



8th International Conference

**‘The Economies of Balkan and Eastern Europe Countries in
the changed World’**



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EBEEC 2016 Split, Croatia, May 5-8, 2016

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WHAT DRIVES A LOCAL CURRENCY AWAY FROM BANKING MARKETS? SOME SOUTHEAST EUROPE INSIGHTS

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ABSTRACT

The paper explores determinants of currency substitution in a sample of countries of Southeast Europe that follow de jure floating exchange rate regime within inflation targeting framework. In the sampled countries the level of currency substitution remained rather high despite of years-long efforts to address the issue. Although the substitute currency (euro) does not undermine the substituted ones in their role of means of payment, it is pervasive use of a foreign currency as the store of value, or choice of currency for financial assets and liabilities, that become persistent feature of all the economies. Foreign currency loans continue dominating local loan markets, as well as broader money aggregates in large extent consist of foreign currency deposits (financial euroization). The presence of financial euroization makes interest rate channel of monetary transmission inefficient. Moreover, the pervasive level of financial euroization leaves an economy dangerously exposed to external shocks. This is why understanding roots and mechanics of financial euroization becomes an increasingly important policy issue.

We employed multiple panel regression models feed by the official yearly data that cover the last decade. In this study, the choice of explanatory variables is based on so called portfolio view which considers economic agents' choice between the classes of domestic and foreign assets driven by risk-return relationship. We have tested significance of a set of variables pointed out by two international parity conditions, i.e. uncovered interest rate parity and purchasing power parity. The common variable for those international parity relations is exchange rate expectations, or future path of exchange rate. We also included different proxies for macroeconomic stability (current account balance/GDP, external debt/GDP). Those proxies may shape public view of growth and stability prospects, and further on explain puzzling disparities of the international parity relationships, calculated based on current level of exchange rate. Designed that way, econometric models are able to trace wrong policy choices or unsustainable economic

KEYWORDS

Currency substitution, uncovered interest rate parity, real effective exchange rate, inflation convergence, loan euroization

JEL CLASSIFICATION CODES

F31, G21, E58

CHALLENGE OF BANKING SECTOR TOWARD NEW BANKING SERVICES

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ABSTRACT

Since the beginning of the process of globalization, the banking sector has undergone many changes. Encourage and the involvement of foreign banks and private banks has increased competition for all operators in the banking sector. Under this development, banks in Albania should review the marketing strategy for their rapid growth. Of course it is accepted that foreign banks have marketing strategy better than local banks or banks with state capital. The performance of deposits and loans, as the main banking services, are indicative of good marketing strategy. However there is always room for improvement in these strategies. Only those banks that will adopt effective and realistic strategy to gain consumer confidence will be developed. Due to the global financial crisis of 2008, the scenario of financial markets has changed dramatically. It seems that everyone is looking for new directions when it comes to banking and financial services. Banks want to use their resources in the best way possible to protect clients and themselves by various difficulties and to continue to provide profits.

Banks are trying to offer various services such as internet banking, POS, ATM, etc. in an effort to keep existing customers. Business organizations are seeking ways and means to improve their business. On the other hand consumers are looking online new and quick ways to use their accounts.

Banks in Albania are trusted organizations to consumers. History of our banking system after 1990, has been a success. We have faced difficulties in some periods of time, like 1997 or 2002, but we didn't face any crises in the banking sector. Now, there is a high degree of competition between banks, however, have to accept that problems exist and big competition is not good when it comes to the banking sector. For this reason it is imperative that banks adopt a comprehensive marketing strategy to ensure their customers' satisfaction and survival in this sector.

This paper examines and measures the quality of services provided by banks in Albania. The first part of the paper, will discuss the development of our banking sector. Second part will be focused on the services offered by our banks. It will be a survey how the age, profession, education, the concentration of population and other indicators determine the use of this services. The paper will be conducted with the recommendations and conclusions.

KEYWORDS

banking services, competition, payment services

EXPLAINING BANKS' CSR PERFORMANCE WITH COUNTRY DEVELOPMENT LEVEL

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ABSTRACT

As a result of the financial crisis a widespread expectation that banks should be more socially responsible emerged. Nevertheless, theoretical background on the determinants of corporate social responsibility (CSR) teaches us on variety of motives and drivers of CSR activism besides crisis occurrence. The literature containing empirical evaluation of theories related to internal or microeconomic factors of CSR has mushroomed until recently. Nowadays, relevance of institutional aspects for CSR performance as well as the issues about cyclical and pro-cyclical behavior of economic agents are rather important points of reference. Therefore, with a stronghold in the institutional theory of CSR, a hypothesis is made on banks' CSR performance being positively driven with the contextual factors i.e. countries' macroeconomic and institutional development and their banking sectors' development. CSR performance is measured throughout CSR reporting quantity and reporting form following Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines. By combining the aforementioned data and the World Bank's data (World Development Indicators – WDI database and the Global Financial Development Database – GFDD) for 22 European countries in 2013 out of which 15 are Balkan and Eastern European countries and the rest Western European countries, we find out that GDP per capita, research and development expenditure over GDP, gross savings over GDP and employment of total labor force positively impact banks' CSR performance, while bank net interest margin and bank regulatory capital to risk-weighted assets negatively impact banks' CSR. Countries' institutional development variables likewise private and public registry coverage, time required to start a business and strength of legal rights index also impact banks' CSR performance, but with rather slight differences between better and lower performing banks with regards to CSR. Thus, more developed economic systems as well as less profitable and more competitive banking systems which have lower level of regulatory burden have higher performance of banks' CSR when K-means clustering approach was adopted. An important caveat of the research is that there is a trade-off between cost of banking intermediation and banks' CSR performance, while macroeconomic performance and CSR performance are in complement relationship. Altogether, a conclusion is made that banks' CSR performance is rather modestly explained by the country development level in the empirical work and thus a more general approach when researching and creating public policies about the CSR phenomenon is required.

KEYWORDS

Banks, Corporate social responsibility, Sustainability accounting, GRI guidelines, Institutional theory

JEL CLASSIFICATION CODES

M41, G21

GREEK BANKING EXPANSION IN SOUTH EASTERN EUROPE AND ITS ROLE IN THE POST-2009 RECESSION

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ABSTRACT

Capital investments by Greek banks in South Eastern Europe expanded rapidly during the period immediately before and after the introduction of the Euro. Through mergers and acquisitions, direct investments in a network of affiliated banks and subsidiary companies, as well as credit granted to Greek industrial capital invested in the region, etc., by the mid-2000's the Greek banking system had come to possess a substantial share of the entire South Eastern European banking services sector. In this paper I argue that when coupled with risky investment decisions in an economic area promising high returns to western banking and industrial firms, such aggressive, expansionist banking policies played an important if unseen and poorly understood role in the current long-term economic recession affecting Greece. In conjunction with the country's sovereign debt crisis, the commitments undertaken by major international financial institutions, the European Commission and the IMF etc. to maintain western parent bank exposure in emerging Europe — known as the Vienna Initiative — increased the overall burden of the bailout loans and thus European Union and IMF involvement in Greece. This in turn contributed to the imposition of very strict conditionality attached to austerity measures which impaired an already fragile internal market. The Greek banking system's commitment to support its subsidiaries in the area at all costs has had negative results, as it has affected the provision of credit and liquidity in a rapidly shrinking, money depleted economy, where incomes are in freefall.

KEYWORDS

Greek banks, Southeastern Europe, Vienna Initiative, bail out, austerity

JEL CLASSIFICATION CODES

N, G, F

CREDIT RISK AND BANK PROFITABILITY - CASE OF CROATIA

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ABSTRACT

Banks are exposed to wide range of different risks and credit risk is considered as one of the most important and most influential in terms of affecting bank performance. In order to investigate credit risk – profitability relationship, apart from other bank-specific variables, the model encompasses also industry-specific and macroeconomic variables that might have influence on bank profitability. A dynamic panel data analysis is applied to the data set of commercial banks that have operated in Croatia in the period of 2003 to 2013. The aim of this paper is to contribute to the understanding of the profitability determinants in the context of developing country such as Croatia and to give additional insight into the main factors that may influence bank success, which is of unquestionable importance for both policymakers and bank management.

KEYWORDS

Bank profitability, determinants, Croatia

SOLVENCY AND LIQUIDITY LEVEL TRADE-OFF: DOES IT EXIST IN CROATIAN BANKING SECTOR?

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ABSTRACT

We focus on 32 Croatian banks in the period between 2002-2010 in order to investigate the solvency-liquidity nexus and furthermore discuss the Basel recommendations on capital and liquidity requirements. Dynamic panel data analysis is used for the empirical evaluation of two basic models in which current liquidity ratio and equity to assets ratio are set out as dependent variables. Bank profitability measured with the return on assets, asset quality approximated with the non-performing loans indicator, macroeconomic environment proxy with GDP variable and bank size were explanatory variables in both models. We found two-way positive relationship between bank solvency and liquidity. However, bank size plays an important role in the capital and liquidity management, and trade-off between the solvency and liquidity level is found for the large banks. A conclusion can be made that policymakers should take into consideration capital and liquidity interdependence, as well as the bank size effect when designing the capital and liquidity requirements in order to downsize the regulatory burden for smaller banks, and increase them for larger banks.

KEYWORDS

Banks, liquidity, solvency, banking regulation, Croatia

JEL CLASSIFICATION CODES

G21, G28

FINANCIALLY CONSTRAINED FIRMS: THE IMPACT OF MANAGERIAL OPTIMISM AND CORPORATE INVESTMENT ON INEFFICIENCIES LEADING TO LOW MARKET VALUATION - THE CASE OF GREECE

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ABSTRACT

Financial constraints in capital markets can underline the macroeconomic effect of fluctuations in investment to cash flow and liquidity which has as a result several firms to reduce their access to low-cost finance. The examination of this aspect in detail, determines the magnitude of the effects of internal finance on investment (Fazzari et al., 1988).

Diversification as an underlying factor of financial constraints can create several costs. Diversified firms have the tendency to over-invest in lines of business which display poor investment opportunities (Stulz, 1990). Diversification, indeed reduces value. This loss in value is found mainly for firms of all sizes having managers with a higher level of optimism. The link between optimism and corporate investment is more pronounced in financially constraint firms. When the wedge between the internal and external cost of funds increases, a firm is considered to be more financially constrained (Kaplan and Zingales, 1997).

Managers are undisputedly optimistic and firms with optimistic managers tend to invest more. The investment of firms with optimistic managers is more sensitive to cash flow especially for financially constrained firms. Analyzing a sample of listed companies in Greece it is found that the higher the managerial optimism, the lower the excess value of a firm. Optimism and financial constraints measures are based on the insider stock transaction behavior of all senior managers they have to report to the Hellenic Capital Market Commission. These findings show that the investigation of decision making processes in Greece is crucial.

KEYWORDS

Financial constraints, capital markets, managerial optimism

JEL CLASSIFICATION CODES

D81, G11, G15

**THE RELATIONSHIP AMONG PUBLIC, PRIVATE AND EXTERNAL DEBT
– THE CASE OF SELECTED EASTERN EUROPEAN COUNTRIES**

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ABSTRACT

The paper analyzes relationships among public, private and external debt. This analysis is theoretical, but also applied to the selected Eastern European countries (EEC), with the special emphasis on Croatian situation. It also intends to set the new theoretical insights and empirical analysis for resolving the risk of sovereign debt.

There is no unanimity among academics about the role and meaning of public debt resulting in different ideas about the economic policy solutions. Is fiscal consolidation the appropriate solution for the recession? Is the public debt the key or the consequence of the structural deficiencies of the process of financialisation and EU (EMU) inherent weaknesses? The aim of this paper is to establish and analyze causal relationships among the three debts using panel data analyses for selected EEC countries in the period of 1995-2015.

It is our hypothesis that the regulation of private debt leads to the stabilization of public debt, while the relationship between external and public debt indicates the importance of external debt. The structure and sources of public debt financing are of the primarily relevance. The prevailing of the external component of public debt leads to the primary importance of achieving the external stability (current account surplus), restoring creditworthiness and decreasing the external debt, and not only public debt in general. Without restoring external stability austerity measures would be harder to achieve. Our results should indicate the direction of activities of macroeconomic policy.

