving a higher abnormal return to the bidder's shareholders.

Keywords: *Event study, takeover, value creation*

FROM STARTUP TO SME, FROM SME TO A MULTINATIONAL ENTERPRISE – KEY SUCCESS FACTORS OF GLOBAL GAZELLE COMPANIES THE FORNETTI CASE STUDY

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ABSTRACT

WizzAir, LogMeIn, Fornetti, Ustream, MasterPlast, Prezi, Docler Holding, Tresorit – Hungarian success stories those are well known by most of us. The paper is about to explore the key success factors of the Hungarian-founded startups becoming global gazelle companies, based on in-depth interviews and case studies to introduce the internationalization process. By David Birch et al. (1979.), gazelle companies start their operation with a minimum investment of USD 1M and continuously keep up an annual growth of 20% in revenues year-by-year. These kind of international companies are presented in this research, that were founded by Hungarians. Where did the idea come from? What guided the founders? What kind of conjunctions of the ideal circumstances were needed to reach these results? Where to go from here? Push and pull effects determined primarily based on qualitative research, case studies and in-depth interviews, that based the success of these born global companies, either they started their activities with own funds or venture capital (VC) investment or with the help of business angels. The results of these case studies could have a significant impact on the future master's level entrepreneurship education, creating an inspiring theoretical environment for young talents with entrepreneurial ambitions.

Keywords: *Aryzta, entrepreneurship education, Fornetti, franchise, internationalization, IPO, multinational, SME*

GENDER AND AGE SPECIFICATIONS OF ASSESSING LIFELONG EDUCATION IN ORGANIZATIONS

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ABSTRACT

Implementation of lifelong education in organizations, which includes primarily development of skills and creativity of employees, is an inevitable prerequisite for increasing the quality of human capital. The concept of lifelong education was defined in the research project on the basis of the attributes of teaching-learning practice, acceptance of an interactional model of this type of education, inclusion of the participants in this education, its preparation and evaluation, mutual interaction amongst the participants, emotional and cognitive factors, and also specifications of the environment, culture, age, gender and understanding of the lifelong education not as a reparative or supplementary, but an elective process. The report presents results of an analysis of differences in assessment of lifelong education between men and women, younger and older employees of organizations, and between administration workers and production workers. Confirmed were the differences from the viewpoint of age and gender. Contrarily, differences from the perspective of work areas were not confirmed. Men accentuated advantages which could be brought by lifelong education (career advancement, evaluation of employees). Women, on the other hand, highlighted the impact of education on the work performance and development of interpersonal relationships on the workplace. It is obvious that men perceive a greater subjective contribution of lifelong

education for their own benefits. Women see this contribution as related to another person. From the viewpoint of age, older employees assessed the selected attributes of lifelong education more positively than the younger ones. Older employees perceive it as more motivating, more significant and meeting their expectations; they are more satisfied with it and evaluate its impact on improvement of interpersonal relationships on the workplace more positively. Overall, lifelong education in organizations is assessed more positively mainly from the viewpoint of acquiring new knowledge, self-development, self-recognition, and improvement of communication with people. Finally, lifelong education helps employees to take over the responsibility for their own career.

Keywords: Age, Gender, Human capital, Lifelong education

THE ROLE OF INVENTORIES IN DECISION MAKING

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ABSTRACT

Nowadays, effective inventory management is »conditio sine qua non«, especially for manufacturing companies. Generally, it is important to maintain the optimal volume of different types of current assets to avoid unproductiveness, slowdowns in company's production process and inefficient financial management. There weren't many significant researches on how inventory management reflects on market value of Croatian companies. It was one of the reasons why this research was carried out. In the business economy, optimalization of inventory is one of the basic principles of corporate management in goods-monetary economy. Optimalization of inventory volume is a very complex issue because it is necessary to have sufficient inventories on the one side, and to avoid unnecessary surplus on the other side. Main objective of this paper is to analyze how inventory management reflects on market

value of a company, e.g. to determine the relationship between inventories and stock prices. Financial information was gathered from financial statements which are publicly available on Zagreb Stock Exchange official website and stock price movement data was obtained from same source. Sample comprises 75 companies which have been listed on Zagreb Stock Exchange's Regulated market in financial years 2013. and 2014.

