



**Varazdin Development and Entrepreneurship Agency**  
*in cooperation with:*

- Faculty of Law, University of Split
- University of Split
- Faculty of Law, University of Sarajevo
- University North
- Faculty of Management University of Warsaw



## **Economic and Social Development**

22<sup>nd</sup> International Scientific Conference on Economic and Social Development –  
 “The Legal Challenges of Modern World”

Editors:

**Zeljko Radic, Ante Roncevic, Li Yongqiang**

**Book of Abstracts**

ISSN 1849-7543



9 771849 754003 >

Split, 29-30 June 2017

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**Publishing Editor ■** Domagoj Cingula

**Publisher ■ Design ■ Print ■** Varazdin Development and Entrepreneurship Agency, Varazdin, Croatia / Faculty of Law, University of Split / University of Split / Faculty of Law, University of Sarajevo / University North, Koprivnica, Croatia / Faculty of Management University of Warsaw, Warsaw, Poland

**Printing / Copies ■** Online Edition

**ISSN 1849-7543**

The Book is open access and double-blind peer reviewed.

Our Books are indexed and abstracted by ProQuest, EconBIZ, WoS (CPCI) and AEA (EconLit) databases and available for download in a PDF format from the Economic and Social Development Conference website:  
<http://www.esd-conference.com>

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# The Legal Challenges of Modern World

## LEGAL ASPECTS OF ENSURING TAX STABILITY

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### ABSTRACT

*This paper considers which elements are crucial for building stable tax system in modern globalised world. To answer this question author presents various contexts in which should we discuss design of tax system: processes of globalization and their impact on tax law, initiatives at international level of OECD and their significance for domestic level, the role of European Union and their initiatives for tax matters of its member states, function of taxes and the main tax principles. These contexts provide the conclusion in which author conceptualizes the frames and methods of modern tax system design.*

**Keywords:** tax certainty, tax system, tax law, tax design

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## THE CHILD'S RIGHT TO A CLEAN ENVIRONMENT

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### ABSTRACT

*Although the Convention on the Rights of the Child does not explicitly guarantee the child's right to a clean environment, it contains several provisions closely related to the issue of environmental protection, above all the child's right to life, survival and development, the right to the highest attainable standard of health, and the right to an adequate standard of living. A clean and healthy environment is a necessary precondition for the realisation of the said rights as well as the key determinant in the effective implementation of the Convention as a whole. The Convention is in force for nearly three decades now and it has been almost 25 years since the World Bank has expressly stated that investing in children's health is essential for ensuring human and*

*economic development. Nevertheless, despite the global awareness of the destructive impact of environmental degradation on the children's lives and, by default, on the future of the humanity, we are facing the estimated 1.7 million children under five years of age dying each year due to environmental hazards. It seems both appropriate to reconsider the demands and challenges regarding the child's right to a clean environment that can be found in the Convention on the Rights of the Child, as well as their implications for governments. In the author's opinion, explicit recognition of the child's right to a clean environment should be made on a global level.*

**Keywords:** *Child, Child's Right, Clean Environment, Health*

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## **FLEXICURITY – WAY OUT OR WAY WITH TRAPS AND HURDLES?**

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### **ABSTRACT**

*In recent decades, the European labour market has been criticized for a lack of flexibility which is essential in the growing internationalisation of the economy and ever fluctuating labour demand. So, in this situation, state support for constraints on markets has weakened, resulting in a tendency towards liberalisation across the EU. Concerning employment regimes, the liberalizing tendency has been reflected in declining trade union membership, the decentralisation and erosion of collective bargaining, increasing inequality and „supply-side“ reforms directed at weakening employment protection and linking benefit entitlements to participation in the labour market. Terms like »flexible firm« and “flexibility-security nexus” have emerged. In this paper, the author analyses strategies of flexibility that firms use in their attempt to become and stay competitive in the market, but also stress the importance of social security in the context of flexibility. These two opposing demands, namely flexibility and security, could be achieved through the concept of flexicurity. The author explains the reasons for growing interest in flexicurity,*

*especially on the part of the European Commission. After analyzing the components of flexicurity, the importance of social dialogue in the process of its implementation is stressed and explained. Despite its innovative character, the flexicurity approach is criticized for several reasons which at the same time represent the main obstacles in its implementation. In the concluding remarks the author poses a few questions: does flexicurity represent just a mask to cover essentially deregulatory drive which gives priority to the needs of employers over the interests of employees? Furthermore, does flexicurity need to be re-thought and adapted to newly emerging situations in the labour market or replaced with deregulation?*

**Keywords:** *flexible labour market, social security, critical flexicurity*

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## **CRIMINAL OFFENCE OF TAX EVASION - THE EUROPEAN AND CROATIAN LEGAL FRAMEWORK**

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### **ABSTRACT**

*Tax evasion or tax avoidance is an omnipresent issue not only in the Republic of Croatia but also in all the Member States of the European Union. The diversity of legal frameworks does not help in the consolidation of the situation nor the reducing of tax evasion and tax avoidance. Identification of manifestation forms of tax evasion is the first step in solving the same issues and investing in new technologies,*

*knowledge, and transparency is the important part of improving and maintaining the quality of any tax system. In this process, the importance of cooperation between the Member States lies within the new proposal for a package of measures against tax avoidance in economic operations in the European Union and the effort to improve tax transparency as well as prevention of aggressive tax planning. Strengthening tax treaties with third countries, which are not members of European Union, is of great importance in terms of tax avoidance in economic operations as well as developing efficient external strategy for effective taxation which would provide with consensual formulated obligations for Member States and from Member states to third countries in order to compliance with standards of transparency and automatic exchange of information for creating fair tax market.*

**Keywords:** *case law of court of justice, efficient taxation, manifestation forms of tax evasion, tax avoidance, tax evasion*

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## **NON-OBSERVANCE OF GENERAL PRINCIPLES IN PUBLIC PROCUREMENT IN LIGHT OF RECENT CASE LAW**

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### **ABSTRACT**

*Treaty on Functioning of EU does not offer any specific provisions relating to public procurement. However, it contains general principles that need to be obeyed. In particular, the principle of transparency, non-discrimination, equal treatment and proportionality. When these general principles expressed in the Treaty on the Functioning of the EU and in public procurement directives are violated, it happens in an indirect manner, which at first glance is not a flagrant violation of any of the provisions of the Treaty. The paper analyses recent case law of*

*the Court of Justice of the EU. It further studies the approach of the Czech administrative courts and compares it with the one of Court of Justice of the EU. Results of the analysis are synthesized and deviations found in the comparative part are exposed. The paper also summarizes the most common causes of violation of the general principles which render public contracts invalid.*

**Keywords:** *Court of Justice of the EU, General principles, Non-discrimination, Proportionality, Public procurement, Transparency*

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## **EU PERSONAL DATA PROTECTION RULES FOR DIGITAL AGE**

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### **ABSTRACT**

*The protection of personal data has been derived from the general right to privacy and it has been recognized in the European convention on Human Rights as one of the fundamental rights. The importance of this principle has been confirmed by adoption of Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data which has established strict rules in order to ensure high standards of protection everywhere in the EU. Recently the established rules and practice have been challenged due to the evolution of the privacy issues caused by new technologies and the reform of the data protection rules has been recognized as the condition for the implementation of the Digital Single Market Strategy, major project of the EU that should enable free movement of goods and services in the digital environment. The result is adoption of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) and accompanying new directive. The major aim of the new rules is to strengthen citizen's control over of their personal data, and*

*to simplify the regulatory environment for business. The aim of this paper is to provide the insight into the new rules and to discuss the challenges of their implementation in the EU countries.*

**Keywords:** *data protection, digital environment, free movement, transfer, privacy*

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## **ADDRESSING THE LACK OF DIVERSITY IN THE LEGAL PROFESSION, AT THE UNDERGRADUATE LEVEL**

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### **ABSTRACT**

*The study and practice of law is among the most respected and well-regarded pursuits; unfortunately, it is also among the least diverse. The persistent and alarming lack of diversity is prevalent in the industry regardless of the culture. In the United States and in Europe, statistics show that lawyers are overwhelmingly comprised by white males, especially in the higher ranks of the profession. Several factors contribute to this lack of diversity, including access to legal professionals and costs associated with pursuing a legal degree. Several strategies have been initiated to increase diversity in the field, including increasing awareness of the issue in the legal world and actively recruiting diverse populations, yet the lack of diversity persists. This paper will review some of the factors that contribute to the lack of diversity in the legal profession and strategies considered to increase diversity, and ultimately highlight a program that initiated one such strategy – a pre-law program developed to increase knowledge of the legal profession, access to legal professionals, and financial and academic support for the pursuit of a legal career for undergraduate students. The remainder of this paper will outline specifics of the pre-*

*law program, including its student demographics that include over 60 students with very diverse backgrounds, its law-related activities/programming that include presentations from law students and professions, law school visits, and workshops on applying for law school and writing personal statements, and its achieved outcomes since its inception in 2009 that include formative partnerships with regional law schools and legal organizations, student scholarships, and graduated attorneys.*

**Keywords:** *Education, Knowledge Management, Diversity, Legal Profession, Undergraduate*

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## **DIGITAL CONTENT AS A MARKET COMMODITY SUI GENERIS: EU LAWYERS (FINALLY) MOVING FROM NEWTON PHYSICS TO QUANTUM PHYSICS?**

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### **ABSTRACT**

*This paper responds to a growing number of demands by governmental and non-governmental organisations that call upon the EU institutions to level the legal treatment of digital content and physical goods. On this basis, consequences of treating digital content as analogous to physical goods are considered in certain legal fields, where it has recently been demonstrated that the categorisation of digital goods is of paramount legal importance, most notably in the field of copyright, taxation, and consumer protection law. Consequently, certain conclusions are made on the justifiability of the aforementioned calls for the legal unification of digital and physical goods.*

**Keywords:** *digital content, EU law, goods, services, copyright, taxation, consumers.*

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## **APPLICATION OF NEO-MANAGERIAL APPROACH IN THE HIGHER EDUCATION SYSTEM**

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### **ABSTRACT**

*The system of higher education has significantly been influenced by the processes of privatisation, commercialisation and agentification. These processes are the main indicators that the neo-managerial approach is present in the system of higher education, as is being stated in the paper. Furthermore, the paper also presents the results of empirical research conducted on Josip Juraj Strossmayer University in Osijek regarding the rate of successfulness of Croatian higher education system reform, which also support the claim of neo-managerial approach being present. The basic hypothesis of the conducted research was that neo-managerial approach was being applied. In addition, two sub-hypotheses were formed – the first one was that privatisation, commercialisation and agentification occur as a direct consequence of applying neo-managerial approach and the second one that the approach significantly changes the way higher education system is observed as public service. The aim of the paper is to analyse the theory of (open) system which forms the basis both for the given hypothesis and the two sub-hypotheses as well as to identify key elements relevant for the system of higher education, or in other words, to point out the relevant factors that make the system the so called open system. Finally, the author's thoughts and those of anyone else interested in the matter may be related to the question: is the higher education system no longer seen as public service and to what extent?*

**Keywords:** *agentification, commercialisation, neo-managerial approach, privatisation, the system of higher education*

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# **CROSS-BORDER CONSUMER DISPUTES IN LINE WITH CJEU RULING IN VEREIN FÜR KONSUMENTENINFORMATION V AMAZON EU SÀRL**

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## **ABSTRACT**

*Recent cross-border consumer dispute brought before CJEU opened to discussion a number of interesting issues. Main aspects of Verein für Konsumenteninformation v Amazon EU Sàrl of 28 July 2016 ruling relate to applicable law rules to be applied to online sales contracts concluded with consumers resident in other Member States. In the case brought before the CJEU in Luxembourg consumers resident in Austria challenged the operating mechanism of the Amazon EU. Amazon EU is a company established in Luxembourg, with no registered office or establishment in Austria. Amazon EU is offering online sales to Austrians under the domain name with the extension .de. General terms and conditions of such sales contracts contain a choice-of-law clause in favour of application of the law of the Member State in which the company was established. CJEU had to set which law is to be applied for determination of the applicable law for assessing the unfairness of terms in those general terms and conditions in an action for an injunction. CJEU therefore had to delimitate between the substantive scope of application of the Regulation (EC) No 593/2008 of the European Parliament and of the Council of 17 June 2008 on the law applicable to contractual obligations (Rome I) and Regulation (EC) No 864/2007 of the European Parliament and of the Council of 11 July 2007 on the law applicable to non-contractual obligations (Rome II). Moreover, a claim in regards the processing of personal data of consumers and relevant applicable law was posted, in relation to application of the Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995. This paper would tackle upon academic and practical aspects of the CJEU resolution to this case.*

**Keywords:** *applicable law, consumer, online sales contract, data protection*

## **CONSUMER PROTECTION IN ANCIENT ROME – LEX IULIA DE ANNONA AND EDICTUM DE PRETIIS RERUM VENALIUM AS PROHIBITIONS OF ABUSE OF DOMINANT POSITION?**

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### **ABSTRACT**

*This paper deals with the first ancient Roman prohibition of abuse of dominant position and with the consequences of such prohibition on the protection of buyers of groceries. In that sense, these solutions will be compared to the contemporary practice in the EU, especially with regard to Article 102 of the TFEU. The Lex Iulia de Annona (D. 48,12) prescribed criminal prosecution of persons who had committed any act or transaction by which they jeopardized the prices of provisions and groceries, in a way that they increased. This could be seen as one of the first attempts to prevent behaviours that lead to commercial monopolies. The Edictum de pretiis rerum venalium, issued by the emperor Diocletian, was also an effort to protect the consumers in a way that it set maximum prices for goods and services and prescribed criminal penalties for conducts contrary to the ban. Both examples show how certain groups of buyers were indirectly protected from greedy professional traders, who often used morally questionable methods to raise grocery prices. For example, such methods were frauds, forming of associations, detentions of a ship or a sailor or any other act which could result in a delayed delivery of grains and other groceries and ultimately an increase of prices. The sanctions were of criminal nature, and the penalty was a financial one. Even though this matter falls within the scope of competition law, it had, without a doubt, enormous influence on the protection of buyers of everyday items, which were essential for their lives. Bearing this in mind, such buyers will be compared to modern consumers, and the protection offered by ancient Roman law solutions to contemporary consumer protection.*

**Keywords:** *dominant position, consumer protection, price, Roman law*

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# **THE EUROPEAN AND CROATIA SMALL CLAIMS PROCEDURE AND APPERTAINING LEGAL PRINCIPLES**

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## **ABSTRACT**

*This paper deals with the small claims procedure at EU level and at the level of the Republic of Croatia, viewed through the prism of principles and the extent to which these principles are implemented in respective cases. The small claims procedure refers to matters in which the value of the claim does not exceed a certain amount prescribed by the procedural rules of a country or by the bilateral treaties of the countries concerned – which is the case with the European small claims procedure. Since the rules for small claims litigation result from a compromise between the de minimis non curat praetor principle and the requirement that the parties shall be granted legal protection of their rights, the appertaining action is brought where the value of the claim is small, and is subject simplified procedural rules, which can reduce the quality of legal protection. Structurally, the paper begins with an overview of the European small claims procedure introduced by Regulation (EC) No 861/2007 of the European Parliament and of the Council of 11 July 2007 establishing a European Small Claims Procedure, but it also makes special reference to Regulation (EU) 2015/2421 of the European Parliament and of the Council of 16 December 2015 amending Regulation (EC) No 861/2007. After presenting the European small claims procedure, the paper depicts how Croatian law handles this issue, which is regulated by the Civil Procedure Act. After making observations to the two procedures, the paper attempts to answer the question to which degree the following principles are implemented thereby: first, the principle of judicial efficiency as the fundamental principle in small claims litigation; second, the right to be heard principle; third, the principle of*

