



Varazdin Development and Entrepreneurship Agency
in cooperation with
University North
and **Faculty of Management University of Warsaw**

Economic and Social Development

18th International Scientific Conference on Economic and Social Development –
“Building Resilient Society”



Editors:
Damir Mihanovic, Anica Hunjet, Zeljka Primorac

Book of Abstracts

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A COMPARISON OF PRODUCTIVITIES OF THE NORTH AFRICAN RAILWAYS NETWORKS BASED ON THE INDEX OF MALMQUIST.

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ABSTRACT

Multi-period differences of technical and financial performances are analysed by comparing five North African railways over the period (1990-2004).

Our approach is based on the Malmquist DEA TFP index for measuring the total factors productivity change, decomposed into technical efficiency change and technological changes.

This method provides complementary detailed information, especially by discriminating the technological and management progresses by Malmquist.

Keywords: *Case Study, Malmquist DEA TFP (The total productivity of the factors) index, North African railways, Multiple Periods Performance analysis*

THE LABOUR MARKET IN THE FACE OF DEMOGRAPHIC AGEING IN THE SELECTED COUNTRIES OF CENTRAL AND EASTERN EUROPE

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ABSTRACT

Demographic processes observed in the EU countries constitute a challenge for their labour markets, causing decline in labour force and increase in share of elderly. The paper presents a research thesis that the changes observed in population age structure may significantly impact the supply side of the labour market (supply of labour force) in a multifaceted way and with a changing dynamics in individual countries. Applied quantitative and qualitative analyses were conducted based on data from Eurostat statistical databases with the use of demographic projections. Absolute increases of dynamics and indicators (single base) were the methods used for time series changes. The temporal scope of the analyses was largely determined by data accessibility.

Keywords: *Labour force, population ageing, demographic structure*

CHARACTERISTICS OF THE FINANCIAL MARKET FUNCTIONING WITHOUT A LEGAL BASIS - THE CASE OF KOSOVO

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ABSTRACT

State institutions in financial market introduce as participants, investors, users, regulators, and controllers. Legal adjustment and institutional administration of the said markets is indispensable and vital for the health and economic integration of each country.

It seems pointless, but in the legal aspect, although Kosovo has built a solid financial system, it has not completed the primary necessary legislation yet to adjust it as a genuine financial market, which shall be in the service of investors, intermediaries, capital costumers, etc. Lack of legislation, particularly law on securities, has made complex not only the purpose of implementation of the offer demand and the offer for financial market, but it has also produced negative effects on the functioning of the market economy.

Due to the lack of stock-market institution intermediaries are fragmented and concentrated only into bank organizations (commercial banks, investment banks, etc.), finds and investments, and other specialized institutions. In absence of national legal sources, Banks and the Ministry of Finance rely only in secondary legislation, habits uzans, and proven international bank experiences while applying them into internal turnover.

Relevant institutions should be aware that the development trend of international financial markets is rapidly progressing. Adjustment and completion of primary national legislation is a matter of urgency. Legal acts should rely and unify to proven regulatory and supervising standards.

Promotion of cooperation with similar institutions, exchange of experience, and participating in international organisms should be a priority, accompanied by intensive international cooperation due to the need of harmonizing with EU instructions and application of Stabilization-Association Agreement.

Keywords: law, market, instrument, financial, capital

CONTRADICTIONS BETWEEN THE SUBJECTS OF THE CONTRACTUAL RELATIONS IN THE REGIONAL AGRARIAN SECTOR

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ABSTRACT

Background: The problem of food security is a priority for most Russian regions. The article discovers problems of contradictions between the subjects of the contractual relations in agrarian sector of Russian regions. The agrarian chain “farmers – manufacturers – wholesale merchandisers – retailers – ultimate consumers” is too long and complicated. Therefore, a great number of contradictions between subjects of this chain appear. This might be caused by such negative factor as behavioral opportunism, which causes extra costs. As a result, the last unit of the chain – the ultimate consumer has to pay all of transaction costs.

Method: In this article we introduce the evaluation technique of behavioral opportunism level. This methodology can be used to measure the influence of behavioral opportunism on efficiency of contractual relations.

Findings: Under developed technique we analyze the behavioral opportunism level of firms in Chelyabinsk Region (Russia). It is very different in different kinds of business. The result of this research is a new logistic model of the effective contractual relations in agrarian chain. To minimize all problems described in this article and to largely increase contractual relations efficiency, the regional government should give support to creation of a wholesale distribution center.

Improvements: Building logistic centers can become an essential part of agrarian policy and a factor of an agrarian industry development. The logistic center is oriented to a cooperation with regional agricultural producers, including farmers, and also personal subsidiary farms. The main questions concern the organization of purchases of agricultural products on mutually advantageous conditions, that is also the organization of sales channels for producers, and also long-term contracts with peasant farms and cooperatives for questions of supply of landing material, mineral fertilizers and so on. Also logistic center can provide services in storage of products as the organization of modern high-technology warehouse farms isn't always available to small and average producers.

***Keywords:** agrarian sector, contractual relations, behavioral opportunism, food security, transaction costs, transaction rent, contractual relations' efficiency.*

THE NECESSITY OF ONLINE AND OFFLINE SALES INTEGRATION

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ABSTRACT

Nowadays, retail is not competitive if not accompanied by appropriate internet service which will promote and sell products. Many stores which can be seen in the city centers and shopping malls have their own websites with integrated online stores, where with a few clicks of the mouse consumer can select, order and receive desired product. Retailers can improve their profits if integrating their classical, conventional store chains with online store. This kind of integration will improve retail sales, and increase credibility and availability to larger number of consumers on the internet than in reality. Since the retail no longer takes place exclusively in the stores due to the development of technology and internet which is evident in the growing trend of purchasing products online, it was necessary to examine the necessity of online and offline sales integration. Therefore, the main focus of this research is the integration of online and offline sales, new technologies impact on retailers and their adjustment to the new situation. In this paper hypothesis according to which online and offline integration is necessary for successful business is argued. We have done thorough analysis of retail trends when it comes to previous research results, analysis of online sales

advantages and disadvantages and have shown that integration of online and offline retail is necessary for business development.
Keywords: *retail, consumer behavior, sales trends, online sales, store perception*

BARGAINING AGENDA IN PUBLIC AND PRIVATE MONOPOLY

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ABSTRACT

In a public/private unionised monopoly, the common wisdom concerning the bargaining agenda in state-owned enterprises can change dramatically. Although the efficient bargaining (EB) agenda is considered more efficient than right-to-manage (RTM), the public/private monopolist always prefers RTM. Contrary to the assertions of the established literature, the private monopoly may be socially preferred over the public one, especially when the government highly considers workers' welfare. Moreover, a conflict of interest regarding the preferred agenda arises between the parties: despite the government's efforts to manage public firms to taking care of workers and consumers, it chooses the bargaining agenda against those agents' interests.

Keywords: *Efficient bargaining, Firm-union bargaining agenda, Public and private monopoly Right-to-manage*

LIBERALIZATION OF MOTOR THIRD PARTY LIABILITY INSURANCE AND ITS IMPACT ON THE INSURANCE MARKET OF SERBIA

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ABSTRACT

Statistics indicate that motor third party liability (hereinafter MTPL) represented more than one third of total premiums paid in 2015. In the same year, Government of Serbia decided to increase prices on predefined MTPL by 40%. The government, by this step, largely saved the insurance market. Currently in Serbia, there are 18 insurance companies. MTPL forms more than 50% of the total business in most of these insurance companies. But the public is increasingly speculated and discuss about the liberalization of prices for MTPL. In other words, they want that the insurance companies would be able to independently define premium for this type of insurance. MTPL insurance is concluded during a "technical inspection", so through entities where drivers must be verified each year by the technical condition of the vehicle. These technical inspections are affordable and convenient, especially due to the fact that it is financed by commissions from the sale of MTPL. The fears of experts on insurance and on the economy are: the liberalization of the MTPL may causes the collapse of insurance market or it may happen that the insurance entities begin to merge and begin to create a monopoly at this market. According them, the main cause would be a price war that ultimately damages the clients of insurance companies because they will not have to pay damages. The fears do not stop only at the insurance market. Some forecasts say that

due this process, the overall economy of Serbia can run into problems and to poor liquidity. In this article we want to confirm or deny public concern about the problems that could occur due the liberalization of MTPL. First of all we will build on the analysis of the experiences from the Slovak insurance market and from the other V4 countries. This article will focus on the analysis of insurance market; we will identify opportunities and applications in the Serbian insurance market. We will examine the current situation in the Serbian insurance market, its historical development and perspectives.

Keywords: *insurance, motor third party liability, price, Serbia, Slovakia*

MULTIPLE CRITERIA PERFORMANCE ANALYSIS: THE COMPARISON OF TELECOMMUNICATIONS SECTORS IN NORTH AFRICA

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ABSTRACT

In North African countries (Algeria, Morocco, Mauritania and Tunisia), a considerable improvement of the situation of the telecommunication operators has been noticed during the nineties. The evolution in these countries was very different depending on their economic policies, their effort of reorganization of their telecommunication sector and their technological change. Theses differences will be exhibited and

analyzed by comparing the operators' performances over a decade (1992–2001). Our approach is based on the Promethee II method and the software ARGOS, a multiple criteria analysis is performed, taking into account a larger scope of analysis. This method of analysis provide the two dimensions of performance for Promethee : that are the service to the community and the enterprises performances, often in conflict.

Keywords: *case study, multiple criteria decision aid, Promethee, African telecommunications re-forms, dynamic performance analysis*

DETERMINANTS OF A CAREER PATH CHOICE BY GENERATION Y: THE MARITIME UNIVERSITY STUDENTS' PERSPECTIVE

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ABSTRACT

Generations in the workplace has been the topic of scholar research and discussion among practitioners (Zopiatis et al., 2011, p. 1) for many years. However, one of the biggest challenges for many organizations in the coming years will be attracting and retaining a big number of employees, who are now joining the workforce and replacing the older workers who retire. In the time of increasing demand and tightening labour supply the

emerged characteristics and expectations of the new generation of employees seem to be critical. If young employees find a job and feel that it meets their expectations, it is possible that they will be more likely to invest in it, to a considerable extent their specific skills and knowledge so that they perform the job well. On the contrary, lack of employees' engagement and poor performance as its consequence may contribute to a loss in the firm's profits and a decrease of its competitiveness in the contemporary market. In the light of the above arguments, it is not surprising that Generation Y, as the latest generation entering the workforce (Zopiatis et al., 2011, p. 2), still requires empirical analysis, especially that it may bring to the workforce quite distinct characteristics and may create interesting changes in attitudes and behaviours (Smola and Sutton, 2002, p. 381). Therefore, identifying and understanding well - young people's work – related expectations seem to be of high importance in designing the work context in a way which meets the specific criteria important to young people. As Kong et al. (2015, p. 148) stated: "meeting young talents' career expectations is an important step in enhancing their job satisfaction and working enthusiasm". When employees are satisfied with their job, they are more likely to engage; work engagement in turn, may enhance their job performance and affective commitment to the organization (Karatepe et al., 2014, p. 20). Thus, to attract and keep the young and qualified employees for a longer period, today's organizations need to re-think and develop human resource management (HRM) practices that will be working in synergy with the expectations of the youngest generation, who are increasingly entering the workforce now. On the basis of the above, the aim of this study was to explore Gdynia Maritime University students' expectations towards their future work in maritime transport as officers of the merchant navy. The research problem was to find an answer to the following questions: What are young people looking for in their future jobs? And what motivates them to work? Understanding young people's expectations towards their future work may help employers to design jobs, improve working conditions and modify

compensation packages in a way that will enhance their efforts in successful attracting, managing and maintaining well-qualified employees for longer. The data was collected from the first-year students of two faculties of Gdynia Maritime University: the Faculty of Navigation and the Faculty of Marine Engineering. Thus, students participating in this study were a part of Generation Y, whose work expectations may have marked them out from the previous generations of employees. Although the results cannot be generalized, the findings of this study revealed that high wages/ salaries, a clear division between working time and free time as well as opportunities to visit different parts of the world are the most important motivators in the process of choosing studies in a maritime university. The research value of this study may result from the fact that it addresses the issue of a need to do more research on Generation Y, because as the youngest and the fastest growing generation in today's workforce, it has not received yet much empirical analysis. Implications for the theory and practice, and directions for future research are also provided and discussed in this study.