Keywords: *Inventories, Decision making, Listed companies, Zagreb Stock Exchange, Croatia*

TMT BEHAVIOUR AND WAYS OF FIRM'S GROWTH: IS THERE ANY CONNECTION?

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ABSTRACT

A serious dilemma for firms has always been how much discretion should be granted to their managers so that they have sufficient decision-making latitude to respond to market changes. At the same time, managers are also under appropriate monitoring while they are seeking competitive advantages for the company so that they do not make decisions that may harm shareholders' interests. In this paper the concept of perceived managerial discretion, which has been long neglected by academics, and proposed that the fit between perceived managerial discretion and market competition would significantly impact on firms' growth strategy is investigated. Based on prior literature, we have tried to explain the relationship between perceived TMT motives for firms' growth. The significance of diversification implementation can be seen through potential increase of firm performance or through managerial motives to diversify (an increase in compensations). Motives for the implementation of the diversification are numerous and vary from company to company. Existing research has identified several common motives for the diversification strategy, such as firm growth, survival of the company, risks reduce and increase in profitability, depending on the type of

diversification (related or unrelated) they are implementing. Managers can perform unrelated takeovers in order to increase their own compensations. The fact that large firms CEOs generate higher compensations does not imply itself that increase of firm size leads to the increase of their own revenues (Werin and Wijkander, 1992). The obtained results from the sample of Croatian firms showed that in large companies there is a difference in the type of diversification strategy they are applying in addition to the way of implementation of the growth strategy, that distinguish depending on the industry in which the firm operates.

Keywords: *firm's growth, top management team, M&A, diversification*

THE PROCESSES OF GLOBALIZATION FOR EMERGING MARKETS AND GROWTH PROSPECTS

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ABSTRACT

In modern day markets the processes of globalization are remarkably intense. This is one of the key characteristic traits of one particular market category - emerging markets, which are characterized by their rapid economic growth. In this globalization environment they are faced with new challenges for finding economic growth. In this line of thought, the goal of this paper is to shed light on the implications globalization has on emerging markets and to provide a practical solutions for their future economic growth. The subjects of this paper are the globalization processes in emerging markets and the obstacles emerging markets face in their economic growth.

The task at hand is to present globalization in its current shape – the processes of globalization are interlinked with the macroeconomic conditions necessary for emerging market growth. Additionally, we are observing a globalization which is associated with the rapid expansion of world trade and the larger inflows from direct investment. Secondly,

globalization in its present shape leads to restructuring in many companies. In conclusion, the goal of this article is to show that the key to economic growth in emerging markets are technological adaptation, institutional reform and financial independence.

Keywords: *emerging markets, globalization, growth*

DID THE PRIVATE EQUITY AND VENTURE CAPITAL MARKET IN CEE RECOVERED AFTER THE FINANCIAL CRISIS? CASE OF POLAND, HUNGARY AND CZECH REPUBLIC

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ABSTRACT

Private equity (PE) and venture capital (VC) investments are very important for innovation and economic growth. Private equity is a form of equity investment into private companies not listed on the stock exchange, while venture capital is a type of private equity focused on start-up companies.

During the last few years the focus of PE/VC investments has moved from traditional and mature PE/VC markets to emerging markets. Significant diversity exists in PE activity between countries in Europe, particularly between Western countries and countries in Central and Eastern Europe (CEE) as well as within CEE countries.

The European PE market in 2009 was seriously affected by the financial crisis, while the CEE region was affected a year later. Before the financial crisis, the PE/VC markets of Poland, Hungary and Czech Republic, looking in terms of total investments, were the most attractive ones compared to other PE/VC markets in Central and Eastern Europe (CEE).