*immediacy; fourth, the principle of orality and literacy and fifth, the principle of providing assistance to ignorant (illiterate) parties. Based on the answer to this question, the author draws some conclusions with respect to small claims litigation within Croatian law.*

**Keywords:** *Croatian procedure, European procedure, legal principles, small claims litigation*

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## **ADVANTAGES AND DISADVANTAGES OF THE INFORMATION TECHNOLOGY USE IN THE WHISTLEBLOWING PROCESS**

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### **ABSTRACT**

*Whistleblowing, being increasingly recognized as a necessary form of fight against corruption and other unethical acts, is spreading in both the European Union and the posttransitional countries of the Southeast Europe. In the whistleblowing process, we recognize open, confidential and anonymous whistleblowing, with the identity of whistleblowers usually protected by confidentiality. While open whistleblowing does not suppose identity protection, confidential whistleblowing requires detailed legal protection of whistleblowers identity, by law on whistleblowers protection or by law on personal data protection, or partly through labour law and civil servants law. The third type of whistleblowing, or anonymous whistleblowing means reporting corruption and unethical acts most often with the use of information technologies, such as online reporting platforms, smart phones applications, hotline calls, etc., when whistleblower's personality is hidden, with the information technologies playing the role of the identity protection, which in case of confidential whistleblowing is given to laws.*

*These technologies enable receivers of corruption reports to have a dialogue with the whistleblower, investigate the accuracy of reports without revealing the anonymous person's identity. The subject of the analysis is a question of how the information technologies used in anonymous whistleblowing may substitute the identity protection at confidential whistleblowing, and what are the advantages and disadvantages of anonymous whistleblowing, comparing to confidential whistleblowing. A crucial question is whether the information technologies used in the whistleblowing process may alleviate the negative effects of inadequate legal protection, i.e. the lack of adequate legal protection or non-implementation of current legislation, which problem is pronounced in Southeast Europe. On the other hand, when the identity protection is not an issue, technology use enables far more important social influence to the protection of whistleblowers due to constant and timely informing the public on wrongdoings done against the whistleblowers or threats of being done.*

**Keywords:** *anonymous whistleblowing, fight against corruption, identity protection, information technologies, open whistleblowing*

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## **HARMONISATION OF RETENTION OF TITLE**

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### **ABSTRACT**

*The modern market economy is inconceivable without credit. Retention of title is non-possessory security rights in movable property specializing in one type of contractual relationship of credit - buying goods on credit or installments. Introductory remarks define the concept of retention of title and position of this institute in the system of the non-possessory security rights in movable property. Article analyzes the application of this institute in the EU Member States, representatives of the continental civil law, the common law and countries in transition. The purpose of the analysis is to determine: a) the problems of international trade due to different regulation of this legal institute in national legislation, b) the existence of similar*

*solutions in relation to fundamental aspects of this institute despite the diversity of legal systems. Article then critically examines the legal sources of retention of title in European Union law and the failure of the European Union to create a European retention of title or to harmonize this legal institution in the European Union, despite attempts to do it in a period of more than thirty years. Article especially considers the existing regulation in comparison with the recommendations of the UNCITRAL Legislative Guide on Secured Transactions, Draft Common Frame of Reference for European Private Law (DFCR) and Model law on security transaction EBRD and makes proposals for their improvement de lege ferenda. At the center of the attention is the issue of harmonization of this institute, and thus determining the direction of further harmonization of non–possessory security rights in movable property.*

**Keywords:** *movable property, non–possessory security rights, pactum reservatii dominii, private law, retention of title*

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## **THE CONCEPT OF THE FREE LOAN - AN INSTRUMENT OF PRIMARY SOCIAL PROTECTION IN BABYLONIAN LEGAL SYSTEM**

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### **ABSTRACT**

*Although there are a large number of papers in modern legal and historical science dealing with problems related to determination of the characteristics of the institution of loan in different legal systems, even in the oldest ones, researches focused on determining the characteristics and the reconstruction of a free loan are rare and few. Assuming that the primary institute of loan was used in cases of free transfer of consumable items with an obligation to return the same quantity and quality of other things this work is going to determine its relevance in the ancient law.*

*Detailed interpretation of the available legal texts and preserved written documents place the instrument in question exclusively in the relationship of mutual trust between the family and close friends. But other than that, this research will seek to establish the occurrence of free loan in the primary area of social protection of the poor and sick people. The previously mentioned public function of the institute of loan is a sole feature of Babylonian law and, as such, it undoubtedly contributes to the understanding of its development. All this shows that the economic significance of a free loan must be considered separately from the lending business which in the modern legal and economic science is an almost exclusive framework of appearance of this legal institute.*

**Keywords:** *free loan, babylonian law, social protection, poor and sick people, lending business*

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## **MISSING TRADER FRAUD AS PART OF ORGANISED CRIME IN EU**

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### **ABSTRACT**

*Paper aims to present and analyse Missing Trader Fraud as the abuse of VAT rules on cross-border transactions within the EU through research of its different types: Acquisition fraud, Carousel fraud, Contra-trading. Though MTIC fraud is an issue of interest of experts in economy, accounting, financial law, tax law, it is rare in the focus of experts of criminal law who are engaged in prosecution and conviction of this criminal offence. Its very nature though requires specific knowledge and additional education of criminal law jurists in order to provide effective and above all legal criminal proceedings. The great jeopardy of this crime does not only derive from the high material damages caused, but from the meticulously organised and numerous perpetrators. Legal mechanism in combating MTIC fraud is sophisticated and well structured, noting the great importance of cooperation in information exchanges.*

*Analysis elaborate problems detected in earlier practice of the European Court of Justice of the European Union; in the Kittel and Recolta Recycling Case from 2006, as well as the recent judgement in the Case of Ivo Taricco and Others. Specific questions regarding MTIC fraud in Croatia are developed in particular.*

**Keywords:** *Missing trader fraud, organised crime, VAT, tax evasion, criminal offence*

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## **THE LEGAL NATURE AND STATUS OF INTERPOL IN THE CONTEXT OF CONTEMPORARY INTERNATIONAL LAW**

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### **ABSTRACT**

*In the international legal order exist organizations about whose legal nature there is no agreement neither in international legal doctrine nor in practice. According to the understanding of the respective authors, these organizations are classified among intergovernmental organizations or among international non-governmental organizations, and in certain cases their nature is determined as sui generis. A similar approach we can find in international practice which further confirms existing attitudes in international legal doctrine. INTERPOL represents one of these organizations which are due to their specific characteristics on the border which according to the traditional understanding divides intergovernmental organizations and international non-governmental organizations. The paper indicates that the previous mentioned dichotomy is unjustified, arguing that with the existence of a new kind of international organisms – transgovernmental organizations which gather exclusively organs of the central government in its membership. Accordingly, the paper analyzes the constituent elements of INTERPOL with the aim of proving its transgovernmental nature. Furthermore, through its participation in international relations INTERPOL has become the holder of certain rights and obligations in the international legal order, and thus*

*acquired international legal capacity (capacitas iuridica) – a necessary constituent element of the international legal personality. Moreover, with the factual exercise of certain rights and obligations in the international legal order, such as right of concluding the treaties and the right of legation, INTERPOL has achieved the capacity to produce legal consequences on its own (capacitas agendi)- the second constitutive element of the international legal personality. Precisely for this reason, the paper discusses the rights and obligations of INTERPOL in the international legal order and thereby gives an answer to the question of its legal status in contemporary international law.*

**Keywords:** *international legal personality, international organisms, INTERPOL, transgovernmental organizations*

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## **RESTRUCTURING OF COMPANIES AND EMPLOYMENT SECURITY**

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### **ABSTRACT**

*The restructuring of a company often results in changes to the terms and conditions of employment. Today, it is widely accepted that restructuring should be socially responsible and take into account not only employment security, but also the interests of the society as a whole. With this in mind the author analyses some measures of Croatian law that guarantee employment and job security as an alternative to dismissal, while paying special attention to atypical work.*

**Keywords:** *atypical work, employment security, restructuring*

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## **IMPACT OF SUBSEQUENT TERMINATION OF BROKERED SALE AND PURCHASE CONTRACT ON THE BROKER'S RIGHT TO A COMMISSION**

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### **ABSTRACT**

*Positively confronted interests of the vendor of real property to sell and the purchaser to purchase frequently require brokerage of a third party, whose role is to establish a relationship between aforesaid two parties. This is, in fact, the basis of the real property market; to satisfy, on the one hand, the vendor's need to make a successful and fast sale of the real property and, on the other hand, the purchaser's aim to make a purchase under most favourable conditions. For the purpose of creating balance between vendors and purchasers, the brokerage contract imposes upon the broker, as the main obligation, to achieve a mutual conclusion of the contract between the vendor and the purchaser, i.e. the principal and the third party. However, the broker does not exercise the right, i.e. request to realise the principal's obligation of paying the commission at the moment when he creates the link between the principal and the third party, not even when the vendor and the purchaser negotiate the conclusion of the contract, but only when the vendor and the purchaser conclude the brokered contract. The paper analyses the issues of impact of subsequent termination of brokered sale and purchase contract on the broker's right to a commission. It provides answer to the following questions: if non-compliance of the brokered contract affects the broker's right to a commission, with special emphasis on the termination of the contract and voluntary withdrawal from the contract; which party from the brokerage contract assumes the risk of non-compliance of the brokered contract; if the parties to the brokerage contract are authorised to stipulate that any non-compliance of the brokerage contract indeed affects the broker's right to a commission; and how does nullity of the contract between the principal and the third party affect the broker's right to a commission if the broker had or had not been aware of the nullity reasons.*

**Keywords:** *broker, brokerage contract, principal, right to a commission*

# PROTECTION OF PERSONAL DATA IN TURKISH LAW

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## ABSTRACT

*The rapid development of information and communication technologies has caused personal data to be shared and spread more easily. Consequently; protection of personal data has become an important need. Personal data is defined as; any data about a real person whose identity is identified or can be identified. Within this context, not only the basic personal identification information such as the person's name, surname, date and place of birth, but any other personal data that can be directly or indirectly make such person identifiable, such as phone number, motor vehicle plate number, social security number, passport number, personal background, photo, video or audio records, fingerprints, genetics data, IP address, e-mail address, equipment identities, hobbies, preferences, contact persons, group memberships, family information etc. are included within the scope of personal data. The right of the protection of personal data is included among the basic personal rights and freedoms. It is vital for the protection of the person's privacy and for the empowerment of democracy and the principle of the state of law. The basic reason for the protection of private life, including personal data, through constitutional guarantee is to allow for the free development of personality and to provide the person with a free environment where the person can be alone with himself/herself and his/her acquaintances without being disturbed by the state or by other people. Many legal arrangements have been made particularly on the international arena for the protection of personal data, which is one of the rights of personality. Among these, the Convention No. 108 for the Protection of Individuals with regard to Automatic Processing of Personal Data is the most significant one. This paper aims to analyze the Turkish law and legislation with regard to the protection of personal data. The current situation will be assessed with regard to conformance to international legislations.*

**Keywords:** Information technologies, Protection of personal data, Turkish Law

## **A COMPARATIVE STUDY OF HUMAN RIGHTS EDUCATION IN MAINLAND CHINA AND TAIWAN REGION**

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### **ABSTRACT**

*This paper studies the history, current situation, the problems of human rights in mainland China and Taiwan region by a comparative method. It argues that human rights education has had its own characteristics during its development in mainland China and Taiwan region, and intends to identify its common problems then give some suggestions in order to achieve sustainable development. First, this paper surveys the histories of human rights education in mainland China and Taiwan region. Second, it summarizes the characteristics of human rights education in these two regions objectively, then identifies some common challenges for promoting human rights education and gives some ideas and suggestions for its future sustainable development. Both of human rights education in Mainland China and Taiwan region has seen great improvement, it also has its own characteristics during its development. Although human rights education met different challenges in the these two different areas in Greater China, there are some common problems. Ensuring and promoting the respect of human rights in society is the main goal of human rights education. Balanced development, independent development, the encouragement of and investment by the government , enterprises and society in the subject and the high quantity and quality of available human rights teachers are the guarantees for a sustainable model of human rights education in both of mainland China and Taiwan region.*

**Keywords:** *Human rights education, Mainland China, Sustainable development, Taiwan region*

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# THE FUTURE OF FREEDOM OF MOVEMENT OF ECONOMICALLY INACTIVE UNION CITIZENS

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## **ABSTRACT**

*Despite of its uncontestable success, the fundamental right of freedom of movement has been last years questioned by a number of host Member States. This new approach occurred following the occurrence of events such as the enlargement of the EU to economically poorest countries from Central, Eastern and Southern Europe, the global financial crisis and indirectly, the migration crisis.*

*Despite of the existing legal limits and large leeway of Member States in restricting this right, some Member States are of the opinion that the current provisions are too liberal and endanger their national interests. They would welcome reforms in order to fight against abuses of rights (so called social tourism), to limit access to social assistance and to preserve their national public policies. Similarly, the Court of Justice of the European Union (CJEU) is reflecting on this issue and recently changed its former generous approach by allowing Germany not to confer social assistance to inactive citizens (Dano 2014, Alimanovic 2015 and Garcia-Nieto 2016). These restricting measures are mainly targeting economically inactive Union citizens on the move, seen by their host Member State as potential unreasonable burdens on their public finance and services. This question has been also at the heart of the Brexit referendum and will be a key part of the Brexit negotiations. The aim of this article is to reflect and foresee next direction for freedom of movement between a backward steps rights-narrowing (supported by some host Member States), a statu quo (relying on differential treatment for economically inactive citizens) or a pursuit of EU integration towards a more European social model and a single Union citizen statute.*

**Keywords:** *Brexit, Equality of treatment, Freedom of movement, Inactive citizens, Social tourism, Union citizen*

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## **CIVIL PROCEDURAL LAW EFFECTS OF THE CONTRACT ON OUT OF COURT SETTLEMENT**

