

Varazdin Development and Entrepreneurship Agency and University North
in cooperation with:
Faculty of Management University of Warsaw
Faculty of Law, Economics and Social Sciences Sale - Mohammed V University in Rabat
Polytechnic of Medimurje in Cakovec



Economic and Social Development

65th International Scientific Conference on Economic and Social Development

Book of Abstracts

Editors:

Ana Aleksic, Vlatka Ruzic, Zoltan Baracscai



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METHODOLOGICAL CONCEPTS FOR MODERNIZATION OF INDUSTRIAL ENTERPRISES IN THE CONCEPT OF POST- INDUSTRIAL DEVELOPMENT

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ABSTRACT

This work analyzes the efficiency of innovative activity across countries and industries. The author offers his interpretation of the concept «model of innovation development». Tools for the quantitative assessment of level of innovative development of countries and formation of the vector of economic development based on indicators grouped under the following three components were developed: labor, productivity, and cost. This study also investigates the structure of domestic expenditure on innovation in the main sectors of investment (by country). Based on the testing of the developed tools, recommendations for the innovative development of the country are offered.

Keywords: *Economic innovation, Development trend, Innovative level, Factors, Recommendations*

BEYOND THE PANDEMIC – A NEW ERA OF CONSUMER BEHAVIOR

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ABSTRACT

The global COVID-19 pandemic, caused by the newly discovered SARS-CoV-2 virus, is changing consumer behavior, and some aspects of the behavior remain irrevocable. Adaptation to new circumstances depends on other variables of influence, such as the culture and personal characteristics of the individual consumer. With economic instability and uncertainty, consumers are experiencing transformation in behavior. Impulsive buying behavior, apart from the COVID-19 pandemic, was also seen during the SARS pandemic and the Fukushima disaster. The purpose of this paper is to present, illustrate and explain the researched trends in changing consumer behavior during a pandemic. In order to do that, literature explaining consumer behavior has been studied and this knowledge is reinforced with the latest surveys related to changes in consumer behavior during a pandemic. A new model of consumer behavior has been proposed to which the impact of a pandemic as a situational factor has been added. Consumer optimism is explained using the confidence index. Finally, the paradigm shift towards ethical consumer behavior is defined and explored.

Keywords: *Consumer behavior, economic crisis, consumer confidence, ethical consumer behavior*

CONSTITUTIONAL LEGAL PROTECTION OF THE FAMILY IN THE REPUBLIC OF SERBIA

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ABSTRACT

The Constitution of the Republic of Serbia regulates numerous constitutional rights that directly concern the family. Its provisions establish the most relevant principles on the family and family relations. For that reason, the authors of this paper will pay special attention to the most important constitutional provisions related to the matter of arranging family relations and its protection. In this paper, the authors will analyze the following constitutional rights and principles: gender equality, prohibition of discrimination, the right to marry and equality of spouses, equating extramarital union with marriage, freedom to decide on birth, children's rights, parental rights and duties and special family protection, mother, single parent and child. These principles will be discussed in order to review the current situation in the studied area, but also to improve the legal protection and legal position of the subjects of family law relations and the provision and protection of human rights.

Keywords: *constitution, family, protection, equality, Republic of Serbia*

REGIONAL ECONOMICS AS A PART OF REGIONAL SCIENCES

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ABSTRACT

Regional science is a multidisciplinary field which started to develop significantly in the 1950s. The development of regional sciences relies on the study of theories and tools that explain the mutual interactions of time and space (location) and their impact on society and its activities in a defined space. A significant part of research in regional sciences focuses on economic issues. As this is an aspect of the economic study, which is defined and relates to a specific area or space (segment or region), we can say that regional economics is one of the fundamental elements of regional science. In terms of its structure, regional economics can be examined from a macroeconomic standpoint (economic growth, employment, etc.) and microeconomic one (location issues). The full development of regional (spatial) economics is based on two major theory groups, namely: (i) location theory, and (ii) regional growth and development theories. Location theory, the driving force behind regional economics, which was developed in the early 1900s, addresses the issues of economic laws of spatial distribution of economic activities, whereas regional growth and development theories mainly focus on the planning aspect of economic growth and spatial distribution of income. Another term for regional economics is spatial economics and the use of the terms in literature is related to the main line of research in which these synonyms are used – the term spatial economics is more often used in geographical, architectural and sociological research, whereas the term regional economics is found in economy-oriented research.