The goal of this paper is to examine whether the PE and VC market in CEE has recovered, and whether the importance of individual PE/VC markets remained unchanged. The research is both qualitative and quantitative, and involves an identification, analysis and comparison of PE/VC investments data for selected countries. The time frame for this

research is between 2008 and 2014. The total volume of investments per year and the ratio of PE investments to the gross domestic product (GDP) are used to demonstrate the recovery of the PE market. The data necessary for the current research were taken from the public available yearbook of EVCA/PEREP Analytics for 2015 and EVCA special paper – Central and Eastern Europe Statistics 2014. „PEREP Analytics” is a centralised, non-commercial pan-European private equity database. The „PEREP Analytics” statistics platform monitors the development of private equity and venture capital in 25 European countries.

Keywords: CEE, Financial crisis, Private equity, Venture capital

COMPARATIVE ANALYSIS OF SAFETY MANAGEMENT IN BUSINESS ORGANIZATIONS IN SERBIA AND CROATIA

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ABSTRACT

Management represents the process of changing the existing state in the society in accordance with the set goal or plan. Management as an organizational function is achieved by making management decisions and their implementation. Safety Management System is a permanent ongoing process of many structured and related activities in the area of safety that allows the normal flow of business processes and the functioning of the business system, thus achieving better economic results. Empirical research of the implementation of process management functions in safety management systems in Serbia and Croatia was conducted during the period from 2010 to 2014, in stages, for each process management function separately. The goal of this study was to determine the current knowledge and standpoints of implementing process management functions in safety management

systems in Serbia and Croatia. The survey was conducted in accordance with established research problem, with achieved set tasks and confirmation of selected scientific research methods.

Keywords: *Management, managing, process functions, safety*

A NEW APPROACH TO HAPPINESS FUNCTION FORMALIZATION: THE ROLE OF SOCIAL ENVIRONMENT

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ABSTRACT

Once upon a time the great player Nature made the prime move and directed human's steps towards search of happiness. Many philosophers, psychologists, sociologists, economists tried to give their own answers of what happiness is, how is it gained and how it can be measured, whether money makes us happier, etc. There are numerous examples of theoretical and empirical studies in modern economics of happiness. Interpreting this socio-economic concept in a broader sense as positive emotions and feelings associated with particular events and changes in life course, we attempt to construct a dynamic model of individual's choice in pursuing his/her portion of happiness. In each period of their lives economic agents can choose some actions from their personal feasible set. Each action is represented by a numerical vector which we interpret as a simultaneous contribution of different aspects associated with action to individual's perception of happiness. This vector is mapped to a certain level of happiness via specific happiness function in accordance with personal attitude towards life. Some stylized facts documented by social scientists allow us to presume that individual's philosophy of life is imperturbable in some aspects

while it is rather flexible in others. The latter part relates to transformations of mental attitude to life caused by influence of peers and social environment in a broad sense. Recursive instances of emerging social ties unambiguously contribute to people's perception of good and bad, life satisfaction and happiness. What we explicitly assume in our model is that new acquaintances among people might result in an exchange of admissible actions and have long-term consequences on individuals' level of happiness.

Keywords: *Attitude to life, Happiness function, Social network*

WHAT FIRMS ARE REWARDED AFTER GLOBAL FINANCIAL CRISIS? THE ROLE OF INNOVATION AND GLOBALIZATION STRATEGIES IN RECOVERY

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ABSTRACT

The aim of the research is to conduct an empirical investigation and reveal what types of globalization and innovation strategies in turbulent and unfavorable regional institutional environment are most likely to be associated with different trajectories of Russian manufacturing firms' performance in 2007-2012. We employ the results of empirical survey of 1000 medium and large enterprises in manufacturing (2009) linked to financial data from Amadeus database and the data on the regional institutional environment. We test that (1) introduction of innovations before the crisis ceteris paribus helped the firms to successfully pass the crisis and recover. We expect that (2) companies that became globalized before the crisis (via importing of intermediate and capital goods; exporting; FDI; establishment of partner linkages with foreign firms) ceteris paribus are more likely to successfully pass the crisis and grow. And (3) propose the positive effect

of synergy of innovation efforts and globalization strategy of the firm. We expect that the abovementioned factors are complimentary and reinforce the ability of the firm to recover after crisis shock. We found strong support for the hypothesis that firms financing introduction of new products before the crisis and simultaneously managed to promote and sell them on the global market were rewarded by quick return to the growing path after global crisis. Other strategies, i.e. solely innovations without exporting play insignificant role while exporting without attempts to introduce new products contribute even negatively to post-crisis recover. Institutional environment also matters: in the regions with less level of corruption firms were more likely to grow after the crisis.