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### **ABSTRACT**

*Contract on out of court settlement, concluded between the parties in the civil or commercial dispute, primary is an institute of the substantive law, respectively of contract law. On the other hand, the treaty on court settlement is primary an institute of the procedural law. Therefore, in legal theory, but also in the jurisprudence the prevailing view was that contract on out of court settlement does not have any procedural law effects, but only effects in substantive law. The author postulates that treaty on out of court settlement should also have substantive and procedural law effects, the same as the contract on court settlement. Scientific methods used in this paper are intended to check and confirm the hypothesis, respectively; there is no other, more perfect mechanism which would allow a creditor to rely on the safe execution of debtor's duty. This question has not only scientific but also a practical significance, primarily for the parties of the dispute, who choose to resolve their dispute by peaceful means, out of court. The main reason why the issue of procedural effects of the contract on out of court settlement is so important is about the question of possibilities and conditions for the execution of the contract. This, further, affects the motivation of the parties to opt for the peaceful settlement of their dispute before they file a lawsuit before the court. The legal position of the parties in the dispute is more secure and also more certain, if any of them can count on procedural effects of the concluded contract on out of court settlement, primary on the effects in the enforcement procedure, in terms of its treatment as an enforceable document. The author concludes that its procedural effects can be identified but under certain conditions.*

**Keywords:** *contract on out of court settlement; execution of contract on out of court settlement; executive document; procedural effects*

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## **ALTERNATIVE DISPUTE RESOLUTION IN MEDICAL MALPRACTICE DISPUTES**

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### **ABSTRACT**

*Alternative dispute resolution (ADR) is a category comprising various techniques which enable the parties to resolve their conflicts out of the highly formalized judicial proceedings. In many legal systems, ADR is an increasingly popular set of legal instruments to resolve disputes because of its cost-effectiveness and time-effectiveness, flexibility, confidentiality and respect for unique aspects of a particular case. While it is traditionally associated primarily with commercial arbitration on one hand and consumer disputes on the other hand, ADR has been introduced also to the area of medical malpractice disputes. With the growing numbers of these disputes as well as rising amounts of compensation in many Western countries, the use of ADR in health care context is only logical and its further increase can be expected. Many studies show not only that ADR methods such as early apology, mediation or arbitration are very rational from an economic perspective for the health care providers, but also that these techniques improve the patients', or their relatives', satisfaction. However, very serious questions may arise about the suitability and even legality of the use of ADR in medical malpractice cases given mainly its possible interference with the human right to access to justice. The paper first introduces the ADR, its particular techniques and their use in medical malpractice disputes. Benefits and disadvantages of ADR in medical malpractice disputes are then analysed with a special emphasis on its possible conflict with the human, and constitutionally protected, right to access to justice.*

*The paper eventually assesses the conditions of suitability of ADR in the specific context of medical malpractice disputes.*

**Keywords:** *alternative dispute resolution, health law, medical malpractice, medical malpractice litigation, health care*

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## **LEGAL ASPECTS OF SOCIAL WELFARE SYSTEM IN LATE 19TH AND EARLY 20TH CENTURY IN TOWN OSIJEK**

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### **ABSTRACT**

*The paper draws attention to the fundamental features of the social welfare system in the city of Osijek. The author analyzes the historical development of social assistance and social welfare, the basic principles of social policy and elements of the social welfare system in the city of Osijek in the late 19th and the early 20th century. Social welfare as an independent administrative branch of administration belonged to the autonomous affairs of the Kingdom of Croatia and Slavonia, and to the administrative law. Caring and activity in the social welfare belonged to the local government. So, the supply of the poor was the responsibility of the municipality. Thus, in terms of social welfare in the cities of the Kingdom of Croatia and Slavonia, what was relevant was the legal article 72 of the Law on the organization of the city municipality of 21 June 1895, pursuant to which, the sphere of the city council also includes the supply of the poor. However, apart from these general institutions, statutes created in urban representations and approved by the government, also contain special institutions concerning the social welfare foundations, sharing support and management. Therefore, the city representation of Osijek in 1902 drafted a statute which regulated the supply of the poor in the city of Osijek. Also, in addition to the so called social welfare cash registers for helping the poor, there were also individuals who were the founders of such foundations.*

*Consequently, in this paper we are going to describe the activities of a few foundations in Osijek which were established during the 19th and 20th centuries, and which distinguished themselves for their actions about the care for the infirm and the poor. Special attention was paid to the description of the protection of children without parents (orphans) which fell under the city protection because there was a city poverty office within the city (the Poverty commission and the treasury).  
**Keywords:** local government, protection of children without parents (orphans), social welfare foundations, social welfare system*

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## **ALTERNATIVE DISPUTE RESOLUTION FOR CONSUMER DISPUTES IN CROATIA AND EU**

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### **ABSTRACT**

*This paper presents the development of alternative dispute resolution for consumers disputes mechanisms in Europe and analyses the current Directive 2013/11/EU of the European Parliament and of the Council on alternative dispute resolution for consumer disputes (ADR Directive) and the Regulation (EU) No 524/2013 of the European Parliament and of the Council on online dispute resolution of consumer disputes (ODR Regulation), as well as newly enacted legal framework of the Republic of Croatia in relation to out-of-court dispute resolution for consumers disputes which will enable consumers residing in EU as well as traders based in the EU, in a quick, efficient and easy way to use the Internet to resolve cross-border and national disputes and in front of authorities for alternative dispute resolution. This will contribute to the more efficient consumer protection which is also important for the functioning of the EU internal market and boost of economic growth.*

**Keywords:** *alternative, consumers, Directive, disputes, European Union, online*

## **MIXTURE OF PROPERTIES AND LEGAL IDENTITIES IN THE CORPORATE LAW**

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### **ABSTRACT**

*A limited liability company is a legal person. From the moment of entry of the company into a court registrar, its members are no longer liable with their private property for the liabilities of the company. The company is liable for its obligations with all its assets. The key feature of mixing of properties is the unlawful reduction of company assets in favor of private property of its members, while this procedure is not recorded in the ledgers of company and it is done without *guid pro quo*. If the members in the case of mixing assets invoke the principle of separation of company and its members in order to avoid personal liability numerous problems occur. The main issue is of course the fact that company creditors will not be able to collect their monetary and other claims addressed to the company since at that time the company is already insolvent. The term mixing assets, discusses the issue of whether and under which conditions members of the company are liable for its obligations, which makes an exception in the corporate law system. There is a risk that the privilege of limited liability (or no liability at all) may be abused to the detriment of company creditors and the other members who were acting more as investors in the undertaking. Such, for the company, and indirectly, for its creditors, damaging constellation has already been formed if the property of the member gets mixed with the company assets in such way that it is not any more possible to reliably determine whether they belong to the company or are these assets now with private property of its member. The circumstances where we discuss this legal institute are not entirely clear and the paper sheds some light on this very controversial issue in the company law.*

*Under the concept of mixing the spheres of thought to the case when, in legal terms, is no longer possible to distinguish between the company and its members as legal entities or this difference is not clear enough. This question is also discussed in the paper.*

**Keywords:** *Mixture of properties, Liabilities of the Parties, Mixture of Identities, Piercing the Corporate Veil, Corporations*

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## **LEGAL UNCERTAINTY AS NUISANCE TO INVESTMENT PROCESS IN RENEWABLE ENERGY**

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### **ABSTRACT**

*With a goal of harmonizing its legislation with the EU acquis, Croatia had to reform its own judicial system. The reform of the energy sector has began with adoption of the first package of energy legislation that the Croatian Parliament has brought in 2001. Five law Acts were adopted regulating the area of energy, gas and petroleum products. For Croatian legal system that was a novelty, since the subject matter previously was governed by many regulations of various legal areas, not laws, so in the coming years there were frequent and numerous amendments on adopted laws. All this led to legal uncertainty not only for potential, but also for current investors who had to dealt with the uncertainty of the legal system for years, in order to realise the project which they had already started. The intention of this paper is to present the complexity of the energy sector reform, which may result with legal uncertainty for project realization in renewable energy sources. On the example of Acciona Energy company, I will show a fraction of they legal path in realizing project to build one of the largest wind farms in Croatia on the Jelinak hill and to offer some conclusions.*

**Keywords:** *Acciona Energy, energy packages ,energy sector, reform of energy sector, wind farm*

## LEGAL REGULATION OF USE OF THE RENEWABLE ENERGY SOURCES IN THE REPUBLIC OF CROATIA

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### ABSTRACT

*In this paper the author analysis legal framework of the use of renewable sources of energy in the Republic of Croatia. Renewable sources of energy have been identified as a viable alternative to traditional sources. This goes to energy supply in general as well as in the domestic and regional context. The author emphasizes numerous advantages of using renewable energy sources – from economic to environmental. In order to support this hypothesis, the author quotes various relevant binding legal instruments that regulate use of the renewable energy sources including Directive 2009/28/EC of the European Parliament. Underlining the potential that Republic of Croatia has with regard to the extended use of renewable energy sources (the power of wind, sun, water etc.), the author points at some lacunae that have been identified within the domestic strategic framework and its implementation. This particularly goes for strengthening administrative capacities in order to increase funding of relevant projects through EU structural funds. Further improvement of these capacities should lead to the increase in the use of renewable energy sources in the Republic of Croatia. This would be possible only through full harmonization of domestic legislation with EU legal framework, reducing the bureaucracy, facilitating procedures of issuing relevant certificates etc. As an example of countries that aligned their legal framework to the European standards and significantly improved their practices, the author refers to some EU countries with well developed systems of use of the renewable energy sources. In concluding remarks, the author points out potential advantages of use of the land that has not been cultivated for planting some agricultural products that can be used as a biofuel.*

**Keywords:** *biofuel, Directive 2009/28/EC, environmental protection, legal framework, renewable energy sources*

## **BOOSTING CROSS BORDER E-COMMERCE IN THE EU CONSUMER LAW VS. LESS BURDENS FOR SMALL AND MEDIUM ENTERPRISES IN THE DIGITAL AGE**

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### **ABSTRACT**

*This paper gives a short analysis of one of latest European Commission activities towards all Member States with the aim to fill the gap between public policy on consumer rights (with its extensive legislation) and the creation of an business friendly environment with less burdens for small and medium enterprises (one of the main EU objectives for economic growth). At this moment there are about 22 millions of enterprises operating within the EU and 99,8 % of them are SMEs. Together with 500 millions of EU consumers they are, if trading in the Digital Single Market, a very big potential for the growth of the EU economy. To use this potential in the cross border e-commerce, the consumers as well as the businesses need to have more trust to decide to buy and sell goods and services on-line. The SMEs often complain about the complexity of the EU and the respective national regulations, and how to comply with various regulatory requirements. To stimulate their better involvement in the Digital Single Market, the European Commission is funding activities to inform and educate the SMEs in all 28 Member States puts together the main stakeholders of that process. Despite similar problems for all SMEs across EU, specific challenges of such education are present because of different economic development and different business ethics together with the lack of motivation for education. The main objectives of this paper are possible solutions for the better results of this education in consumer rights in digital age for SMEs in EU.*

**Keywords:** *consumer law, consumer rights, digital single market, e-commerce, SMEs training*

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## RELATIVIZATION OF ELECTORAL RIGHT EQUALITY PRINCIPLE

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### **ABSTRACT**

*The constitutional principle of electoral right equality emanates from the general legal principle of equality as an integral element of the rule of law concept. The rule of law represents the basic and the highest constitutional principle of modern democratic states. A coherent and fair implementation of the electoral right equality principle provides for the respect of a heterogeneous electorate structure in elections and an almost equal possibility to participate in political decision-making. The aforementioned facts represent a constitutional barrier to the political parties' monopoly; nonetheless, the electoral systems' most detailed normative regulation degree proceeds at the level of legislative norming, and such a decision type necessitates a considerably lesser consensus degree and parliament legitimacy. That enables a smaller number of larger parliamentary political parties to influence election outcomes while directly but very refinedly regulating certain electoral system's elements. In a violation of electoral right equality principle, constituency size, election threshold, a vote-to-mandate calculation formula and malapportionment exert an especially important influence. The adduced elements interfere in such a way that they potentiate the votes of larger and stronger political parties. In that sense, we may say that the Constitution is being altered materially, without modifying the formal Constitution in the process of single constitutional principle implementation. The electoral right equality de iure ceases to be so de facto. We are of an opinion that the aforementioned statements can be empirically verified on the example of the Republic of Croatia, as well as on the example of a series of other countries. A comparative research of the adduced problematic might verify the explicated theses. A possible solution to the adduced problems lies in the constitutionalization of certain type of electoral system and its constituent elements. This prevents a facilitated alteration and stabilizes both the electoral and the constitutional system as a whole.*

*Additionally, a very significant role herein is played by constitutional courts as the guardians of Constitution and the guarantors of protection of basic political rights. A comparative survey of these courts' practice, as well as that of the supranational European ones, may provide for a more complex insight into the realization of basic constitutional principles with regard to transparency and electoral system's equity.*

**Keywords:** *constitutional court, electoral right equality, electoral system, rule of law*

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## **UNILATERAL EFFECTS IN THE EU MERGER CONTROL**

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### **ABSTRACT**

*Merger control constitutes one of the most important pillars in the EU competition policy. European Commission assess mergers in the light of risk of distortion of effective competition. To check such as risk is being applied the SEIC test. It allows answer the question whether the merger results of the creation or strengthening of a dominant position or cause coordinated and unilateral effects. The aim of this paper is to answer a question whether assessment unilateral effects in merger procedure is really important and what tools are used to verify them. The analysis will be held on the basis of the decisional practice of the EU Commission.*

**Keywords:** *competition law, control of concentration, merger assessment, unilateral effects*

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# **LEGAL REQUIREMENTS FOR CROATIAN MARINAS ACCORDING TO EUROPEAN STANDARDS FOR THE PORT WASTE FACILITIES**

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## **ABSTRACT**

*The authors of this article analyze the European and Croatian legal solutions achieving effective management of marine waste in Croatian marinas, ports of nautical tourism. It was carried out a comparison of legal norms regarding the availability and use of port waste facilities in the Croatian subordinate legislation regulating the conditions to be met by the port in order to protect the marine environment from pollution (Decree on conditions to be met from the port of 2004); lays down minimum requirements to be met by the marina in relation to infrastructure and waste management (Regulation on the classification and categorization ports of nautical tourism from 1999; Regulation on the classification and categorization ports of nautical tourism from 2008) and transferred solutions Directive 2000/59/EC on port reception facilities for ship-generated waste in the legal system of the Republic of Croatia (Regulation on the conditions and method of maintaining order in ports and on other parts of internal waters and territorial sea of the Republic of Croatia from 2017). The authors have analyzed the national strategic documents (Study on Nautical Tourism Development 2015; Strategy for Maritime Development and Integrated Maritime Policy of the Republic of Croatia for the period 2014-2020; Tourism Development Strategy for the Republic of Croatia 2020; Croatian Nautical Tourism Development Strategy 2009-2019; Strategy for Sustainable Development of the Republic of Croatia from 2009 etc.)*

*and European strategic guidelines (Evaluation of Directive 2000/59/EC on port reception facilities for ship-generated waste 2016; Guidelines for the interpretation of Directive 2000/59/EC from 2016 etc.) that emphasize the necessary improvement in the availability and use of port facilities for the reception of ship waste in order to improve protection of the marine environment. Pointing to the EMSA studies which shows that in 55% of the EU Member States waste reduction plans have not been developed or implemented (in particular and recreational ports), the authors point to the duty of EU Member States provide an appropriate legal framework for the proper functioning of the port reception facilities and marina operator's liability in equipping marinas with appropriate port reception facilities and equipment for the reception of ship waste by ensuring their availability, suitability and simplicity of use.*