KEYWORDS

Public debt, private debt, external debt, EEC, financialisation, panel analyses

**PRIVATE OVER-INDEBTEDNESS IN SELECTED CENTRAL AND
EASTERN EUROPE COUNTRIES**

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ABSTRACT

The private indebtedness comprised of both households' and non-financial corporations' debt levels, is a significant factor of social exclusion and it attracts considerable public interest. This is partially caused by insufficient financial literacy of the population but also with an increased demand for new products and services that often exceeds personal financial capabilities of majority of people. A main difference among economies in Central and South East Europe (CSEE) is the housing credit which was facilitated in many of them by state-subsidised financing schemes, denominated in some cases in foreign currencies, particularly Swiss Francs. The article explains the situation and encompasses the selected CSEE Countries where adequate surveys have been performed: Bosnia and Herzegovina, Bulgaria, Croatia, Hungary and Poland. The robust growth in household debt in pre-crisis period coincided with real growth in household disposable income, large economic expansion and a considerable fall in banks' interest rates. However, household debt indicators deteriorated markedly as total household debt grew faster than income. This raised concerns about potential implications of an additional increase in the debt burden on financial stability. Although there are significant variations between mentioned countries, there are some similar causes and possible solution for amelioration of the situation.

KEYWORDS

over-indebtedness, personal finance, financial literacy, Central and Eastern Europe Countries

**THE IMPACT OF THE PERSONAL INCOME TAX ON THE STANDARD OF
LIVING IN THE EU MEMBER STATES**

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ABSTRACT

In this article we intend to quantify the impact of personal income tax on the standard of living using simple linear regression. The analysis takes into account the evolution of the dependent variable (standard of living) and the independent variable (personal income tax) in Member States of the European Union over the past decade. At the same time we take into account the introduction of additional independent variables (GDP per capita and population density) for a more relevant analysis of the evolution of the standard of living in these countries.

KEYWORDS

standard of living, personal income tax, GDP, population density

JEL CLASSIFICATION CODES

D31, E21

THE CORRELATION BETWEEN FOUR INPUT INDICATORS AND SIX DEMOGRAPHIC AND OUTPUT INDICATORS WITHIN THE EAST EUROPEAN HEALTH CARE SYSTEMS

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ABSTRACT

The purpose of this paper is to compare the relevance of one resource indicator and three financial indicators (inputs) in regard to six mortality indicators (outputs).

The correlation between the following input indicators: number of GPs / 100000 population, health expenditure as % of GDP, total health expenditure PPT / capita, pharmaceutical expenditure PPT / capita and the following demographic and output indicators: life expectancy at birth, reduction of life expectancy through death before 65 years, estimated infant mortality / 1000 live births, maternal deaths / 100000 live births, SDR diabetes mellitus, all ages / 100000, SDR tuberculosis, all ages / 100000 was analyzed.

WHO data was used, for the following East European countries: Albania, Armenia, Azerbaijan, Belarus, Bosnia & Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Georgia, Greece, Hungary, Latvia, Lithuania, FYROM, Moldova, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Turkey and Ukraine. Because recent data is incomplete we used data from 2011.

The various degrees of correlation between the input and output indicators were analyzed using scatter diagrams and calculating Pearson linear correlation coefficient.

This type of study can be extended to other health outcomes indicators as it can be also tried with other health care system resource indicators.

The research shows the importance of real data (money) as compared to percentage data.

Many reform projects as well as policy evaluations are based on “weak” indicators, misleading public perception, hiding policy mistakes, and ultimately leading focus to unimportant things.

The paper tries to shed light on indicators which are really significant from the point of view of policymakers. It might be also of particular interest to students who can understand better the use of indicators.

This paper will be presented as PPT.

KEYWORDS

East European health systems, input indicators, output indicators, correlation

SOCIO-ECONOMIC, DEMOGRAPHIC, AND PSYCHOLOGICAL FACTORS. WHICH FACTORS ARE CRUCIAL IN EXPLAINING HOUSEHOLDS’ SAVING BEHAVIOR?

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ABSTRACT

Empirical investigation of households’ saving behavior is crucial important from financial stability perspective. While customer deposits account for more than 50 per cent of commercial banks liabilities in most of the European Union countries (in some of the Central and Eastern European countries (CEECs) share of customer deposits is even larger and accounts for 60-70 per cent), the investigation of customers’ behavior is especially relevant. While economic theory suggests that households’ saving behavior is less rational and most often resulted by ‘herding’ behavior comparing to non-financial corporations, this empirical study focuses on determinants explaining households’ saving behavior. While most of economists and scientists focus attention on the role of socio-economic and demographic determinants rather than on psychological factors in explaining households’ saving behavior, psychological aspects almost disappeared from economic discussions on households’ saving behavior. Economic theory has traditionally acknowledged some psychological individuals’ saving behavior factors such as self-control, pessimism about the economy, and fear of economic uncertainty. However, scientific attempts to

predict households' saving behavior using economic and psychological variables have met with limited success. This study aims to answer the following research questions: Are households' saving decisions rational and based on fundamentals economic indicators or, in contrary, irrational and resulted by 'herding' behavior? What is the reaction of households' to the external and domestic shocks? The objective of this study – to identify the economic and psychological factors determining the households' saving behavior. The research methods: the systemic, logical and comparative analysis of the scientific literature, generalized impulse response analysis and panel regression. The results of this empirical study show that the households' saving behavior is more irrational and based rather on expectations than on socio-economic and demographic factors. The main findings of this study suggest that households' saving decisions are influenced by some extreme external and domestic shocks. These empirical findings can be explained by low degree of financial literacy, ineffective communication strategy of the central banks and governments during financial turmoil and economic downturn periods, etc.

KEYWORDS

Households' saving behaviour, Socio-economic and demographic determinants, Psychological factors, External and domestic shocks

JEL CLASSIFICATION CODES

E03, D14

**ANALYSIS OF THE INFLUENCE OF ECONOMIC AGENTS
EXPECTATIONS ON THE DYNAMICS OF INFLATION IN SERBIA**

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ABSTRACT

Inflation is one of the phenomena that attracts the attention of many researchers. Inflation is not a phenomenon that has appeared in recent years, but from the time of creation of money and the development of the first economies. Today, although there are a large number of papers on this topic, we still do not know enough about all the factors that affect the formation and evolution of inflation and inflation dynamics.

The inflation rates in each country depends despite the influence of macroeconomic parameters such as the amount of GDP, Central Banks discount rate, monetary aggregates, foreign direct investment, foreign exchange and foreign trade balance also depends on the expectations of economic agents. Central Bank as a carrier of monetary policy has managed to maintain price stability should primarily affect the economic entities in terms. School of rational expectations, spoke on three assumptions about how the economy works, of which the third is related to the fact that the activities of economic entities are based on their rational expectations. So for each central bank to successfully completed its primary goal, and today it is maintaining a stable price level, has to use methods that will affect the creation of expectations among economic agents. Also their success in creating their expectations depends on their credibility. If the credibility of the central bank is better, expectations of economic agents are closer to the target values of the central bank.

Thanks to the development of mathematics and the growing trend of quantification of economics we can get quality answers that will help policy makers in the realization of their goals. One of the methods used in the paper is regression analysis. Regression analysis is a powerful statistical tool that can help you gain a large amount of existing data on inflation analysis and thus to partial answers to the questions that are all factors that affect inflation and in what way.

This paper analyzes the influence of the expectations of economic agents on the level and dynamics of inflation in Serbia in the period 2009 to 2015. Also using regression analysis we determined which expectation (financial sector, the economy or the population) have the greatest influence on the level of inflation in observed period. Based on the values of parameters also expected inflation for 2016 and 2017 was analyzed.

KEYWORDS

Inflation, school of rational expectations, regression analysis, credibility of central bank, Serbia

JEL CLASSIFICATION CODES

E310, E370, E47

CORRUPTION AND TAX COMPLIANCE OF GREEK SMES

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ABSTRACT

The literature on the determinants and impact of the Greek shadow economy and moreover, of the latter's interaction with corruption, has greatly expanded since the beginning of the current economic crisis. We look upon a less discussed theme on this subject, which concerns the factors that shape the tax compliance decisions of Greek SMEs. Based on data from the World Bank, we build upon earlier approaches to the subject and control for the role of corruption in tax compliance decisions via conditional logistic regression.

KEYWORDS

Corruption, Greece, SMEs, tax compliance

BIOECONOMY ENSURING SUSTAINABLE AGRICULTURAL PRODUCTION

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ABSTRACT

Bioeconomy is a sector of the future. It is expected that in the coming years, investments in the bio-based economy will bring big profits. Aim of this paper is to identify the Bioeconomy in the concept of ensuring agricultural production. Bioeconomy is Europe's response to key environmental challenges the world is facing already today. It is meant to reduce the dependence on natural resources, transform manufacturing, promote sustainable production of renewable resources from land, fisheries and aquaculture and their conversion into food, feed, fibre, bio-based products and bio-energy, while growing new jobs and industries. Bio-economy is seen as a tool to cope with global challenges, especially population growth, climate change, and the increasing demand for materials and energy. Agriculture is a significant part of the sustainable socio-economic development. This is due to the fact that it plays a special role in the implementation of sustainable development because of the importance of natural resources management (land) and some features that do not allow to treat the agricultural activity as industrial one or as a service. Nowadays, primary production in Slovakia of renewable energies is quite diverse. New technologies bring new possibilities how to produce other types of renewable energies effectively. Authors presents production and use of biomass in Slovakia and analyze the effects of biomass production. The paper concludes by discussing SWOT analysis of Biomass production and energy utilization of biomass in Slovakia.

KEYWORDS

Bioeconomy, sustainable development, biomass, agriculture, renewable resources

LOOKING FOR “THE ONE”: WHO IS THE “REAL” OPINION LEADER IN AN AGRICULTURAL COOPERATIVE?

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ABSTRACT

Introduction: Farmers today are required to take decisions amidst a constantly changing environment and market condition. They have to work under great uncertainty and risks which make their job even more complex. Towards this direction it is of high importance to have access to the correct information at the correct time. However it's not an easy task; how they get their information and who is influencing their decisions, either individual farmers-opinion leaders-or entire networks, formal or informal ones plays an important role. Therefore, if a convergence between leadership self-perception and leadership reputation will be detected, a second interesting issue to develop will be that of outlining a “portrait” of such a leader.

Purpose: This paper tries to answer a critical question: whether people labeled (by others) as opinion leaders in a rural area evaluate themselves as such in other words how do we identify an opinion leader portrait in agriculture (specifically in a cooperative). A key point of concern is the profile of these people in terms of the leading features and some other characteristics which will help policy makers and local stakeholders to identify and use them in the agricultural extension work.

Design/methodology/approach: In order to achieve the above mentioned aim a field -case study- research was carried out in a typical Greek agricultural cooperative. Farmers/members of the cooperative were involved in a sample survey in order to determine the degree of their «leadership» (self-evaluated opinion leadership techniques). Then, using a Two-Step Cluster Analysis, the sample was stratified in some discrete clusters depending on the level of «self-evaluated leadership» of each farmer and according to the generalizations of the related theories. Finally, in-depth field research was used to disclose the local leadership network and answer who holds the central positions within this network (recommended opinion leadership). Data were collected through a survey addressing 152 farmers/members of the agricultural cooperative, carried out in May 2015.

Research findings: Five different farmers' profiles were identified by self evaluated leadership characteristics. But only one of these types is actually the “one”, that is the real leader who influences other farmers both in terms of self-evaluation and by recommendation.

Research limitations: Due to the small sample and due to the limitation of the research to a single cooperative, the study might have generalisability deficiencies.

Practical Implications: The empirical identification of an opinion leader comprehensive picture is a potentially useful tool both from a descriptive and from a normative optics. Indeed, this picture can be used to improve the organizational learning within an agricultural economy network such as a cooperative, offering significant benefits to the rural society, policy makers and to related economic sectors as a result.

Originality/Value: The contribution of this research is in having examined, for first time the parameters of opinion leadership in agriculture and rural life for which there has been longstanding interest.

KEYWORDS

Agricultural Cooperative, Farmer, Networking, Opinion Leader, Self-Evaluating Leadership, Two-Step Cluster Analysis

ORGANICS OR NOT? EVALUATING THE REASONS OF ENTERING THE ORGANIC FARMING

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ABSTRACT

Organic farming is the most widespread alternative form of agriculture, widely applied around the world. Recently, the cultivation of organic products shows a rising trend worldwide, due to consumer preference for safe products that are produced by environmentally friendly processes. In Europe, the improvement and development of organic agriculture was supported within the context of various agri-environmental programs of the Common Agricultural Policy. In Greece, this form of agriculture was mainly developed in the last two decades, showing upward and downward trends. The present research examines the reasons behind the producers' decision to adopt organic farming, highlighting the factors that contribute the most. Primary data were obtained through a quantitative survey (structured questionnaire) to a sample of farmers from the region of Anatoliki Makedonia and Thraki in Greece. The data were analysed through a series of multivariate techniques, namely factor analysis and ANOVA. Results indicated that the ideological reasons dominate the decision of producers to implement organic farming, followed by economic reasons which are mainly due to subsidy.