Keywords: *firm performance; globalization; innovation; manufacturing firms; strategy*

DEBT AND GROWTH SPILLOVERS IN EUROZONE COUNTRIES

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ABSTRACT

What are the consequences of a shock to growth on core Eurozone countries like Germany and France on peripheral countries like Spain and Italy? Similarly what are the consequences of a debt shock to peripheral countries on core countries? This paper studies these questions using a Global VAR (GVAR) model consisting of the largest 11 Eurozone countries using quarterly data from 1991 to 2014. Apart from government debt and growth, government budget balance and long term interest rate is also included in the model to control for fiscal policy and the effect of the bond market respectively. The GVAR methodology provides a very practical framework for the quantitative analysis of the relative importance of different shocks and channels of transmission mechanism. Here the individual country models are combined in a consistent manner using a link matrix to build a global model which can be used for impulse response analysis. Results show that growth in larger core countries like Germany and France have

positive short term effects in growth in other core and peripheral countries, though the effect is larger in peripheral countries. Among the larger peripheral countries, Italy has a negative effect on growth to peripheral countries when there is a debt shock while a debt shock to Spain affects both core and peripheral countries negatively. Other results in general show that the countries are very much integrated and most of the time affected by each other in the short run.

Keywords: Eurozone countries, government debt, growth, spillover effects.

PUBLIC EXPENDITURE ON HEALTH THROUGH ADDITIONAL HEALTH INSURANCE

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Health care system in Croatia is financed by model which has elements of the Bismarck and Beveridge financing systems: mostly funded by the health insurance contributions at a rate of 15% and to a lesser extent from the general taxes. With public funding sources, about 20% of the health care is financed from private sources. The aim is to explore and to identify all the relevant features of the functioning of the health insurance and to indicate the measures which could be directly used in the rational spending of public funds earmarked for health care and the development of models that would be optimal for the direction of health care in the context of Croatian EU standards.

The development of voluntary health insurance can effectively influence the improvement of the health care, and so lead to many benefits for the insured: greater choice with better quality, availability and transparency of services. Patients with agreed policy of additional health insurance use less the services of the compulsory health insurance ($P < 0,001$, $t = 13,508$, $df = 4$, t -test) and direct impact on reducing public spending on health.

Keywords: *Health expenditure, voluntary health insurance*

IMPLEMENTATION OF ISO 9000 STANDARD SUPPORTED BY PERFORMANCE MEASUREMENT

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The implementation of a quality management system is a long process that requires the involvement of all employees in all business segments. The ISO 9000 family addresses various aspects of quality management. In order to ensure that ISO 9000 standard is used according to defined rules and requirements, it is necessary that the process of its implementation is properly supported through contemporary management tools. Balanced Scorecard (BSC) is a method for performance measurement and management, that can be applied with two different purposes: either as a system for continuous monitoring and management of business systems, or as a means for supporting, evaluating and monitoring the implementation of a one-time endeavor.

In this paper, the BSC method will be used to support the realization of "the implementation of quality management system according to ISO 9000" defined as a strategic objective.

Keywords: *Quality management systems, ISO 9000, Balanced scorecard*

THE LEGAL AND INSTITUTIONAL INFRASTRUCTURE OF PRIVATIZATION IN KOSOVO

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ABSTRACT

Resolution 1244 of the UNSC assigned UNMIK as the authority to maintain the order and the law and to be the guarantor for the economic reconstruction. Also, UNMIK administers the immovable and immovable property of Kosovo. However, it faced the dilemma about what was the applicable law in Kosovo, who is the competent authority to adopt the new laws, what is the status of the social property, etc. Thus, an immediate engagement for the completion of legal and institutional infrastructure for the commencement of privatization process was required.