Keywords: *career choice, career motivation, Generation Y, maritime university, seafarers*

INFORMAL ECONOMY AND THE FEAST OF SACRIFICE: INFORMAL JOBS SPECIFIC TO THE SACRIFICE RITUAL OF EID ELKEBIR IN CASABLANCA

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ABSTRACT

Everywhere in the Muslim world, the feast of sacrifice (Aïd Adha) is of paramount importance owing to its religious and ritual characteristics as well as its social and economic dimensions. The main concern of the present study is the contemporary changes of this specific type of religious feast witnessing the increasing emergence of informal jobs related to this fundamental religious event; an event which is currently oscillating between religion, rituals and the thriving of informal work. The present paper seeks to identify and understand the changes this feast has undergone, impregnated with the emergence and development of informal jobs. In fact, Aïd Adha keeps running the economic activities of a large number of unemployed people or people living in precarious and unstable conditions in the city of Casablanca.

More than 2 million sheep are slaughtered during this feast, which resulting in the circulation of an important, formal and informal cash flow.

Keywords: *Casablanca, Economy, Informal, Precarity, Ritual, Sacrifice feast*

CASE STUDY OF THE USE OF MEANS OF INFORMATION AND COMMUNICATION TECHNOLOGY FOR EXECUTION OF DAILY BUSINESS OPERATIONS BY ENTREPRENEURS IN SLOVAK REPUBLIC

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ABSTRACT

The emergence and rapid development of information and communication technologies revolutionized the way of life known so far and created completely new unknown possibilities. Several tedious, manual, repeating and boring tasks became automated and are carried out so smoothly and efficiently that it leaves a vast amount of time to exploit previously lost creative and innovative ideas constantly generated by any human mind. Nowadays cutting edge technology combines several gadgets into one small handy device: phone, camera, computer etc. The compact intelligent helper always present at our side - the smart phone, becomes an indispensable prerequisite for an

entrepreneur or managerial professional in today's digital era of turbulent dramatic changes and multicultural global business environment. A smart phone provides a small bundled mobile office managed by the entrepreneur himself/herself thus allowing him/her to react to expected and unexpected events immediately after notification from everywhere and not to be limited by the office hours. This paper deals with research carried out among entrepreneurs and managerial professionals aiming to discover the importance of smart phones in real business environment and the perceived impact of such devices on the performance and execution of daily business operations. Sample included entrepreneurs and managerial professionals of small and middle sized companies who participated in this research through survey consisting of questions concentrated on activities carried out in virtual environment accessed through cell phones, advantages and drawbacks of these ICT means. The research findings showed that the phone usage is no longer limited to phone calls; on the contrary, written communication through electronic mail communication and other messaging applications are becoming more frequent. However, traditional phone call conversation is preferred for business communication. The research findings showed also gaps between the possibilities and the actual uses of cell phones to execute the business operations.

Keywords: *Business Operations, Globalization, Mobile Gadgets, Information and Communication Technology, Virtual Environment, Virtual Collaboration*

INVESTMENT CRITERIA OF THE SUCCESSFUL START-UP ACCELERATORS

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ABSTRACT

Start-ups are a part of SMEs, but there are specific due to their global potential, innovative idea, scalable and repeatable business model. There is an increasing rate of SMEs and Start-ups in recent years. It is clear that Slovakia has a high innovation potential and significant development begins in the area of Start-ups. Accelerators and incubators are deeply connected with Start-ups. Mentioned institutions offer financial and nonfinancial support to Start-up projects. Moreover accelerators are a source of venture capital and their fund chosen projects. Strategic and project management in accelerator has specific traits and rules. Founders and owners of accelerators are often experienced entrepreneurs, business angels, moreover venture capital funds or even governments. Business accelerators invest venture capital in Start-up members of their acceleration program. Mentioned institutions use several investment criteria which often differ. The US and UK accelerators use several metrics and schemes, but there are new trends in investing to Start-ups in newer institutions and in several countries. In the following publication we analyze processes in accelerators and their investment criteria. We will focus on acceleration

programs, investment decision-making, and a business model scheme. The research will be based on case study of real Slovak accelerator operating in conditions of Slovak ecosystem and data collected within well-known global accelerators. The result of the publication will be the list of relevant criteria useful for Start-up accelerators in Slovakia or all over the world which want to value their investment properly.

Keywords: *accelerator, Start-up, investor, venture capital, investment criteria*

A HYBRID GENETIC ALGORITHM FOR AIRLINE CREW PAIRING OPTIMIZATION

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ABSTRACT

Airline operational problems associated with flight scheduling, aircraft scheduling and crew scheduling are usually solved in two phases: crew pairing and crew rostering and management of irregular operations. Each problem has its own complexities. This study examines the crew pairing problem, one of the most comprehensible problems encountered in airline planning. The

study aims to generate a set of crew pairings with minimal cost, covering all flight legs and fulfilling legal criteria. Drawing from the previous studies which seek to solve the crew pairing problem through genetic algorithm, the present study proposes a hybrid genetic algorithm approach. To test the algorithm, optimal crew pairings have been generated by making use of the flight data obtained from an airline company operating in Turkey.

Keywords: *Airline crew pairing, Set covering, Genetic algorithm, Heuristics*

GAME THEORY AND ITS APPLICATION IN ANALYSIS OF RELATIONSHIP BETWEEN EDUCATIONAL SYSTEM AND LABOUR MARKET

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ABSTRACT

Game theory presents a set of interactions which are used in order to bring optimal strategies. It has been recognized and developed in many natural, social and humanistic sciences during

the 20th century, with a special contribution from John von Neumann and John Nash. This paper deals with game theory application in the relationship between educational system and labour market, which are not sufficiently coordinated in Croatia, though the problem is recognised by relevant Croatian institutions. Croatian Government, Ministry of Science, Education and Sport, and Ministry of Labour and Social System outline several goals in their most important documents. One of them is the need for harmonisation between educational system and labour market as an important condition of an effective educational system, more productive labour market, and for launching of a number of positive trends in economy. This paper aims at presenting available strategies and finding optimal ones by using game theory. The analysis is based on assumed values which means that solutions are not specific. It demonstrates the perspective and meaning of game theory as a method of making optimal strategic decisions for both dominant partners of the Croatian Government.

Keywords: *game theory, educational system, labour market, strategy*

ONLINE PROMOTION OF SMALL HOTELS OF THE ADRIATIC REGION IN CROATIA

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ABSTRACT

In Croatia tourism can be considered as major generator of economic activities and as well as an employment base for many unemployed professionals. The promotion of tourism in Croatia has been described in many professional and scientific papers, discussed in many conferences and public television. This paper describes online promotion of small hotels of Adriatic region in Croatia. In order to attract and increase number of visitors, small hotels need to improve its online position on the tourist market, while online advertising has been gaining importance because of constant growing number of Internet users and technical progress of online technology. The aim of this paper is to analyse and describe the possibilities of online promotion of small hotels at the Adriatic region in Croatia.

Keywords: *small hotels, tourism, online promotion, Croatia*

ENVIRONMENTALISM IN ALBANIA: LEGAL AND INSTITUTIONAL MANAGEMENT OF ENVIRONMENTAL PROBLEMS

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ABSTRACT

This study will deal with the most distinctive moments in the history of environmentalism, the characteristics of this phenomenon, the stages of its development and also its dimensions, consequences in environmental situation, etc. The history of Albanian environmentalism starts during the 50-year period of communism, focusing mostly on the attitude of state and the attitude of community towards environmental issues during this period. Moreover, the relation of environmentalism as a process with the political system is seen in the conceptual context. There are a great number of environmental problems inherited by the communist regime such as: pollution from hard industrial activities, complete lack of urban wastes recycling, overuse of natural resources in use of intensive farming, soil erosion, etc. A particular attention will also be paid to the analysing of the factors and the conditions that bring low scale of the citizen's awareness on environment problems. In this context, we will be dealing with the legal framework regarding environmental issues and the protection of environment in the period of communism and post communism, concerning mostly the functioning of the environmental agencies, environmental groups, civil organizations and their activities, legal support that the Albanian government guarantees to the environmental movements etc.

As a reaction to severe environmental consequences of centralized economic development before the 90's, but also during the transition period in Albania, political attention to the environment and its protection has been substantial.

Keywords: *environment, management*

EXTENDING OUR UNDERSTANDING OF CONSUMERS' EWOM BEHAVIOR: GENDER AND GENERATION DIFFERENCES

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ABSTRACT

Electronic word-of-mouth (eWOM) has become one of the primary and preferred information sources for consumers in the process of evaluating alternatives and purchasing online. However, not all consumers have the same behaviors in eWOM. By using a sample of 524 consumers, this study compares the eWOM behavior of Generation X and Y together with gender differences. Results show that, although males' and females' behaviors are strikingly similar, there are significant differences in eWOM behaviors between Generation X and Y consumers. Few differences were found between Gen X and Y in eWOM

experience, credibility of eWOM, consumer susceptibility to interpersonal influence (CSII), eWOM effect and positive valence eWOM behavior. However, no differences were observed in negative valence eWOM behaviors of Gen X and Y. In closing, theoretical and managerial implications for marketing theory and managers are discussed while important limitations are recognized.

Keywords: *eWOM, eWOM behavior, Gender, Gen X, Gen Y*

PERCIEVED BARRIERS FOR BUYING ORGANIC FOOD PRODUCTS

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ABSTRACT

In marketing, it is of great importance to realize and understand the motives and barriers for a certain type of behaviour. Based on determined motives and barriers, it is possible to design the appropriate marketing strategy in order to achieve a specific

short- or long-term goal. The purpose of this paper is to determine the main barriers for buying organic food products or the factors that negatively influence the intention to buy these type of products. Based on an extensive previous research, the intention to purchase is the best predictor of the actual behaviour. The study is based on the outcomes of a questionnaire completed by a sample of 411 household primary shoppers from Eastern Croatia. Results from regression analysis reveal significant negative relationship between organic food purchase intention and cost barriers, time barriers, knowledge barriers and negative attitudes on organic food. Based on the model developed, these identified barriers explain 52.9% of the variance in intention to purchase organic food with the negative attitudes being the strongest contributor to the variance explained.

Identified barriers that prevent the buyers to opt for an organic product at the time of purchase indicate the great potential and the importance of action in terms of marketing at the level of different social stakeholders. In other words, the main barriers identified can and need to be minimized or eliminated by marketing actions in order to stimulate buying organic food products.

Keywords: *Barriers, Intention, Organic food products*

EMOTIONAL INTELLIGENCE OF THE ELDERLY: THE RELEVANCE OF THE SENIOR UNIVERSITIES

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ABSTRACT

Introduction: Emotional Intelligence is understood by the academics as a skill that allows a better adaptation of the person to the everyday life adversarial situations. Senior universities promote health, social participation and security, through active aging programs. Aims: To assess the level of emotional intelligence of the elderly who attend senior universities and to confirm that their area of living, their education level and their physical activity can influence their own emotional intelligence

and its dimensions. Methods: Cross-sectional, descriptive and correlational quantitative study. In this study there was the voluntary participation of 157 elderly who are attending senior universities, aged between 65 and 90 years old and living in the district of Viseu. For the measurement of the variables it was used an Emotional Intelligence Scale (MIE) and a form for the situational characterization. Results: 51% of the surveyed population has high emotional intelligence and 26.7% low emotional intelligence. For the dimensions of emotional intelligence (Empathy, Self-Motivation, Self-Awareness, Self-monitoring and Sociability), education level interferes with sociability, as well as the residential area and the practice of physical activity interferes in self-monitoring. Conclusion: the elderly who attend senior universities have a high level of emotional intelligence. The development of cognitive, relational and emotional skills enhances the autonomy, security and the ability to manage situations inherent to the aging process leading these people to an increased quality of life and health.

Keywords: *Elderly, Emotional Intelligence, Senior Universities*

THE RELATIONSHIP BETWEEN FINANCIAL DEVELOPMENT AND HUMAN DEVELOPMENT IN OECD COUNTRIES: A PANEL CAUSALITY TEST

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ABSTRACT

Empirical evidences indicate that a positive and significant relationship between financial development and economic growth. Also, human capital is one of the major components of economic growth and development. So, there are some empirical evidences about relationship between financial development and human development. According to these studies, developed financial system affects human development by raising on investment in education and other socio economic instruments. So, this paper aims that to analyze the relationship between financial development and human development and specify the direction of relation. In this study, the relationship between financial development and human development has been analyzed in OECD countries from 2001 to 2015 by using panel causality test. When domestic credit to private sector (% of GDP) has used as financial development, human developed index has used as human development indicator. Based on our primitive findings and the other empirical evidences we expect that developed financial system affects human development positively and significant.