**Keywords:** *Croatian Marinas, Legal Requirements, Port Waste Facilities*

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## **THE EFFECTS OF REGULATION (EU) No 524/2013**

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### **ABSTRACT**

*The number of internet users is increasing significantly every year. Accordingly, every year the percentage of online shopping is increasing, however, the increase in cross-border online shopping is notably lower. As the main reason, consumers name the fear of disputes arising in relations with traders from other countries and problems related to resolving such disputes. As one of the solutions to encourage people to engage in cross-border online shopping, and consequently to indirectly accelerate economic growth, the European Union adopted Regulation (EU) No 524/2013 of the European Parliament and of the Council of 21 May 2013 on online dispute resolution for consumer disputes, by which an online dispute resolution platform was established.*

*It connects various national alternative dispute resolution entities, which the consumer can choose from among when initiating an online dispute resolution procedure against the trader. These online procedures are supposed to be easy for the parties to participate in, quick, and cheap. In addition, the platform even provides for the electronic translation of the documents exchanged between the parties in the procedure. But will the new online dispute resolution system really work as envisaged? Will its benefits result in a surge in online cross-border shopping that will help boost the economy of the European Union? The paper presents the major features of the new online dispute resolution system and points out the parts of the Regulation that have the potential to go wrong when (massively) used in practice: the trader's right to a court, the expenses of the official translations, and the possibility of cross-border recognition and enforcement of final decisions, to name just a few.*

**Keywords:** consumer, online dispute resolution, platform, Regulation (EU) No 524/2013

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## **ENSURING TAX STABILITY THROUGH ADVANCE RULINGS IN (SLOVENE) PRACTICE**

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### **ABSTRACT**

*Advance ruling is a tax instrument designed to mitigate the growing need for clarity and predictability of tax law relations. Many legislations introduced this tool in order to ensure legal certainty and economic stability. In Slovenia, advance ruling was introduced in 2006*

*with the adoption of the Tax Procedure Act (TPA). As stipulated by Article 14 of TPA, the tax authority issues advance rulings in individual cases based on future facts. The analysis of case law reveals that one of the key issues concerning advance rulings is their unclear legal nature. Furthermore, high fees and excessive length of procedures cause problems in the implementation of the TPA. This paper addresses the main considerations for efficiency of tax advance rulings in Slovenia in terms of legal analysis of the TPA, the Rules on its implementation, respective administrative practice and case law. An empirical study was carried out among tax consultants and the tax authority to verify the hypotheses on the non-optimal regulation and differing views of the tax authority and taxpayers. Thus, several recommendations on de lege ferenda improvements were formed, for comparable countries as well.*

**Keywords:** *advance ruling, legal certainty, Slovenia, tax procedure*

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## **LEGAL REMEDIES IN CROATIAN AND EUROPEAN LOW-VALUE PROCEDURES (BETWEEN THE LEGAL PROTECTION REQUIREMENT AND JUDICIARY EFFICIENCY)**

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### **ABSTRACT**

*Low-value procedures in Croatian procedural law are defined by three kinds of condemnatory claims set in the matters of small values. The ideal of every court case is a rightful final judgment. In this kind of cases – as socially less important – there are special procedural rules concentrated on the promptitude and efficiency of legal protection, so this can make a harmful influence on the quality of judgements. Article primarily examines the low-value procedures and their legal remedies. Because of a specific procedure in such cases, the institute of appeal as a regular legal remedy is partly arranged by different procedural rules than those rules we can find in the regular procedure.*

*The intention of the paper is to find and suggest specific solutions (de lege ferenda) which help make legal protection more effective in due time. In this sense, taking into consideration their purpose and the fact they are of less social importance, the paper studies the possibilities of the re-interpretation of constitutional law on appeals in these kinds of acts. Considering this, there are notable legislative decisions in particular countries of the European Union: their legal systems do not allow the appeals in the cases of lower values. There is another question involved: is the request for a retrial in the light of new facts and arguments in low-value procedures allowed, because of strict legal limitations on disclosing facts and arguments in this kind of cases. The paper reviews European low-value procedures, particularly in the part of legal remedies. Finally, we discussed the appeal in such a procedure, especially from the suitor's point of view and if this procedure is used or not.*

**Keywords:** *European low-value procedures, legal remedies, low-value disputes, request for a retrial, request for an appeal*

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## **ROLE OF TAX REVENUE OF LOCAL SELF- GOVERNMENT UNITS IN CORRELATION TO FISCAL DECENTRALISATION**

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### **ABSTRACT**

*Fiscal federalism is relevant part of the theory of public finances which deals with problems of decision making process, capabilities of assessment of liability for taxation and usage of collected means in public sector with two or more levels of fiscal government. Use of fiscal decentralisation in theory and in practise varies from each country to another. It is dependant of system of government, territorial constitution, economic and social development, historical and political circumstances which in the end determine entire configuration of public finances.*

*Which sources of fiscal revenue, in what capacity and in what way to distribute are the main problems that all states encounter frequently. On the one hand problem often lies in collection of taxes or the lack of it and on the other hand on how to properly and productively invest collected tax revenue and how it reflects on the economic development and growth of local self-government units. This paper deals with the revenue of the local and regional self-government units, focusing on the issue of tax revenue and the related types of taxes, furthermore provides a complex approach regarding the different structures of state and self-government revenues. Accordingly, by presenting the requirements of the European Union and the related experience, it reviews the basic elements of the Croatian tax system. The local and central characteristics of the certain types of taxes and the specialities thereof, as well as the applied functional differences are also scrutinized, and a widely accepted opinion of the taxpayers is explained.*

**Keywords:** *fiscal decentralisation, local self-government unit, tax revenue*

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## **TOURISM LEGISLATION AND POLICY: REVIEW OF TOURISM LAW IN SELECTED BALKAN COUNTRIES**

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### **ABSTRACT**

*Despite political turmoil and natural disasters in various parts of the world, tourism is one of the successful stories of present time and has shown constant economic growth in past few decades. Tourism has significant social and economic benefits for different countries, and tourism related legislation and policy created by various governments is one of the primary factors for the existence and development of tourism related activities. The subject of this paper is tourism legislation and policy of selected Balkan countries, as seen through the prism of tourism law in Croatia, Serbia, Macedonia and Bulgaria. Criteria for choosing these countries are membership in European Union and see border of Croatia and Bulgaria on the one hand, and continental territory and candidate for accession to the European Union from Macedonia and Serbia on the other.*

*The paper provides basic data for the selected Balkan countries such as: territory characteristics, population, number of international tourists, tourism law and existence of a National Tourism Organization. Table showing government bodies responsible for tourism, national tourism development strategies as well as tourism related legislation is used to prepare a comparative analysis of selected countries. For the purpose of paper we use research methodology and secondary data sources by consulting official tourism laws of selected countries. An analysis and review of tourism laws has been made, based on systematical evaluation of their actual content. The paper concluding remarks are regarding the structure, differences and similarities of the tourism laws and how the legislation determine prospects and directions of tourism development in the Balkan countries.*

**Keywords:** *Balkan countries, tourism legislation, tourism policy*

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## **ECONOMIC AND LEGAL EFFECTS OF LABOUR MARKET FLEXIBILITY**

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### **ABSTRACT**

*Flexible work is therefore an ambiguous concept in reaching the business success and advantages in an enormous rising competitive environment, and at the same time, flexible work might be criticized for its negative effects on workers and society, what was the reason to research the experience from small Balkan countries economies where labor flexibility has not been very good accepted.*

*The methods used are desk research and field research of 98 employers and 215 workers provided in 2016 in Croatia, Montenegro, Macedonia and Serbia on the economic and legal aspects of labor flexibility. In this paper is presented employers experience in flexible working. Key results show that in western Balkan countries legislative on flexible work patterns is not completed, as well not transparent to EU best practices, but beside that a great number of employers had the experience in flexible work arrangements: Temporary casual employment have used 66% of respondents mostly self-employed and small companies; Working during the weekend 10% of the respondents; Working at/from home 12% of legal entities had that experience; Seasonal work- 31% have used this form of hiring workers in 2016; Temporary employment has been mostly used by agencies and self-employed individuals, 83% of them, by 80% of large enterprises, 65% of craft shops, 47% of small enterprises and 30% of medium-sized enterprises; Help at home -12% of respondents have used this work pattern and . Hiring two people for one position only 11% of respondents did this in the previous period, mostly used by large enterprises. The desk research results suggest that the major changes currently taking place in relation to working time relate to its arrangement rather than its duration. The long-term decline in the number of hours worked has also slowed, but in some Balkan countries working hours may even have begun to increase. In the eyes of trade unions and workers, increased international competition in goods and service markets has been having negative implications on labour conditions and, in this respect, upon the number of hours that employees have to work and on the schedules that they have to fulfill. Candidate countries from Balkan might be facing economic pressures to reform the organisation of work in order to realise business targets, but much differ in a regulatory, institutional, economic, or social perspective. This paper contribution is also in supporting transparency in legal aspects of flexible working its competition and transfer of good practices to the candidate countries.*

**Key words:** economic impact, labour market flexibility, legislation, flexible working patterns

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## **JUDICIAL COOPERATION BETWEEN THE COURTS OF THE MEMBER STATES IN THE TAKING OF EVIDENCE IN CIVIL OR COMMERCIAL MATTERS**

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### **ABSTRACT**

*On 1 January 2004, Council Regulation (EC) 1206/2001 of 28 May 2001 on Cooperation between the Courts of the Member States in the Taking of Evidence in Civil and Commercial Matters became applicable. This paper analyze basic principles of the Regulation. The courts in a requesting state can ask courts in another Member State to take evidence directly or through a central body. First, the evidence taking using the international legal aid (direct transmission between the courts) and second, direct taking of evidence by the requesting court. An effort is required on the part of all the States, first to introduce the technology into the judicial administration, and then to provide information about the available resources in an effective manner. The main purpose of the Regulation is to make the taking of evidence in a cross-border context simple, effective and swift manner in another Member State through direct contact with judicial authorities of the latter. Because of that the taking of evidence procedure in another Member State must not lead to the lengthening of national proceedings. Paper analyzes some problems, first of all unification of law of evidence which would be very difficult because of ground-breaking conceptual differences between law of civil procedure and law of evidence in particular of Member States, but by encouraging judicial cooperation. The main improvement of this Regulation is removing of need to transmit the request to the central authority. One of the most important improvement is that Regulation accelerated the procedure of evidence taking by fixing the time limit for the execution of the activities. Another important principle is that the request is executed in accordance with the national law of the requested court.*

**Keywords:** *civil, commercial matters, evidence, legal aid*

## **AN OVERVIEW OF THE ADMINISTRATIVE JUSTICE IN THE REPUBLIC OF MACEDONIA**

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### **ABSTRACT**

*Administrative justice/judiciary, as a specialized judicial instance which is part of the organizational framework of the judicial system of the Republic of Macedonia, whose fundamental intention lies in the improvement and consolidation of the efficiency, diligence and frugality of judicial control over the final individual administrative acts, related to the issue whether they are adopted in compliance with legal acts of the respective administrative-legal domain, and whether they are adopted in accordance with the administrative-legal procedure prescribed by law, as well as the legal protection of rights and legal interests of private parties (natural persons and organizations) vis-à-vis administration and the commitment to the rule of law in administrative law area as an important legal area of the legal system of the Republic of Macedonia.*

**Keywords:** *Administrative justice/judiciary; administrative dispute; legal protection of human rights; European standards; rule of law; independent and impartial administrative justice*

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## **CRIMINAL LIABILITY OF MEDICAL DOCTORS *DE LEGE LATA* AND CRIMINAL LAW CHALLENGES *DE LEGE FERENDA***

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### **ABSTRACT**

*The legislator has only formally raised the human and noble activity of doctors to the rank of an activity of special social interest. However, at the same time, the legislator has imposed on medical activity numerous regulatory threats as well as criminal, misdemeanor, disciplinary and compensation liability. Therefore, the real question is in what way special social interest is reflected. Doctors work every day in the unnatural great fear of error which far exceeds that of any other occupation. This paper provides an overview of the criminal liability of doctors for malpractice and for failure to provide medical assistance in the Republic of Croatia at the legal and doctrinal level. The paper shows comparative solutions in various other legal systems, provides a critical review of existing law, and finally presents some ideas de lege ferenda that could be acceptable not only in Croatia but in other countries. Each individual doctor is required to respect Article 1 of the Code of Medical Ethics and Deontology, which obliges every doctor to engage in continuous professional development, to respect the patient's right to full information about their condition, so patients can give valid consent for the chosen method of medical treatment, and to respect the dignity of the patient in general, paying at the same time attention to their own dignity. Since medical activity is of special public interest, doctors as performers of medical activity are also persons of special social significance. Consequently, society needs to protect them from legal harassment.*

*The authors of this paper believe that by changing the Criminal Code in the sense of reducing criminal legal enforcement and possibly by enforcing compulsory insurance against the risk of incorrect treatment, doctors would be relieved of the unnecessary fear of making a mistake.*

**Keywords:** *criminal liability, doctor, malpractice, healthcare*

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## **CROSS-BORDER TRADE AND CONSUMER PROTECTION**

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### **ABSTRACT**

*Consumer protection in cross-border trade is an important part of EU Private International Law. Special rules aimed at protecting consumers are included in the Brussels Ibis Regulation and the Rome I Regulation. Furthermore, the specific rules of jurisdiction over consumer contracts are contained in Section 4 of the Brussels Ibis Regulation (Arts. 17-19) while Art. 6 of the Rome I Regulation comprises the respective choice of law rules. The rules of jurisdiction over consumer contracts contained in Arts. 17-19 of the Brussels Ibis Regulation presuppose the existence of an international or cross-border element. Art. 17 determines the scope of application of the provisions on jurisdiction over consumer contracts, which excludes the application of the general rules, e.g. Arts. 4, 7 and 8. Furthermore, Art. 18 defines the criteria on which the court shall base its jurisdiction to hear consumer disputes, both in cases where claims are brought by the consumer and where claims are brought against the consumer. The last paragraph sets out a rule for a counter-claim. Finally, Art. 19 prescribes the conditions for the valid conclusion of the choice-of-court agreement, additional to general conditions in Art. 25. In addition to the conditions which have to be fulfilled for a consumer contract to qualify for protection under Art. 6 Rome I Regulation, there are also exceptions provided for certain types of contracts. In cases falling under the scope of Article 6 protection, the consumer and professional are allowed to choose the law applicable to their contract, to the extent that the consumer is not*

*deprived of the protection granted by mandatory rules of law which would otherwise be applicable, i.e. the law of the country where the consumer has his habitual residence. The aim of this paper is to update legal practitioners on EU consumer protection legislation in cross-border trade for the purpose of its effective implementation in practice, especially in view of the EU Court of Justice case law interpreting these provisions.*

**Keywords:** *choice of law, consumer contracts, consumer protection, European Union, jurisdiction*

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## **CROATIAN LEGISLATION AND PRACTICE - THE EFFECTS ON INVESTMENT PROCESSES**