Keywords: *regional sciences, regional economics, space, location*

APPLICATION OF ENVIRONMENTAL TAXES IN THE REPUBLIC OF CROATIA NOW AND RECOMMENDATIONS FOR THE FUTURE

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ABSTRACT

Concern for the environment as a valuable good and the danger of climate change put environmental protection at the center of public consideration. In addition to the fact that environmental protection has become one of the main guidelines for action by governments around the world in recent decades, awareness of the need to preserve the environment and stop climate change is growing among the population, influenced by key social stakeholders. In this context, environmental taxes are the key to achieving sustainability in the economy. By raising the price of environmentally harmful goods relative to other goods, environmental taxes stimulate consumer habits in a more sustainable direction. However, although environmental taxes have been considered one of the most attractive instruments of environmental protection, their widespread application is still hampered by certain problems. In the first place, it is their dual effect on economic growth, where in certain circumstances they can make growth more sustainable and economically efficient,

but also in some cases harm economic activity. The issue of environmental taxes is a particularly important issue for the Republic of Croatia, as Croatia's economic system relies heavily on natural resources, which best reflects the importance of tourism and related activities for the domestic economy, where revenue from this industry accounts for about a fifth of GDP.

Keywords: *environmental taxes, sustainable economy, climate change, environmental protection, economic growth; natural resources, tourism*

STRUCTURAL CONVERGENCE OF SELECTED SOUTH-EAST EUROPEAN ECONOMIES TO THE EUROZONE

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ABSTRACT

The paper analyzes the GDP expenditure and production structure of EU members Bulgaria, Romania and Croatia, comparing it with that of the Eurozone and tracing the presence or absence of convergence processes. Empirical results show that until the crisis of 2009, all three countries have a tendency to increase the divergence in the GDP expenditure structure, with net exports showing the strongest divergence from the Eurozone. After 2009, the negative trend towards divergence of the GDP expenditure structure of Bulgaria, Romania and Croatia from

that of the Eurozone turns into a positive one – towards convergence. This also applies to the separate expenditure components, which show stronger convergence after the crisis year of 2009. Contrary to that, convergence of the production structures is faster during the first half of the period, with Bulgaria and Romania showing the highest rates, and the agricultural sector contributing most strongly. After the 2009 recession the process is slower and more uneven, with some reversal patterns also emerging.

Keywords: *economic integration, monetary unions, structural convergence*

FOOD SECURITY IN AZERBAIJAN: TRENDS, PROBLEMS AND PROSPECTS

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ABSTRACT

Food security is a complex and multifaceted problem that is both international and national in nature and affects every single person, every social group and the population of the state as a whole. For Azerbaijan, this task remains one of the central in political, economic and social life, along with the tasks in the field of defense, general economic and national security. Since the 1970s, food security has been viewed by the world community as an integral part of sustainable development. The UN system and its specialized agencies, along with other international institutions and the nongovernmental sector, have begun the process of developing global strategies and policies on food security. For Azerbaijan, food security is one of the central in the system of economic security, where one of the main indicators is

economic accessibility and the ability of the population to purchase food in accordance with physiological norms with the existing consumption structure, price system, income level, benefits and benefits, since without reliable supplying the population with food, the state is unable to ensure the protection of the vital interests of society and the individual.

Keywords: *food security of Azerbaijan, economic accessibility of food, food supply mechanism, Agro-industrial complex, world food system, food reserves, food independence*

BUILDING A RESILIENT TENDENCY: TRADITIONAL ECONOMY AND SHARING ECONOMY IN TERMS OF THE COVID-19

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ABSTRACT

The current pandemic COVID-19 plays a crucial role today in several businesses, and it is a chance for a "great reset" for the economies. There are assumptions about how the traditional economy suffers significantly during the pandemic. Adversely, a couple of authors anticipate an excellent bounce-back of the sharing economy after the pandemic. However, we cannot neglect the negative impacts of pandemic upon two growing economies. This study aims at how these economies show resilience in challenging COVID-19. The study also focuses on which one of those economies adapt to the new normals during a pandemic. Moreover, The increase in the delivery sector, the creation of Uber Hub, and a great adaptation of "Work From Home" (WFH) are significant indications. On the other hand, the reader may obtain the most significant impact of the pandemic in the traditional economy, such as government policies, financial

instruments, savings, and tourism. The essential impacts of the pandemic in the sharing economy are also discussed, such as Contract issue, California Assembly Bill 5 (AB5), strategical changes, and adaptation. Furthermore, this study includes assumptions through potential solutions and future changes, for instance, "robotics" and "global social contract." Finally, this study discloses that the sharing economy performs better adaptation in current economic challenges than the traditional economy.