For the issue of transition and privatization, the Pillar Four of UNMIK was the competent authority. For this purpose, the Kosovo Trust Agency (KTA) was established. The Agency was chaired by the Head of the fourth Pillar of UNMIK. The KTA Board has adopted the statute and the Rules of Procedure/Operational Policies.

For the privatization purpose, through the Special Regulation was established the Special Chamber with exclusive competences to solve the legal disputes related with privatization.

The privatization process during the whole period observed faced difficulties of different natures due to the specifics of Kosovo as a new country, recently liberated.

To implement this important and complex process, the Special Representative of the Secretary General /SRSG/ adopts regulations to establish the legal basis for the establishment of the competent

institutions for the implementation of the privatization process in Kosovo. The initial problems were related with the definition of the concept of Social Property, definition of the applicable law, the position against the claims from Serbia towards the social property in Kosovo, definition of the privatization model and the operational policies.

Keywords: *Transition, Privatization, Agency, Special Chamber, UNMIK, Regulation*

HOW MUCH DOES IT COST FOR ADVERTISERS TO PLACE THEIR PRODUCTS IN MOVIES? CATEGORIES ACCORDING TO THE FINANCIAL BACKGROUND OF THE COOPERATION

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ABSTRACT

The average budget of American blockbuster movies has now reached 100 million US dollars. It is no wonder that product placement has become almost essential in the financing of these films. But how much does it cost for advertisers to place their brands in movies, and what is the basis of pricing? Does it actually cost money, or is it a barter? Is it perchance placed for free, or do filmmakers even pay the brands appearing in the movie?

Experience shows that certainly there is no standard way of product placement (especially in the case of movies), thus there is no standard pricing, either. Therefore this article first presents the factors affecting the cost of a specific product placement, then divides the possible ways of cooperation into three basic groups: barter agreements, paid placements, and cross promotions. This is followed by unique placements with brands appearing in films free of charge, and examples with filmmakers paying brands for their appearance in the movies. Last, but not least, the most peculiar kind of brand placement is discussed: brands paying for not (!) being featured in a film.

Keywords: *Branded content, Branded entertainment, Cross-promotion, Pricing, Product placement*

CHARACTERISTICS OF THE LABOR MARKET, EMPLOYMENT POLICIES IN KOSOVO AND EUROPEAN UNION IN THE YEAR 2014

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ABSTRACT

The level of economic development of Kosovo is reflected in a delay of many economic parameters in place which results even in the strangulation of the labor market as the biggest challenge in Kosovo. Would not mind that the most worrying aspect of the labor market in Kosovo is the high unemployment rate which reflects with the numerous problems in Kosovo society. The labor market in Kosovo during the period 2002 to 2013 was consistently followed by a different set of anomalies which have led to the raising concerns of the Kosovo population which are reflected not only by the unemployed, but also the active part of the population which in the absence of functioning of the collective contract, failure of unions, low average wage and a series of violations of workers' rights more and more is undergoing development gap in the labor market.

Kosovo is the most highest rate of unemployment in the region which is around 50%. And when we consider the composition of contingent labor, such as very young population which annually makes contingent labor increases in parallel with this also increases the rate of demand for labor and immigration as the feature itself, then the approach should become much more serious. Unemployment rate by SOK has increased from 2002 to 2012 on an average rate of 0.8% per year. This percentage was in the beginning more sensitive, but since 2005 has started to have a slight increase.

From the statistical data shows that unemployment is the highest in young persons (16-24 years), this age includes about 40% of the total number of unemployed. Also, the unemployment rate appears too high even to women though are not very active. Viewing these data mean that unemployment in Kosovo is mostly long term it is estimated that about 80% of the unemployed are long-term unemployed for more than 12 months. This condition appears as unemployment will remain for a long time the main challenges of the economy and society in general.