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### **ABSTRACT**

*Investments are conditio sine qua non of economic development, and consequently the development in general. For every investor, when making final decision to invest or not, it is extremely important whether it is an environment that is characterized by legal certainty. In other words, in an environment of legal uncertainty there are no or few investments. Legal certainty primarily means that it is clear when and under what conditions something is legal or illegal. Unfortunately, in Croatia, according to the information given by the author, there are legal environment and practice that, instead of going in favorem investment, do the opposite. As a typical example, we analyzed paying property taxes in millions to the international trading corporation for the non-existing facility whose construction never started, but was only issued construction permit, later reduced. The construction was performed according to such reduced permit, but the taxes were charged as if it were several times bigger object. The examples of numerous laws abolished by the Croatian Constitutional Court are also given, of which some in full and before the entry into force (Criminal Code), some had their implementation indefinitely postponed and until then were ordered to implement the law abrogated by the legislator*

*(Family Law), with a range of less drastic examples. In such environment it doesn't surprise the fact that the constitution has been amended several times in the short term (the offenses of transition and privatization). In recent Croatian Parliament convene more laws were passed by urgent, than the regular procedure. Each of these phenomena, separately and all together, give us reason to admit with a great regret that both, the legal framework and practice in its essence, reject investments and investors.*

**Keywords:** *investments, legal certainty, legal practice, legal norm*

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## **CROATIAN LABOUR MARKET DEVELOPMENT PERSPECTIVES IN THE CONTEXT OF FLEXICURITY**

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### **ABSTRACT**

*Already in the period of accession negotiations for entry into the European Union the Republic of Croatia began a wide reform of labour and social security legislation with the aim of its harmonisation with Acquis Communautaire. This was a period in which the Croatian labour market was marked by a large rate of unemployment, segmentation, underdevelopment, low rate of workforce mobility, horizontal and vertical gender segregation and also, by strict employment protection legislation, weak functioning of labour market institutions and poorly developed social dialogue. Exit from such a situation was attempted to be found in flexicurity, a concept which the European Commission*

*strongly promoted. Its implementation is achieved through flexible and reliable contractual arrangements and work organisations, an active labour market policy, a system of reliable lifelong learning and a modern system of social security together with impetrative productive social dialogue. This increased flexibility in employment relations, necessary for employers to achieve and maintain market competitiveness, at the same time, represents decreasing job security for workers. Within the concept of flexicurity it would be replaced by increasing employability of workers by developing their professional skills in the framework of the lifelong learning system which enable them greater labour market competitiveness. Furthermore, with measures of active labour market policy, this, apart from promoting employment, supports workers in the transition between two jobs. Workers who have lost their jobs as a result of numerical flexibility achieve income security through unemployment benefits within a system of social security. In order to understand flexibility and security in employment relations in the Republic of Croatia, the authors have observed the mutual interplay of flexicurity elements in the labour market and the extent to which reforms in legislation, politics and institutional framework have influenced their implementation. After an analysis of the solutions de lege lata by which flexibility-security nexus is attempted to be established, the authors provide suggestions de lege ferenda for a more successful implementation of flexicurity policy on the Croatian labour market.*

**Keywords:** *Croatian labour market, flexicurity, labour law reform*

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## Economic and Social Development

# IS THERE A STATISTICAL LINK BETWEEN THE REVENUES AND SELECTED EXPENDITURE OF REGIONAL SELF-GOVERNMENT OF THE REPUBLIC OF CROATIA

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## **ABSTRACT**

*The role of regions in national economies has changed significantly in recent times, due to at least two reasons: (a) globalization and (b) needs for structural adjustment in the view of ever changing economic environment. When we talk about sub-national levels of organization of EU countries, usually we distinguish three groups (degrees). Units of the first level of organization of local government are closest to the citizens (cities, municipalities, communes and similar forms of organization). The second level, often referred to as intermediate, consists of units that present the transition from local to regional or federal level (county, district, province, territory, etc.). The third degree, the most powerful for its rights, is made up of regional units (regions) or federal states, if states are established as federations. In Croatia, regional units are called counties and there are twenty of them, plus the City of Zagreb which has the authority and legal status of both a county and a city. This paper examines statistical links between revenues of twenty Croatian counties in the period from 2002 to 2015 and the selected key expenditure functions in the mentioned period. The method used in the research is regression analysis. The models analyze the direction and strength of statistical links between the income of a county as dependent variable and four types of expenditure as independent variables. According to research results all four independent variables proved to be significant only in case of one county, while in case of all other counties all independent variables or a number of them proved to be insignificant.*

**Keywords:** *Expenditure, Income, Regional self-government, Regression analysis*

## **SOME ASPECTS OF EARLY-STAGE ENTREPRENEURS' FINANCIAL RESOURCES DIVERSITY**

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*Ensuring resources is one of the most important activities of early-stage and of established businesses. Among various resources, financial resources play the key role. In our paper, the Global Entrepreneurship Monitor (GEM) research framework was used to analyze different aspects of early-stage entrepreneurs' financial resources diversity concerning the financial investment amounts and the diversity of these resources. The GEM database for the year 2015 is used to analyze European countries which participated in the GEM 2015 survey with the emphasis on Slovenian early-stage entrepreneurs. Our research results bring several valuable findings. First, the majority of early-stage entrepreneurs finance their entrepreneurial activity to a great extent by their own financial resources. In Slovenia, on average as many as 96% of early-stage entrepreneurs do so, which is above the European average. Second, the average amount of financial investment differs as regards the development stage of an economy. That is, in the innovation-driven economies, this amount is approximately four times as high as compared with the efficiency-driven economies. Third, the perceived average amount of financial resources needed differs regarding the age of early-stage entrepreneurs, regarding their growth*

*aspirations as well as regarding the innovative characteristics of their businesses. Those who are up to 35 years old perceive, on average, a lower amount of financial resources needed compared with those who are older than 35 years. The early-stage entrepreneurs with higher growth aspirations (in terms of new job creation) and those whose early-stage businesses have innovative character (in terms of the characteristics of their products/services and in terms of competition) perceive, on average, higher amount of financial resources needed as compared with those who are non-innovative and those with lower growth aspirations.*

**Keywords:** *Early-stage entrepreneurs, European countries, Financial resources, Global Entrepreneurship Monitor, Slovenia*

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## **DETERMINANTS OF CUSTOMER SATISFACTION AND LOYALTY IN THE TRADITIONAL RETAIL SERVICE**

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### **ABSTRACT**

*In last decades the service quality was assumed as one of the most important factors contributing to the consumers' satisfaction.*

*Nevertheless, there is a great misunderstanding regarding how service quality can be measured in order to enhance customer satisfaction. The quality and performance of any service are dependent on customer expectations and on the efficiency of the company to serve its customers. The crucial point of customer satisfaction is to identify the important attributes, considered by customers as their needs and expectations. The purpose of this study is to examine the suitability of SERVQUAL model methodology to evaluate the perceived quality of the service offered by traditional retail, namely in traditional retail stores in Portugal. The conceptual model proposed in this paper aims to analyse whether (1) perceived service quality (five dimensions of SERVQUAL) directly contributes to customer satisfaction, customer-perceived value and corporate image; (2) corporate image and customer-perceived value directly contribute to customer satisfaction; (3) customer-perceived value directly contribute to corporate image; (4) customer satisfaction directly influences the intention to return to store, i.e. the loyalty to staff and WOM recommendation (Word-of-Mouth communication intention); and (5) the loyalty to staff has a direct influence on the intention to return and this has a direct impact on WOM recommendation. The results suggest that service quality significantly influences corporate image, perceived value and customer satisfaction. Furthermore, the perceived value and quality service are the main determinants of customer satisfaction. Moreover, customer satisfaction, corporate image, and perceived value, significantly affect the behavioural intentions towards shopping.*

**Keywords:** *Corporate image, Customer Loyalty, Customer Satisfaction, Quality Service, SERVPERF, SERVQUAL, Traditional Retail*

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## **AGILE APPROACH IN ELECTRICAL ENGINEERING. RESEARCH IMPACT AND OUTCOMES**

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### **ABSTRACT**

*Nowadays, the “project” is the basis for the organization of all human activities (Whitley, 2006; Davies, Hobday, 2005). The traditional approach of project management focuses on an ongoing and constant implementation plan. This sequential, deterministic approach proves efficient within a predictable less dynamic environment. Moreover, practitioners of project management point out possible digressions from the original plan due to disturbing events, unforeseen during the planning stage (Piperca, Floricel, 2012; Söderholm, 2008; Dvir, Lechler, 2004). Hence, the classic models of project management have become almost inefficient. A possible solution is the project management of software development, mainly AGILE approach. The prerequisite of AGILE is to elude the long-term fixed planning. As a result, the implementation plan proves flexible and unfolds throughout the project, including unforeseen events that are likely to occur throughout the project. The current paper illustrates the first research results and the aim is to benefit from the use of AGILE in project management within the field of Electrical Engineering. The ongoing research is exploratory, qualitative and the research instrument is the in-depth interview. The target group is made up of:*

*a) academic teaching staff with experience in research projects management in the field of Electrical Engineering;*

*b) employees of companies working in the Electrical and Electronic Engineering industries, who are versed in project management.*

*The first in-depth interviews were conducted between January-March 2017 and illustrated: (1) the level of AGILE knowledge in Electrical Engineering in Romania, (2) AGILE approach drawbacks, (3) possible ways of implementing AGILE in the field of Electrical Engineering, (4) unexpected events typical of Electrical Engineering.*

**Keywords:** *AGILE Approach, Electrical Engineering, Project Management*

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## **THE INFLUENCE OF CASH CONVERSION CYCLE ON PROFITABILITY OF TRADE IN SERBIA**

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### **ABSTRACT**

*Numerous empirical studies proved that the cash conversion cycle is a significant factor of profitability of companies. Regarding this we attempt to analyse the influence of cash conversion cycle on profitability of trading companies in Serbia. Conversance with the character of positive or negative cash conversion cycle influence is crucial for undertaking the appropriate measures in order to improve financial performance of trading companies in Serbia in the near future. It primarily relates to optimization of net current assets, operational cycle and cash conversion cycle.*

**Keywords:** *net current assets, operational cycle, cash conversion cycle, profitability*

## MODELS OF INNOVATION PROCESSES - THEORY AND PRACTICE

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### **ABSTRACT**

*The research problem discussed in the paper is the innovation process. The aim of the study is to identify the specifics of the models of innovation processes and to compare them with the practice on the example of the health tourism innovation processes. The article consists of two parts: theoretical and practical. The first part proposes the concept of the 9 models of innovation processes based on a literature review. The theory is confronted with the results of empirical research. The study was conducted in 2016 on a group of 461 respondents represented by services of health tourism (Sections I and Q of the Polish Classification of Activity). The following methods were used: Delphi method, a questionnaire, a standardized interview and the ranking method. The Delphi research were conducted in 2015 with 12 experts participation. The research confirmed the proposed concept and showed a relatively small role of the more complicated models, as model of open innovation, user driven innovation (UDI), diffuse innovation in the innovation processes at the enterprises surveyed. The paper is novel in character, since to comparison the theoretical models with the practice of health tourism of innovation processes. The paper fills this gap in both the theory and practice.*

**Keywords:** *Delphi method, health tourism, open innovation*

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## **FINANCIAL EXPENDITURES OF TRADING ENTERPRISES IN SERBIA**

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### **ABSTRACT**

*Due to the economic crisis and the risk of doing business, the issue of the efficiency of managing financial expenditure in all enterprises, including trading is raised. It especially relates to the trading enterprises in transition countries, such as Serbia. The comparative research showed that financial expenditure of trading enterprises in transition countries are incomparably higher compared to the countries with developed market economy. The aim of the research in this work is to envisage the importance of the financial expenditures in modern trade companies, with special insight into Serbia. In contrast to the countries with developed market economy, significantly higher financial expenditures in trading companies in Serbia reflected badly on their performance. Such condition is caused by following factors: high interest rate, indebtedness, high business risk, total financial instability, inadequate strategies and business politics, etc. Regarding this, it is necessary to take all relevant measures so as to increase the competitiveness and the efficiency of managing financial expenditures in trading enterprises in Serbia.*

**Keywords:** *interest, negative exchange rate difference, efficiency, cost of debt, Serbia*

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## LABOUR PRODUCTIVITY, REAL WAGES AND UNEMPLOYMENT: AN APPLICATION OF BOUNDS TEST APPROACH FOR TURKEY

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### ABSTRACT

*This study investigates the relationship between labour productivity, average real wages, and the unemployment rate by employing the bounds testing procedure within an autoregressive distributed lag (ARDL) modeling approach and applies Toda-Yamamoto causality test for the period 2007:01–2016:04. The results indicate that real wages and unemployment have a significant and positive long-run impact on labour productivity. While a long-run wage–productivity elasticity of 0.97 supports the efficiency wage theorem and the unemployment–productivity elasticity of 0.53 indicates that workers increase efforts to secure jobs. Therefore, a rise in real wages and unemployment may induce higher productivity by raising the costs and probability of job loss, respectively, which implies rigidity in Turkish labour market. Furthermore, the causality tests provide evidence for the effect of a high and persistent unemployment rate on the Turkish economy, where unemployment affected both labour productivity and real wages. While a bi-directional causality was found between labour productivity and unemployment, a unilateral causality was observed between unemployment and real wages. Unemployment causes real wages, but there is no evidence of reversal causation.*

**Keywords:** *Bounds testing procedure, Causality, Labour productivity, Real wages, Structural break, Unemployment*

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## **FDI, ECONOMIC PERFORMANCE AND TECHNOLOGICAL SPILLOVER EFFECTS: EVIDENCE FROM UAE**

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### **ABSTRACT**

*This study is an attempt to empirically examine the impact of foreign direct investment (FDI) on economic performance and investigate the spillover effects from the FDI inflows in the United Arab Emirates (UAE), using a detailed sectoral-level panel dataset covering the period 2006 – 2014. The main empirical finding indicates that FDI has a mixed impact on economic performance in UAE and this effect depends on the sectoral characteristics and geographical destinations. In contrast, the results further show that the FDI from more technologically advanced countries tend to have a positive impact on economic activity. The findings suggest that the FDI inflows from countries with far distance of UAE seem to bring high benefit quality of technology.*

**Keywords:** *Economic Performance, Foreign Direct Investment, Panel Data, UAE, Spillover*

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## **THE NEWLY AMENDED SHAREHOLDERS RIGHTS DIRECTIVE: LOTS OF RIGHTS, WHAT ABOUT IMPLEMENTATION?**

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### **ABSTRACT**

*The newly amended Shareholders' Rights Directive (SRD) after quite a long period of negotiations is on the table. There are lots of issues and requirements addressed by the new SRD in order to encourage shareholder long-term engagement and increase transparency.*

*The SRD contains provisions on shareholders' rights to vote on remuneration policy identification of shareholders and facilitation of exercise of shareholders rights. The SRD provides rules that foster transmission of information, transparency for institutional investors, asset managers and proxy advisors and related party transactions.*

*The Member States will have up to two years to incorporate new provisions into the national law. The SRD recognizes different models of corporate governance which is a step forward in regulating such important issues. One of the main questions is power of the directive as a legal instrument in enforcing shareholders' rights in future 27 different national company laws of the Member States.*