Keywords: *COVID-19, gig economy, gig economy users, independent contractor, pandemic, policy, sharing economy, traditional economy*

FINANCIAL MARKET OF AZERBAIJAN: NEW CHALLENGES, OPPORTUNITIES AND PROSPECTS

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ABSTRACT

The article is devoted to the financial market of Azerbaijan and the issues of reforming, sustainability and increasing the efficiency of the financial market in the context of growing competition. The author highlighted the main trends in financial markets, identified and analyzed the development problems of the Azerbaijani market. Identify the main problems and prospects for the development of the country's financial system based on the state of the financial market in Azerbaijan over the past decade. Research shows that Azerbaijan needs a systematic financial market development program that takes into account milestones, new challenges, economic priorities and lessons learned. Thus, in terms of further development of the financial market in Azerbaijan, it is necessary to outline the following goals: introduction and improvement of corporate governance, taking

into account world standards, contributing to greater stabilization of financial institutions; creation of an atmosphere of trust in the financial system on the part of investors, creditors and depositors, thanks to the protection of their rights and improvement of the quality of service, and the achievement of transparency in the activities of financial institutions.

Keywords: *financial markets, banking sector, capital market, stock exchange, insurance market, cashless economy*

WORKING FROM HOME BEFORE PANDEMIC: CASE OF CROATIA 2008-2018

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ABSTRACT

COVID-19 pandemic impacted not only health systems but also economies and businesses around the world. In an attempt to deal with the disease, countries adopted number of measures such as lockdown, social distancing, and stay-at-home orders what consequently reflected into labour markets. Working from home became new normal way of performing job tasks and this topic became the focus of interest of professionals and academics. The aim of this paper is to explore the characteristics, both demographic and firm related, linked to work from home in the pre-pandemic period 2008-2018, as well to establish a relationship between home-based work and the level of income. Examining the characteristics of individuals who can work from home, identifying vulnerable groups and industries can help policymakers to target policies towards particularly affected workers in the post COVID-19 pandemic period. Incidence of home-based working in Croatia is not a large one. In 2018, only 6% of workers stated that they usually or sometimes work from

home. In order to explore the probability of home-based work, logistic regression is used on the basis of the data from Labour Force Survey for the period 2008-2018. Correlation coefficient is used to establish relationship between income levels and working from home.

Keywords: *Croatia, home-working, income, socio-demographic characteristics*

KNOWLEDGE GOVERNANCE IN THE TERMS OF CHANGE

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ABSTRACT

A key aspect of the nowadays high dynamically transforming world is the wide range of issues related to knowledge governance. The focus of the article is put on identifying main aspects of organizational adaptation in business organizations in the terms of continuous change of the external environment. The aim of the author is to reveal and evaluate the interaction between the infrastructural elements of knowledge governance in a dynamically changing surrounding. The main thesis is that speed of application of knowledge, combined with organizational flexibility, applied in a synergistic combination of information processing capacity, information technology and creative potential of people in organizations significantly contributes for overcoming critical changes. The ability to govern effectively the assets of knowledge will determine the identity and competitiveness of modern organizations.

Keywords: *change, knowledge governance, organizational resources, human factor*

REAL IMPACT OF EU FUNDING – QUALITY VERSUS QUANTITY

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ABSTRACT

EU funds as grants encourage the reduction of regional inequalities through the development of less developed areas. Most of the stakeholders are gravitating to the ideal situation, in which whole available funds will be attracted and implemented, therefore efficacy of territorial unit is most often and simplest measured by the number of projects, and by the amount of money implemented through this projects. More development projects do not necessarily mean more benefits for a particular area. It is necessary to direct resources well in order to achieve maximum effects. This paper shows the importance of smart planning and strategic thinking through the analysis of the impact of funded projects on development. The survey was conducted through a survey questionnaire on a sample of 78 consultants for EU funds where their experiences and impacts of the projects in which they participated were analyzed.