Keywords: *Financial Development, Human Development, Panel Causality Test, Economic Growth, OECD*

**UNDERSTANDING STUDENTS’
EXPECTATIONS OF HIGHER EDUCATION AS
A VALUABLE ROUTE FOR MAINTAINING
UNIVERSITIES’ ROLE OF PILLAR FOR
ECONOMIC DEVELOPMENT: A
LONGITUDINAL RESEARCH IN ROMANIA**

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ABSTRACT

Education's 'sine qua non' condition for the economic expansion of societies was highly underlined in the economic literature and research. Nonetheless, in most European countries the education is compulsory only for the primary stage and part of the secondary (around 9-10 grades), while the tertiary education is completely optional albeit it is a key instrument for human capital development and growth of knowledge-based economies. Following the European pattern, in Romania many higher education institutions are public, offering the possibility to study free of tuition fees or paying a reasonable amount of money. Nonetheless, the number of persons finishing this stage of learning is decreasing due both to a decline in enrolment and a high rate of abandon, causing an intensification of the competition between faculties and universities. In the light of this trend, it becomes imperative for higher education managers to identify the key-factors that define their students' educational

experience, in order to increase their recruitment chances and improve the retention rate. For this reason, the purpose of this paper is to assess the importance of various criteria related to students' higher education experience and to examine how this changes over time. The marketing research method is a longitudinal quantitative survey, covering the same population in 2006, 2010 and 2014. Our result have revealed that all the factors considered in the study have a medium to high importance for the students and, with few exceptions, maintain their level of importance over time.

Keywords: *educational marketing, higher education, longitudinal marketing research, Romania, student's expectations*

THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY ON FIRM PROFITABILITY: A PERSPECTIVE OF ECONOMICS, BUSINESS AND LAW

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ABSTRACT

In the global market, increasing the economic dependence of firm, because of economic, social, technological and political developments, trigger raising of the welfare of countries. In this context, companies have acted with a sense of responsibility like individuals. In particular, with the corporate social responsibility (CSR), transnational organizations provide contributions to the economic and social development. Empirical studies imply that applications of CSR provide the earnings to firms such as brand value and marketing value. Addition to this legal responsibility is one of the basic responsibilities in these contributions. Because the company's commercial activities should be in accord with law, human rights, property rights and morality. On the contrary, there are also opinions stating that the companies should not have social responsibility. According to this view, CSR affects to the basis of the economic system and competition power of firms

negatively because of additional costs. Within this regard, the relationship between CSR and firm profitability have been studied according to the perspective of economics, business and law in this study. In addition to this, the examples of CSR have been compared with developed and developing countries. In this way, the differences between social responsibility approaches of countries have been revealed.

Keywords: *Socially Responsible, Business Ethics, Profit, Economics, Business, Law*

THE PROBLEM OF LIQUIDITY MANAGEMENT IN HOSPITAL AND ITS IMPACT ON PROFITABILITY

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ABSTRACT

The main aim of this article is to conduct comprehensive literature review as far as liquidity management in hospital and its impact on profitability are concerned. It is going to be the first step of the wider empirical study dedicated to the analysis of the impact of financial liquidity on profitability among Polish hospitals.

Such a problem seems to be really important from societal perspective as most of healthcare financing spent on hospital treatment in Poland comes from public funds. On the other hand hospitals should be portrayed as normal enterprises operating in the market economy which seems to be to some extent contradictory.

That is why finding out and analysing if one of the most typical financial relationships exists among hospitals might give crucial remarks if they should be portrayed as normal market players or in a different way.

Keywords: *Financial liquidity, hospital finance, liquidity, liquidity management, profitability, working capital*

COST OPTIMISATION OF SPARE PARTS INVENTORY IN TECHNICAL SYSTEMS MAINTENANCE PROCESSES

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ABSTRACT

The efficiency of a maintenance system depends on a number of important factors such as the availability of workspace, tools and equipment, energy, supplies, employees, spare parts, etc. Spare parts play a crucial role in this process for multiple reasons. Their importance becomes especially apparent in case of stock-outs which disrupt production processes and affect total costs. On

the other hand, excess inventory also has negative effects on the production system due to commitment of funds, inventory warehousing, partial obsolescence, etc. The paper aims to determine the optimal inventory level of spare parts that would ensure the reliability of production systems.

Keywords: *costs, spare parts, reliability*

ALTERNATIVE INVESTMENT FUNDS AND THEIR ROLE IN PORTFOLIO COMPANIES – STATE OF ART IN CROATIAN LAW AND PRACTICE

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ABSTRACT

Alternative investment funds (AIFs) differ from “traditional” investors in their role as shareholders of companies in which they invest. Although traditional institutional investors prevail over alternative ones in the global share of investments, their role in portfolio companies is usually passive due to regulatory and

investment restrictions applicable to them (as for example UCITS funds). Specific types of AIFs (private equity/venture capital funds/hedge funds) invest a significant part of their asset in various companies and available comparative data suggests that they are significantly more active in portfolio companies than other shareholders/investors. Through different types of activism, AIFs tend to influence the corporate governance of companies in which they invest. The goal of this article is to determine whether Croatian AIFs play an active role as shareholders in their portfolio companies. Importantly, Croatian AIFs have just recently been regulated in line with known global trends, which further enhance their position on the market. Authors shall analyze available legal mechanisms for shareholders to actively participate and influence the corporate governance of the companies under Croatian law. In order to determine whether AIFs as shareholders employ those mechanisms in practice, authors conducted research among the managers of Croatian AIFs. Research was focused on determining whether Croatian AIFs participate actively in governance of portfolio companies through voting rights, making shareholder proposals, informal influence on the board members or other type of shareholders' activism. Finally, authors shall elaborate if the current state of AIFs activism in portfolio companies represents a good example of corporate governance from the point of a long-term criticized passive shareholders issue.

Keywords: *active shareholders, alternative investment funds, corporate governance, managers of alternative investment funds, private equity*

INNOVATION MEASUREMENT REVISITED: COMPARISON OF THREE MAIN MEASURES

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ABSTRACT

Innovation is interpreted as a tool enabling economic development, growth and international competition. It is vitally important in both macro and micro level, thus measuring of innovation also emerge as a crucial issue. The purpose of this study is to compare Global Innovation Index (GII), European Innovation Scoreboard (EIS) and Innovation Subindex of Global Competitiveness Index (GCI-Inn) to have insight of innovation understanding of different perspectives. The reports and previous studies are examined for this purpose in respect to structural formations, common grounds and outcome differences. It is found that innovation conceptualization and innovation measurement is not standardized. For a more thriving measurement, it is suggested to combine the advantages of three measures such as number of countries in GCI and GII, detailed perspective of GII and SME emphasis of EIS.

Keywords: *Innovation measures, Global Innovation Index, European Innovation Scoreboard, Global Competitiveness Index*

A THEORETICAL REVIEW OF A TERMINOLOGICAL CONFUSION: CHARACTER, IDENTITY, IMAGE OR REPUTATION?

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ABSTRACT

The concept of corporate reputation draws academic attention from numerous areas of social sciences. Depending on the perspective, reputation can mean rather different things. It can be considered from the point of view of each stakeholder. Mainly, scholars conceptualize the term corporate reputation from either an economics/managerial paradigm that consider corporate reputation as internal and external stakeholders' expectations and estimations of certain organizational attributes or as an impression that reflects the perception of a collective stakeholder group. In particular, strategic management perspective entitles reputation as a valuable asset that helps to sustain the organization and its competitive advantage over the course of its life time and a substantial tool that organizations use in order to protect themselves in turbulent times. However, given that corporate reputation is a complex construct, understanding corporate reputation is complicated owing to the interdependence and interrelatedness of its component parts; identity, image and character. Hence, marking out these analogous terms explicitly within theoretical perspective has become a “sine qua non”. Thus, instead of bringing forward new definitions into the definitional landscape, the main purpose of

this paper is, to depict the theoretical backgrounds and approaches towards the terms corporate identity, corporate image, corporate character and corporate reputation in a framework that reflects the terminological confusion within an inductive methodology.

Keywords: *Corporate Reputation, Image, Identity, Reputation Management*

DOES A RELATIONSHIP EXIST BETWEEN THE DEVELOPMENT OF THE BANKING SECTOR AND THE ECONOMIC GROWTH OF EUROZONE?

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ABSTRACT

The goal of this paper is to discover the relationship between select banking sector indicators and the economic growth of the Eurozone. Loans provided by banks to the private non-financial sector and the M3 banking aggregate were chosen from among select banking sector indicators. Both absolute values and year-to-year changes are tested for these values. The Eurozone's economic growth was evaluated using the development of GDP. The aforementioned relationship between these values is analyzed using the Engle-Granger cointegration test. These tests are conducted on select statistical data from the years 2000 to

2013. *The input data are quarterly in nature and have been seasonally adjusted. Before using the Engle-Granger cointegration test, it is necessary to test the time series for the optimal magnitude of delay, where the dependent variable is considered the value of GDP, i.e., Δ GDP. In order to be able to proceed to testing the cointegration of the time series using the Engle-Granger test, it was necessary to eliminate the series that do not meet the basic prerequisites – consequently, the existence of a unit root, i.e. the non-stationarity of the original time series. In light of the results of the Dickey-Fuller test, it was necessary to eliminate the time series of year-to year changes in GDP, because the time series of the Eurozone’s year-to-year GDP changes indicate stationarity at a level of significance of 0.05. For determining the cointegration relationship, it is possible to proceed with the Engle-Granger test, which is meant to determine the long-term relationship between the values – between the amount of bank loans provided to the private non-financial sector and GDP and between the M3 aggregate and GDP. On the basis of these tests, it was found that there is no cointegration relationship between any time series at a level of significance of 0.05; this means that no long-term relationship was found between the amount of bank loans provided to the private non-financial sector and GDP or between M3 and GDP. It is necessary to realize that the impact of the global financial crisis was being experienced during the period analyzed, i.e., between 2000 and 2013. It is possible that this is the reason why is not possible to statistically confirm the long-term positive influence of the banking sector on the economic growth of the Eurozone.*

Keywords: *banking sector, cointegration test, economic growth, Eurozone, GDP*

HEALTH LITERACY AMONG DIALYSIS PATIENTS

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ABSTRACT

Background: Health literacy has been defined by the World Health Organization (1998) as the "set of cognitive and social skills which determines the ability of people to gain access to, understand and use information in ways which promote and maintain good health."

Objectives: To determine the Health Literacy among haemodialysis patients; to analyze the influence of socio-demographic variables and of family in patients' Health Literacy; to establish a relationship between the duration of the treatment received and haemodialysis patients' Health Literacy.

Methods: Quantitative, non-experimental, descriptive, correlational and cross-sectional study based on the information gathered from 68 patients suffering from chronic renal failure who were undergoing haemodialysis at the Nephrology Service at the Tondela/ Viseu Hospital Centre, EPE, and at the Beirodial Clinic - Medical Centre and Dialysis, in Mangualde and who were between 21 and 88 years old, which gives an average age of 66.74 (± 14.927 Sd.). The data collection instrument was a questionnaire that included socio-demographic questions and others about the patients' clinical profile, the Family Apgar Scale (Smilkstein, 1978) and the European health literacy Survey (HLS-EU-Q) validated for Portuguese participants (Nunes & Sorensen, 2013).

Results: Most patients seem to exhibit inadequate health literacy (61.8%). The independent variables that might interfere with health literacy were: the patients' age- middle-aged patients are more likely to exhibit better health literacy ($X^2=10,340$; $p=0.006$); their educational qualifications- higher literacy levels were evident among patients with higher academic qualifications ($p<0.05$ in all dimensions); the family's monthly income- patients with higher monthly income tend to exhibit better health literacy ($p<0.05$ in all dimensions) with a marginal difference regarding health care ($X^2=5.869$, $p=0.53$); family relationships - patients who live in a functional family manifest better literacy (prevention of disease $p=0.010$; total literacy in health $p=0.034$); the amount of time required for treatment- where we have to include patients with shorter treatment time (health promotion $X^2=6.077$; $p=0.048$).

Conclusion: The results show a prevalence of haemodialysis patients with inadequate literacy levels. This situation requires the development of action plans that will contribute to improve the levels of health literacy.