*This paper will provide analysis of legal solutions within the SRD and possible shortcomings and problems within the implementation in different company laws and corporate governance models in Member States.*

**Keywords:** *EU company law, Shareholders' Rights Directive*

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## **THE IMPORTANCE OF PERFORMANCE MANAGEMENT SYSTEMS IN PUBLIC HEALTHCARE**

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### **ABSTRACT**

*The modern societies continue to face significant challenges and dilemmas. On the one hand, competition and the need to care about the resources employed. On the other, a society increasingly demanding on a better quality of life, which includes longer longevity and more health care services – preferably of better quality as well. Scientific and technologic advances on healthcare continue to shape our way of living, but they also pose issues for governments and organizations, as health expenditures continue to increase, apparently without any limit in sight. It is within this scope that this paper deals with the need to research on the performance measurement and management systems in healthcare. For this purpose, and also because there is a gap in the literature, this paper examines the changes in the hospital management, highlighting the specific characteristics of the healthcare sector that make it so different from all other economic sectors, due to their access level and its importance for the users, regardless of their financial situation. Accordingly, this paper employs a qualitative approach, used to develop an analysis of the Portuguese public healthcare sector. Using a framework developed by Ferreira & Otley (2009), twelve dimensions are examined, while being applied to a Portuguese public*

*hospital. Despite the limitations of the research, it was made clear that the healthcare sector is facing significant changes in Portugal, which is following some international trends. The increasing incorporation of private-managerial type on the public sector, led to many changes in public healthcare in Portugal, although several problems that surged in terms of benchmarking, being the lack of enough financing a major caveat.*

**Keywords:** *Case Study; Healthcare, Management Systems; Performance Evaluation, Public Hospital*

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## **CRITICAL SUCCESS FACTORS OF STARTUP ACCELERATORS**

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### **ABSTRACT**

*Startup accelerators are a phenomenon within enterprises caused by the dynamic startup rate nowadays. There are a few successful companies in this field have a massive impact on younger competitors and startup ecosystems. This publication presents the results of data analysis of different startup accelerators. The research sample was collected according to the value of funding their startups have raised. We analyzed the influence of particular parts of accelerators business models on their financial results and their success. This research article is a partial result of three years 'research so that we were able to identify the financial success of participants 'business model and to measure it and to compare results of the whole research sample. The important part of business model are an average amount of investment into startups in program and an average equity share in program*

*graduates We analyzed the value and the optimal number of startup exits in several accelerators. We compared nonfinancial benefits provided by accelerators such as the average investment, the average share in startups, the type of investment, the sector of investment, the life cycle stage, coworking space, mentoring, demo day organization and tested their influence on the financial results of the research sample. The article results in recommended acceleration program according to financial results. Publication summarizes the list of nonfinancial benefits according the outputs of the comparative and qualitative analysis.*

**Keywords:** *Accelerator, Exit, Funding, Seed, Venture Capital*

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## **THE EMPIRICAL EVIDENCE ON CAPITAL ADEQUACY RATIO EXPLANATORY VARIABLES FOR BANKS IN EUROPEAN UNION**

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### **ABSTRACT**

*Banking system is the vital part of any financial system because of it's role in acceleration of the economic activity. Firstly, central banks have function of providing the framework for activities in commercial banking as well as the function of controlling activities undertaken by the commercial banks. Commercial banks are primarily perceived as financial intermediaries between depositors and investors.*

*Financial stability largely depends on performance of banking system entities. Banks as legal persons have to assess risk and determine the level of risk they are willing to bear. In practice, these risks can be underestimated, meaning that the bank is exposed to losses. In order to analyse how bank is resistant to aforementioned events, capital adequacy ratio is used. Capital adequacy ratio (CAR), as a measure of capitalization of a certain bank, is calculated as a ratio of bank capital and risk-weighted assets. Minimum capital adequacy ratio is determined by the international standards because banks can absorb a reasonable level of losses before they become insolvent. It serves to protect depositors and promote stability and efficiency of a banking system. The aim of this paper is to statistically analyse determinants of capital adequacy ratio for banks which operate in certain countries which are part of European Union.*

**Keywords:** *Capital adequacy ratio, Banks, Determinants, European Union*

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## **CSR REPORTING IN CROATIA: CURRENT STATE AND PERSPECTIVES**

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### **ABSTRACT**

*Although non-financial reporting is mostly voluntary, certain categories of business entities are becoming obliged to make such reports. In addition to the lack of legislation, a significant problem in relation to these reports is the inconsistency in the methodology for*

*their making. This paper aims at exploring corporate social responsibility reporting (CSRR) in Croatia, where, compared to other EU countries, CSRR is under-researched. Research studies were conducted on the Croatian companies listed on the Zagreb Stock Exchange. The survey questionnaire was addressed to the Chief Accounting/Financial Officer of sample companies. The results showed that the Croatian listed companies have not recognised the importance of disclosing CSR information. Companies stress the lack of a legal obligation for making these reports as the most significant reason. This situation will change at the beginning of 2017, when non-financial reporting will become mandatory for listed companies and public-interest entities in the Republic of Croatia. This will contribute to increasing the number of such reports. However, the need to set up a single framework for non-financial reporting will remain a problem.*

**Keywords:** *corporate social responsibility, corporate social responsibility reporting, Croatia*

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## **BREXIT – AN UK STATE FINANCE AND TRADE PERSPECTIVE**

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### **ABSTRACT**

*Away from a vast political debate, Brexit has many other financial and trade aspects that need closer attention. In this paper we observe trade between member states, their trade with the rest of the world, trade in goods vs. trade in services, GDP of member states, trade balance, contribution of member states to the EU budget, and willingness of UK to follow agreed changes in tax system. The imposed tax rules that arrive from EU are in UK observed as intrusion in sovereignty to impose taxes.*

*This paper deals with structure of export and import of member states with special emphasis on trade between member states and trade with the rest of the world. If we observe trade through two categories; trade in goods and trade in services, we can conclude that UK trade in relative terms does not primarily depend on trade with member states what cannot be concluded for other member states. In situation when UK does not depend primarily on the trade with EU, is it reasonable to expect that it will continue to contribute to the EU budget and in the same time allow EU legislations to dictate the VAT rates and generally the model in which the taxes should be collected? Another important issue is retained contribution to the EU budget. What kind of effect does the retained EU budget contribution has on UK government finance since UK struggles with budget deficit and trade deficit.*

**Keywords:** UK, Brexit, EU, trade, budget

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## **ANALYSIS OF REGIONAL DEVELOPMENT OPPORTUNITIES IN SLOVAK REPUBLIC**

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### **ABSTRACT**

*Regional policy and regional development has started to develop in the Slovak Republic to the early 90s of the 20th century. Independence of the Slovak Republic had the greatest impact on the implementation of the principles of regional development as well as preparation for accession to the European Union. Slovakia's accession to the European Union has opened new possibilities for utilization of funds earmarked for targeted regional development. Cohesion policy of the European Union acts currently at different stages and area of regional development. Cohesion policy is carried out in three basic levels in Slovakia, namely - national, regional and local level. Achieving desired objectives is possible only if the policy will be properly and effectively implemented at the local level, which requires a positive perception of the municipalities. Municipalities and cities take care of comprehensive development of areas at local level.*

*This follows from the Act no. 369/1990 Coll. on Municipalities, as amended. The role of the creation of sustainable economic, social and territorial development indicates for municipalities of the Act No. 539/2008 Coll. on regional development support, as amended. According to Law no. 369/1990 Coll. on Municipalities, as amended, municipalities must carry out particular tasks and responsibilities related to the management of the municipality and its property and municipalities have to provide a wide range of services to citizens, for example, municipalities must provide services in the areas of supply, health, education, culture, sports, transport, social work, urban planning and promotion of entrepreneurship. As a result of the delegation (the transfer of competencies from the state to municipalities), many responsibilities have been delegated to the municipalities. But the main question remains how municipalities perceive and implement, in addition to the performance of their basic tasks and obligations under the Law on Municipalities, the delegation of responsibilities related to regional development, as they required by law.*

**Keywords:** *cohesion policy, municipality, regional development, Slovak republic*

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## **GEOPOLITICAL AND GEOECONOMIC DIMENSIONS OF THE SHANGHAI COOPERATION ORGANIZATION. THE EUROPEAN UNION AND THE EURASIAN ECONOMIC UNION PERSPECTIVE**

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### **ABSTRACT**

*The popularity of the Shanghai Cooperation Organization (SCO) has been increasing in recent years. The SCO, as a geopolitical frame of reference, has become attractive to many countries in Asia and Europe. Apart from the countries that have cooperated with the organization for many years (eg. India, Pakistan, Iran, Afghanistan), the SCO has begun*

*to attract new entities, an example of which is Turkey (Republic of Turkey Ministry of Foreign Affairs, 2016; Wang, 2016; The American Interests, 2016). Unexpectedly, geopolitical and economic problems that affect Europe and Asia now, such as war in Syria, an armed conflict in Ukraine, a wave of terrorism, migration crisis, resulted in a departure from the functioning Euro-Atlantic and European solutions. Particular countries seeking stability, economic (eg. Tajikistan, Kyrgyzstan) and/or political (Turkey) security are turning to the Shanghai Cooperation Organization. A reorganization of the international order is taking place. Therefore, the objective of this study is to specify the scope and nature of possible ramifications brought by the activities of the SCO. The viewpoint adopted by the author relates mainly to the European Union and the Eurasian Economic Union perspective, but certainly because of the potential of the Member States, the Shanghai Cooperation Organization can change the appearance of the modern world. The question is whether or not the increase in the attractiveness of the concept of the Shanghai Cooperation Organization and other initiatives of China and Russia means that "soft power" of the EU is getting weaker and weaker, like it was in the case of the USA in the 1990s of the twentieth century (Nye, 2004). Democratic ideals having been promoted by Europe are not attractive to autocratic regimes, while they can perceive the SCO as a support instrument (Vinokurov and Libman, 2012, p.59).*

**Keywords:** *Eurasian Economic Union (EAEU), European Union (EU), Regional Integration Agreements (RIAs), international trade, Shanghai Cooperation Organization (SCO)*

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# THE INFLUENCE OF WORKER'S CHARACTER ON THE EFFICIENT SELLING PROCESS AND INTERNATIONAL COMPETITIVENESS OF CROATIAN HOSPITALITY MANAGEMENT

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## **ABSTRACT**

*Croatian tourism and hospitality management shows great potential in achieving higher level of international competitiveness. However, Croatian tourism and hospitality management is under the influence of internal and external factors. In year 2017, one of the relevant internal factors is fiscal policy, which has major impact on whole business activity of tourism and hospitality management sector. In order to be more competitive on the market, hospitality management capacities should rely on their human resources in order to provide added value for guests and enhance their market position. The research was conducted in year 2017 as secondary research covering all Croatian counties with 240 examined representatives of Croatian hospitality management. Research is focused on the effective selling techniques and solving conflicts and their impact on selling process and offer of Croatian hospitality management.*

**Keywords:** *Croatian hospitality management, International competitiveness, Selling process*

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## EMPLOYEE ENGAGEMENT BY GALLUP IN SLOVENIAN COMPANIES

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### ABSTRACT

*According to Gallup Leadership Institute studies and some other authors, employee engagement is a significant predictor of desirable organizational outcomes. Indeed, firm performance is neither a self-evident phenomenon nor a matter of chance. Rather, it is the result of organizational environment that affects worker's quality of life and performance. Exploring issues and challenges facing employee engagement may offer valuable insights into promoting well-being approach to understand the well-being of workers. Research paper investigates employee engagement in Slovenian companies. Our fundamental research question is: Are employees in Slovenian companies engaged on their workplace? Approximate 400 randomly selected employees in Slovenian companies are included in the sample. We used a focused Gallup employee survey consisting of 12 statements evolved from a number of qualitative and quantitative studies. These 12 statements are asked with five-response options (1=strongly disagree, 5=strongly agree). The answers are processed with descriptive statistics. The findings provide evidence of considerable heterogeneity among Slovenian companies and better understanding of this phenomenon could be very interesting for those owners and managers who spend substantial resources hiring employees and trying to generate products, profits, and maintain loyal customers, for those interested in propitiating a reactivation and a new size for their companies in a short time, as well as for public administrations and governments interested in generating new employment in order to design support policies to improve growth and innovation rates of companies. Finally, we explored the implications that the findings may have for effective owners/management development and practice.*

**Keywords:** *Employees, Gallup, Slovenian companies, Work engagement*

## COLLABORATIVE ECONOMY – CHALLENGE FOR REGULATORS

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### **ABSTRACT**

*Collaborative economy presents business model which activities promote platforms for collaboration that create an open market for temporary use of the goods or services and which are often provided by private persons. From the first basic idea of sharing economy as with no economic benefit the collaborative economy has grown, based on fast development of digitalisation and platforms, to the high impact industry. Collaborative economy represents a challenge for regulators. The fast development of digital platforms cannot be followed on the adequate way providing legal certainty and legal surrounding. The collaborative economy opens up a large scale of legal issues that need to be regulated at the national and supra-national levels. The idea of regulation at the level of European Union is based at the European Commission initiative, which is stressed in its Communication. When discussing the regulation it should be stressed that the regulation sometimes can have counterproductive effects on developing new possibilities. In the case of collaborative economy, where the consumers are actively participating in evaluation process, the service is directly connected with their evaluation. Sometimes, by regulation innovation can also decline. The Internet and digitalisation open up a possibility where consumer welfare can be better served by innovation and competition than by the regulation. The paper will examine different approaches for the regulation in collaborative economy and give a short overview on different legal issues which have to be examined by the regulators.*

**Keywords:** *Collaborative economy, Consumer protection, EU law, regulation*

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# **INTRODUCTION OF NEW BUSINESS STRATEGIES BASED ON SUSTAINABLE DEVELOPMENT IN THE FAMILY HOTEL INDUSTRY SEGMENT IN CROATIA**

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## **ABSTRACT**

*A small family hotel in Croatia is a segment of the national tourist offer with great potential which is currently not adequately used. New development strategies that will not only be based on realistic potential but will also successfully implement the concept of sustainable development are needed. Considering the fact that small family hotels, compared to larger hotels, in both the national and global market, are the most recognizable by a personalized approach, the proposed strategy is the implementation of the concept of heritage interpretation, a relatively new trend in European and world tourism. It is not only an innovative concept that will raise the quality of the offer, but it is also a way of solving one of the biggest family hotel problems in Croatia, which is a remarkable seasonality of business.*

**Keywords:** *interpretation of heritage, small family hotels, family hotel, sustainable development, tourism*

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## **THE IMPACT OF CONCESSIONS ON THE EFFECTIVENESS OF NEGOTIATION IN CROATIAN CAR SALES COMPANIES**

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### **ABSTRACT**

*Croatian car market has been hit extremely hard during the economic crisis, resulting in a boom for used car sales. In year 2015 Croatia whole car market moderately rose albeit fast economic recovery. This research analyses the impact of given concessions on the effectiveness and competitiveness of car selling companies in Croatia. Car sales personnel in Croatia confront with non-effective negotiators/customers who often use win-lose strategy in business interaction. The main aim of this research is to identify the sources and effective concessions in order to improve productivity and competitiveness of car sales personnel/ companies in Croatia. Based on the results of secondary research conducted in Croatian cities like Zagreb, Rijeka and Zadar, negotiation concessions influence on the effectiveness of negotiation in Croatian car sales companies.*