KEYWORDS

organic farming, certified products, CAP

EXPLORING THE DIFFERENCES IN THE DEVELOPMENT OF RURAL AREAS IN BOSNIA AND HERZEGOVINA

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ABSTRACT

There is a strong need for efficient measurements and policies in development of rural areas mainly because they contribute to regions prosperity and they have a potential to generate growth as dynamic urban areas.

Bosnia and Herzegovina is one of the most rural countries in Europe. Around 61% of its population is living in predominantly rural areas. Sarajevo, Banja Luka and other four large cities have almost 40% lower unemployment rate, 25% higher salaries and more than two times higher GDP per capita, compared to other regions of Bosnia and Herzegovina. Middle size cities have the weakest performances and the rural areas are somewhere in between.

In Bosnia and Herzegovina some rural municipalities with similar population density are very different regarding key demographic and economic indicators like migration, unemployment and average wages. Likewise, data about unemployment do not show any kind of pattern that could explain those differences. So far, studies in the country have not identified low and high performing rural areas (municipalities) and evaluated the factors, (so called capitals, or assets) for those disparities among them.

According to the existing studies in Europe the answer for differential economic performance is firstly in the potential of local community to recognise, strengthen and utilise less mobile assets in the form of economic, social, cultural and natural capital. Secondly, researchers point to the synergy between those assets and external networking and using information and communications technology in reaching new markets and resources.

Understanding the reasons for differential economic performance and more or less competitiveness in rural areas of Bosnia and Herzegovina could thus be a key element in devising practical strategies and programmes for sustainable rural development. This could also contribute to the programming of IPARD for Bosnia and Herzegovina in the future.

The aim of the study is by comparing the most and least developed rural municipalities to investigate the reasons for the differences in economic performance, in particular, to investigate the role of capitals or tangible and less tangible factors influencing development outcomes. Additional aim is to draw lessons from examples of successful communities and to propose measures for policy makers in order to improve socio-economic status of less successful communities. In order to achieve that, the authors have chosen two high and two low performing

municipalities according to the criteria of population density, rurality and proximity to large city. In order to have more clear picture, community profiling is conducted and data was collected by surveying community stakeholders.

The analysis showed that in high performing municipalities all capitals are accessible and properly utilised and that there is a strong correlation between them.

KEYWORDS

Rural development, community capitals, municipality

EMPIRICAL ANALYSIS OF EXPORT BARRIERS PERCEPTIONS BY GREEK YOGURT EXPORTERS

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ABSTRACT

Internationalization constitutes a key business strategy that may result in many growth opportunities, which are vital not only for the economic development and independence of most nation states, but also for the profitability and even survival of most firms. One of the most exported products in Greece is the Greek yogurt, which, in 2007, accounted for just 1% of the US yogurt sales and during the period 2008-2010, sales have grown almost 100% for each year. The international increase in the Greek yogurt demand motivated the recent significant growth in its exports. Still, the international markets constitute a highly competitive field in which the Greek yogurt confronts certain impediments. Accordingly, the present study investigates the barriers that Greek yogurt entrepreneurs face during their export activities. Primary data were collected from a survey of 104 Greek yogurt firms through in-depth interviews (structured questionnaire). The data were analyzed through the application of a series of multivariate methods, namely exploratory factor analysis, confirmatory factor analysis and the non-parametric Friedman test. The results indicate that most firms perceive as the major barriers to export the large input costs and the strict legislation on export markets, the bureaucracy in government agencies, the late payments by distributors and the lack of capital in foreign markets.

KEYWORDS

Internationalization, barriers, Greek yogurt, Exports

INVESTMENT DECISIONS IN AGRICULTURE UNDER ECONOMIC INSTABILITY: EVIDENCE FROM GREECE

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ABSTRACT

Purpose: The present study objective is focused on the examination of the Greek economy's effects on investments in agricultural, within the current turbulent economic period. In particular, is examined and quantified both the investment level in agriculture and the adoption rate of agricultural innovations, while an attempt is made to identify the main characteristics that affect the internal and external environment of the Greek agricultural sector economy.

Design/methodology/approach: For this purpose, a survey research was carried out in a large sample of farm managers in the geographic area of Macedonia. Moreover, a qualitative research took place and particularly a Delphi method was employed, in a group of experts (academics, large farmers and policy makers) who were selected according to the Quadruple Helix model. The data were collected and analyzed using descriptive statistics, multivariate statistical analyses and qualitative techniques.

Research findings: Firstly, the results of the Two-Step Cluster Analysis have been combined with the ones of Categorical Regression and Logistic Regression in order to identify those factors that positively or negatively affect farmer's investment decisions and adoption or rejection of agricultural innovations. In particular, the results of multivariate statistical analyses and quantitative SWOT analysis proved the existence of many factors, mainly external, that negatively influence farmer's investment behavior. Furthermore, results indicated that economic instability of the Greek economy and some structural problems of the public sector related services do have a negative effect on agricultural investments and innovation adoption.

Research limitations: Due to the turbulent economic period and the rapid changes the Greek agricultural sector is facing generalizations should adopted with caution.

Practical/Policy implications: From a practical point of view, the results of the quantitative SWOT analysis have been used in order to determine the internal (strengths, weaknesses) and the external (opportunities, threats) environment of the Greek agricultural sector economy leading to emerging policy suggestions so as to effectively handle those weaknesses and threats. This is a very important issue which can be used towards the improvement of the efficiency of agricultural extension services offering significant benefits to the rural society, policy makers and to the agricultural economy in general.

Originality/Value: The contribution of this research is in having examined, for first time the parameters of investment decisions in the Greek agricultural sector for which there has been longstanding interest in the international literature.

KEYWORDS

Adoption of innovation, Agricultural Policy, Delphi method, Economic instability, Multivariate Statistical Analysis, Quantitative SWOT Analysis

CONTRACT FARMING THROUGH AGRICULTURAL COOPERATIVES: A CASE STUDY OF THE S.A ATHENIAN BREWERY AND TWO AGRICULTURAL COOPERATIVES OF NORTHERN GREECE

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ABSTRACT

In recent years, Greece experiences a very intensive economic crisis that -as it expected- has important effects on the primary sector. A new form of entrepreneurship for Greece, contract farming, appeared the last years. A successful case study of contract farming in Greece is between the large enterprise “ATHENIAN BREWERY” and the producers- members of two agricultural cooperatives of Northern Greece.

The main aim of this thesis is to examine the process of contract farming through agricultural cooperatives. Specifically, it's investigated the production process of malted barley through contracts of members of the cooperative of Epanomi and the cooperative of Trilofos, in Thessaloniki (Northern Greece) and the private firm “ATHENIAN BREWERY”. With the help of a structured questionnaire that was distributed to the members-producers of both cooperatives, it was examined the advantages as well as the disadvantages of this form of cooperation for both producers-members of these two cooperatives and the private firm. Moreover, it was investigated the role of agricultural cooperatives in the process of contract farming.

The results reveal that the most important benefit for the growers is to ensure availability of the products in a predetermined price. The most important benefit for “ATHENIAN BREWERY” is a better production plan which ensures a certain quantity and quality of raw materials. The role of both cooperatives is determinative as it guarantees the safety of the process for both contracting parties.

KEYWORDS

contract farming, economic crisis, agricultural cooperatives, producers

THE ANALYSIS OF TOURISM AND ECONOMIC GROWTH RELATIONSHIP IN CENTRAL AND EASTERN EUROPEAN COUNTRIES

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ABSTRACT

The aim of this paper is to study the impact of international tourism growth on economic growth in Central and Eastern European countries (CEECs) in 2000-2014 period. Contemporary international tourism generates economic flows that have become vital factors for economic growth, trade and international economic relations in many countries, especially developing ones. Since it implies sources of receipts and consumption in situ, the international tourism is regarded as a non-standard type of export. For that reason, many governments are paying greater attention to supporting and stimulating tourism as a potential source of economic growth. CEECs, as developing countries whose economic growth is facing many challenges, have also recognized tourism as one of the main factors to boost it. For that reason, we find them to be highly relevant for this type of study.

In the paper the dynamic panel data model is formed to estimate the effects of tourism growth on economic growth in 18 CEECs countries. The data used are collected from World Development Indicators (WDI) for the 15-year period. CEECs record the increase of international tourism in the given period and the effects of tourism on the economic growth are expected to be positive and statically significant. Additionally, the model will include commonly used socio-economic determinants of economic growth which are also expected to have positive and statically significant impact.

Over the past decade, an increasing number of studies on the subject of tourism impact on economic growth and development in both developed and developing countries is found. The contribution of this paper is in analyzing the effects of international tourism growth on a relatively new (not frequently used) group of countries. Furthermore, the study will use tourism growth per capita as the independent variable as opposed to tourists' arrivals or tourists' overnights and receipts, frequently used in most of the studies. Limitations of the research are found in the unbalanced data for the time period used and time and cross-sectional restrictions. Besides new scientific insights, the paper will provide valuable insights for policymakers in the area of economic and tourism development as well as suggestions for further research.

KEYWORDS

Economic growth, Tourism growth, Panel data, CEECs

JEL CLASSIFICATION CODES

Z32, O52, C33

THE POWER OF CULTURE AND CONTEXT: DEVELOPING HUMAN POTENTIAL BY CHANGING THE ORGANIZATIONAL CULTURE AND COMMUNICATION /SHARED VALUES PROCESS/

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ABSTRACT

„Positive thinking, attitude change, visualization, paradigm shift, TQM, motivation, etc.“ most of these management buzzwords are with us from the beginning of the 70s at the start of the human potential movement. But a significant amount of research over the past 40 years is clear that there is little residual long-term value and lasting change. In large measure, the so-called second generation of training (positive thinking, visualization, paradigm shifting, etc.) although showing startling impact in the short-term, fails to meet the test of sustaining long-term organizational health and growth. Professors Beer, Eisenstatt and Spectar addressed this problem in the Harvard Business Review, offering views why no long-term change occurs from the kind of management approach that depends on individual enlightenment: „Most change programs don't work because they are guided by a theory of change that is fundamentally flawed. ... The most effective way to change behavior, therefore, is to put people into a new organizational context, which imposes new roles, responsibilities, and relationship on them.“

What should the new organizational culture look like in order to affect long-term behavioral change? This question led Rob Lebow and William Simon to the research project that had begun at the University of Chicago, in which a research team had collected surveys from 17 million workers in 40 countries around the world on the topic of what work environments allowed them to be most productive, creative, fulfilled, and competitive. „What employees, managers, and executives sense they are missing grows out of fundamental human needs that are virtually universal: Truth, Trust, Mentoring, Openness, Risk-taking, Giving credit, Honesty, Caring.“ Lebow and Simon argue that we need the Third Generation of Training namely to establish the NEW context in the existing environment by establishing shared values, (new) standards and structure. Their argument: „People respond and relate to values.“

Drawing upon a six-year research project at the Stanford University Graduate School of Business, James Collins and Jerry Porras (Built to Last) studied those successful and exceptional companies that demonstrated long-term success and came to a similar conclusion. „Our research showed that a fundamental element in the «ticking clock» of a visionary company is a core ideology --- core values and a sense of purpose beyond just making money – that guides and inspires people throughout the organization and remains relatively fixed for a long period of time.“ Can the answer to the question how to develop human potential be that we need to change the culture (allowing people to be great – by fixing the context, trusting and believing in people, loving people) of our companies and organizations? What about the culture of a nation? „Culture Matters!“ is the main message by Lawrence Harrison and Samuel Huntington (editors) from Harvard with other contributing scholars in the book by the same title. „If culture is important and people have studied culture for a century or more, why don't we have well-developed theories, practical guidelines, close professional links between those who study culture and those who make and manage development policy?“ asks Robert Klitgaard.

How can we build the new organizational context/culture and communication that will impact and motivate people? What is the role and relationship of values and integrity in this new organizational culture? There are many influences that impacted Croatian culture in the past that affected the values, economy and work. Unfortunately we are witnessing many problems today in Croatia (high unemployment, brain drain, inefficient leadership, corruption, lack of trust...). How can a small country like Croatia create a new (organizational) culture that would develop its most important competitive advantage – namely their people? Those are some of the questions that this paper will try to answer.