Keywords: *Dialysis patient; Health Literacy*

THE GUARANTEED MINIMUM INCOME IMPACT ON POVERTY REDUCTION IN ROMANIA AND SOME SCENARIOS REGARDING THE EMPLOYMENT ACTIVATION PRESENTED INTO THE LAW

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ABSTRACT

The guaranteed minimum income is the main instrument in the social assistance benefits system with central propose of poverty reduction for vulnerable families. The paper focuses on the impact assessing of this social program on the relative poverty reduction, calculated at 60% of the median income per equivalent adult, by certain features: residence area, gender, number of people in household, age of the household head, etc., including the own-consumption into the disposable income (main component for vulnerable households). The results of these evaluations are based on the data from the Household Budget Survey, conducted by the National Institute of Statistics, 2008-2013. Into this social assistance benefit with an important role of poverty reduction, there is an employment incentive element, but this does not represent a real economic and social instrument in employment activation stimulation. The paper presents some

scenarios concerning the improving of this activation incentive, considering the fact (provided initially in the guaranteed minimum income law) that in those households having employed people, the income test threshold increases by a certain proportion of income obtained from work. In this paper, analyzes are only in terms of relative poverty reduction, and not in terms of budgetary effort. By these performed simulations we want to analyze these employment activation incentives (calculating to some incentive thresholds than those initially provided) leading to lower relative poverty rates and how important are these influences to the total population. One of the simulated thresholds is stipulated in the law draft regarding the minimum income of insertion, which could come into force next year, so that the ex-ante evaluation (correlated with budgetary implications aspects) may be considered a based foundation for this social program with real purpose of reducing poverty and its severe and extreme forms among the vulnerable people.

Keywords: *employment activation incentive, evaluation impact, guaranteed minimum income, relative poverty, scenarios*

SOCIAL ENTREPRENEURSHIP

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ABSTRACT

Social entrepreneurship is a specific form of entrepreneurship which has lately gained momentum in advanced and growing economies of the world. It has interesting features since it combines social, economic and environmental sustainability, thus contributing to the prosperity of society. As such, it has been recognized by the European Union, which stimulates and encourages the development of social entrepreneurship through its various operational programmes. Social entrepreneurship is specific because it represents a link between the private and the public sector; it is led by entrepreneurial principles (risk-taking, innovating, creating something new...), but it also brings benefit to the society. The determinant of social entrepreneurship in private sector creates possibilities for spreading and implementation of the programme of the organization which are important for accomplishing the mission. The concept of social entrepreneurship refers to marginalized groups or individuals with fewer opportunities. This form of entrepreneurship is not new in Croatia; it has only started drawing more attention. Social entrepreneurship in Croatia is known under the term 'societal entrepreneurship'. The aim of this paper is to review the development of social entrepreneurship in Croatia and in general because it might represent an exclusive solution for improving the quality of life in times of globalization. The stipulated issues imposed the objective of the research, which focuses on the

analysis of social entrepreneurship in Croatia using the case study method which was conducted on a sample of five relevant cases from practice. The goal was to realize to which extent it had fulfilled its purpose and justified its existence. The research will confirm whether social entrepreneurship can function in all sectors and whether certain activities are suitable to be called social, non-profit and socially responsible at all. Can certain activities with non-profit and social character be denominated as entrepreneurship and classified into this category, or are they purely humanitarian activities which are contradictory to the concept of entrepreneurship.

Keywords: *Social entrepreneurship, social change, socio-economic thinking, philanthropy*

CONSUMER PROTECTION ISSUES IN CROWDFUNDING

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ABSTRACT

Being an emerging alternative financing model which relies upon raising money from a large number of sources, crowdfunding may take many forms. They range from crowd sponsoring, based on collecting funds from donators in return for either gratification of a project owner, or a symbolic reward such as the possibility of appearing in a crowdfunded movie, to crowd

investing and crowd lending which enable investors and lenders to gain financial profit. An important role in crowdfunding is played by various internet platforms which enable the project owners to advertise their project and allow potential contributors to inform themselves on the project and contribute money. While the advantage of this financing model is unquestionable due to the fact that a number of projects in Europe would not have a necessary source of financing without it, there are a number of issues connected to it. As a consequence of the various existing financing models which are further evolving and different parties who take part in crowdfunding, the legal framework for crowdfunding in the European Union and its Member States is not clear at this stage. One of the distinct concerns is the applicability of the EU consumer protection acquis, particularly to contracts concluded at a distance, unfair contract terms, unfair commercial practices and consumer credit. The aim of this paper is to identify the crowdfunding models which may be subject to mentioned consumer protection legislation. While assumption that some contributors could be characterised as consumers appears to be rather straightforward, such characterisation in regard to project owners is unexpected. Additional controversy is related to whether in crowd investing model, investors may enjoy protection as consumers. The analysis of legal sources will include relevant EU directives and where necessary comparative outline of Member States laws through which the directives were implemented into national legislation.

Keywords: *alternative funding, consumer protection, crowdfunding, European Union law*

EXPORT COMPETITIVENESS OF THE CROATIAN ECONOMY

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ABSTRACT

Export competitiveness is one of the major indicators of the economic competitiveness and it can be globally monitored both on the level of a country's total export and in particular sectors and products. Small countries like Croatia need to go internationally and tailor their manufacturing to the needs of the world market in order to achieve the minimal level of productivity. In 2002, with its annual GDP growth at 5.2%, Croatia had one of the most dynamic economies among the 26 transitional countries in Central, Eastern and Southern Europe. With a growth rate of -6.9% in 2009, it was among the slowest, even in the group of economically stagnating Balkan countries, and these unfavourable trends remained until 2015. The comparative and competitive advantages of a country are the main factors of the country's inclusion in international trade and a factor of increasing export competitiveness of the economy as a whole. While the possibility of influencing and improving comparative advantage in the short term is relatively low, the competitiveness of a national economy can be increased as a result of properly defined and confirmed macroeconomic policies (trade, fiscal and monetary policy). In this work we have analysed the export competitiveness of the Croatian economy, trying to

answer the question: What is the role of the state in increasing export competitiveness of a small national economy like Croatian and what macroeconomic policies the government should use in order to increase exports competitiveness.

Keywords: *Croatian economy, export competitiveness, international trade, macroeconomic policies, small countries*

INNOVATIVENESS IN THE POLISH FINANCE SERVICES SECTOR

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ABSTRACT

Financial services are a broad category of services related to money and capital circulation. The Central Statistical Office of Poland (GUS – a government institution that gathers and publishes statistical data) divides financial services into three main divisions: 64 – Financial service activities, except insurance and pension funding, 65 – Insurance, reinsurance and pension funding, except compulsory social security, and 66 – Activities auxiliary to financial services and insurance activities. Each of these types has its own level of innovativeness as concerns products, processes, organisation and marketing. The goal of this article is to show the character and scope of innovativeness in Polish financial institutions, as well as their ways of achieving it, and to try and evaluate the level of innovativeness of financial services entities in Poland between 2008 and 2012. Research methods used are an analysis of literature on innovation and banking, an analysis of secondary data available on websites of chosen financial institutions and in periodicals on the subject, and a comparative analysis of statistical data from the GUS

“Reports on innovative activities of enterprises” between 2008 and 2014. An analysis of statistical data from the sector shows that financial services are one of the most innovative branches of Polish economy. Product and process innovation is the most important (except for type 66, dominated by organisational innovations). During the period analysed, the number of marketing innovations implemented by financial institutions dropped considerably, except for type 65, which noted a small increase: after a drop in 2010-2012, the level was back up and matched the state from 2008-2010. An analysis shows that among all the enterprises of the Section K (financial and insurance services in GUS classification), type 65 – Insurance, reinsurance and pension funding – is the most innovative. The enterprises of type 64 – Financial services, insurance and pension excluded – which are the most numerous, are less innovative.

Keywords: *financial services sector, innovativeness, financial innovation*

UNEMPLOYMENT AS FACTOR OF INTERNATIONAL MIGRATION

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ABSTRACT

Unemployment is a serious problem that troubles the majority of countries in the world. The big problem is particularly long-term unemployment. Slovak economy is trying to deal with this problem already for a long time. Despite of the pronounced decline of unemployment rate in recent years, the high long-term unemployment persists in Slovakia. The aim of the article is therefore to evaluate the causes of long-term unemployment in

Slovakia and its impact on the economy and on the migration of the labor force in search of work abroad. On the basis of the results of our research, we have found that one of the causes of long-term unemployment is uneven distribution of industry and a poor quality and inadequate infrastructure. This is particularly the case for unemployment in the southern and eastern Slovakia. Unemployment in Slovakia, especially in the last period, negative influences an discrepancy in the structure of the qualification and profession of unemployed people and vacancies. Another reason for the relatively high unemployment is the large number of people with low levels of education, especially in the eastern part of Slovakia. The result of high unemployment in this region are low wages, which often dont encourage these people to work, even if they would have found the job vacancy. Another reason for unemployment is sometimes unwillingness of people to migrate between regions of Slovakia for the work or travel for the work to the more distant town. This is linked with the underdeveloped and inefficient functioning of the market for rental flats. Living outside of the region of residence (in Slovakia) in most cases is significantly more expensive and therefore is not worthwhile for the unemployed people to seek the work outside their region. Therefore, many people solve the problem of unemployment and low wages in the migration for work abroad. This includes people with a lower, but also with high qualifications, who are looking for better valuation of their labour.

Keywords: *Labor force, Migration, Slovakia, Unemployment*

THE IMPACT OF SOCIO-DEMOGRAPHIC CHARACTERISTICS ON LIFE SATISFACTION AND HAPPINESS

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ABSTRACT

In recent times, subjective well-being has been increasingly studied from the perspective of economists within the scientific branch called the economics of happiness. In the aim of defining and quantifying subjective well-being (SWB), despite numerous studies on global level, in recent years the focus of research on life satisfaction and happiness, as the two most important concepts of subjective well-being, is on the lower territorial, i.e. local levels. This paper analyzes life satisfaction and happiness ($n = 1019$) based on primary research in the city of Osijek, Croatia, on a representative sample.

The goal of this paper is to compare different approaches in measuring life satisfaction and happiness (dependent variables). Analysis of variance of the expressed life satisfaction and happiness of citizens in the city of Osijek has enabled insights into statistically significant differences of two subjective well-being variables with regard to socio-demographic characteristics of respondents.

The research results can be used as a guideline for the design of local politics by its creators.

Keywords: *analysis of variance, city development, economics of happiness, life satisfaction, subjective well-being*

THE LACK OF AWARENESS OF USING SKIN WHITENING COSMETICS: IN CASE OF WOMEN IN BANGKOK, THAILAND

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ABSTRACT

The aim of this study intends to find out the user’s awareness of using skin whitening cosmetics containing hydroquinone and other cutaneous depigmenting agents among women in Bangkok, Thailand. The chemical skin lightening has a range of serious side effects to damage skin and skin whitening cosmetics is the cause of serious public health risk and threat to skin safety. The sample comprised four hundred women living in Bangkok, Thailand. Structured questionnaire was the main instrument used for the data collection. The data collected were analyzed using percentage, mean and t-test statistical measures. The results showed that most of the women (30%) are not aware of the harmful effects of whitening cosmetics on their skin face and body

and 60% revealed that the perception of lighter skin is more beautiful and more attractive to men than women with dark skin. In conclusion, the factors of enculturation and socio-demographic have no significant influence on the perception of the respondents. Therefore, to educate the knowledge of the effects of whitening cosmetic products are an important approach to restore sanity in the health and safety of people.

Keywords: awareness, cosmetics, hydroquinone, side effect, whitening

THE IMPACT OF INFORMATION AND COMMUNICATION TECHNOLOGIES ON PUBLIC ADMINISTRATION MANAGERS AND THEIR WORK

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ABSTRACT

In just a few decades, information and communication technologies (ICT) have changed the world dramatically. Today, there is no area of life that is not affected by ICT. Without any

doubt, ICT play a key role in the development of modern public administration. The employment of ICT in public administration with the purpose to enhance the delivery of government services has become known as e-government. Public administration managers are responsible for the efficient and effective operation of their institutions, including e-government. With this in mind, the main aim of this paper was to examine the impact of ICT on Croatian public administration managers and their work. More precisely, the study sought to determine the extent to which managers used various devices and their pattern of ICT usage. According to the results, Croatian public administration managers regularly used desktop computers and smartphones at work. Laptops/notebooks and tablets were significantly less popular among participants. The average age of their computers was about two years, which can be considered satisfactory. The study further revealed that the majority of the surveyed managers were satisfied with their ICT equipment. In addition, the results showed that participants regularly used ICT for some purposes, such as text writing/editing, e-mail communication, data entry and analysis, and searching information and news on the Internet. In contrast, managers used ICT less frequently to interact with citizens, businesses, and other government agencies. They also very rarely participated in video conferencing. On the basis of these findings, it is possible to improve ICT use in public administration and develop an effective strategy of ICT integration.

Keywords: *ICT, managers, pattern of usage, public administration, strategy*

SEVEN LAWS OF THE MACRO-ECONOMIC MOVEMENT

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ABSTRACT

Existing economics systems in the world, either in socialist form or in liberal form, with many weak points, in practice, faced with crisis or were not able to contribute to sustainable economic development. Therefore, it seems the world requires new economic rules to boom and for revolution in the liberal and socialist structures. The paper has stated the seven main rules of this revolution and the author believes by following these golden rules, economic society is able to experience explosive economic growth and prosperity. It is obvious that in the system, our definitions of government, production, services, and even culture use, are different.