**Keywords:** *Competition, Croatian car sales companies, Effectiveness, Negotiation*

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## **THE ROLE OF NON-FORMAL QUALIFICATIONS IN THE FLEXIBILITY OF EDUCATION AND LABOR MARKET**

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*The expansion of global market and the fragmentation and permanent changes in demand have led to fluctuations of the workforce in the contemporary labor market. Lifelong learning is imposed as an answer to market needs, providing flexibility of the workforce by additional qualifications gained through non-formal and informal learning. The standardization of non-formal qualifications has become an important topic in the European Union, and is increasingly being considered as a way to raise workforce competitiveness, visibility and mobility. According to the Eurobarometer (2014), a significant proportion of the European market stakeholders considers a single European area of skills and qualifications necessary and stresses the need for further unification of standards with countries outside the EU. The Croatian Qualifications Framework Act (2013) prescribes the establishment of a system of recognition and validation of non-formal and informal learning, taking into account all the knowledge and skills an individual gains, either in the adult education system or by developing one's own entrepreneurial ideas. By recognizing non-formal qualifications, these forms of learning gain in*

*importance and become a factor of labor market flexibility due to various standardized (required) qualifications alongside those acquired through formal education. The Strategy of Education, Science and Technology (2014) points to adults who have life and work experience as the main target group of such standards, considering that the proper validation of living experience would clearly contribute to the harmonization of market needs and competences acquired through different forms of learning. The uniformed validation of non-formal qualifications encourages personal and professional development, but also requires a high degree of cooperation of the entire education system and the labor market, the involvement of market stakeholders in the development of non-formal education curricula, as well as the elaborated glossary and certification system of various forms of non-formal education. The purpose of this paper is to present the perspectives of a validation system for non-formal qualifications in Croatia with regard to the EU context, as well as the role of this system in training competitive, business-oriented individuals and increasing the labor market flexibility.*

**Keywords:** *entrepreneurship, labor market, lifelong learning, non-formal qualifications, workforce*

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## **PLAIN PACKAGING OF TOBACCO PRODUCTS: NEED OF THE HOUR**

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### **ABSTRACT**

*The Framework Convention on Tobacco Control (FCTC) requires nations to ratify the convention to ban all tobacco advertising and promotion. The title focuses on the repercussions of the advertisement via cigarette packages & its effect on human health with trademark infringement. The Australian Federal Government has passed the world's first Act for the Plain Packaging of tobacco Products. The Government states that peer-reviewed research shows that plain packaging of tobacco products reduces their appeal to consumer.*

*The Tobacco Industries argues that the plain packagings will removal the trademarks and other valuable intellectual property. The paper focuses from the effects of the new legislation introduce in Australia & the essentiality in India. The Global Adult Tobacco Survey has held that India is the third-largest in the world in terms of tobacco use. The document recommends that India can introduce plain packaging as part of the comprehensive approach to combat tobacco use; experts say the country also needs to tighten enforcement and implementation of anti-tobacco laws. Plain packaging, particularly the Australian case study, can be an example for India.*

**Keywords:** Australia, India, Plain Packaging, Tobacco

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## **CASH PRINCIPLE OF DETERMINING THE TAX IN CROATIA**

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### **ABSTRACT**

*Since Croatia joined the EU in 2013, the first tax topic was the abolition of payment of value added tax on cash basis for taxpayers on income. The abolition of VAT payment under the cash basis was justify of alignment with the EU Directives and EU requirements. However, from 1.1.2015. when this privilege should be abolished, instead of abolishing, cash principle has spread to the taxpayers on the corporate income tax. Since 2015, all taxpayers with a turnover up to HRK 3,000,000.00 can choose the payment of value added tax according to cash basis and since 2017, all taxpayer can choose the payment of corporate income tax according to the cash basis. The main aim of this paper is to examine how the taxpayers choose the payments model of VAT and CIT and whether they use the advantage of the cash basis model due to general lack of liquidity.*

*The working hypothesis has set to confirm the aim of this paper: the complexity of obtaining data needed for the tax model according to cash-basis are the main obstacle to the use of the cash model of a bigger number of taxpayers. The working hypothesis is confirmed.*

**Keywords:** *accrual basis, cash basis, corporate income tax, value added tax*

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## **BUILDING A RESILIENT ORGANIZATION WITHIN THE COUNTRY RISK'S ENVIRONMENT**

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### **ABSTRACT**

*In considering the current global economic instability, new markets and the economy, increasing regulatory requirements, emerging risks and procedures will continue to change and be more complex. As the growing risks consider macroeconomic, strategic and operational risks, on top of which are cyber risks and managing of cyber threats, to research county risks is found challenging. So, the subject of this research is country risk impact on the revenues of the business entities. A total of 92 questionnaires have been distributed to collect the data on the impact of country risk to businesses of enterprises and financial institutions in Balkan countries. There are also desk research results on country risk given for Croatia, Bosnia and Herzegovina, Macedonia, Montenegro and Serbia.*

*Within the variables of country risk, political and macroeconomic stability are of most concern of these enterprises. Half of the respondents confirm the positive impact of this risk on the sustainability of their revenues in previous years. The result found that Western Balkans banks and enterprises are efficient in country risk analysis, risk monitoring and understanding the country risk in the most significant variables of risk management. For the research have been used statistical methods, linear regression and processing data methods. The contribution of the results can be seen in the support to the importance of shaping the external risks, management and risk culture development.*

**Keywords:** *Balkan countries, commercial banks, country risk assessment and analysis, private enterprises*

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## **THE STUDY OF NATIONAL INNOVATION SYSTEMS: PURPOSE, CRITERIA AND FUNCTIONS**

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### **ABSTRACT**

*Over the past years, researchers have widely used the concept of national innovation systems to substantiate the relationship between existing institutions involved in facilitating technological advances and the process of creation and diffusion of innovation. In this context the study of the concept of a national innovation system was conducted, aimed at considering the purpose, criteria and functions of a national innovation system. The study includes the review of theories of development of national innovation system, the theory of competitive advantage and the theory of endogenous growth, developed by M. Porter, P. Romer and R. Nelson. These theories became a context for the research of the innovation system at the macro level, resulted in identification of the purpose of the innovation system. The article highlights a special role of dynamic capabilities, as the ability of the*

*organization to reconfigure the existing resource base through the generation and modification of knowledge for increasing economic efficiency in the process of continuously changing internal and external conditions within a national innovation system. The article specifies main factors of competitiveness of a national economy and defines national innovation system as an environment which impacts development, spreading and transfer of new knowledge and technologies. The proposed approach allowed to determine the output of the national innovation system as the process of generation, spreading and implementation of new knowledge.*

**Keywords:** *dynamic capabilities, endogenous growth; innovation; inputs and outputs; national innovation system; theory of competitive advantage*

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## **SLOVAK LABOUR MARKET AND ITS SPECIFICS**

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### **ABSTRACT**

*The labour market is considered one of the most important markets as well as a sensitive and vulnerable aspect of the Slovak economy. A prerequisite for desirable development in the Slovak labour market is the shift in the societal orientation from the use of cheap labour force towards growth in competitiveness based on well-trained human resources. The latest labour market trends are in part the result of cyclical movements and particularly deep economic crisis, but also due to structural and institutional labour market problems affecting economic performance and labour markets efficiency. The crisis has affected the EU not only by the loss of performance, but also by an*

*increase in unemployment and decline in the ability to create new jobs. The system solution of longer deepening imbalance in the labour market implies to draw attention to the essence of the problems. In comparison with other EU countries, Slovakia has a relatively low employment rate, especially for young and older people. There are macroeconomic imbalances that continue to pose a serious problem and highlight the need for decisive, comprehensive and coordinated policy actions. The aim of the paper is to analyse specific issues in the Slovak labour market and to compare the situation in Slovakia with contemporary labour market trends in the European Union.*

**Keywords:** *employment, labour market, Slovakia*

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## **NATURAL RESOURCES, GLOBALIZATION AND SUSTAINABLE ECONOMIC WELFARE: A PANEL ARDL APPROACH**

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### **ABSTRACT**

*Gross Domestic Product (GDP) has been the most widely accepted measure of economic performance, but it fails to accurately measure economic development, overlooking key aspects of quality of life and sustainability. Over the last few years, concern about the future of our*

*planet and sustainability of human activity rose among public eye and political institutions, due to the increased natural resources exploitation, and the intensification and deepening of globalization. Thereby, the Index of Sustainable Economic Welfare (ISEW) emerges as the dominant alternative. This paper aims to: (i) compare both GDP and ISEW as measures of economic performance; and (ii) establish the effects of natural resources exploitation, and globalization on both economic growth and sustainable development. The research question is: Are globalization and natural resources exploitation harmful to economic development? Diagnostic tests show presence of cross-section dependence, heteroskedasticity and serial correlation. Thus, Driscoll-Kraay estimator is performed due to its robustness in the presence of these phenomena. A Panel Autoregressive Distributed Lag approach is used, which allows to check for short and long-term effects of the variables. The panel is composed by 14 OECD countries, and uses annual data for the time span from 1995 to 2013. Results show that natural resource rents have a positive effect on GDP per capita in the short-run and a negative effect on ISEW per capita both on short- and long-run. These results, reveals that enhancing GDP does not account for the impacts of changes in natural capital and that natural resource exploitation may represent a hazard to sustainable development. Trade openness has a positive impact on short-term economic growth and a negative impact on long-term sustainable development. Other results show that social globalization has a positive impact on long-term economic growth and that political integration is positive for economic welfare. Policy makers ought to consider ISEW as an alternative and more accurate measure of economic development, should implement policies that reduce the depletion of natural resources, and confine the harmful effects of globalization to enhance economic development and create more welfare.*

**Keywords:** *Economic Development; Globalization; ISEW; ARDL*

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# THE INDICATORS OF SHARE PRICE VOLATILITY

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## ABSTRACT

*Generally, financial analysis implies the usage of information contained in financial statements. It's immanent disadvantage is that aforementioned information are focused on past events and consequentially they have limited predicting ability. Despite that, they are commonly used to calculate financial ratios because of it's informational objectivity and availability. They are regularly used by investors in process of making decision whether to invest or not in a specific share. Every investor seeks risk minimization and return maximization. In that sense, volatility of a share is possible alternative for measuring the risk of investment. The main aim of this paper is to statistically analyse which variables can be considered as reliable predictors of share price volatility. Findings presented in this paper are based on sample of companies which operate in Republic of Croatia. Financial information was obtained from annual financial statements publicly available on Croatian Financial Agency official website while volatility data was gathered from Zagreb Stock Exchange official website.*

**Keywords:** *Share price, Volatility, Determinants, Zagreb Stock Exchange, Croatia*

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## **ALTERNATIVE AND FLEXIBLE FORMS OF EMPLOYMENT: SITUATION IN CZECH REPUBLIC**

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### **ABSTRACT**

*The paper deals with the legal options of using of alternative and flexible forms of employment in Czech Republic according to the legal frame given mainly by the Labour Code (Act No. 262/2006 Coll.). The theoretical approach in the paper is based on the principle of flexicurity combining the concept of flexibility and the concept of security of employment. The difference between flexibility and liberalization of labour law and the context of Industry 4.0 is also mentioned in the paper. Current situation and evolution of use of these alternative and flexible forms of employment is analysed in the paper; the analysis is focused on part-time jobs. The paper includes comparison of the situation in the neighboring countries (Germany, Austria, Slovakia and Poland). The conclusion is focused on limits of flexibility and liberalization of labour law and summarizes the benefits of alternative and flexible forms of employment and the possibilities of its higher usage in Czech labour law.*

**Keywords:** *Labour law, flexicurity, liberalization, employment*

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## **REGIONAL AND LOCAL SUSTAINABLE FOOD SYSTEMS GOVERNANCE: COLLABORATION AND COMMUNICATION**

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### **ABSTRACT**

*Sustainable food system (SFS) understanding is growing and SFS governance is becoming a comprehensive and complex public governance issue, covering entire food cycle and its impacts, including all three complementary governance system dimensions as also for SFS development - governance content and process as well as stakeholders' segments. Thereof, SFS governance is to be aiming at understanding and interdisciplinary governing of all horizontal interlinkages between food, environment, health risks, education etc. governance sectors, as well as vertical integration of governance levels, involving particularly regional and local governance levels, and, complementing there main governance stakeholders' also for SFS development as households, local municipalities and business sector, but especially all main local mediator groups - NGOs, media and formal/non-formal education (e.g. schools, museums, libraries) and experts/science representations. Field studies in urban/rural coastal pilot regions in Latvia has been carried out 2012-2014, performing case study research (CSR), incl. complementary methods as document analysis, interviews and questionnaires, as well as municipal stakeholders' pro-environmental*

*behaviour semi-structured interviews in 2014-2016. Existing municipal level practice pieces and instruments are diverse developed enough to influence and promote SFS governance also at local level, and this, only partly yet used, potential could be clearly defined and integrated into municipal development planning/governance, including complementary application of all six governance instrument groups (political-legal, planning, institutional-administrative, infrastructure, economic-financial and communication) and ensuring the collaboration of internal and external stakeholder groups in the municipality, leading step-wise towards establishing preconditions for SFS governance framework in Latvia.*

**Keywords:** *Collaboration, Communication, Food system, Regional governance*

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## **GOVERNANCE OF THE EUROPEAN UNION'S SOCIAL POLICY: STATE OF PLAY OF THE EUROPE 2020 STRATEGY AND SOCIAL INVESTMENT PACKAGE IN EUROPEAN UNION AND REPUBLIC OF CROATIA**

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### **ABSTRACT**

*In last two decades the EU Member States faced important social challenges such as inequality, social exclusion, poverty and immigration. Those challenges created a need for reforms of the education, pensions, social protection and healthcare systems. Financial crisis of 2007 pointed towards numerous structural weaknesses in the economies of the Member States implying the importance of constructing a new economic model for the EU. As a response to both, the EU introduced the social investment perspective*

*by adopting the ten-year strategies. The current, Europe 2020 Strategy has set target to lift at least 20 million people out of poverty and social exclusion and to increase employment of the population aged 20-64 to 75%. It is consisted of number of social objectives such as employment, research and development, education, fight against the poverty and promotion of social inclusion. In order to achieve its objectives the Strategy has introduced a revised system of governance for the supervision and consolidation of Member States – the European Semester. As a result of expressed need for social dimension, the EU's social policy was strengthened by adoption of the Social Investment Package, general set of guidelines for the EU's social policy. The Package is emphasizing the significance of the social investments but it not indicates the precise targets, only asks Member States to specify all progress made in national reforms and premises in order to create progress indicators to better guide them. This paper will present the impact assessment of the governance of the Europe 2020 Strategy and of the monitoring over the Social Investment Package, both in general and trough the overview of the European Semester timeline with regard to Republic of Croatia.*