KEYWORDS

Organizational Culture/Communication, Value System and Business Ethics, Social and Spiritual Capital,

JEL CLASSIFICATION CODES

Z1

RESORT-RECREATION AND TOURISM INDUSTRY OF UKRAINE IN THE EUROPEAN COMMUNITY

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ABSTRACT

Ukraine as the state, which puts before itself the purpose – is included into the European world community. So it, obviously, important to create such industry what will be profitable in strong concurrence of international markets. Generally, among such branches, it is possible to allocate the high technology manufacture with working out of unique technologies, but the most attractive, for Ukraine, from the point of view of efficiency of an investment of investments is – tourism and resorts.

In the modern world role of tourism in economy of many countries is greatly increased. Tourism became for a long time already the important part of the international relations. Economic analysis of European Union countries shows that incomes of tourism get around 9-15% from GDP. While this indicator in Ukraine shows much less and consist about 2.7%. That detects the potential possibility of increase incomes in tourism repeatedly. Economic impact of tourism have a substantial effects on such industries, as transport, communication, trade, activity of hotels and restaurants, public health services, agriculture. Increases of region tourist appeal promote development of nearby areas and rural territories. The index of competitiveness of travel and tourism – intends for measurement factors and political actions, which make tourism attractive in the certain country. World economic forum develops such index. Ukraine has only 76 place among 140 countries of the world according of this index; such level also has FYROM, Albania and Azerbaijan.

For the last three years (2011 – 2013) number of tourist visits to Ukraine is considerably grown. For more ocular demonstration of growing dynamic, we will take 2004 year, when the number of tourist visits approximately was 10 million, and 2013 when this number essentially increase for 25 million. Now on all territory of Ukraine worked about 6000 collective means of placing, like: hotels, motels, hostels, camps, sanatoriums, boarding houses; it's on 121 organizations (2.4%) it is more when in previous year.

In Ukraine exists two directions of tourist streams. Russia (39%) and Belarus (22 %) represent the first and basic stream of foreign tourists. The second stream is divided among themselves (in decreasing order) by Poland, Germany, Turkey, the USA, Great Britain, Italy, France and Sweden. The choice of region or cities foreign tourists, in many respects depends on that, whence they to us come. The most popular cities are – Kiev, Lviv, Odessa, and the most visited regions are – the Western Ukraine, Crimea, Black Sea Coast and Azov Sea Coast. Russians and Byelorussians prefer to go to Crimea, Black Sea Coast or Azov Sea Coast. Bukovel, with its relatively cheap cost, has become popular among Poles, Romanian and Hungarians. Germans, Americans, and Englishmen tourists prefer a traditional route: Kiev – Odessa – Lviv.

On the basis of the foregoing it can be argued that the tourism potential of Ukraine is a truly great, especially if you add to the list of tourist attractive features opportunities for rural tourism, health centers for the elderly, hunting, ecotourism, yachting, golf and other benefits. This potential is realized only to a limited extent, since the tourist infrastructure is not developed well enough, as Ukraine does not have sufficient number of modern hotels, tourist centers, campgrounds, restaurants and entertainment centers. In Ukraine, there are already several developed tourist clusters, and based on them to start the development of tourism industry in Ukraine.

For development and achievement of the European standards, it is required to tourist sphere of Ukraine about 1.5 billion dollars a year, but actually it receives some hundreds of thousands. For result reception, it is necessary to pursue a policy of regular injections of monetary streams in branch. With a growing international competition between tourist directions, effective positioning of region or the whole state has crucial importance for attraction of investors in branch.

Ukraine tourism sector for the development and achievement of European standards, it takes about 1.5 billion dollars a year, but in fact it only gets a few hundred thousand. To get the result you need to pursue a policy of regular infusions of cash flows in the industry. With the growing international competition between tourist destinations, effective positioning of the region or the whole country is crucial to attract investors into the sector.

The problems associated with investing in the development of tourism industry in Ukraine include: permanent change in legislation, significant amount of checking governments, corruption in local and higher echelons of power, and recently and political instability – all these are the main reasons why investors are afraid to put even a minor funds to create a new development or already in existing tourism projects.

KEYWORDS

Resort-recreation complex, economic development, competitiveness, health economics

JEL CLASSIFICATION CODES

I11, I15, O12

MONITORING THE IMPACTS OF CORPORATE ACTIVITIES ON ENVIRONMENT IN TOURISM AND COMMUNICATING THROUGH CORPORATE REPORTS

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ABSTRACT

Tourism, one of the most important economic activities in the world, is deeply interrelated with the environment. It is dependent on it, but it affects it and changes it constantly. Tourism sector must play an important role in addressing climate change implementing adaptation and mitigation strategies. Sustainable tourism development is the prerequisite of its present and future development. However, if adaptation and mitigation strategies are implemented, the results have to be measured to catch the difference between the set and achieved goals. Only in such a way, improvements may be made.

Communication with stakeholders is important in addressing challenges of climate change and sector's impacts and endeavor in tackling it. Corporate reports are used as one of the most acceptable means of communication with tourism stakeholders. Although, often considered as a synonym for financial reporting, corporate reports emphasize a much wider field. According to PwC (2016) corporate reporting includes the following reporting areas: integrated reporting, financial reporting, corporate governance, executives remuneration, corporate responsibility and narrative reporting. For the purposes of monitoring the impacts of corporate activities on environment, corporate (social) responsibility reporting, or sustainability reporting is the most dynamic and acceptable tool. This segment of reporting has been developing very fast in the past years. There are several initiatives (guidelines) for developing standards for reporting on CSR/sustainability. The most important ones are: Global reporting initiative (GRI), United Nations Global compact communication of progress (COP), AccountAbility's AA1000 and ISO 26000.

At this stage, reporting under the banner of CSR/sustainability is still voluntary. Thus, companies decide on their own whether to prepare and publish reports on this issue or not. The decision to use (or not to use) one of the existing guidelines for reporting is also voluntary. In addition, companies may report on social responsibility/sustainability issues without using existing guidelines. They can apply their own standards based on their mission, vision and corporate strategies they implement. Very regularly, they align such reports with the above mentioned.

The aim of this paper is to explore the impacts of corporate actions on environment in the tourism sector. In order to identify the level of information disclosure on environmental issues, corporate reports of companies operating in tourism sector will be subject of content analysis. Further, the implementation of different (global) initiatives for CSR/sustainability reporting will be explored. The sample will be taken out of the tourism companies operating in Croatia.

Based on obtained result, conclusion on further development of reporting on CSR/sustainability issues will be determined, taking into account the specifics of tourism sector companies.

KEYWORDS

Corporate reporting, sustainable tourism development, Croatia

JEL CLASSIFICATION CODES

M14, M41, Q01, Q5

WINE TOURISM DEVELOPMENT IN NORTHERN GREECE: EVIDENCE FROM KTIMA GEROVASSILIOU

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ABSTRACT

In an effort to expand the wine tourism industry in Greece, wine producers have formed regional associations, such as the ‘Wine Producers Association of the Northern Greece Vineyard,’ established in 1993. Efforts of this, and similar organizations, involve networking with small-scale wineries, travel agencies, hotels, restaurants, and other local merchants to promote regional wineries, as well as establishing wine tourist routes. Significant work has been conducted investigating consumer motivations and market segmentation in wine tourism, locally and internationally. Based on this work, wineries can modify the programs offered in order to attract certain market segments. However, examinations of the relationships between the three primary stakeholders in wine tourism – consumers, wine producers, and the tourism agents who promote the programs offered by the wineries – remain limited. This paper explores the interconnections between consumers, winemakers, and tourist agents to better understand how to improve agrotourism in small-scale wineries. As a case study, we assess the efforts of Ktima Gerovassiliou, a highly successful, family-owned, winery located in northern Greece, south of Thessaloniki. Gerovassiliou has produced world-renowned wines since 1981. In particular, we evaluate the alignment of the

winery's tourism programs, the infrastructure and efforts of established local tourist agency networks, and the motivations of potential domestic consumers.

KEYWORDS

Wine Tourism, Greece, Wineries, Consumer Behavior

JEL CLASSIFICATION CODES

M31

THE EXAMINATION OF THE IMPORTANCE OF THE THERMÁL PANZIÓ IN MÓRAHALOM

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ABSTRACT

Nowadays, when the fast-paced world is presented almost everyone's life, the role of the rest and the recreation is getting more emphasized. It becomes more important to the people where, with whom and in what kind of circumstances they are willing to spend their free time, and how much money they are willing to pay for it. They can find recreation in countless type of tourism, depending on they wish to spend their rest actively or passively. The growing demand of tourism infers the growing supply of tourism and diversity too. Parallel to this the needs of the people who want to relax increase. In case of a tourist destination it is more and more determinative how they can offer various types and quality of services for their guests how they can cooperate in the region in the area or in the same settlement with other service-units, who can even be their competitors. Mórahalom in Hungary is a good example for that where the cooperation between the several service-units is exemplary. That is why I choose my research's topic: analyzing the Thermál Panzió in Mórahalom. The accommodation service is an area where services are used by all age-group regardless of age and gender. Thus, the target group could include almost everybody. The purpose of my work is to examine the importance of the Thermál Panzió, on the other hand, to do the interrelation and relationship testing among the guests of the pension. The latter is done after the results of my quantitative research among the guests in the pension in 2013. My research focuses on three aims

A1: To examine the coverage -, the requisition of the offered services-, the price-value ratio of the rooms-, and the family-friendly nature of the Thermál Panzió among the guests.

A2: To map the relationship of the pension's guests and Mórahalom (visiting of the city, knowledge of attractions).

A3: Examination of the guests of the Thermál Panzió (with whom, with what, and when they arrived).

KEYWORDS

Tourism marketing, Interrelation and relationship testing, Pension analysis

TOURISM AND ECOLOGICALLY SENSITIVE AREAS: THE CASE OF THE PREFECTURE OF PREVEZA. A CITIZENS' POINT OF VIEW

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ABSTRACT

The immeasurable value and necessity of protecting and promoting the natural wealth that distinguishes a geographical unit, demands the adoption and implementation of a multifaceted strategy, aiming to preserve and manage an ecologically sensitive area, systematically and, by extension, to ensure the viable development of tourism. All this must be accepted by the citizens in order changes to occur without people's complaint and protests. Under this assumption, the objective of this paper is to investigate the attitudes and beliefs of residents regarding ecotourism development in the Prefecture of Preveza, an area mainly characterized as NATURA and RAMSAR protected. It also reflects the citizens' beliefs regarding the possibility of developing modern forms of tourism activities near or within the environmentally sensitive area, in the light of a viable -sustainable development in the prefecture. In order for this to be accomplished, field research with the means of a questionnaire, developed especially for this reason, was undertaken. Sample involved 150 permanent residents of the Prefecture of Preveza from all three municipalities (Zirou, Parga, and Preveza) via mall intercept personal interview. Thus, residents rated their point of agreement for tourism exploitation of nine nature related attraction sites and seven modern forms of tourism activities in these nature attractions sites. Residents consider that alternative tourism (92.0%) and not mass tourism is indicated for the area and specifically in the form of ecotourism (94.5%) for sustainable development (86.4%) of the region. Regarding the nature related point of interests which could be potential tourist attractions; locals consider all sites as potential tourist attractions, but the ones with the highest rate are Acheron river (delta) Beach-Alonaki- Nekromanteion (necromancy; 93.9%) and the straits of Acheron River - Trikastro - Skala Tzavelena (91.7%). As to modern types of tourism, they rated tourism for biking and hiking-trekking as the best for the region (89.5%). Moreover, they consider that the responsible bodies for tourism development of Preveza, which should be kept nature protected and unspoiled, is mainly the local authorities and operators (59.4%). The expected benefits of recording citizens' opinions and beliefs aim at

rational regional planning and are very important. Results are discussed and recommendations for implementation are provided.