Keywords: *EU funds, impact, development*

CRITICAL ANALYSIS OF THE GREEN ECONOMY IN AFRICA: CASE OF BIOFUEL

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ABSTRACT

The African economy is dominated by countries with low inputs and incomes. Despite the veracity of its resources, favorable climate, and abundant labor, most African countries depend on exports of primary products. Indeed, the continent's agricultural system is a rain-fed system in the majority of its countries that generates a small-scale production that remains insufficient to meet the needs of the population and contributes to the multiplication of energy and food insecurity. In the light of these challenges, policy makers in Africa have questioned the effectiveness and usefulness of the economic strategies adopted for more rational use of resources. The biofuel is both a source of hope in the face of the challenges of energy insecurity, food and poverty in Africa, and potential for economic development. Biofuels can be defined as fuels that can be produced from agricultural and forestry products or the biodegradable part of industrial and municipal waste. The main sources of energy in rural Africa are biofuels that are used for lighting and powering engines such as wood and excreta. Africa needs to take advantage of the raw material needed to be part of this emerging industry. It needs to take advantage of its access to clean and renewable sources of energy. The survival of its population depends on the use of fossil fuels, firewood and charcoal, which greatly limits its potential for economic and social development. Thus, the continent's energy needs are growing very rapidly under the

pressure of demographic factors and urbanization; this means that Africa needs to move from traditional sources of energy to new ones in order to improve the economies of the energy and reduce its dependence on fossil fuels and build the basics of development. In this article, we aim to identify what Africa hides in its nature and serves as a true pillar of a new industry. Next, it is necessary to review how African countries have responded to this potential in terms of policy and strategy. In addition, we will end this article with a set of economic, social and environmental impacts to elucidate what biofuels have brought to Africa. This article will aim to answer three major questions:

- *Biofuels: What potential for Africa?*
- *What are the policies for biofuels in Africa?*
- *What are the positive and negative impacts of biofuels in Africa?*

Keywords: *Biofuel, Africa, sustainable development, energy agriculture and renewable resources*

STRUCTURAL CONVERGENCE WITH THE EUROZONE: A COMPARATIVE ANALYSIS OF BULGARIA AND ROMANIA

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ABSTRACT

The paper provides an analysis of the structural convergence of the Bulgarian and Romanian economies with the Eurozone, measured in terms of the convergence in the production, expenditure and income structures of the GDP. The interest in this subject matter is triggered by the future membership of the two countries in the Eurozone and its connection with the

effectiveness of the conducted monetary policy, as well as the prospects for their economic growth and real convergence. The evaluation of the structural convergence is based on the use of the sigma convergence approach and the construction of the Krugman Specialization Index and the Index of Structural Inequality. The study examines the 2000 – 2019 period which allows for the characterization of the specifics prior to and in the wake of the 2008 global economic and financial crisis. Based on the results of the empirical analysis it is concluded that there was a considerable narrowing of the structural differences in the GVA in Bulgaria for the entire period which ran relatively smoothly whereas in Romania it started in 2012 and featured certain irregularities. It has been established that the divergence process in the GDP expenditure structure before the crisis was more obvious in Bulgaria and that the Bulgarian economy featured a higher level of structural convergence in comparison to Romania after 2009. The trend in the GDP income structure of Bulgaria after 2012 was towards a considerable narrowing of the differences with the Eurozone whereas in Romania it was towards a moderate increase in the deviations. The lower level of structural convergence or structural divergence of the Romanian economy is based on the higher, compared to Bulgaria, relative shares of the industry sector in GVA and the investments and the companies' incomes in GDP which have a positive impact on economic growth.

Keywords: *GDP structures, Krugman specialization index, Index of structural inequality, Sigma convergence, Structural convergence*

THE POLITICAL ECONOMY OF CHINA IN THE IMPACT OF COVID-19

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ABSTRACT

In its global scope and effect, the Covid-19 pandemic is unparalleled, presenting daunting challenges to policymakers and the empirical study of its direct and indirect impacts within the integrated global economy. The results of the analysis show that the global recession will be long-lasting, with no country, regardless of its mitigation strategy, avoiding its effects. As most of the world is trying to keep the fragile rebound from recession from being stalled by new coronavirus waves, China's economy appears to be on its way. The coronavirus started in the Wuhan province of China in December 2019 and spread rapidly. Although the cases seen in China reach their peak today, over time have entered a downward trend. The opposite trends are seen in Europe and America. . In strongly interconnected and integrated earth the effects of the disease have gone beyond death. In this context, governments prepare contingency plans and help prevent economic collapse receives packages. Serious deadlocks have occurred in the Chinese economy after the coronavirus, and this situation has led to a decrease in production and consumption. In general, global supply chains its operation was impaired, and all companies in the world were negatively affected by this situation. This research will have been analyzing the political impact of China's economy during outbreak issues. In accordance, here, we will discuss China's economy current economic course and challenges.