**Keywords:** *Europe 2020 Strategy, European Semester, governance, social investment, Social Investment Package*

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## **PRELIMINARY CONCEPT OF EDUCATIONAL SOFTWARE MODELLING**

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### **ABSTRACT**

*Earlier e-learning concepts were mere copies of conventional learning concepts. That triggered authors to structure a model of educational process on other grounds, those based on knowledge systematized through concepts, processes, values and facts. The Concept implies a viewpoint which reflects essential properties of the objects to be studied. The Processes are a set of interrelated activities focused on realization of a given objective. The Values are standards of behaviour and existence which are personally or socially preferable as opposed to the inverted pattern of behaviour or existence. The Facts are objectively verifiable reality. The basic concept is modelling of educational software customized to the user. According to the conceptual model of the author, the first requirement for customization is to define a user model. A user model is a mental picture of cognitive possibilities of a user based on the type of personality. There are different interpretations of personality typology that can be found in literature. The authors have adopted the ten personality type classification by Jean Piaget as a basis for the proposed modelling of educational software, customised to the type of personality, for the purpose of acquisition of knowledge, skills and habits in the most efficient manner.*

**Keywords:** *e-learning, educational software, personality types*

# **DETERMINANTS OF SPREAD AND MEASURING FINANCIAL PERFORMANCE OF GOVERNMENT STAFF PERSONAL LOANS**

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## **ABSTRACT**

*Malaysian firms have been reported to involve in Asset-Backed Securities since 1986s where Cagamas is a pioneer. This research aims to examine the factor of influencing the primary market spread and measure financial performance of RCE Marketing as case study. Ordinary Least Square (OLS) regression analysis are applied for the study period 2007-2012. The result shows two determinants influence or contribute to the primary market spread and are statistically significant for the case study for RCE Marketing. The financial performance shows that this company is resilient during global financial crisis. RCE Marketing also shows better profitability capacity and dividend payments to their investors.*

**Keywords:** *Financial Performance; Dividend Payments, Primary Market Spread*

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## THE GOING-CONCERN ASSUMPTION IN THE ASSESSMENT OF MANAGEMENT AND AUDITORS

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### **ABSTRACT**

*A going concern is one of the fundamental assumptions, principles and concepts adopted in accounting and stipulated in national and international regulations. This principle is of significance when financial statements are prepared and audited as well as when they are interpreted by a variety of stakeholders. National and International Accounting and Auditing Standards impose on an entity's management and auditors an obligation to make an assessment of its ability to continue as a going concern. The fulfillment of this obligation by the persons burdened with it is both essential and complex. The paper describes the essence of assumptions of the going concern and characterizes the symptoms of the threat to the continuation of activity. It recognizes the need for the analysis and assessment of an entity's ability to continue as a going concern by its management and auditor. The aim of the paper is to identify and classify the symptoms and indications concerning the threats to the assumption of activity continuation based on national and international regulations as well as to conduct their critical analysis. Additionally, the purpose of this article is to indicate the financial auditing procedures that allow for the verification of management's positive assessment of an entity's ability to continue as a going concern are identified. The paper proposes the hypothesis that the auditor's unqualified opinion on an entity's ability to continue as a going concern cannot attest to this ability. In order to achieve the primary and secondary goals of the study and verify the research hypothesis, the authors conducted the literature review and the review of legal acts in the area of national and international accounting and auditing regulations. They applied the method of deduction and synthesis.*

**Keywords:** *accounting principles, financial statement, going concern*

## **CLUSTERS AS INSTRUMENTS OF IMPLEMENTATION OF INNOVATION ON THE EXAMPLE OF THE TOURIST STRUCTURES OF EASTERN POLAND**

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### **ABSTRACT**

*The article presents the role of clusters in the development of innovation. Based especially on research using the desk research method, the most active tourist clusters operating in the macroregion of Eastern Poland were identified along with the innovations which were created on the basis of this cooperation. The research have confirmed the thesis of this paper. Among the innovations, the dominating ones are the product innovations which are linear or network in character, although there are some tourist products such as items or events. A process of interfusion can be observed of different categories of innovation. The conducted literature review allowed to present the research conducted in Poland on innovation in tourism and the dependencies between cooperation in clusters and the innovative character of tourist services.*

**Keywords:** *innovation, clusters, Eastern Poland, tourism*

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# HUMAN CAPITAL MANAGEMENT AS ONE OF THE FUNDAMENTAL ELEMENTS OF THE CSR CONCEPT

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## **ABSTRACT**

*We hear more and more about sustainable development, ethical corporate governance, ecological footprint and similar concepts that are inspiring us to behave and operate responsibly, from individuals to large enterprises. In today's globalized world there is often a blurring of geographical boundaries in business, therefore the corporate executives must keep pace with the parent companies and partners' expectations as well as with the needs of the market and society. Responsible managers should think of social efficiency as an evaluation criterion of their own management processes. How much social welfare is created? Are the employees satisfied with the working conditions? Are they motivated well? Are they growing as human beings in their work, or are they exploited so that they present a lost social capital. The objective of this research therefore was to highlight the importance of human capital management as a decisive element of the CSR concept because this approach is not just about environmental protection and philanthropy. The study introduces a new model, the CSR EMAT (CSR Excellence Management and Assessment Tool) which is a guidance and evaluation criteria that can support the corporate executives in responsible decision making and applying the CSR approach to strategic level. The CSR activities of the companies are evaluated in 5 areas: leadership, strategy, employees, society and environment, product and service. The measurements that were carried out in Hungarian companies are presented in this study focusing on the area of employees. The results of the research show the organizational factors that most contributes to responsible human capital management.*

**Keywords:** *Corporate Social Responsibility, CSR EMAT, Human Capital Management, Responsible management*

# INTELLECTUAL PROPERTY PROTECTION AND OLYMPIC GAMES

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## **ABSTRACT**

*Since recently sport has been recognized by the public and policy makers as a world-wide commercial activity. Despite the importance of protecting intellectual property in an appropriate manner, many athletes, sport clubs and sport brands do not sufficiently focus on addressing the intellectual property right related issues. The major sport commercial activities are branding, licensing and merchandising. The paper discusses various types of intellectual property rights relevant for sport, the ways to protect them and to use them efficiently. The discussion reflects the stipulations of Nairobi Treaty ratified in 1982, specifying Olympics intellectual property such as Olympic symbol, flag, motto, emblems, etc. There are still many countries that have not ratified the Treaty, but they participate in the Olympics such as the USA, United Kingdom, Germany, etc. Undoubtedly, a lot of countries protect Olympics symbols although Nairobi Treaty wasn't ratified by them. Hosting the Olympic Games is a unique opportunity and a challenge for each country in cooperation with International Olympic Committee to show how to set up the most effective world-wide marketing strategy. IOC in cooperation with National Olympic Committees has introduced various legal standards. IOC and NOCs strongly focus on managing local and domestic sponsorships, licensing programs and ticketing in a host country reflecting also upon the intellectual property protection. In the paper we look at selected Olympics with regard to their intellectual property protection policies. We conclude that the biggest challenge for the IOC and the NOC were the Olympic Games in China, where the general IPR infringements occurred long before the Olympics even started.*

**Keywords:** *intellectual property rights, Olympics, sport, intellectual property protection*

## **SKILLS AND COMPETENCIES OF FORENSIC ACCOUNTANT: EVIDENCE FROM CROATIA**

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### **ABSTRACT**

*Forensic accountants play an extremely important role in preventing and detecting fraud, and demand for this profession has increased after a number of corporate scandals (such as Enron, WorldCom, Satyam etc.) that have raised public awareness on the issue of fraud and fraudulent financial reporting. The profession of forensic accountant is an interdisciplinary profession where one of the primary tasks is fraud prevention and detection. However, persons engaged in this area can provide a full range of other services, such as assessing the economic value of assets and liabilities, detecting tax irregularities, expert witnessing in court proceedings, preventing corruption and similar services. In the context of providing complex services in the area of forensic accounting, besides accounting and auditing skills, knowledge of law and investigative techniques is also required. Along with a full range of knowledge and skills that persons engaged in financial and accounting forensics should possess, they should also have certain experience and continuously improve their knowledge and skills. In this paper, authors present the results of research conducted on a sample of 38 experts about the knowledge and skills of forensic accountants in the Republic of Croatia. Analysis of required knowledge and skills of forensic accountants was conducted through "A survey about the occupational standard" in the context of development of occupational standard for the profession of forensic accountant at the University Department of Forensic Sciences in the period from July till September 2016.*

**Keywords:** *frauds, forensic accountant, skills and competencies*

## **PROSPECTS AND LIMITATIONS OF INCREASING LABOR PRODUCTIVITY IN THE RUSSIAN ECONOMY**

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### **ABSTRACT**

*Finding solutions aimed at increasing labor productivity, as the most important indicator of the social reproduction efficiency, remains to be a high nationwide priority and requires joint efforts of the government, scientific and business communities. This issue is particularly relevant to the Russian economy, considering all effects of an economic crisis and an aggravation of the geopolitical situation, as well as the ongoing globalization processes and arising challenges of the fourth industrial revolution. It shows that this issue is imperative for determining the country's future in terms of creating an independent and competitive economy. The methodology of the study is based on the systematic approach, methods of statistical and economic analysis of indicators of social and economic development of the Russian Federation, certain regions of the country and its industries. Application of the econometric model allowed to evaluate the relationships between labor productivity and particular factors that have influence on labor efficiency.*

*The study includes the analysis of the modern trends related to the growth of labor productivity in economy of modern Russia; consideration of the existing potential of the Russian economy for increasing labor productivity and the role of internal constraining factors inhibiting the growth of labor efficiency; identification of the issues, related to the growth of high-performance workplaces, as one of the basic indicators of labor productivity of the Russian economy. Main provisions and conclusions of the article may be of interest to representatives of authorities, scientific and expert community, and also can be applied to research and teaching practices.*

**Keywords:** *constraining factors, cross-sectoral differences, growth indicators, high-performance workplaces, labor efficiency, labor productivity*

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## **ENERGY EFFICIENCY IN THE SERVICE SECTOR**

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### **ABSTRACT**

*The emphasis of this paper is on the specifics of energy efficiency impact on the servicesector profitability. Illustrations of the theoretical and methodological presentations are based upon the comparison of the original empirical data of the European Union (EU) and Serbia. Data from the surveys conducted in the United States of America, Canada and Russia were used to further support the analysis. The results of empirical research show that energy efficiency in the service sector in Serbia is considerably lower than in the European Union and other countries with developed market economy. Therefore, it is necessary to introduce appropriate measures to improve energy efficiency of the service sector in Serbia in the future.*

*These are: modern energy technologies, increase of renewable energy share in total final energy consumption, reduction of energy consumption throughout the supply chain, reduction of carbon dioxide emissions related to the energy consumption, construction of energy efficient office buildings and retail facilities, and improvement of the existing. The objective of such measures is to improve profitability in the service sector in Serbia.*

**Keywords:** *energy intensity, renewable energy sources, energy management, green energy, final energy consumption*

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## **CONSUMER PROTECTION IN GAMES OF CHANCE**

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### **ABSTRACT**

*Players who participate in games of chance may, by concluding these contracts, be faced with a problem of an over-indebtedness. Because of that, players who participate in games of chance are in this paper considered as consumers. Because of that it is explored whether they are protected by usual consumer protection rights and are there consumer right which can be considered also a good way to prevent over-indebtedness. The main thesis is that consumers who are concluding gaming contracts, are not protected in an adequate way. This research first discusses the main characteristic of aleatory contracts and gaming contract. It has shown that the particularities of the contracts which they conclude do not enable the implementation of the usual consumer protection mechanisms. On the other hand, there are some legal solution in Consumer Protection Act and Games of chance Act that aim to provide protection of consumer which are concluding gaming contracts.*

*Since at European Union level this problem is particularly acute in the sphere of on-line gambling, Recommendation 2014/478/EU on principles for the protection of consumers and players of online gambling services and for the prevention of minors from gambling online was adopted. Key objectives of the mentioned Recommendation are presented and elaborated.*

**Keywords:** *consumer protection, games of chance, over-indebtedness*

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## **THE IMPORTANCE OF ORGANIZATIONAL AUTONOMY AND INNOVATION IN HEALTHCARE SERVICE**

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### **ABSTRACT**

*Following the rapid changes in global competitiveness, a number of developments have emerged with regard to organizational structures. One of the main developments reported in the literature in relation to these developments is related to the introduction or developments in organizational autonomy. As the healthcare sector is one of the fastest growing sectors of activity in recent years (Ezzamel and Willmott, 1993; Evans, 1998; Mensah, 2000), it is therefore of interest to assess the extent to which healthcare organizations have introduced or reinforced the role of autonomy, in the scope of an innovative attitude.*

*Accordingly, this paper highlights the importance of innovation and autonomy for the healthcare sector. The research follows a strategic typology, structured in a seminal way by Miles and Snow (1978), with the aim of examining the extent to which a given hospital organization is focused to meet the needs of a dynamic market, or took advantage of the opportunities offered within this sector by making changes in the range of services offered. The findings of this paper suggest that not only the organizational innovation in service is positively related to a higher level of structural autonomy, but also that structural autonomy is positively associated with the implementation of performance measurement systems from the standpoint of improving the resource management performance. Similarly, the results shown in this paper do also suggest that structural autonomy is positively related to the implementation of performance measurement systems, from a clinical management performance enhancement perspective. Furthermore, one can argue that our results corroborate theoretical formulations and findings obtained previously in other studies, such as in the case of Abernethy and Lillis (2001), and Govindarajan (1988). Indeed, the results obtained for the Portuguese healthcare sector are robust and consistent with other found overseas, as it is the case of Australia (Abernethy and Lillis, 2001).*

**Keywords:** *Autonomy, Clinical Management Performance, Healthcare, Innovation, Performance evaluation systems, Resource Management Performance*

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## **THE CERTIFICATION PROCESS OF DOURO VALLEY WINES: QUALITY DETERMINANTS FOR QUALITY WINES**

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### **ABSTRACT**

*This research has the purpose to highlight the importance of the certification of Douro's and Port's wine processes, within the Douro's Demarcated Region, in order to ensure the quality of the wine production. With this approach, some light is shed on the role played by the certifier and regulator entity, the Douro and Port Wines Institute (IVDP - Instituto dos Vinhos do Douro e Porto, IP). The objective of this paper is to study the process of wine certification, in the scope of a quality framework, examining the outcome of such procedure, as wines certification may be approved, or disapproved, and even may get different complementary designations, following the results obtained whether in sensorial, or in laboratorial analysis. The results obtained allow to conclude that the number of processes of certification submitted is rising, as well as the number of wines approved, and there*

*has been an increase in the overall quality of the product, showed by the better notations in tasting obtained (sensorial analysis).*

*Using an OLS model, it was possible to test and find that a number of variables, such as factors intrinsic to wine, the type of wine, or the complementary designation, as well as the certification process itself, can contribute significantly to the overall quality and Certification of Douro wines, thus confirming the our research hypothesis.*

**Keywords:** *Douro wines, Quality determinants, Quality management, Sensorial and laboratorial analysis, Wine Certification*

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**Supported by:**

Croatian Academy of Legal Sciences  
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