KEYWORDS

Protected areas, Ecotourism, Conservation, Local peoples' perceptions, Marketing

JEL CLASSIFICATION CODES

M31, Z32, Q56

SELECTED ASPECTS OF HUMAN RESOURCE MANAGEMENT SUPPORTING AND LIMITING ORGANIZATIONAL LEARNING

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ABSTRACT

In order to respond with success to a rapidly changeable world, many enterprises were adopting the rules and principles of a learning organization. The issues of learning organizations are wide and multidimensional. Generally, learning organizations focus on “learning” as a crucial component in their visions, goals, values and all of their functions. There is an opinion that by collective learning, the organization’s members are able to improve the organizations performance and competitive advantages. It is especially important for SMEs, which should be under special attention because of their special influence on economic growth, unemployment reduction, market competitiveness, etc. For learning organization the priority is that the individual learning process needs to have a voluntary rather than compulsory character. The biggest challenge for managers/owners is increasing the willingness to learn and than share new knowledge with other members of the organization. Additionally, members of the learning organization should not only accept orders from their superiors, but they need to have a courage and be encouraged to question established norms to explore new avenues of thinking and to make mistakes in order to improve their products/services and production methods. From this perspective, the crucial role for building learning processes in organization is the specifically shaped relationship between superiors and employees and effective human resource management.. The main aim of this paper is to identify and analyze the relations supporting and limiting organizational learning. The empirical part of the paper was prepared on the basis of questionnaire survey in 2016 on a group of 250 small and medium-sized enterprises in Poland. During the elaboration of the paper, the generally accepted methods of economic research were used, including statistical analysis (Gamma correlation coefficient) and graphical illustration methods.

KEYWORDS

learning organization, human resource management, SME

SLOVENE MANAGEMENT EDUCATION IN THE CHANGED WORLD THROUGH APPRECIATIVE INQUIRY

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ABSTRACT

Paper presents the study of appreciative inquiry (AI) methodology in the context of management education. Current perception of managers in Slovenia about economic situation is negative which may have a significant impact on investment and positive outlook of future business. Therefore, we propose that AI which focuses on positive aspects of doing business needs to be investigated and implemented into management education of future managers and we provide empirical evidence of thinking patterns of three generations of students at the Faculty of Economics University of Ljubljana. AI means researching what gives success to human systems when they function at their best. It represents discovery process of optimum identity and a way to the best possible future. Positive core of existing situation is chosen as the focus of AI process. AI is researching into stories that give energy for further action. Purpose of this paper is to offer an alternative approach to tackling challenges, based on analyzing the causes of previous successes. Further, we aim to offer the scientific community a new methodology that solves real business, relational or individual challenges. In the Winter semester during study years 2012/13, 2013/14 and 2014/15 we invited our students to be in a state of inquiry about themselves, their life and their work. We asked them: What is the best future you can imagine? In a longitudinal study we have gathered 171 AI pair interviews documentations. Students' AI data was analyzed in three thematic segments: 1) favorite quotes; 2) preservation of past and present into the future and 3) vision of the future. Analysis of all three generations' AI interviews revealed emphasis in their favorite quotes on the “people” component and the need of the students to understand life and make sense of gained knowledge and experiences. They also stress the need to think about contemporary issues and gain practical experiences. Students would most like to preserve in the future their work ethics, dedication to hard work, creativity, family members around them, experiences and knowledge gained. Their visions are focused on balancing successful international careers and family lives. New ways of communication represent an important consideration for the students. They expressed their wish to be driven by intrinsic motivation and being respected in their profession. Theoretical advantages of our paper are in elaborating on AI in

management education. Practical implications are in helping students to clarify their strategic goals and visions through introspection and qualitative methodology. Professors can implement and adjust the AI questionnaire based on their own developmental objectives and also based on the needs of their students. Contribution of our paper is in the field of management education and AI field.

KEYWORDS

APPRECIATIVE INQUIRY, MANAGEMENT EDUCATION, STUDENT DEVELOPMENT

JEL CLASSIFICATION CODES

M1, M53, O15

ORGANIZATIONAL CAPACITY FOR EXPORT ACTIVITIES: HOW IMPORTANT IT IS TO ACCOMPLISH POSITIVE BUSINESS RESULTS?

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ABSTRACT

In a diversified global business, there is presence of international competition and many hidden risks. Still, internationalization of business represents the only sustainable long-term strategic choice for a company. Since the organizational capacities are recognized as the only irreplaceable resource in a company, their relevance emerges in modern economy. However, business praxis is such that only one person is responsible for most business decisions in a company, especially smaller ones. Therefore, export often represents a secondary activity because the management is limited to leading the businesses on the local market. Consequently, the goal of this paper is to test the consistency of organizational capacities involved around export activities, as well as their influence on the export result. Survey, researched on a sample of export companies in Croatia, showed that organizational capacities for export activities have a two sided effect on business. In fact, the support of management in bringing different, risky decisions have a negative effect, while controlling standard procedures and encouraging creativity and efficiency of employers have a positive effect.

KEYWORDS

Organizational capacity for Export activities, Export, Business result

JEL CLASSIFICATION CODES

M12, M16, M51

RISK MANAGEMENT TOOLS FOR SMALL AND MEDIUM-SIZED ENTERPRISES - A GUARANTEE OF STABILITY FOR ECONOMIC DEVELOPMENT

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ABSTRACT

The article presents list of factors influencing on the formation of insurance conditions for the SME sector. The analysis on the one hand based on the microenvironment, ie. the factors of the environment close to the company affect its ability of operating customers. On the other hand, we analyzed the macro-environment, ie. changes in political and legal framework, economy, social and technology. Based on our questionnaire survey we also made analysis of the factors that influence on the decision entrepreneurs purchase certain types of insurance. In Poland, it shows the relationship between GDP growth and the growth rate of revenues of SMEs (correlation of 92%). This correlation makes it necessary to create successful risk management methods, including insurance products that will protect the functioning of companies of this type. The authors suggest a stronger state involvement in this type of solution, not to leave merely to the commercial solutions.

KEYWORDS

small and medium-sized enterprises, risk management, insurance, economic development

OPERATING ROOM PROCESS: STRATEGIC GOVERNANCE TO SUSTAINABLE HEALTH SYSTEM

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ABSTRACT

The economic and financial crisis has an important impact on the healthcare sector. Available resources have decreased, while at the same time costs as well as demand for healthcare services are on the rise (Mladovsky, 2012; Oduncu, 2012).

Hospitals are essential components in providing overall healthcare. Hospitals consume, on average, between 50% (in Western Europe) and 70% (former Soviet Union) of the overall country's healthcare budget ‘(...) makes them the obvious targets for governments trying to cap public expenditure or to slow the rate of growth’ (McKee, 2002). Management of operating rooms is a critical cost factor. Over the years, the cost of supplies in the operating room has increased. This study aims to understand whether the strategic approach proposed is able to reduce cost expenditure ensuring the same health quality.

As Agnoletti et al. demonstrated in his research, the Operating Room Block (ORB) can be increase its efficiency by an introduction of a practical IT system that its goal is analyze the Operating Room performances.

This report suggests that it is possible to reduce or control inefficiency even in an efficient system. This may be also possible by translating the problem of efficiency/inefficiency to surgical lists. On a similar tone, Pandit et al. introduce the concept of “capacity” as expression of the surgical operating lists described by the minutes or hours of surgical time per week available to it. To optimize OR utilization, the surgical operating list should be based on historical surgical timing.

Research in the management of operating rooms makes it possible to reduce the costs of the services involved and to raise the efficiency standards of the service to the individuals and the community. However, this is only possible if the systems of data analysis and presentation are able to provide the correct information in the correct form. Knowledge is at the basis of improvement but it must be clearly understandable and easily accessible.

KEYWORDS

Health system, Operating Room Management, strategic governance

JEL CLASSIFICATION CODES

M10, L23, I18

THE AGILE REVOLUTION IN SOFTWARE ENGINEERING

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ABSTRACT

This paper is not a criticism of the methodologies consecrated in project management, but rather a pleading for quitting the rigid patterns and granting liberalization of activities, more inventiveness and spontaneity in software project development. For this purpose, will be presented the principles, the advantages and drawbacks of Agile process in comparison with several traditional methodologies, highlighting their influence on software development projects. The case study refers to the development of the same software project using two different methodologies, at the same time: PMBOK and Agile. It is a small project that accomplished in academia by two teams of master students, that attend to project management courses during a semester.

The final section will draw conclusions in the context of the approached area and the results obtained and also, will contain some considerations regarding our future work in the domain.

KEYWORDS

Project management software, Agile methodology, Academic environment

JEL CLASSIFICATION CODES

M15, O30, I20

A PROPOSAL FOR THE REORGANIZATION (RESTRUCTURING) OF THE PORT SYSTEM IN CROATIA

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ABSTRACT

Since ancient times and up to the present moment, the port system of the eastern coast of the Adriatic has never been structurally defined and consistently organized. The greatest move was made during the Austro-Hungarian period, when the ports of Trieste and Rijeka were connected with their hinterland and became the leading European ports.

After the Second World War, the development of the ports in the former Yugoslavia went on in an uncontrolled and unorganized manner, producing deep consequences even on the current-day port system in Croatia.

And the basis of well defined and well organized port operations and port system development lies in a structurally defined port policy, representing the vital part of a nation's transport and maritime policy.

The port policy is based on or is the guideline of legislative regulations. In 1995, the first Law on Seaports came into force in Croatia, with plenty of defects and dilemma in its implementation. However, it was considered as a good one as it served as a basis for defining the port policy and organizing a high-quality and successful port

system. Since the passing of this first Law, a few versions of new legislative regulations, but with no major breakthrough observed; these were only superficial changes that were even worse than the first legislative provisions. Although incomprehensible and disputable in their implementation, the legislative regulations in force pose a specific problem for ports management and their inconsistent classification. The classification of ports is misapplied, especially as regards county ports. It is, therefore, not correct and expensive and ineffective, to apply the classification of ports pursuant to the Law.

The port management in force today is based on the principles of the Port Authorities and of the concessionaires located within the port area included in the maritime domain. This represents an additional bargain to business operations thus being an aggravating and questionable factor of the further development.

Today, there are 7 Port Authorities managing ports of international importance, about 70 ports important for the counties and more than 200 ports and harbours under the authority of the county port authorities. Such an irrational number of Port Authorities is a result of inconsistently and wrongly implemented legislative regulations. The basic errors, generating a great number of ill effects, are as follows:

- classification into passenger and cargo ports,
- county Port Authorities and county administration lying on local ports and harbours,
- too many Port Authorities with an inefficient bureaucratic apparatus on all levels,
- problems with local ports and harbours and a questionable authority of the local self-government.

Croatia is now passing through a period of crisis, reforms, economies within all economic segments and public sectors. And it is just in the port management system, especially in the management type and classification of ports, that not only economies can be made but the whole port system as one of the vital economic and transport activities can become more rational, productive and efficient aiming at structurally defining this successful segment of the maritime, transport and economic system.

Therefore, the basic guidelines to be adhered to are:

- separate cargo ports from passenger ports,
- reduce the number of port authorities, two (2) of them are enough for ports of international importance within the national port system, one (1) for cargoes and one (1) for passengers,
- arrange the structure of the county port authorities according to the cargo traffic and their importance within the national port system,
- remove local ports and harbours from county port authorities and leave their management to local communities.

Using such an approach in the organization and management of ports in Croatia, the Croatian port system on the Northeruropean traffic route, on the European port service market and on the entire traffic route could be evaluated with more success and to better effect.

KEYWORDS

port system, management, classification of ports, port policy, legislative regulations

ON A COURNOT DUOPOLY GAME WITH DIFFERENTIATED GOODS, HETEROGENEOUS EXPECTATIONS AND A COST FUNCTION INCLUDING EMISSION COSTS

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ABSTRACT

In this study we investigate the dynamics of a nonlinear Cournot- type duopoly game with differentiated goods, linear demand and a cost function that includes emission costs. The game is modeled with a system of two difference equations. Existence and stability of equilibria of this system are studied. We show that the model gives more complex chaotic and unpredictable trajectories as a consequence of change in the parameter of horizontal product differentiation and a higher (lower) degree of product differentiation (weaker or fiercer competition) destabilize (stabilize) the economy. The chaotic features are justified numerically via computing Lyapunov numbers and sensitive dependence on initial conditions. Also, we show that in this case there are stable trajectories and a higher (lower) degree of product differentiation does not tend to destabilize the economy.

KEYWORDS

Cournot duopoly game, Discrete dynamical system, Heterogeneous expectations, Stability, Chaotic Behavior

COMPARISON OF DEFAULT MODELS BY CONFORMITY IN DETERMINING THE PROBLEMATIC SLOVAK ENTERPRISES

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ABSTRACT

In the article we apply some default prediction models on a sample of Slovak companies. The result is a comparison of individual models by conformity in determining the problematic enterprises. Data are obtained from the register of the financial statements, which provides the financial statements of Slovak companies from 1 January 2014.