Keywords: Covid-19, China, economy, impact, growth

DEVELOPING AN ECOSYSTEM FOR SOCIAL ENTERPRISE IN AZERBAIJAN BASED ON THE EUROPEAN UNION EXPERIENCE

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ABSTRACT

The concept of social enterprise has recently been drawing the attention of both academics and policymakers across the world. Despite the increasing knowledge on social enterprise, there is still limited information regarding the difficulties that such organizations face. The development level of business models and the ecosystem of social enterprises also vary from country to country. The European Union is one of the best examples for the promotion and recognition of social enterprise with well-designed government support mechanisms. However, Azerbaijan has recently become familiar with this concept and didn't have adequate policies, programs, and strategies with supporting mechanisms. This paper aims to have a case study of Azerbaijan and provide recommendations for the development of the social enterprise ecosystem based on the experience of the European Union. The authors' findings and recommendations cover four main pillars of the social enterprise ecosystem - capacity to self-organize, visibility and recognition, resources, and education and skills development.

Keywords: *Social Enterprise, Social Enterprise Ecosystem, Azerbaijan*

CONTEMPORARY CHALLENGES OF CULTURAL HERITAGE MANAGEMENT BY PUBLIC AND PRIVATE ENTITIES

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ABSTRACT

Cultural heritage is a concept that covers numerous designations, both tangible and intangible, such as cultural goods, monuments, which are important for the culture and identity of a given community. From the legal perspective, especially from the administrative law perspective, it is crucial to protect and care for the designates of cultural heritage, so that, in accordance with the principle of intergenerational justice, the achievements of the previous and the present generation are passed on to future generations. At the same time, it is more and more often noticed that appropriate management is necessary to ensure the effectiveness of protection of cultural heritage. In this context, the achievements of praxeology may be helpful, especially in the field of the efficiency of cultural heritage management, taking into account such measures as: effectiveness, profitability and economy. The protection of cultural heritage should be dynamic, not static, and in addition to the protection of authenticity and integrity, it should enable the development of cultural heritage designations, the widest possible access to them, and their use for appropriate purposes. Cultural heritage is managed by bodies governed by public and private law and there are some differences in this respect. Moreover, in today's globalized and digitized world, new problems and challenges can be seen in the efficient management of cultural heritage, including its protection, development, and the need to adapt to changing

social, economic, cultural, legal and political conditions. It should be emphasized that ensuring the efficient management of cultural heritage and its effective protection should be in the public and individual interest. The aim of the article is to analyze the situation of cultural heritage from the perspective of its efficient management in the contemporary globalized and digitized world. The analysis will be carried out taking into account the legal aspects. In addition, the challenges in the field of cultural heritage management from the perspective of legal sciences and management science will be indicated, taking into account the differences in cultural heritage management by public and private law entities.

Keywords: *cultural heritage, management, private entities, public entities*

THE IMPACT OF EDUCATIONAL LEADERSHIP IN EDUCATION GLOBALISATION

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ABSTRACT

The education globalisation concept has become more effective and active in recent years, especially during this time when all educational and learning institutions suffer from a lack of information and solutions, as well as challenges and threats from the current pandemic. One of the main reasons why education globalisation is effective is that the recent COVID-19 pandemic reflects the need for e-learning, the need for new methods of distance learning and the importance of training teaching and administration staff in schools. A question arises: What are the main challenges in leadership educational globalisation at this

time? And what solutions can schools apply to improve school achievements and staff development? This study investigates the best solutions and experiences that many educational institutions have implemented. The study's data was collected by investigating historical documents and prior studies in educational leadership and education globalisation, as well as e-learning and teacher development methods.

Keywords: *educational leadership, globalisation, challenges*

INSTITUTIONAL REFORM – A NECESSARY CONDITION FOR HEALTH SYSTEM REFORM IN CROATIA

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ABSTRACT

Even before the COVID-19 virus pandemic, the health system of the Republic of Croatia was subject to frequent questions about the effectiveness of its financing, ie the level of health insurance contribution rates that have a direct negative impact on the competitiveness of the national economy and the scope, quality and quantity of health services which are often perceived in a

negative context. There are several main reasons why the health care system needs to be thoroughly reformed: fast and intense development of new health services, the possibility of new pandemics such as the current COVID-19 pandemic, life expectancy causing rising costs and very negative demographic trends in Croatia. The current way of financing the health system is less and less efficient, and the new circumstances related to the COVID-19 pandemic further indicate its sensitivity, so it is necessary to reform its financing to achieve two main goals: efficient financing and avoiding further distortions of the economy. The authors conclude that this can be achieved by changing the tax structure in a way that relieves income and shifts the emphasis to consumption taxation