Keywords: *Socialist, Liberal, sustainable economy, government, services*

THE IMPORTANCE OF EVENT IMPACTS IN THE TOURIST DESTINATION

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ABSTRACT

A visit to a particular tourist destination has increasingly become motivated by visiting events that nowadays make up a significant part of the integrated product of a tourist destination. In addition to responding to the motivations of tourists, events also generate multiplier effects in the tourist destination. They increase tourist traffic, encourage tourism spending, and build the identity of the tourist destination. Therefore, event monitoring and event impact evaluation has proved to be an important tool for the tourist destination.

Taking into account the number of benefits of events and their role in a tourist destination, the purpose of this research is to examine the attitudes of the managers employed in tourist boards regarding event monitoring and the impacts they generate in the tourist destination. The paper is based on theoretical and empirical research. In the theoretical part, the key concepts have been described. In accordance with the purpose, an empirical research was conducted on a sample of 20 managers of tourist

boards within Primorje-Gorski Kotar County. The survey was conducted in April 2016 using an 11-item structured written questionnaire. Descriptive analysis was used to obtain the goals of the research.

The aim of the research was to obtain reliable data pertaining to the basic characteristics of methods of monitoring events in the destination and event impacts generated in the destination. The research results showed that the managers of tourist boards of Primorje-Gorski Kotar County mostly use simple methods of monitoring events, such as the observation method, financial report analysis and monitoring visitor numbers. More sophisticated methods such as SWOT analysis, monitoring police and fire department reports, cost-benefit analysis, and the suggestion box method are rarely used in event monitoring systems. The contribution of this paper is visible in proving the importance of event impacts in the tourist destination. Although it was conducted on a convenient sample, this study can serve to provide good insight into the attitudes of the respondents concerning event management.

Keywords: *Events, Management attitudes, Tourist boards, Tourist destination*

ASSESSMENT OF ACTIVITY OF UNITS ENGAGED IN AN BUSINESS ACTIVITY IN EUROPEAN UNION BY MULTI-OBJECTIVE EVALUATION METHOD

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ABSTRACT

Globalization is a leading concept which has become the main factor in business life during the last few decades. This paper examines some aspects of this process. We focus on the analysis of the changes in the activity of units engaged in an economic activity in selected UE countries between 2009 and 2014. Using one of multi-objective evaluation method, we have made a rating for this area over 5 years. The aim of study was to offer a new framework for multi-criteria assessment as international comparison of objective business activity. We prepare our rating based on Structural Business Statistics (SBS) data, which describe the structure, conduct and performance of businesses across the European Union. The primary purpose of this research is to contribute to the understanding of the main features of business activity in European countries. Based on main characteristics of SBS, such as business demographic variables, total purchases of goods and services, etc., we indicate changes

of direction in the condition of business in selected countries. Because business activity is a multi-dimensional phenomenon, hence the appropriate indicator system should be capable to identify the most important underlying change of processes in this area. In this study we will apply the MULTIMOORA method which encompasses value measurement as well as reference level methods. A ranking index shows early warning signs of trends in the European business activity. In this study it's accept the assumption that the activity of units engaged in an business activity may be assessment by rating.

Keywords: *business activity, European Union, multi-objective evaluation method*

INTER-SECTORAL ANALYSIS OF FINANCIAL BEHAVIOR OF MEDIUM SIZED ENTERPRISES IN CROATIA

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ABSTRACT

The paper analyzes the financial behavior of Croatian enterprises, especially the frequency and size of financial

leverage used by similar medium size enterprises from different industries. Productivity and profitability rates, the share of own and borrowed capital, production and profit margins and ratios vary among industries. On the financial behavior and the use of financial leverage other market factors also affect. Some of these affect the whole economy, and some only specific industries or individual enterprises. Moreover, the financial behaviors of enterprises also affect future business results. The paper analyzes the manner in which financial leverage is being managed and used in medium sized enterprises from different industries which operate on the same market and on the same conditions.

Keywords: *financial leverage, financial behavior, SME, credit flow*

FISCAL TRANSFERS TO LOCAL GOVERNMENT UNITS IN POLAND

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ABSTRACT

The main objective this paper is a presentation, analysis and comparison of different fiscal transfer schemes that are used Polish local governments budgets (gmina, municipality). Local government revenues in Poland are supported by the three main kinds of fiscal transfers: tax shares in central government direct taxes, general grants and specific (conditional) grants. To compare the importance of these revenues a comparative analysis has been carried out. Maximum, minimum and medians estimates, but also the first and the third quartiles separately for

all urban, rural and urban-rural local self governments between 1996-2014 have been taken into consideration. Division of municipalities into the mentioned three groups (urban municipalities, rural municipalities and urban-rural municipalities) comes from the classification of the Central Statistical Office and is taking into account the territory over which a municipality has jurisdiction (urban-only town, rural – only villages, or mixed – urban-rural). The analysis of accessible financial budget data proved that the most vital revenues in the case of investigated types of municipalities were shares from Personal Income Tax, Corporate Income Tax and general grants. The meaning of these transfers was different according to kind of local government. Urban type local governments were stronger supported by the tax shares, but also due to educational part of general grant (subwencja oświatowa) this kind of revenue (general grant that consist of educational part and equalization part) was also important. Looking at typical rural local government we could observe that tax shares, due to weak tax base, were low but grants – especially general were crucial for them.

Keywords: *Fiscal transfers- tax sharing – equalization- local government*

ACTIVITY BEYOND CLASSROOM ENHANCE UNDERSTANDING OF SCIENCE

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ABSTRACT

Science is subject which consider difficult to understand for Thai student that resulted to the achievement of learners. In classroom, students often confuse and unrecognizable the contents. It need further study and review to help them clearly understand. Therefore, finding ways to help students better understand is necessary. In this study, “Learning by teaching” method was used. The purpose of this study was to explore that learning is enhanced through the act of teaching others. Two experiments were done to compare the achievement of learning of studying from teacher in classroom and actually teaching (explaining to others for instructional purposes). 25 undergraduate students who study in Industrial Microbiology program at Suan sunandha Rajabhat University were assigned to form groups of 3-5 persons. Experiment 1, all of them studied in classroom. Experiment 2, the group had to educate the knowledge from classroom to people in public place. Student’s response were checked after that by doing post studied exam and interview. Results of experiment 1, students could get score 45-70 percent. Results of experiment 2, students could get score 65-90 percent. It found that 92 percent of students clearly understood and could remember their content. They said that the preparing to educate people enabled them to understand the contents. Also, if there were any questions, they needed to analyze the contents. These findings suggest that when students actually teach the content of a lesson, they develop their understanding than study from preparation media of professor. The outside classroom practice assisted improved science subject learning.

Keywords: Activity; Science; Understanding

THE IMPACT OF THE METHOD OF FINANCING MERGERS AND ACQUISITIONS ON THE EFFICIENCY OF THE PROCESS

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ABSTRACT

Mergers and acquisitions are part of the external strategy of a company. In order to transaction was reasonable, greatest value should be created than just strategy of internal incrementation of enterprise. Investors' expectations towards mergers and acquisitions are generally positive, yet most of these transactions fail. The aim of the article is to evaluate the profitability of mergers and acquisitions depending on the source of financing of the transaction. Author verified the hypothesis that mergers and acquisitions made by the companies from WSE in the past 10 years are not effective and the source of financing do not influence the profitability of the purchase.

Keywords: *effeciveness, mergers and acquisitions, profitability, Warsaw Stock Exchange*

DEVELOPMENT OF REGIONS AND MUNICIPALITIES OF THE SLOVAK REPUBLIC BY APPLICATION OF EUROPEAN COHESION POLICY

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ABSTRACT

The Slovak republic, entering the European Union on the 1st May 2004, got the impulse on the improvement and growth also via the application of the Cohesion policy. For the programming period 2007-2013, the amount of 11.3 milliards Euros for the application of the Cohesion policy have been provided to the Slovak republic. In the present time, the programming period is finished and the Slovak republic meets the critical reviews in the area of the effective use and maintenance of projects and application of the Cohesion policy on its territory.

Many specialists, economists and analysts try to reveal the errors, identify the subjects that enter into the project cycle wrongly or to identify the bodies that have the most important influence on the low level of the financial instruments use and they also try to deal with the criticism of the European Commission as to the project realization.

From this point of view, the theme of the research is very actual and imperative because the research tries to enlighten and to analyze the application of the cohesion policy within the territory of the Slovak republic and so, to state recommendations for more effective application for the following programming period. The article is created by analyzing the application of the European cohesion policy in the programming period 2007 - 2013 in the Slovak Republic.

The main objective of the article is to analyze and define the cohesion policy of the European Union and one of the partial objectives is to execute the analysis on the implementation state of the Cohesion policy on the level of the chosen regions in the Slovak republic and then, to propose and to create recommendations and techniques for its effective functioning.

Keywords: *structural funds, Slovak Republic, regional development, cohesion policy, programming period 2007 - 2013*

ARE BROKERAGE RECOMMENDATION RELIABLE? THE EXAMPLE OF M&A TRANSACTIONS ON POLISH STOCK EXCHANGE MARKET

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ABSTRACT

The market information efficiency is wide and capacious issue and its analysis in the modern economy would require hundreds of variables to take into account in terms of their impact on the market. Brokerage recommendations plays an important role in reducing the information asymmetry between company management and external market participants. Literature research indicates, that the valuation of the companies included in the recommendations differ from their real value, moreover, they are often overestimated. This phenomenon also occurs in the case of mergers and acquisitions. The aim of this article is to evaluate the usefulness of the recommendations of brokerage houses in mergers and acquisitions.

The author verifies the hypothesis that brokerage recommendation, prepared on M&A purpose, are miscalculated.

Keywords: *brokerage recommendation, capital market, company evaluation, mergers and acquisitions*

THE COMMON AGRICULTURAL POLICY AND FARMERS' INCOME CONVERGENCE IN THE EUROPEAN UNION

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ABSTRACT

The Common Agricultural Policy (CAP) is one of the most important European Union policies. Instruments implemented under CAP strongly affect incomes gained by European farmers, since revenue from subsidies compose significant percent of all receipts gained by European farmers. In recent years there was the unification process of the most important instrument of CAP – direct subsidies – and farmers from each member state receive similar payments. Together with operating on the European Single Market, which means there are no significant differences in agricultural prices among EU countries it creates conditions for cross-country convergence of farmers' income in the EU.

The main aim of the article is to answer two questions. The first one is, whether there was farmers' income convergence in the recent years. The second one is, whether subsidies intensify or impede this convergence. In the article data from the European database of Farm Accountancy Data Network for the years 2004-13 for farms engaged in various type of production were used. The beta and sigma convergence were estimated. The results are

ambiguous and differ depending on analysed market. In general it can be stated that there are beta-convergence and sigma-divergence of farm income across member states of European Union. However, there are types of production where there are no convergence at all. Moreover the analysis results indicate that in many cases subsidies hamper the farmers' income convergence. In particular it cannot be stated that the more heavily subsidised market, the stronger income convergence appears.

Keywords: *Agricultural income, Agricultural Subsidies, Common Agricultural Policy, Convergence, Income convergence*

VIEW ON COST ASPECTS OF QUALITY OF TECHNICAL SYSTEMS

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ABSTRACT

Correlations between costs and product quality are obvious and very strong. For example, the quality of a technical system is defined and incorporated in all stages of implementation, and its ultimate value and success in the market are the result of numerous factors such as research and development, technology,

marketing and market. From an economic point of view, not only technical characteristics of the system are essential but also the extent to which it meets the needs, expectations and preferences, as well as the extent to which it does so more efficiently than its competitors.

Keywords: *quality, cost, technical system*

THE RECOMMENDER SYSTEM FOR SELECTING USED CARS

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ABSTRACT

This research focuses on the use of decision support system to recommend the used car for customers. The goal is to develop the recommender system based on collaborative filtering recommendation from a set of usability surveys while adopting a user-centered perspective. Also, the main challenge of this research is to construct a user preference model. Survey samples were select from 5 experts and 125 users by collecting information from the questionnaires and then calculated the mean and standard deviation. To evaluate the system,

questionnaires for system usability and Black Box Testing were used to measure expert and user satisfaction. The prototype has been empirically evaluated in a pilot study and the results are discussed with special reference in concerning the user's opinion aspects.