KEYWORDS

Default prediction models, Financial ratios, Non-parametric model

**COMPLEXITY IN A BERTRAND DUOPOLY GAME WITH
HETEROGENEOUS PLAYERS AND DIFFERENTIATED GOODS**

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ABSTRACT

In this paper we investigate the dynamics of a nonlinear discrete-time Bertrand duopoly game with differentiated goods. The players have heterogeneous expectations and the game is modeled with a system of two difference equations. Existence and stability of equilibria of this system are studied. We show that the model gives more complex chaotic and unpredictable trajectories as a consequence of change in the parameter of horizontal product differentiation and in the speed of adjustment of the players. If these parameters are varied, the stability of Nash equilibrium is lost through period doubling bifurcations. The chaotic features are justified numerically via computing Lyapunov numbers and sensitive dependence on initial conditions.

KEYWORDS

Bertrand duopoly game, Discrete dynamical system, Heterogeneous expectations, Stability, Chaotic Behavior

**SOME REMARKS ON THE REGIONAL DISPARITIES OF PREDICTION
MODELS CONSTRUCTED IN THE VISEGRAD COUNTRIES**

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ABSTRACT

The main goal of each business is to generate profit, respectively to increase the market value of the company. The success of this fundament is determined by the relatively large number of factors, both at the macro level, micro level and especially at enterprise level. During the life of the company inevitably turn successful periods with a less successful and every business has to calculate in its strategy with a period of decline of relevant business indicators. It is extremely important that this decline doesn't have a fatal character and will not lead to the destruction of the company itself. The issue of predicting the corporate failure is among the most discussed issues of business theory and practice. The first prediction models were constructed half a century ago and are associated with names such as: H. Beaver, E. I. Altman, J. A. Ohlson, M. Tamari, P. Kralicek, J. G. Fulmer, M. Beerman, L. V. Springate, M. E. Zmijewski, C. Y. Shirata, Ch. Zavgrenen and others. Currently, there are several hundred prediction models that have been developed at a particular time and in conditions of particular economies. Many of them are used in economic practice (whether by financial institutions, companies or government and local governments). The subject of discussion on the suitability of foreign prediction models of financial distress is whether the model constructed on the basis of data characterizing companies of one country can be successfully used to predict the financial situation of companies in other countries. This issue was already dealt by British economists Argenti and Taffler in constructing the model which correspond to conditions of the English economy. Through the analysis they came to the conclusion that for example limits of Altman's model Z score for US market are different from values corresponding to the market in England. Also for example another conclusion was that differences occur not only between different countries but also between different sectors within the same country, while they are also subject of changes over the time. Corporate failure can be found in all economies in the world (not only market). This is the same also in the case of economies in transition. The aim of the presented paper will be the indication and the detection of specifics of prediction models developed in countries of the Visegrad Four. Specifically, it will be 33 prediction models. The main detected facts will be compared with the prediction models developed in advanced economies. Data of relevant models will be obtained from studies of Bellovary et al., Ravi and Ravi and Dimitras et al.

KEYWORDS

Corporate failure, prediction models, period, Visegrad countries

JEL CLASSIFICATION CODES

C02, G33

**LOCAL FISCAL OPTIMALITY IN F.Y.R.O.M. – THE CASE OF
MUNICIPALITY OF TETOVO**

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ABSTRACT

The aim of this paper is to provide a detailed information about the Local Fiscal Optimality in F.Y.R.O.M. and as study case in taken the Municipality of Tetovo as one of top three municipality in the country.

Achieving local fiscal optimality in the municipalities of F.Y.R.O.M. and especially in the municipality of Tetovo even today remains one of the most important challenges in fiscal and institutional management of the local governments. The harmonization of the financial revenues and expenditures in the municipality of Tetovo and also in the other municipalities in F.Y.R.O.M. remains one of the crucial challenges in the processes of local governments, by the fact that F.Y.R.O.M. is still a country in transition and has a very low rate of economic development and the high level of financial centralization prevents local sustainable development. And this is the reason why most of the municipalities fail to meet even the basic needs of citizens because they lack the financial resources to meet many of the real requirements for capital investments, investments in education, culture, sports, etc. This big imbalance between revenues and expenditures of the local governments makes it impossible to achieve fiscal optimality point at which financial revenues would cover the costs.

Through our econometric model we conclude that the revenues from VAT (Value Added Tax) which the municipalities have in return from the total VAT revenue that is collected is only 4%, and it is at a very low level and increasing the VAT revenue return from 4% to 11.45%, will we have optimal level of revenues to cover the actual costs of local governments. The gained result can be useful for both central and local governments not only in F.Y.R.O.M. but also in the region as they can redefine the methodology of distribution of incomes and to take more steps toward fiscal decentralization.

KEYWORDS

Local Fiscal Optimality, Revenues, Expenditures, VAT, Local government, Economic development

JEL CLASSIFICATION CODES

H71, H72

**THE EVIDENCE ON THE EXISTENCE OF ECONOMIES OF SCALE IN
LOCAL GOVERNMENT UNITS**

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ABSTRACT

Economic and fiscal crisis has put additional pressures on the efficient management of resources also at the sub-national levels of government. This is also true for the local government level, where this issue is related to the appropriate creation and size of local jurisdictions. This can be put in the context of the decentralization theorem (Oates, 1972), which is based on the competing theory and states that excess fragmentation of government leads to inefficiencies in the provision of local public services, such as various duplications, problems in achieving economies of scale etc. This means that size of local government units should efficiently combine scale and congestion effects in order to minimize local authority costs (Bises and Sacchi, 2011). Subsequently, policymakers are very inclined towards reorganization within the government, and this includes also possible consolidation of local government units. This means technical aspects of local government operation are targeted, since it is assumed, among others, that consolidation of local government units would enable achieving economies of scale and subsequently reduce costs. The purpose of this paper is to empirically verify if the possible existence of scale economies actually supports the argument that municipal consolidation is needed in Slovenia. Cross-sectional technical efficiency of 200 Slovenian municipalities is estimated with the Data Envelopment Analysis (DEA) method in order to determine if (and which) municipalities are experiencing increasing returns to scale (i.e., scale economies), and therefore might be eligible for consolidation process. The results indicate that predominantly very small municipalities are experiencing economies of scale, but their number is relatively low. Therefore, one of the classical arguments for municipal amalgamation, achieving economies of scale, can only be applied at a limited scale. This does not imply that more extensive amalgamation is not warranted, but it demands that other arguments justifying municipal amalgamation should be put forward.

KEYWORDS

scale economies, local government units, Slovenia, Data Envelopment Analysis

**DETERMINANTS OF OPERATIONAL RISK AND THEIR IMPACT ON
MICROFINANCE BANKS IN PAKISTAN**

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ABSTRACT

This study presents the analyses of determinants of Operational Risk and their impact on Microfinance Banks selected from the Punjab province with list of 24 factors, perceived by regulators which impede the ability to

achieve their desired objectives. Staff salaries, employee education, technical support, employee training and consumer education were the most important factors. Overall Ordinal Logistic Regression results show that Internal control system is the major source of operational risk and has high positive impact on Microfinance Banks while intensity of impact was low in case of Human resource.

KEYWORDS

Operational Risk, Ordinal Logit Model, Microfinance Banks

EXPOSURE TO EXCHANGE RATE RISK AND COMPETITIVENESS: AN APPLICATION TO SOUTH-EASTERN EUROPE

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ABSTRACT

Our paper investigates the economic exposure to currency risk of domestic stock markets from nine countries in South-Eastern Europe (Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Russia, Serbia and Turkey), using nominal and real exchange rates of the local currencies against the currencies of these countries' main trading partners. In this framework the study of economic exposure is more powerful related to how domestic companies or foreign companies operating on local markets are aggregately affected by shocks in the exchange rate. Certainly, at the economy-wide level, some activities are positively influenced by unexpected changes in exchange rates, while other are negatively affected by the same movements.

The research makes use of two sets of data for each of the nine countries under analysis over the period January 1999 – December 2015. The first set of data includes monthly values of local stock market indices denominated in local currencies, collected from MSCI Database or countries' stock markets. The second set of data consists of bilateral and effective exchange rates of the local currencies against the currencies of the countries' main trading partners. Exchange rates are collected from central banks, the Pacific Exchange Rate Service, the Bank of International Settlements Database and Eurostat.

In order to identify the relevance and magnitude of corporate exposures to unexpected changes in the exchange rates in these countries, we proceed in three stages, as follows: (1) we estimate linear contemporary and lagged exposures using the traditional OLS regressions; (2) we investigate for the presence of asymmetric exposure using a dummy variable that captures the positive versus negative changes in the exchange rates, in order to identify potential divergent behaviour of these economies to appreciations and depreciations in domestic currencies values; (3) we extend our research to testing for the presence of non-linear exposures to exchange rate changes, which allows a more accurate analysis of the impact of exchange rate fluctuations on companies' values, following the more recent literature in the field that identifies such exposures for companies from developed economies.

Our results indicate that these economies show contemporaneous and lagged exposure to nominal and real exchange rate risk, but these exposures are different from one country to another and from one currency to another, a result that can be explained by the dissimilar economic structures in the region. On the other hand, there is smaller evidence for asymmetric exposures, which might indicate a general inability of companies in the region to use real or financial options in order to benefit from the positive effects of changes in exchange rates or to hedge the undesired expected exposures. Evidence for non-linear exposures is less obvious in the case of these economies, given the absence of most reasons for such non-linearities for companies in the region and, most likely, as a result of investors not including a premium for this type of exposure in the stock market return.

KEYWORDS

Exchange rate, Economic exposure, South-east Europe, Competitiveness

THE ROLE OF FDI IN INCREASING EMPLOYMENT FOR SOUTH-EASTERN EUROPE COUNTRIES

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ABSTRACT

According to neoclassical and liberal economic doctrines, foreign direct investments represent the best chance for developing countries to accelerate their economic growth. The attraction of foreign capital would not mean just the Import of capital but the absorption of new working methods, manners, traditions and technology too.

Famous authors such as Moose (2001), suggested that FDI plays a very important role in transforming countries, especially post-communist ones. Foreign investments change the economic structure of the host country and increase international trade exchange, orienting national products in each country towards comparative advantages or towards those products and services where each country is specialized.

Lall and Streeten (1977), add that FDI enhance the wellness of the host country, under certain optimal features, creating the conditions in order to maximize the profits of international companies, investing in local specialized

companies, using a comparative advantage of the country. Beyond the theoretical thought, it should be clarified that FDI does not always have a positive effect on economic growth and even more questionable is their role in the employment growth, as regards the developing countries.

In the case of Eastern Europe countries, after the fall of Communism, numerous privatizations of former state-owned enterprises led to a reduction of jobs in favor of creating profit for the new private owners. In other cases those privatization processes ended with the bankruptcy of enterprises. Foreign direct investment in other cases intervened in open sectors inducing a higher level of competition but without creating new jobs or higher levels of GDP.

High competition in certain sectors did not bring a higher production or more employment but higher uncertainty for the workplace as a result of a more pronounced competition. Last but not least, Jones affirms that FDI could cause negative externalities in other sectors of economy in the case when are connected to the environmental pollution and health damages. New investments can provoke contamination in water sources, in the air, compromising economic and health activities relating to them.

In this paper will be analyzed the effects of Foreign Direct Investment in countries of South-Eastern Europe. Will be shown whether FDI brought an economic growth and increased employment at the aggregate level during the years 2001-2014 or if for this region too, are confirmed concerns over collateral effects that FDI can have on the economy. Through the program e-views will analyze time series regressions between FDI, economic growth and employment growth.

In this paper it will be clear that in South-East Europe, FDI generally played a positive role not only in economic growth but also on employment growth, especially in those sectors where these investments were more concentrated. Finally, after having appreciated the effects of FDI we will set up a recipe on how FDI may be channeled in order to give greater effects on GDP and employment.