To make this situation more clearly we take data of the macroeconomics department within the ministry of economy and finances showing that to remain in the same level of current unemployment should be a real increase of the Gross National Product of 4.7% while if we would halve unemployment by 2025 would require a real growth of Gross National Product more than 7.3%

Keywords: *Economic development, Employment, Labour market, Unemployment*

AN ECONOMETRIC ANALYSIS OF TOURISM DEMAND IN SELECTED COUNTRIES

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ABSTRACT

Tourism plays an important role in economic development and therefore many countries try to develop tourism policies to maximize benefits from this sector. In this vein, it is very important to empirically investigate the determinants of tourism demand for the policy makers both in public and private sectors. The aim of this study is to examine the factors that affect the demand for tourism in the most attractive first 10 countries for tourist and propose policy implications based upon the empirical findings. The study, by employing panel unit root, panel cointegration, panel error cointegration approach and by utilizing the data for the period 1995-2011, tries to determine whether income, price stability, supply capacity, exchange rate and political stability have any impacts on demand for tourism in the selected 10 countries.

Econometric results obtained from panel cointegration analysis show that macroeconomic factors as such income, prices, supply capacity, exchange rate and political stability play statistically significant role in determining the demand for tourism in top 10 countries.

Keywords: Demand for Tourism, Tourism Sector, Panel Data, Cointegration, Determinants of tourism

STRATEGIES FOR DEVELOPMENT OF RURAL REGIONS IN DEVELOPING COUNTRIES

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ABSTRACT

Globally rural regions have been placed high on the developmental agenda of developing countries but no universally accepted definition of rural development exists. Rural development is defined as a developmental process which should lead to sustainable improvement of the quality of life of a rural community, including the poor. Rural regions are in dire need of revitalization. A paradigm shift is needed to focus more on rural regions due to over population and congestion in urban areas, technical development which leads to “space shrinking”, growing pressure of food security and a need for a sense of community and belonging. Since 2011, rural development has been prioritized as part of government policy in South Africa, after it has been neglected for more than two decades. In this article, rural development in a developing country, namely South Africa is analysed by looking at current policy and a rural development process is formulated known as the “Feza Isimangaliso” model. A number of best practice rural development strategies are also listed as solutions for rural development in developing countries including the building of governance capacity, support for the agricultural sector, maintenance and extension of infrastructure and other strategies.

Keywords: Local economic development (LED), Local government, Revitalisation, Rural development, South Africa, Strategies,

INFORMATION AND COMMUNICATION TECHNOLOGIES USAGE IN CROATIAN ENTERPRISES

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ABSTRACT

In today's world, information and communication technologies (ICT) are crucial for social and economic development. Efficiency and competitiveness of enterprises depends largely on the acceptance and use of modern technologies. Any delay in the process of computerization can have serious repercussions for business operations. Therefore, it is important for enterprises, regardless of their type and size, to harness digital technologies to produce competitive advantage. With this in mind, the present study examines the use of ICT in Croatian enterprises. The analysis was focused on the period from 2007 to 2014. According to the available data, Croatian enterprises have highly integrated ICT into their business practices. The vast majority of enterprises use computers in daily operations and have the internet access, mostly through broadband. Over the past few years, the number of mobile broadband users has significantly increased. The percentage of enterprises with a website has also increased over time. However, there are areas that require improvement. Although more and more Croatian companies buy and sell goods and services over the internet, e-commerce is still not widespread. The same is true for the use of social media. In order to gain a more realistic picture of ICT use in Croatian enterprises, a comparison with the European Union

countries has been made. The study also highlighted problems in obtaining data and emphasized the need for systematically collected information on ICT use that can be compared over time. Without such information it is not possible to develop adequate strategies and policies.

Keywords: *Croatian enterprises, e-commerce, ICT, internet access, social media, strategies and policies*

SUSTAINABILITY AS AN OPPORTUNITY TO INCREASE THE GEOGRAPHICAL DIVERSIFICATION OF SLOVENIA'S EXPORTS OF GOODS

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ABSTRACT

This paper deals with sustainability as an opportunity to increase the geographical diversification of Slovenia's exports of goods. In recent years, many Slovenian enterprises have increased their sustainability in order to increase their competitiveness in foreign markets. In order to increase the geographical diversification of its exports of goods, Slovenia should promote cooperation between these enterprises in entering new sustainable markets and adopt some other measures, such as the promotion of sustainable innovation. It should also promote sustainable Slovenian enterprises and their products in the aforementioned markets.