Keywords: *institutional reform, health system, tax structure, demographic trends, COVID-19 pandemic*

BUSINESS LESSONS FROM AN EARLY ENTREPRENEUR: THE CASE OF DOÑA GRACIA NASI

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ABSTRACT

The sixteenth century was a fertile period in the economic field, with the transition from feudalism to mercantilism, the widening of business geography, the West meeting the East by sea (Cape Route), ships, maritime instruments and cartography were high-technology, as well as great political and social uncertainties – kingdoms in permanent conflict, changing borders, persecutions, and migrations. Within this context, the life of Doña Gracia Nasi reveals a history of leadership and commitment to business and noteworthy “values”. This paper suggests that businesses represent more than numbers and points that the most relevant business facts are not available for review in accounting and

financial documents, as they occur behind the scenes. All of this presents companies as an institution vulnerable to social rules. Being of a cross-disciplinary nature, the research assumes that personal relationships and personal situations often influence business relationships. Using a holistic approach, comprehending different set of theories, including contingency theory, functionalism, and relationship theory, this paper examines the contributions of the case of Doña Gracia to business knowledge. The research results highlight the fact that financial, managing and social dominance can be easily overruled by gender, religion and trade disputes, in particular in times of uncertainty, being the life of Doña Gracia a fine example of such and reminding everyone today about the dangers of any form of political, social or economic extremism.

Keywords: *Business, Doña Gracia Nasi, Entrepreneurship, Businesswoman, Gender*

STRATEGIC OF MODELS OF POST-INDUSTRIAL DEVELOPMENT OF INDUSTRIAL ENTERPRISES IN TERMS OF THE CONCEPT OF NATIONAL SECURITY

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ABSTRACT

This study proves the necessity of shifting an economy away from development that focuses on raw materials and of policies for import substitution. The typology of strategies for import substitution is suggested. Factors influencing the effectiveness of the strategy of import substitution are revealed. A mechanism for controlling the efficiency of the import substitution strategy is proposed. To assess the level of development of foreign economic cooperation, a system of analytical indicators is proposed. Based on the assessment of the level of foreign economic activity (based on traditional and introduced indicators), the comparative, potential advantages of Russia are revealed. The import grid of the profitability of trade partners is proposed based on the testing of data on the countries of the Eurasian Economic Union. The differentiation of trade partners on the profitability of participation in foreign economic cooperation was carried out. Econometric models for studying the dynamics of Russia's foreign trade turnover have been developed with the aim of forecasting its level and the possibility of promptly adjusting the country's economic development strategy.

Keywords: *Import substitution, Development strategy, Foreign economic cooperation, Vector of economic security, Econometric model*

THE CONCEPT OF A DYNAMIC ENTERPRISE IN AN ECONOMIC AND PRAXEOLOGICAL APPROACH

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ABSTRACT

Enterprises are one of the basic entities conducting economic activity, and also have a significant impact on the economic development of societies. Over the centuries, companies, under the influence of exogenous and endogenous factors, have been subject to the development process. The development of enterprises is related to changes in their legal form, size, object and scope of activity. The concept of "enterprise" can be explained on the basis of economic, management and legal theories. The term "enterprise" also has legal definitions, especially at the level of national legislation and the European Union legislation. The term "enterprise" can be used in legislation with basically three senses, namely subjective, functional and objective. On the other hand, in the theory of economics, an enterprise is recognized as an economic and social category that is explained on the basis of neoclassical, managerial, behavioral and new institutional economics. The contemporary context of a dynamic enterprise can be considered in the field of dynamic economy, the basis of which is human action, which in fact means change. Rapid and unpredictable external and internal changes force enterprises to undertake actions aimed at achieving success and strengthening their competitive position. The success of an enterprise can be considered on the basis of the theory of human action, which is characterized by purposefulness in both economics and

praxeology. The goal of every enterprise is to survive, and above all to develop, hence the actions taken to achieve the goal should be carried out in an efficient and effective manner. The activities of enterprises defined as dynamic can be assessed both in terms of quantitative as well as qualitative criteria. The aim of the article is to identify the external and internal possibilities of the functioning of a dynamic enterprise from the economic and praxeological perspective.

Keywords: *Change, Dynamic enterprise, Economy, Praxeology*



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