KEYWORDS

Foreign Direct Investment, Employment, Economic Growth, Gross Domestic Product, Externalities, South Eastern Europe

THE MYTH OF THE POSITIVE IMPACT OF ASYMETRIC ECONOMIC INTERDEPENDENCE ON NATIONAL SECURITY. THE CASE OF THE SINO-JAPANESE CONFLICT

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ABSTRACT

In this paper, the aim is to show that the impact of asymmetric economic interdependence on national security is more a myth than a reality. In order to contribute to the discussion I focus on interstate conflicts with territorial disputes. So far, this debate has been highlighted by Liberals, whose argument was that trade promotes peace. However, my argument is built on the theoretical basis of Realism. By developing an equation, which consists of independent variables of economic interdependence and national security, such as trade, FDI, energy supply, economic agreements, membership in common economic or monetary organizations as well as military expenditures, number of violations, possession of nuclear weapons and membership in military alliances, respectively, I argue that the positive impact of economic interdependence is actually a myth, since it does not raise the levels of national security of the threatened state, therefore it cannot be considered as a power-balancing factor. First, I determine, through objective and subjective factors, which of the two rivals is the threatened state. Second, comparing indicators of economic power, I define the asymmetry in economic interdependence. Third, I analyze the indicators of economic interdependence between the rivals and I examine their impact on the national security of the threatened state. In addition, in order to apply this equation to other cases, I determine the levels of economic interdependence between the rivals. In this paper, I examine the territorial conflict in Senkaku/Diaoyu islands between Japan and the People's Republic of China. I conclude that asymmetric economic interdependence is not a power-balancing factor and it has no positive effects on the national security of the threatened state.

KEYWORDS

Realism, International Political Economy, National Security

JEL CLASSIFICATION CODES

F51, F52

FRACTAL ANALYSIS OF CURRENCY MARKETS: HURST INDEX AS AN INDICATOR OF EVENTS AFFECTING THE PERSISTENCE

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ABSTRACT

As part of the fractal market hypothesis, the study of the behavior of currency rates at the currency market was conducted by means of the Hurst exponent. The calculations for the major currency pairs were carried out. They based on the modified method of R/S analysis. The value of the Hurst exponent in various currency markets was

performed in the time interval 2008-2015. The calculation results showed that the Hurst exponent tended to its average value in the stable economy, while significant volatility index was an indicator of events affecting the political and economic situation. "Sliding window" method allowed establishing of behavior's patterns of the major currency pairs.

KEYWORDS

Exchange rate, fractal analysis, Hurst index, volatility, persistence

TRENDS IN THE BALKANS AND EURASIA UNDER GLOBALIZATION – GEOSTRATEGIC ANALYSIS

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ABSTRACT

Potential possibilities of Eurasia become global realities and commencement of solving major global-historical problems. Interdependence and historical causality, which analyze and correlate stable and variable factors, lead to the conclusion that the maturation of quantitative changes, in the historical movement, brings new quality in world status. All these embodiments are emerged through technological, economic, political and social changes. In this context, the area of the Balkans and the countries located at the edge of both sides of EU and Eurasia has become the scope for developing relationships, which are trying to influence the two sides either by existing or traditional institutions or by creating new ones. Geopolitical balances, in the sphere of control of sources and in the sphere of circulation, transmission and distribution networks, are changing. In the sphere of monetary circulation, the dollar weakens and decline in its role as an international reserve currency. G20's intervention approaches the general 2008's crisis, as a global affair and not unilateral, affecting the interests of all people and partial solutions are not acceptable. Including global community's interests and developing all its potential, it gives the course of global governance, discloses its general character and degrades monopolization, attesting the guarantees and sustainable arrangements. This intervention is universal and deals with the unification of production and management of the economy, the dialectics between politics and economy, geopolitics and geoeconomics. A careful and penetrating review testifies to the objective fact that the immediately preceding major realities incorporated into the mainstream of Eurasia, the movement of which is now designated increasingly by its own determinism. The same review also states, with reference to the dynamism of these realities in the region, that they are also substantial reserves in the confrontation of the Eurasian countries with general crisis and their alignment with the challenges of the times. Furthermore Eurasia, concerns the most serious area of material conditions in terms of world affairs, which is for this reliable statistical sample and able to substantiate the position- conclusion that the trends manifested in its limits take objectively rising global and progressive character, suggest a similar class realism and emit same nature optimism. The optimism is objective, with deterministic substance, historical validity and corresponding profoundness. From the extensive side, geography, Eurasia is becoming the base of reception and bearer of promotion radical-qualitative restructuring of global affairs. The consequences begin to becoming visible as points of progressive movement, corresponding to the format and the substance of Eurasian region. On the basis of these data, the analysis led to the theoretical position that all of the global evolution currents converge with unique acceleration in Eurasia region, which make it organic tied with the procedures of the transitional period. On the basis of all these meet Ricardo, the classics of bourgeois political economy and Marx with the theory of value. The description of the current situation, which is oriented to the future, owes to focus to the views of the historical events which have the potential to shape the future ones.

KEYWORDS

Eurasia, geostrategy, globalization, crisis, institutions, transition

GLOBAL ECONOMIC GOVERNANCE: BETWEEN A NEW COMPROMISE OR INTEGRATION

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ABSTRACT

Globalization moves within the limits of the set of governance mechanisms and institutions function. The market has a tendency to exceed the limits of the nation state but also need global institutional arrangements to ensure sustainable operation.

There is an inherent paradox in globalization. It is what Dani Rodrik has named as "trilemma" of modern times. Three key elements defining globalization: free markets, national sovereignty and democratic legitimacy. But they can not combine all three resultants parallel, creating the "political triangle of incompatibility".

The imbalances of the modern system of economic governance is not only due to the wrong policies, but mainly in combination weakness that can provide all three objectives simultaneously. Currently, globalization is trapped between this combination, in an unfinished selection, leading to instability.

In order to overcome this problem should the world community either choose a new compromise, like that of Bretton Woods, or to complete its institutionalization, going to a "international economic association". These prospects, opportunities and challenges we will study in this paper.

KEYWORDS

Globalization Bretton Woods economic governance

JEL CLASSIFICATION CODES

F15 F33 F02

THE INTERNATIONALIZATION PROCESS OF SMALL AND MEDIUM ENTERPRISES: CASE OF ALBANIA

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ABSTRACT

The global economy is being everyday more and more integrated, taking in consideration the rapidly process of globalization, which permits the small and medium enterprises to internationalize in an effective and quickly way. The main issue of this paperwork is related with the internationalization process for SMEs, the reasons why they decide to be international, the models they use to finalize this process. The internationalization process has been an interested topic in the focus of the researches, academics, businessmen and students. This is a phenomenon mostly related with the big companies, but in the last years the process of internationalization has been connected with the small and medium enterprises, since they active role in the international markets has increased. Different internal and external factors such as macroeconomics conditions, organization culture, technology, and infrastructure have an influence in the way this firms choose they model of realize the internationalization process. The paper is focused in the three main theories of internationalization in general: Uppsala Model, Network Theory and International Entrepreneurship Theory, specifically in the case of Albania, that is in the first stage of development in comparison with the other countries of our region.

KEYWORDS

Internationalization, SMEs, Uppsala Theory, Network Theory, International Entrepreneurship Theory, Albania

JEL CLASSIFICATION CODES

F230 Multinational Firms; International Business, F290 International Factor Movements: Other, F200 International Factor Movements and International Business: General

ECONOMIC GROWTH IN TURKEY: THE ROLE OF TRADE OPENNESS, FINANCIAL DEVELOPMENT, AND ENERGY USE

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ABSTRACT

This study aims to investigate the determinants of economic growth in the Turkish economy for the 1960-2013 period. The annual time series data are taken from the World Development Indicators (WDI) database. We use ARDL Bounds test and VECM Granger Causality in order to show the long- and short-run dynamics of the economic growth in Turkey. For doing this, the following augmented Cobb–Douglas production function is employed (Shahbaz et al, 2013):

$$G = AEKLe \quad (1)$$

where G is real domestic output, E, K and L denote respectively, energy, capital and labor. In the model we allow technology A to be endogenously determined by level of financial development and international trade within an extended Cobb–Douglas production function.

Expected results are as follows. 1) Financial development should positively affect the economic growth in Turkey as shown in early studies (Neusser and Kugler, 1998; Levine et al., 2000; Chistopoulos and Tsionas, 2004; Allen and Ndikumano, 2000; Khan et al., 2005). 2) Trade openness should also have a positive impact on the economic growth, even if there are inconsistent empirical results in the literature. For instance, Levine and Renelt (1992), Levine and Zervos (1993), Yanikkaya (2002), and Gries and Redlin (2012) indicate a positive relationship, while Jayme (2001) indicates no relationship, and Mishra (2012) underlines the complexity of this relationship. 3) An increase in energy use should also lead to an increase in economic growth. However, there is no consensus in the literature. Akarca and Long (1980) do not find any relationship between energy use and economic growth, while Huang et al. (2008) indicate no relationship in less-developed countries, but find a positive relationship between these variables in high-income countries, but from economic growth to energy use. The results of Aqeel and Butt (2001), Lee and Chien (2010), and Shahbaz and Feridun (2012) confirm the direction of this relationship regardless of development state of the economies. But, Erol and Yu (1988) for Canada, Masih and Masih (1996) for India, Soytaş and Sari (2003) for France, Germany, Japan and Turkey, find that an increase in energy use leads to economic growth.

KEYWORDS

Economic Growth, Turkey, ARDL Bounds Test, VECM Granger Causality

JEL CLASSIFICATION CODES

F43, C32

THE IMPERATIVE OF ECONOMIC POLICY: ECONOMIC GROWTH OR WELL-BEING?

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ABSTRACT

Economic growth was considered as a primary goal of economic policy for a long period of time. However, in modern times, there is growing evidence that such monetary focused policy is not adequate for overall societal progress since it has two dimensions: objective and subjective. Namely, there are other concepts besides pure economic growth that one should take into the consideration when policy making. Economic growth itself, presenting objective dimension, does not necessarily lead to overall or citizen's well-being improvement which is why the economic policy decisions should be supplemented with different measures that capture other aspects of human lives. Those measures are subjective in the nature and include internal assessment of life by an individual in observed area. Still, subjective measures are often neglected in the economic policy making, although taking this dimension into consideration is very important. The main purpose of this paper is therefore to investigate the limitations of GDP as a main indicator of economic growth and to present other indicators that encompass measures like citizen's well-being and quality of life. Based on the analysis of relevant theoretical cognitions, the paper gives conceptual framework for new, modern and systematic policy making framework. The main hypothesis is that wide range of other indicators that reflect the well-being of people should be incorporated in economic policy. By doing so, economic and political leaders can shape economic policy in more comprehensive way, respecting the needs and well-being of the people.

KEYWORDS

economic policy, GDP, economic growth, well-being, quality of life, the economics of happiness

JEL CLASSIFICATION CODES

O4, O1, I3

GOVERNMENT EXPENDITURES AND ECONOMIC GROWTH: AN EMPIRICAL EVIDENCE FOR SOUTH EAST EUROPEAN COUNTRIES

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ABSTRACT

The government expenditures are substantial component of economic development in market economies. However there is an intense debate among scholars and fiscal policy makers if the growth of government expenditures boosts the economic growth. Therefore, this study examines empirically the effects of government expenditures on economic growth of South East European (SEE) countries for the period 1996-2014. The paper also investigates for the fixed effects and individual heterogeneity across countries and years. Based on the panel regression techniques and Least Square Dummy Variable (LSDV) regression method, government expenditures positively affect the economic growth in the sample countries in various model specifications. This implies that policy makers in those countries should enhance the capital government expenditure and productive economic activities to spur economic development.

KEYWORDS

Government expenditures, Economic growth, LSDV, SEE countries

JEL CLASSIFICATION CODES

E60, H50

FINANCIAL INCENTIVES FOR RESEARCH AND DEVELOPMENT PRACTICES IN TURKEY

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ABSTRACT

Provided financial incentives for research and development is extremely important. Because, it is very difficult for research and development projects to realize without the financial support of the company. Moreover, even if there is a support for Research and Development in Turkey, Research and Development expenditure can be low. For this purpose, in this study, financial incentives given by the Institutions for Research and Development of Turkey will be examined and analyzed. In addition, we will discuss expenditures about Research and Development in Turkey

KEYWORDS

Financial incentives, Research – Development expenditure, Financial supports

JEL CLASSIFICATION CODES

M10, M16

**THE EFFECTS OF THE REFORMED CAP TO THE LOCAL ECONOMY, IN
RURAL AREAS**

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ABSTRACT

The impacts of the 2004 CAP reform on crop allocation, agricultural production and generally on the rural economy, have not been studied in detail within a regional perspective. In this work, the impacts of the CAP reform, particularly the implementation of cross-compliance and other financial measures, on the region of Eastern Macedonia and Thrace are studied via an econometric approach that employs a Factor Analysis technique. Detailed qualitative and quantitative data were obtained through structured questionnaires and in-depth interviews of agronomists working in the local agricultural inputs sector and were subsequently used to build a structural equations model. Results demonstrate that the CAP reform had severe effects both on crop allocation and production as well as on the local economy.