Keywords: *exports, Slovenia, sustainability, sustainable entrepreneurship, sustainable innovation.*

ANAMORAVA TOURISM RESOURCES IN THE FUNCTION OF DEVELOPMENT OF HEALTH TOURISM

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ABSTRACT

Tourism sector since the existence of human society has been and still is nowadays important sector of socio-economic and integral part of society. Seeing it from the economic aspect it is day by day more and more turning into the carrier sector of economic development, impact and its importance for today's contemporary society are also reflected in other segments of the life of society, local, regional level and beyond. The impacts of tourism are noticed in education, culture, science, employment and above all in health where through the development of health tourism in addition to providing treatment, rehabilitation, rest and recreation etc., increasing the level of sectorial development of tourism has enabled the recovery of certain diseases using medical tourism resources for the development of health tourism.

Touristic Ana Morava region with its tourist available resources offers numerous opportunities for the development of health tourism.

Tourism resources of the region in question for the scientific work is focused and it is the object of this scientific research provide good opportunities for a diversified offer for health tourism development as an integral part of the tourist offer of Kosovo.

Through tourism resources for the development of health tourism resort the Ana Morava region has become well known not only within the national but also based on international trends of increasing tourism demands, local and international for this kind of tourism through thermal center as it is the Kllokot, Dobërqaq, Ugljare and Peja spa.

Keywords: *Human Resources, Hospitality, Management, Motivation, Tourism*

NON-HARMONISED MANDATORY STANDARDS AS NON-TARIFF BARRIERS: EXPERIENCE FROM JAPANESE IMPORTS

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ABSTRACT

The WTO TBT agreement has been promoting to harmonise national standards with relevant international standards worldwide since 1995. Such a harmonization of the standards may reduce trade costs stem from the differences between national standards across countries, and then would facilitate international trade. Although the standards are voluntary by definition, some national standards are mandatory since mandatory statutes in home country require to adopt one or more specific national standards for products. Accordingly, if national standards are mandatory and non-harmonised, they function as non-tariff barriers to trade in the home country.

In this paper, we empirically examine the effects of the standards harmonization and the mandatory standards on international trade flows, especially the emergence of newly imported products in Japan. Our results suggest that non-harmonised national standards with mandatory statutes deter new entrants from foreign countries to home market. This empirical study is not possible without our new concordance between international standards and HS 6-digit products.

Keywords: *Harmonisation, International Standards, International trade, Mandatory statutes*

THE RELATIONSHIP BETWEEN EFFICIENCY, CAPITAL AND RISK FROM THE BANKING ACTIVITY PERSPECTIVE

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ABSTRACT

In a previous research we analysed the risk-performance correlation at two banks in Romania by the quantification of the influence of the indicators of the banking risks on the banking performance indicator – financial profitability rate. Within this article, we propose to expand the research and identify the possible correlations between the levels of the efficiency, capital and banking risk on a sample of 11 representative banks of Romania. Surprisingly, there is a limited number of studies which evaluate the inter-temporal relations between the banking risk, capital and efficiency.

The recent financial crisis underlined the need of a subsequent understanding of the determinants of the banking risk in an increased banking efficiency and decreased banking capital environment. For the study of the risk-efficiency-capital study we will estimate a panel model in Eviews. The panel data models consist in the estimation of regression equation in which one uses time series for the evolution on a certain period of the shares of more companies and we wish to determine how certain macroeconomic variables influence the yield of those shares, a solution is the use of panel data models.

In order to point out the correlations between the capital, the efficiency and the banking risk we estimate an equation that will identify the correlations between the chosen variables.

In our opinion, this analysis is important because it offers important findings regarding the influence of risk on banking profitability and on banking efficiency. Moreover, over the analyzed period the risks faced by banks increased significantly. Therefore, it is important to know exactly the relationship between efficiency, capital and risk in order to better understand the behavior of bank management.

Keywords: *banking performance, nonperforming loans, crisis*

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