Keywords: *Decision Support System, Collaborative filtering, Recommender system, User Interest Extracting*

COST OF (POOR) QUALITY

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ABSTRACT

Due to continuous improvement of product and service quality in modern business environment, the costs required to attain the demanded, desired and expected quality level have been rising. As a result, they represent a considerably large share of a business system's total costs. Business systems today seek to reduce all types of costs; however, the costs of creating quality products and services and quality monitoring are often neglected or given inadequate attention. These costs rarely represent a small percentage of the total operating costs as they are known

to reach as much as 20% of total costs in some systems. The paradox is that, on the one hand, enormous efforts are invested in reducing the costs of certain items in the overall cost structure by a certain percentage, and on the other, quality costs are paid very little or no attention, despite the fact that only a small effort is needed to reduce them, thereby reducing the total cost of the product or service. This paper presents a flexible method of systematization of quality-related costs as well as several examples from a real system.

Keywords: *costs, quality, quality management system*

DEVELOPING OF E-LEARNING SYSTEM FOR THAI CUISINE

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ABSTRACT

This paper aims to develop a Cooking Royal Thai Cuisine Application based on Android Operating System and provides cartoon animation to present and teach how to cook Thai cuisine. The system also presents more information on recipe details and the process of cooking Royal Thai Cuisine in 15 recipes. The

design methods and functional components of this prototype were described. To evaluate the system performance, questionnaires for system usability and Black Box Testing were used to measure expert and user satisfaction. The results were satisfactory as followed: Means for experts and users were 3.97 and 4.12 respectively.

Keywords: *Cooking, Royal Thai Cuisine, Android operating system and black box technique*

THE COMPANY'S FINANCIAL SITUATION IN THE PREVENTION OF RISK FACTORS RAIDERISM

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ABSTRACT

Raiderism in Latvia is not very widespread, however, it should be noted that Latvia has become a significant target for raiderism, because the economic situation in the country is difficult, a lot of companies are working with a loss or little profit, most companies

are in debt obligations with credit institutions, therefore, these companies are easily vulnerable, and if a raider manages a successful attack, the chances of escape are quite small. The term raiderism is not found in currently existing Latvian laws, however, this word is more often used in public debates. The concept raiderism in business environment is understood as an unfair or illegal activity to take over the control of the company. 20 years ago, the major deterrent for Latvian business was racketeering, now it is back in a new, more complex form - raiderism. Raiderism can take a number of forms, however, the authors analyze the companies that have been subject to raider attacks and study the company's financial situation, thereby disclosing financial aspects of the situation typical for the companies that are exposed for possible raider attacks. The paper is dedicated to the company's financial and legal aspects for the analysis of the occurrence of raiderism.

Keywords: *raiderism, liquidity, borrowed capital*

TOWARDS EVIDENCE-BASED POLICY MAKING IN EVALUATING THE EUROPEAN COHESION POLICY PROGRAMME

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ABSTRACT

The European cohesion policy presents the main investment policy of the EU, through which the objectives of the Europe 2020 strategy are being met for an intelligent, sustainable and inclusive growth in the EU. These objectives refer to employment,

research and development, climate change and energy sustainability, education and a battle against poverty and social exclusion. A large part of the European cohesion policy resources are intended for less developed European countries and regions, with the purpose for the latter to become comparable with the others as well as to reduce economic, social and territorial disparities, which still exist in the EU. However, in addition to a successful absorption of the European cohesion funds, the efficiency of utilization of these funds is also important, especially from the point of view by the mentioned budget and efficient use of public funds. This is why the European Commission encourages the member countries to use evidence-based policy making in the new programming period. The research, which we carried out, is based on the econometric assessment of the effectiveness of the European cohesion funds and their impact on companies' revenue in Slovenian municipalities. The absorption effect was, except in one observed period, positive, however is decreasing from year to year. Based on the results we also conclude that the municipalities, which belong to the Western cohesion region, were more effective in European cohesion funds absorption in comparison to municipalities, which belong to the Eastern cohesion region.

Keywords: *Counterfactual, European cohesion policy, Evaluation*

DIVESTITURE, CORPORATE PERFORMANCE AND OWNERSHIP EXPROPRIATION: EVIDENCE ON MALAYSIA PUBLIC-LISTED COMPANIES

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ABSTRACT

This paper investigates the impact of divestiture strategy on Malaysia listed company performance. This paper attempts to determine ownership expropriation and use of proceeds associated based on the Agency Theory. We consider a sample of more than 100 companies between 2008 and 2013. We focus on Malaysia listed firm which is developing country. Our findings provide that return on asset as accounting measures performance

will tend to increase when divestiture strategy is adopted while Tobin's q as market-based measures performance will decrease when divestiture strategy is used by firm.

Keywords: *Corporate Governance, Divestiture; Firm Value; Ownership Structure*

DO EU STOCK MARKETS BEHAVE LIKE GLOBAL STOCK MARKET?

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ABSTRACT

The paper explains the dynamics of the main European market indices across quantiles during analysed period from January, 4, 2000 to November, 11, 2016. We analyse the dependence structure between European stock markets and influential global markets: the S&P 500 index, the RUSSELL 1000 market index, the Shanghai A-Share Stock Price Index SHASHR, the stock market uncertainty VIX and spot exchange rate of gold in USD using quantile regression approach. Our results show that EU stock markets exhibit asymmetric dependence with the Russian stock markets. S&P 500 returns move in the opposite direction to the analysed European stock markets. The Chinese market has a statistically significant effect on the analysed markets especially

during bear markets. As the only influences the examined markets show across the entire quantiles except quantiles 95% and 99%. The stock market uncertainty (VIX) has a significant negative weak influence across selected analysed quantiles. Our findings may have implications for international investors in terms of risk management, which should vary according to changes in global financial markets.

Keywords: *quantile regression, asymmetric, symmetric dependence, world markets, EU market*

DOES CORPORATE RETRENCHMENT GAIN VALUE? A STUDY FROM MALAYSIA

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ABSTRACT

Retrenchment strategy has gained its popularity and is being regarded as a common strategy in the corporate world to cut down cost. Firm owners are sceptical whether it would be a value-added strategy for their organisations. A problem arises: “Does retrenchment strategy really contribute to the firms?” Empirical research was conducted to investigate retrenchment as

an influence component of the company performance. Evaluation outcomes for a sample of Malaysia firm years from 2008-2013 are analysed that included excess value, retrenchment cost, and corporate use of financial variables. From the results, we document a positive association between the excess value of retrenchment cost. Our finding is consistent with prior research where it concluded retrenchment is positively related to turnaround performance. We also examine a special moderator variable for ownership expropriation and find there is negatively and significant relationship between ownership structures and excess value, where foreign and government underperformed in imposing retrenchment strategy. However, our research further indicates that ownership concentration does not play significant role on the association between excess value and retrenchment cost. Based on the results, it suggests that retrenchment cost and ownership structure plays a monitoring role in organization strategy decision making. The implication of this research lies in two main points. Firstly, it enriches the body of knowledge by showing the effectiveness of retrenchment strategy in value creation, and the role of corporate governance on that relationship. Secondly, it contributes to regulator or policy maker that retrenchment strategy might have a good corporate governance to create value. As such, this research implies to industry that retrenchment strategy might gain value to certain type of firm and certain level of ownership.

Keywords: *Corporate Strategy; Excess Value; Retrenchment*

RELATIONS OF UNEMPLOYMENT ON THE METROPOLITAN AND SUBURBAN LABOUR MARKETS IN GERMANY, POLAND AND SPAIN

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ABSTRACT

This paper presents the results of an analysis of long- and short-term relations of numbers of the unemployed between the big cities and their suburbs in Germany, Poland and Spain. In the analysis, the cointegration method and the VAR models are applied. The obtained results indicate great diversity of these relations and the specificity of particular cities. In general, cities and suburbs in Germany have been characterised with stronger long-term relations than in other countries. In Poland and Spain these relations have been usually short-term.

Keywords: *Labour Market, Long and Short -Term Relations, Unemployment*

ASSESSMENT OF INTER-REGIONAL CONVERGENCE IN THE SOCIAL WELFARE BASED ON THE A. SEN FUNCTION: RUSSIAN CASE STUDY

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ABSTRACT

The aim of this study is estimation of social welfare in Russian regions in 2004-2014 based on the A. Sen abbreviated function, the assessment of regions convergence in welfare and factors contributing to it. We adjusted the A. Sen welfare function by the cost of living in regions and presented it as a four-factor multiplicative model.

By use of the coefficient of variation (CV) we estimated the inter-regional inequality in welfare in statics and dynamics. The technique of decomposition of the squared CV for logarithm of welfare function enabled us to evaluate the contribution of main and intersect factors to Russian regions' convergence in welfare. As a result we assessed Russian regions social welfare in dynamics and evaluated factors contributing to its growth. Based on the weighted CV we discovered the negative impact of the recession of 2009 on the regions convergence in welfare, and unweighted CV even more revealed the turning point in the convergence tendency occurring in 2012.

We discovered that in statics the redistributive factor makes the greatest and increasing contribution to inter-regional convergence in welfare, whilst the cost of living and intra-regional income inequality factors have moderate and decreasing influence on it.

The dynamic analysis revealed two factors predominantly contributing to regions' temporal convergence in welfare, namely growing convergence in GRP per capita and significant but unstable influence of distributive factor.

Two other factors, the cost of living and intra-regional income inequality, counteracted to temporal convergence mainly due to attenuation of their negative correlation to nominal and real income per capita respectively. The results obtained may be applicable to both inter-budgetary and regional policy development.

Keywords: *Abbreviated functions, Convergence, Decomposition, Factors, Inequality, Region, Coefficient of Variation, Welfare*

CASE STUDY OF THE PERCEIVED ADVERSE EFFECTS OF THE USE OF MOBILE INFORMATION AND COMMUNICATION TECHNOLOGY MEANS IN BUSINESS PRACTICE IN SLOVAK REPUBLIC

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ABSTRACT

In times of discontinuous turbulent dramatic changes shaping the current business world, the pace of information collection, sharing and dissemination is increasing with rising significant importance. With the development of the mobile digital information and communication technology, the receiving and sending of information became independent on space and time, no longer limited to office hours and the office room itself.

Nowadays, the small mobile cutting edge technology that became omnipresent impacts our lives in every aspect of it enabling the end user to be reachable and available at any time needed. The tiny smart phone integrated several devices in one small gadget that can accompany the owner almost everywhere continuously providing all the features and services. Yet, the extending accessibility is boosting the pressure on the worker who has to be accessible all the time, even during his/her spare time – the relaxing time. The workers are being equipped with cell phones with the aim to provide their attainability, yet the devices are not being shut down after working hours creating a never/ending ongoing on call duty for each worker – an additional stress factor present also during free time. The continuous checking of the mobile phone device for new mails, messages or missed calls is causing concentration loss and disruption of efficiency and productiveness. The concerns of the society connected to the pathological uses of mobile phones resulting in adverse effects of human mental health are continuously growing with further uses. This paper describes research endeavor aiming to investigate the disruptive adverse effects of cell phone usage that are present among individuals whose availability became their must: entrepreneurs and management professionals. Based on a survey, the advantages and disadvantages of cell phone utilization are being investigated.

Keywords: *Business Operations, Globalization, Mobile Gadgets, Information and Communication Technology, Digital Threats, Smart Phone*

THE ROLE OF GOVERNMENT IN THE DEVELOPMENT OF INNOVATIVE ACTIVITY IN THE REPUBLIC OF KAZAKHSTAN

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ABSTRACT

Permanent and continuous creation and implementation of innovations is the main factor of succeeding in the competition of any enterprise, region and country as a whole. Implementation of novelty, innovation, and new scientific and technological achievements in the production of new products, technologies and services is crucial for the development of the national economy and raising the living standards of the population. In order for constantly improvement of welfare level, it is necessary to continuously improve and transform the products, services, improve production and management functions on the basis of innovation and innovative technologies. Competitive advantage on the market now have countries that provide long-term strategy of innovative development, aimed at various market needs. Experience of foreign countries shows that in issues of innovative

development of the national economy it is impossible to rely entirely on market automatism. State regulation in the economy during difficult times is an effective tool for accumulation, appropriate expenditure of funds for the construction of an innovative infrastructure, focused on the use of the competitive advantages of the country. The experience of developed and rapidly developing countries in the field of activation of innovative activity and organizing processes of accelerated commercialization of new developments highlights the need for systematic state approach in all processes relating to the accelerated economic modernization based on a comprehensive stimulation of innovative activity in all sectors of the economy. There is no country in the world which national innovation system has been formed by the market, the private sector alone. Therefore, in Kazakhstan the state should play a significant role in promotion on the market scientific-technical and innovation results, creation of a national innovation system. The future of Kazakhstan - is not simply the creation of ideas, but the direct application of innovative methods on practice.

Keywords: *Competitiveness, Innovation, Innovation activity, Investment, Innovational infrastructure, Innovational potential, Intellectual potential, National innovation system, Potential risk, State regulation of innovative activity, Venture business*

PAY-OFF TO PARTICIPATION IN GLOBAL VALUE CHAINS: HOW MUCH ARE NEW EU MEMBER STATES LAGGING BEHIND THE REST OF EU COUNTRIES IN TERMS OF DOMESTIC VALUE ADDED IN EXPORTS?

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ABSTRACT

International trade has for centuries mainly represented an exchange of goods, but now it can be regarded as a trade in tasks (Grossman & Rossi-Hansberg (2008)). Simply, value is added in many different locations across the globe and countries are more specializing in specific business functions than in specific industries (Backer & Miroudot, 2013). The rapid expansion in offshoring of manufacturing and other business tasks in countries where some production factors may be hired at much lower prices than at home (the emergence of global value chains), called into question the traditional Ricardian and Heckscher-Ohlin models (i.e., ‘old trade theory’), where each country specializes in types of products with a comparative advantage (Escaith, Lindenberg, & Miroudot, 2010).

The phenomenon of global value chains highlighted the issue of domestic value-added in exports (DVA) and led to the development of alternative trade measures in value-added terms. These, inter alia, enabled an estimation that shows that New EU countries from Central and Eastern Europe (NMS-10) experience an approximately 5 percentage points lower DVA share as compared to old EU countries (EU-15). The lag is on average the highest in knowledge-intensive manufacturing sectors (8 percentage points) and the lowest in knowledge-intensive services (0.3 percentage points). However, this paper follows the assumption that NMS-10 have acquired new knowledge by participating in Global Value Chains (GVCs), and thus gradually

started increasing their DVA. Based on the empirical application of the EU trade data, I found that convergence in terms of DVA in exports can be observed in manufacturing, and especially in the services sectors. Additionally, I find that for NMS-10 countries negative relationship between participation in GVCs and DVA in exports is slightly decreasing over time in both sectors.

Keywords: *global value chains, international trade, value added in exports*

TURKISH FACEBOOK USERS: EXPLORING DIFFERENCES AND DETERMINING USEFUL ASSOCIATION RULES

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ABSTRACT

It is possible to communicate, to share videos, photos, etc., to get daily news, to play a game, and to make many other activities by having an account on Facebook. Therefore; researchers, decision makers, marketers. try to find how they can use Facebook on behalf of organizations. In this respect, it is important to define Facebook users' activities and motivations. Within the scope of this study, we focused on motivations of Facebook usage and investigated the differences in motivation scores between gender, age, preferred devices and time spends. A survey of 804 participants revealed that the main reasons for Facebook use

were “business-orientation”, “creation”, “information seeking”, “status seeking”, “entertainment”, “communication” and “socializing”. We also determined some association rules which are potentially useful for understanding the Facebook users’ characteristics. Our findings showed that there are some relations between motives of Facebook use and gender, age, time spent and preferred devices.

Keywords: Association rule mining, Facebook, User motivation, Uses and Gratification

THE EFFECTS OF FOREIGN PORTFOLIO INVESTMENTS ON TURKISH ECONOMIC GROWTH: A NONLINEAR APPROACH

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ABSTRACT

Foreign portfolio investments (FPI) are accepted as one of the major component of capital flows. By reason of financial liberalization and globalization process, foreign portfolio investment have become crucial especially for the countries which have the gap of national saving. Although there are numerous studies which investigate the relationship between foreign portfolio investment and economic growth, limited number of studies investigate this relationship by using nonlinear time series analysis. The objective of this study is to examine the impact of foreign portfolio investment on economic growth of Turkey. For this purpose, 1998-2016 period data were considered and nonlinear co-integration test was performed.

According to the co-integration and error correction analysis findings, the variables are co-integrated and there is one-way positive relationship from portfolio investment to economic growth. This finding points out the importance of the foreign portfolio investments in economic growth of Turkey.

Keywords: *Foreign Portfolio Investments, Economic Growth, Turkish Economy, Non-linear Co-integration*

ENVIRONMENT FOR SME SECTOR IN CROATIA WITH EMPHASIS ON INNOVATION

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ABSTRACT

This paper examines SME sector in Croatia as well as its impact on the national economy. Special emphasis is given to innovation which, according to many authors, is one of the main drivers of SMEs business success. Furthermore, this paper examines the environment in which SMEs operate. Scores and structure of most cited indices are compared between Croatia and EU average, in addition to providing an overview of the various government programs and activities that are directed towards improving the

entrepreneurial and innovative environment in Croatia. The aim is to determine how important SMEs are for Croatian economy, how much is SME sector innovative and what the main disadvantages of entrepreneurial environment in Croatia are.

Keywords: *Entrepreneurial environment, Entrepreneurship, Innovation, SME*

PROFESSIONAL SATISFACTION OF PORTUGUESE SPECIALIZED REHABILITATION NURSES

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ABSTRACT

Over the last few decades, the healthcare labour market has required Rehabilitation Nurses to exhibit an ever increasing level

of performance and productivity. This situation often generates serious physical wear and emotional distress and an increasing sensation of professional frustration.

Objectives- To identify the professional satisfaction of Specialized Rehabilitation Nurses (SRN) and to analyse the factors that are associated with this feeling of satisfaction.

Methods: Quantitative, descriptive, cross-sectional and correlational study.

A non-probability convenience sample, composed of 124 Specialized Rehabilitation Nurses, with an average age of 38,76, who are currently working in 4 hospitals located in the Centre Region of Portugal. We used a questionnaire that included questions about the participants’ socio-demographic, professional and psychological characterization (Self-Concept Clinical Inventory and Maslach Burnout Inventory – General Survey) and the Job Descriptive Index (JDI) to assess their satisfaction. Results: Most SRN (61,6%) are satisfied with their job; 12,6% of them choose a neutral position: they are neither satisfied, nor unsatisfied; however, 25.8% of the participants declare to be unsatisfied.

We were able to observe that the variables that may affect positively the participants’ satisfaction were their age (older nurses exhibit a higher satisfaction), their careers’ length and the amount of time they have been working in a specialized area and the fact that they are working in roulement.

Nurses who have exhibited a higher efficiency and a better self-concept are those who showed a higher level of satisfaction. On the other hand, nurses who exhibited higher levels of fatigue and cynicism were those who showed higher levels of dissatisfaction. On the other hand, nurses’ gender, marital status and academic qualifications, the fact that they were working in a single institution, the amount of weekly hours they have to work and their employment status don’t seem to have any statistical significance. Conclusion: Although most of the SRN are satisfied with their job, we cannot forget that 25.8% of them are unsatisfied.

Therefore, intervention strategies have to be implemented if we want to improve job satisfaction, to promote rehabilitation nurses' health and wellbeing and consequently, improve the quality of the healthcare provided.

Keywords: *Professional satisfaction; Specialized Rehabilitation Nurses; burnout; self-esteem*

MULTICULTURAL ISSUES IN THE WORKPLACE

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ABSTRACT

The demographic, environmental, political, economic and cultural changes represent everyday situation of all companies in the world. In the business environment, companies have to accept different multicultural dimensions in order to position themselves with respect to the employees. Each employee has his or her own values, symbols, statements, rules and other. Education system, political governance, family, friends, all of them take their part in the development of the individual. A workplace is nowadays open ground for multicultural issues between the individual, as they come from different cultural backgrounds, and the beliefs. The main aim of this paper is to present an overview of multicultural issues with special focus on culture, language and value and their

impact on the company’s success. Among other factors of success, such as dealing with the competition, costs, employee satisfaction etc., we could include some prevalent situation, if we consider working in a multicultural environment. We could nourish different cultural values of employers in company, which could affect also their personal lives. Knowledge about other cultures and customs is also the experience that could brought wider perspective to the employees. Nevertheless, the experience to move to the internationally thinking, in an age of globalism, is a necessary thing. To function effectively as a company an employer needs to deal with issues such as culture, change and communication. Research questions as a central part of the paper will focus on the wider context of the culture issues, meaning of the values in the workplace and other symbols of multicultural environment.

Keywords: culture, globalism, multicultural management, values

EXCESSIVE OPTIMISM IN COMPANY’S VALUATIONS

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ABSTRACT

The main aim of the article is an attempt to show the phenomenon of excessive optimism on capital market on the example of recommendations provided by the Brokerage Houses in Poland. The structure of recommendations indicates that there is more positive recommendations than negative and neutral ones. It would be reasonable statistically in constant market growth conditions, meanwhile, stock market is characterized by bull,

bear and horizontal trend periods. The question is, why then, in the changing conjuncture there outweigh of the positive recommendation over the negative and neutral ones is observed. To achieve the research aim, the companies from Warsaw Stock Exchange were selected and recommendation describing them were compared. Research results indicate that positive recommendations are dominant. The next stage was to compare the stock quotation at recommendation issue date with the price achieved by the company a year after. Research results indicate that despite positive recommendations of Brokerage Houses, significant number of recommendations have overestimated the price in relation to real value achieved by the particular company on the Warsaw Stock Exchange. In addition, I compared to selected companies financial projections with real reports. This analysis also showed the existence of an excessive optimism among analysts.

Keywords: *company valuation, excessive optimism, recommendations*

ASSESSING THE COMPETITIVENESS OF KAZAKH ECONOMY: DOES INDUSTRIAL- INNOVATIVE STRATEGY IMPROVE THE COMPETITIVENESS?

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ABSTRACT

This article assesses the competitiveness of the national economy of the Republic of Kazakhstan (by region) for the period of implementation of the industrial-innovative development strategy. Assessment method uses the index method to construct an aggregate index of competitiveness of the region by the aggregation of a number of different social and economic indicators. Calculations were carried out similarly to the methodology of the ratings of countries. The main feature of this method is to bring the different indicators (percent, absolute value, etc.) to one dimension in the range [0; 1]. Research results show that the level of the competitiveness in the Republic of Kazakhstan in general remains very low except in the capital city Astana and the former capital Almaty where competitiveness relatively higher but still it is in the middle of the range [0; 1]. Findings show that although Astana and Almaty are not

industrial areas, but these areas have a relatively higher level of innovation and research. As a result, the combination of the existing infrastructure and industrial resources with innovation increases productivity in the region, which finally improves the quality of the life in the region. This means that the industrial-innovation factors are the basis for improving competitiveness. But, compared to the industrial and infrastructural indicators, innovation factors are more related to competitiveness. Overall, the industrial-innovative development affects the competitiveness of the region, which later forms the country's competitiveness.

Keywords: *competitiveness of the economy, increasing the competitiveness of Kazakhstan, index method, regional ratings.*

MICROFINANCE, FINANCIAL INCLUSION AND ICT: IMPLICATIONS FOR POVERTY AND INEQUALITY

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ABSTRACT

This study examines the role of Information and Communication Technologies (ICT) in poverty reduction by fostering financial inclusion, using panel dataset of sixty-one countries between 2001 and 2012. We disentangle the impact of two distinct

dimensions of financial inclusion i.e., inclusion by commercial banks and by microfinance institutions (MFIs). In the first step of data analysis we find poverty reducing effects of financial inclusion measured either way. Furthermore, results of the study indicate a positive association of ICT diffusion with financial inclusion and a negative relationship with poverty and inequality. It was observed that the ICT dimensions when used as instruments for financial inclusion accelerate economic growth and reduce poverty and inequality. Therefore, policies to promote information and communication infrastructure could stimulate financial inclusion by promoting digital finance. Moreover, better collaboration between ICT and financial sector will likely to improve digital finance that could help to bridge the financial infrastructure gap.

Keywords: *Digital Finance, Financial Inclusion, ICT, Microfinance*

BARRIERS FOR COOPERATION BETWEEN SMALL ENTERPRISES AND THEIR ENVIRONMENT. THE CONTEXT OF INNOVATIVENESS POLISH SMALL ENTERPRISES

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ABSTRACT

Increasing the innovativeness of economies and enterprises is an essential condition for strengthening their competitive positions. This concerns in particular small enterprises, which constitute 99% of all of the entities operating in the European Union. Polish small entrepreneurs are quite familiar with this issue, trying to “catch up” with foreign entities in terms of innovativeness. The need to improve the competitive strength and innovativeness of businesses forces both entrepreneurs and researchers to analyse in greater detail the conditions that favour pro-innovativeness. The desire to introduce innovations and the limited resources of small entities encourage the forming of groups of entities bound by common interest. However, this process is not easy, as it is accompanied by mutual mistrust of Polish entrepreneurs. The main aim of this paper is to identify the barriers for cooperation between small entities and to indicate changes in this regard in the period analysed. The conclusions have been drawn from the results of two studies on the innovativeness and competitive

strength of small enterprises, performed by the author. Several indices have been determined for this group of enterprises, such as the degree and scope of cooperation with the environment and the innovativeness. Determination of the causes for the very limited scope of cooperation between small entities will allow to more precisely adjust the support and offer to businesses of this scale.here.

Keywords: *cooperation, innovation, small enterprises*

COMPREHENSION OF INNOVATIVE SOLUTIONS IN HOSPITALITY INDUSTRY

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ABSTRACT

Hotel facilities are not anymore considered only as lodging structure that provides accommodation and meals. Nowadays, the needs of modern consumers, tourist demand are respected; activities for innovations in architecture and design are continuously on going, together with developers, engineers, managers. Joined activities are focused in creation of hotel product that is correspondent to the needs of modern travelers and tourists and which creates new demand driven by special experience. Stakeholders in hotel industry permanently analyse new trends, define better criteria, present modern standards in order to improve quality of hospitality services and innovations in accommodation structures.

The aim of this paper is to analyse aspects of innovative solutions in hospitality industry through the model that is set by author. This model takes in consideration different aspects of innovations implementation and poses them into perspective of new competitiveness in challenging turbulent markets. The purpose of paper is originated by need for better understanding and oriented towards business, art and design excellence through innovative solutions. Explanation and analysis of model is done by setting and exploring the examples of innovative hotel organisation considering services, design, architecture and technology. Data acquisition methods, creative thinking methods and other qualitative scientific and research methods are used with the aim of model explanation and gaining new knowledge. The study raises new questions, but it also provides qualitative solutions for transforming the traditional hospitality offer according to the demands of the contemporary international tourism market which identifies innovations and sustainability as trends of future global development and new competitiveness.

Keywords: *innovations, hotel specialisation, modern technologies, competitiveness*

BURDEN SHARING PRINCIPLE IN RESCUE AND RESTRUCTURING – NO PAIN, NO GAIN -

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Following the adoption of the new Commission's Guidelines on rescue and restructuring, the authors look closer into the principle of burden sharing to contextualize the impact of implementation of the Guidelines in practice, given the case law at hand. The stringent rules of rescue and restructuring of firms in difficulties provide the opportunity and chance to give them economic, production and employment rise where assessed viable and necessary. Yet, although welcoming the introduction of the burden sharing as a largely positive principle, the authors feel there is a space to (re)consider the proportionality of burden sharing principle, its limits as well as the effect. The rightful expectation of the State is to “cash in” the original investments by taking over debt-to-equity principle, thus being represented through ownership and accumulating all the owner’s rights as per national company’s law and other binding legislation, dependant on the Member state in question. The authors question the extent at which the State, firstly, enters the firms by assuming equity and, secondly, exercises its owner’s right with(out) the political context.

Keywords: *Burden sharing, firm in difficulty, restructuring aid, state aid*

CLUSTER IDENTIFICATION IN SPATIAL NETWORKS OF INNOVATORS

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ABSTRACT

It was widely observed in empirical studies that frequent interactions between economic actors within a relatively short space are potentially leading to localized knowledge spillovers. Strengthening of collaboration ties in knowledge networks and agglomeration forces continually reenforce each other leading to formation of technological clusters. Despite a growing popularity of a ‘cluster’ notion, there is still a lack of consensus on its precise definition and a need for consistent bottom-up approach to cluster identification not relying on predefined administrative borders or geographical concentration of related activities. This paper’s contribution to the literature is a novel approach to cluster identification which simultaneously exploits both important sources of information: relative allocation of economic actors across space and patterns of interconnections among them. Using sets of identified clusters, we show how combination of both proximity and interconnectedness of inventors within clusters is related to the quality of resulting innovations.

Keywords: *Clusters, Co-patenting, Geographical proximity, Knowledge networks*

ACCOUNTING INFORMATION FOR IMPROVEMENT OF THE PROCESS OF SUPPLY COST PLANNING IN LIFE INSURANCE

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ABSTRACT

Accounting information facilitates a review of accurate data from preceding periods and it also provides a basis for estimation of planned categories in the coming periods. Cost estimation and prediction in the national markets provide an information base for consideration of the national market trends and business planning of insurance companies which operate in that market, with the aim of realisation of the planned financial performance. Prognostic models, therefore, are becoming a necessity in modern insurance companies' business. By the research, with the application of accounting information and regulations and using statistical and mathematical methods, a model was obtained which facilitates the estimation of the annual supply costs in the national market. By differentiation between supply costs and commission costs and other supply costs, detailed information is provided about the structure of the life insurance supply costs. By the research and formation of the model, planning accounting information about the anticipated annual costs in the national market is obtained and its application to an insurance company is illustrated. The model thus encircles the positions of gross premium, supply costs, commission costs and the number of life insurance policies. The goal of the conducted research is the formation of a model which generates planning accounting information for the needs of decision making in the process of cost planning in insurance companies. By applying the newly-created model and implementing the obtained planning dimensions, the

process of cost planning in insurance companies is improved, providing an additional information basis for making of higher quality decisions.

Keywords: *accounting information, insurance companies, life insurance, supply costs, cost management*

FORMAL AND INFORMAL MONETARY INSTITUTIONS IN TRANSITION – THE CASE OF GEORGIA

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ABSTRACT

To analyze Post-communist transition process, one of the main important determinant is time to achieve macroeconomic stabilization, which is primarily related to the stable and low rate of inflation. The reduction of hyperinflation improves the achievement of positive economic growth. This empirical evidence shows us that positive economic output growth is not possible without price stability. All post-soviet Countries firstly solve inflationary problems and then thought about future economic growth.

Post-communist transition became irreversible after the Soviet collapse. Because Russia had the monetary policy tools, Soviet Ruble remained until 1998, when the Ruble reform was implemented during the Russian financial crisis. Other countries, in some cases had the coupons instead of national currency at the first stages of transition.

What is the role of the independent monetary policy and national currency and stable inflation in the currency hyperinflation? How formal and informal monetary intuitions are changing over the time?

Keywords: *transition, monetary institutions, inflation, post-soviet countries, national currency*

FINDING PRO-GROWTH INCOME INEQUALITY: MISSION IMPOSSIBLE?

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ABSTRACT

Due to inconclusive evidence about the income inequality–economic growth relation, this paper suggests that one precise optimal numerical value (i.a. of Gini coefficient) cannot be indicated. The problem concerns not only groups of countries (concurrent with the rule “One size does not fit all”) but individual cases as well. The aim of the article is to discuss this issue on the basis of a three-step approach: inequality pattern identification, providing for economic development, and then – attention to cultural matters. All of them matter when it comes to the crux of finding an optimal level of inequality, but the last point is particular by virtue of its nature.

Keywords: *context model, economic growth, income inequality*

COMMODITY SHINES IDENTITY: AN ANALYSIS OF CONSPICUOUS CONSUMPTION IN RELATION TO SELF-IMAGE CONGRUENCE AND MATERIALISM

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ABSTRACT

The purpose of this study is to test a model with direct and indirect effects of self-image congruence and materialism on conspicuous consumption. There are several studies investigating different aspects of these concepts, yet interrelations are not adequately explored. Research data is gathered using an online 5-point Likert questionnaire. E-mail invitations for participating the survey were sent to university personnel and public servants, and 561 attendants from different towns in Turkey replied the call. Structural equation modelling is used to test the hypothesis and reveal the relationships between mentioned constructs. The results exhibit that self-image congruence and materialistic values are positively related to conspicuous consumption, and materialism mediates the relationship between self-image congruence and conspicuous consumption. Findings shed light on conspicuous consumption from a socio-psychological viewpoint by involving self-concept and materialistic value system. This study has an extensive perspective to indicate clear practical results on product choice, yet it is inspirational for further studies with elaborative product categories.

Keywords: *conspicuous consumption, consumer behaviour, materialism, self-image congruence, symbolic consumption*

IMPACT OF ECONOMIC FREEDOM ON REAL GDP GROWTH - EMPIRICAL STUDY (CASE OF GEORGIA)

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ABSTRACT

Almost twenty-five years have passed since dissolution of Union of Soviet Socialist Republics and it may be asserted that, market economies have been established in almost all of the former USSR countries with varying degrees of success.

From early 1990s' Georgia was a victim of several civil wars, revolutions or even later Russian occupation. There was a great need of institutional changes to turn “Soviet Mentality Society” into rationally forward-thinking people. In this case, economic freedom was becoming more and more popular through post-communist countries.

Improving economic freedom shows the positive relationship between different social and economic parameters, bringing greater prosperity, cleaner environments, human development, democracy etc.

In this Paper, I am going to examine impact of economic freedom on real gdp growth, using different macroeconomic parameters.

Keywords: *Economic Freedom, Economic Growth, Real GDP Growth*

CORRUPTION AS AN OBSTACLE TO ECONOMIC GROWTH OF NATIONAL ECONOMIES

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ABSTRACT

There is no unified definition of the concept of corruption existing today at the level of theoretical or practical application. However, all current approaches agree that corruption represents any unfair behaviour with the goal of gaining a certain unqualified advantage at the expense of others. Professional literature presents mixed evidence about its impact on economic growth. Some authors consider corruption as a "driving force" of the economy, but others argue that it is "sand in the wheels". Most authors are of the opinion that corruption complicates economic transactions because it reduces the security of property rights and contributes to inefficient allocation of resources. Corruption often threatens the role of the government and makes it difficult for government intervention. It also leads to poor resource allocation, since the structure of public expenditure often changes in favour of certain sectors, especially those which have more obvious corruption opportunities.

This paper, based on findings in theoretical literature and empirical studies, validates the hypothesis on the negative impact of corruption on economic growth in the European Union in the period 1999 - 2014. Using information from the literature, an econometric model has been derived for this purpose, which provides an overview of what effect corruption in the selected sample of countries has on economic growth. This econometric

model has shown that corruption negatively affects economic growth in the selected set of countries, not only directly but also indirectly through distribution channels. The distribution channels through which corruption affects economic growth within the selected group of countries have been defined as household expenditures, government expenditures and investments.

Keywords: *Corruption, Economic Growth, European Union, Panel Data Analysis, Transmission channels*

A CRITICAL LITERATURE SURVEY OF THE MACROECONOMIC EFFECTS OF FISCAL POLICY IN LIGHT OF RECENT EMPIRICAL EVIDENCE

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ABSTRACT

The present paper offers a fundamental critique of the macroeconomic effects of fiscal policy after it surveys the theoretical and empirical literature on the macroeconomic effects of fiscal policy. It emphasizes the importance of the fiscal policy after reviewing the revolution of almost all economic schools .

This paper links the developmental role of the fiscal policy with the objectives and measures of the economic transformation. Thus, the importance of this study can be seen from several perspectives: First, it reviews the theoretical harvest of fiscal policy and provides a comparison between the main revolutionary Economic thoughts; the classical school, Keynesian school, and monetarist school. Then it turns to conclude the fiscal policy from the new consensus mainstream economic schools. Third, the study present the macroeconomic effects of fiscal policy in developed vs developing countries according to empirical pieces of evidence provided by empirical studies applying VAR approach, finally the paper concludes the macroeconomic effects of fiscal policy according to theoretical consensus and Empirical evidence in a nutshell. Thus, the study is important for the policymakers as well as scholars as it gives its recommendations upon the last analysis in the form of “policy implications”.

Keywords: *Economic Transformation; Fiscal Policy; Macroeconomic Effects; and public spending*

ROLE OF SOCIAL PARTNERS IN PROTECTING AN EMPLOYED WHISTLEBLOWER AS AN ELEMENT OF SOCIAL DEVELOPMENT

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ABSTRACT

The successful fight against corruption and other illegal acts endangering public interest becomes more and more important

element of the economic and social development, especially in posttransitional countries. Therefore the subject of analyses in this paper is role of social partners in protecting the rights of employed whistleblower, which derives from the obligation of the employer in case of internal whistleblowing and the role of trade unions in protecting the employees rights. The role of trade unions to indirectly protect public interest by protecting whistleblowers is complementary to the role of protecting the employees rights. The direct aim of trade unions is the protection of whistleblowers and indirect important aims are the protection of public interest and fight against corruption as a prerequisite of development. The association of employers, starting from their role in achieving these aims, gives preference to the protection of employed whistleblowers comparing to partial interests of its members, who make illegal, unmoral or illegitimate acts. The contribution of social partners to social development is being done in a significant amount through the affirmation of a concept of employed citizen who has a right to deny loyalty to his employer and point to illegal proceedings. The importance of trade union protection may be greater if the protection of employed whistleblowers is provided in similar manner to the protection of trade union representatives or workers councils, by which higher quality of protection is provided as well as direct participation of social partners.

Keywords: *economic and social development, employer, employers association. protection of rights of employed whistleblowers, trade union*

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