KEYWORDS

CAP, Local Economy, Eastern Macedonia and Thrace, Factor Analysis, Structural Equation Modeling

JEL CLASSIFICATION CODES

Q10, Q14, Q18

**EUROPEAN MODELS AT A GLANCE – SAPIR'S SOCIAL MODELS, THEN
AND NOW. PROBABLE LINKAGES BETWEEN EMPLOYMENT AND
INNOVATION**

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ABSTRACT

After we just passed the mid-term milestone of Europe 2020 Strategy, it's obvious that - after virtually failing to achieve the main objectives of Lisbon Strategy – the employment and innovation objectives of Europe 2020 are still at risk. More than ten years ago André Sapir warned the European countries to be aware of the upcoming challenges. After the examination of social policies and labour markets, it was obvious, that the group of European countries can be divided into smaller groups, based on particular indicators. Thereby, the author also evaluated the efficiency and sustainability of each member state's system. Of course, at that moment no one was able to predict the upcoming financial crisis, which was going to be an even greater challenge for Europe than the global competition. Despite the hard economic times - compared to the years before the crisis - some of the member states were able to raise its employment rate. But now, we can see that several countries are going to have long-term problems.

For the reasons outlined above, the first part of this paper reviews the system of European models, compares the member states, and examines the recent changes with additional focus on V4 countries. The second part of this paper examines the causes of the changes in employment rates – the probable connections between innovation and its effect on employment rate. Is it really timely to search (only) quantitative relationship between employment and innovation?

KEYWORDS

Employment rate, European Union, Innovative enterprises, Competitiveness, Comparative analysis

**AWARENESS OF SMES ON THE EU FUNDS FINANCING POSSIBILITIES:
THE CASE OF SPLITSKO-DALMATINSKA COUNTY**

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ABSTRACT

Micro, small and medium-sized enterprises (SMEs) are considered to be the engine of the European economy. In EU SMEs make up to 99% of all companies and provide around 75 million jobs. They are a key source of job creation and stimulation of entrepreneurial spirit and innovation and are therefore essential for fostering

competitiveness and maintaining employment in the EU. Yet they often have problems in raising funds to finance, especially in the first phase of start-ups. At the first phase of their business SMEs mostly use their own resources while the most important external sources of SMEs are bank loans, which are, among others, considered costly and hard to get. Hence, one of the priorities of the European Commission is stimulating SMEs through EU funds and programs in order to enable SMEs development and finally to contribute to economic growth. Therefore, for many SMEs financing problem might be solved through EU funds i.e. grants awarded directly to end users from the structural and investment funds and programs of the European Union. SMEs sector also dominates the economic structure of Croatian economy with share of 99.7% of all enterprises and have similar financing problems. For small and medium enterprises in Croatia the most important are Cohesion Fund, European Regional Development Fund and EU programs COSME and HORIZON 2020 which are intended to provide direct support and create a favorable environment for the development of SMEs. In the financial period 2014th – 2020th Croatia, from European structural and investment funds, has available a total amount of 10.676 billion of euros, of which 8.397 billion are aimed for cohesion policy objectives. Moreover, grants available directly to SMEs (besides agriculture and fisheries sector) from the structural and investment funds for the same period amounts to around 470 million euros and are aimed for the development and competitiveness of SMEs. However, even though the number of successful project applications for small and medium-sized enterprises in the total share of Croatian project applications is relatively high, fund absorption has not reached satisfactory levels. Therefore, the point of this paper is to, on the sample of Splitsko-Dalmatinska county SMEs, analyze how well are SMEs informed about EU funds (what funds are entitled to which sectors, where and how they can obtain the necessary information), on what problems SMEs encounter in process of EU funds application (procedure, documentation, bureaucracy) and finally do they even consider EU fund application. Thus the aim of the paper is to identify key problems in low absorption capacity of SMEs and to try to recommend adequate solutions in order to enhance funds absorption.

KEYWORDS

SMEs, EU funds and programs, absorption capacity

IPO PERFORMANCE ANALYSIS: EVIDENCE FROM EMERGING MARKETS IN THE BALKANS

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ABSTRACT

The main purpose of this paper is to investigate the performance of initial public offerings (IPO's) in the emerging markets with particular focus on the markets of Balkan countries. The paper provides analysis of long and short performance of IPO's. In the Balkan emerging markets IPO's are relatively rarely used. Although all observed Balkan countries have gone through processes of transition from planned economies to market economies in the past 25 years, just a few state-owned companies have been privatized IPO's.

Due to this specific nature of the companies the analyzed sample of IPO's is comprised of state-owned and non-state-owned companies. The results are interpreted and expounded accordingly, taking into consideration the aforementioned conjunction. The findings indicate that company characteristics, signaling variables and financial variables have influence on the IPO's short and long term performance.

The paper provides academia and policymakers with new revelations concerning the IPO processes in Balkan emerging economies' capital markets.

KEYWORDS

Capital Markets, IPO, Emerging Economies, Signaling

JEL CLASSIFICATION CODES

G01, G12, G14

EFFICIENCY AND EQUITY TRADE-OFF IN EDUCATION IN OBSERVED COUNTRIES IN SOUTH EAST EUROPE

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ABSTRACT

The article explores this efficiency and equity trade-off in education in observed countries in South East Europe countries. While efficiency generally relates to how well an economy allocates scarce resources to meet the needs and wants of consumers, equity concerns the distribution of resources and is inevitably linked with concepts of fairness and social justice. The goal is to identify those circumstances under which equity and efficiency may not trade-off against each other. Economic, political and socio-cultural inequalities fuel differences in life chances, perpetuating them across generations. At least in theory, education is a means by which democracies attempt to equalize opportunities among citizens for economic success. Education and training policies could have a significant positive impact on economic and social outcomes, including sustainable development and social cohesion. It is commonly thought that opportunity equalization, in that dimension, is implemented by the provision of equal access to public resources to all citizens. However, very often this is not so and often existing public

services - like education systems - reproduce or even compound existing inequities. It is necessary to expand people's capacities to lead fuller lives through investing in their education, and thus in their health, employment and professional advancement. To prosper, a society must create incentives for the vast majority of the population to invest and innovate. Each society must decide the relative weight it ascribes to each of the principles of equity and to the efficient expansion of total production and socio-economic development.

KEYWORDS

efficiency and equity trade-off, education, South East Europe

DOES A VENTURE CAPITAL MARKET EXIST IN THE COUNTRIES OF FORMER YUGOSLAVIA?

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ABSTRACT

Venture capital investments spread all over the world during the last few decades. Until then, they were considered only as an American phenomenon. Countries worldwide are interested in attracting venture capital investments because of their undisputable effects on the economy. The effects of the investments are visible through the impact on innovation, creation of new companies, jobs, economic growth, corporate governance and etc.

Venture capital is a subset of Private equity focused on start-up companies and companies who have difficulties in attracting necessary capital. It represents an equity investment made for the launch, early development, or expansion of a business.

The countries of former Yugoslavia (Bosnia and Herzegovina, Croatia, F.Y.R.O.M., Montenegro, Slovenia and Serbia) are part of the Central and Eastern Europe countries and represent relatively new market for venture capitalists. They moved from the planned economies to a free market system in the 90s of 20 century. As well as other countries in the World, these countries are also interested in attracting venture capital, because of the proven impact on economic growth. Despite the presents of Venture capital and Private equity funds in this region for more than twenty years, the venture capital and private equity market in the countries of former Yugoslavia is underdeveloped compared to other countries of CEE. Indeed, the venture capital investments are so small for some countries of former Yugoslavia that the data about venture capital investment are published jointly.

The objective of this paper is to examine and analyze the development of Venture Capital market in countries of former Yugoslavia. The research is both qualitative and quantitative and involves an identification, analysis and comparison of PE/VC investments data for selected countries. The time frame for this research is between 2007 and 2014. The total volume of venture capital investments per year, the number of companies invested and the ratio of PE investments to the gross domestic product (GDP) will be used to demonstrate the existence of the venture capital market in countries of former Yugoslavia. The data necessary for the current research were taken from the yearbook of EVCA/PEREP Analytics for 2014 for Baltics and Ex-Y. „PEREP Analytics” is a centralized, non-commercial pan-European private equity database. The „PEREP Analytics” statistics platform monitors the development of private equity and venture capital in 25 European countries.

KEYWORDS

Venture capital investments, Former Yugoslavia, CEE, Venture capital market, Economic growth

JEL CLASSIFICATION CODES

G11, G24, G32

BANKING INTERMEDIATION IN FINANCIAL CRISIS – WHICH CHANNELS ARE CRUCIAL IN EMERGING ECONOMIES

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ABSTRACT

Massive capital inflows into the Balkan region in a pre-crisis period increased the indebtedness of non-financial companies, which resulted in a deep financial crisis. Banks as the main provider of funds for three analyzed countries (Croatia, Montenegro, and Slovenia) are considered, as their lending behavior played a significant role in the amplification mechanism. Using a database of banks' financial data and various macroeconomic indicators, we analyze what drives the supply of funds of banks to firms and households in the three countries throughout the boom (2007-2008), bust (2009-2010), and recovery (2011-2013) periods. We find evidence that supply-side factors, in particular wholesale funding, fueled bank credit throughout the observed period, whereas demand-side factors' effects had been gradually diminishing from the boom period to the recovery period. Furthermore, the effect of wholesale funding on household credit is considerably smaller compared to firm credit. We also document that significant country effects exist.

KEYWORDS

bank lending, credit supply, credit demand, capital flows

JEL CLASSIFICATION CODES

G32, G31, G01

**INTERDEPENDENCE BETWEEN MATURITY OF CLAIM AND RISK
PAYMENT INDEX IN THE SELECTED COUNTRIES**

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ABSTRACT

Account receivables are a sum of money owed to a company by its debtors. Receivables are recorded by a company's accountants and reported on the balance sheet, and they include all debts owed to the company, even if the debts are not currently due. They are a part of current assets. Company's receivables may occur from a variety of titles. Each of these forms affects the financial situation in a different way. The majority of receivables has the nature of trade credit. Offering trade credit is a strategic tool in the hands of the company but many payments in commercial transactions not only between businesses but also between businesses and public authorities are much later than were agreed. Therefore, we can conclude that the offering trade credit is largely linked to credit risks. Term credit risk has assessed the risk associated with the fact that the customer fails to pay its obligations properly and on time or at all. Every year thousands of businesses go bankrupt just because of late payments not only in Europe but also in the world. This paper deals with the influence between the average maturity of claim variable and risk payment index in selected countries. The existence of this relationship will be verified by covariance, which expresses the interdependence between two random variables. The tightness of this dependence will be determined based on the correlation coefficient and then the coefficient of determination will be calculated.

KEYWORDS

Receivables, Risk payment index, Maturity of claim, Credit risk

**ANALYSIS OF PREDICTORS IN BANKRUPTCY PREDICTION MODELS
FOR SLOVAK COMPANIES**

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ABSTRACT

Creation of bankruptcy prediction models is in last years a topic, which much attention have been dedicated to. Researchers and economists in many countries have created a prediction model which is useful for failure prediction of companies in that country. In these prediction models are used various financial ratios or other predictors to reach the best bankruptcy forecast. The effort of researchers leads to build a strongly predictive model, that is able to predict a bankruptcy of companies or can with some probability level classify the companies into a group of failed or a group of non-failed ones. Previous works have shown that these models are then less effective in application in another country or in another time. Our work will lead to a creation of bankruptcy prediction model for Slovak republic. One of the first steps in this process is to choose an appropriate set of predictors, such as financial ratios of companies or characteristics of the environment, in which the company works. For this purpose we do the preliminary statistical analysis of financial ratios of real Slovak companies. This analyze is made separately in different regions of Slovak republic and in different sectors of national economy. Then, we apply cluster analysis on basic statistical characteristics of financial ratios and get the clusters of Slovak regions and sectors of national economy that are for predicting bankruptcy appropriate to analyze together.

KEYWORDS

Bankruptcy prediction models, Financial ratios, Failure prediction, Cluster analysis

JEL CLASSIFICATION CODES

C38, G33

**TRUST IN FINANCIAL INSTITUTIONS IN POLAND ON THE EXAMPLE
OF THE SOCIAL INSURANCE INSTITUTION**

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ABSTRACT

Trust is key element of social life as it maintains cohesiveness of social groups and whole societies in broader context. Lack of trust in key financial institutions in the state constitutes a major social issue. When considering financing of social security, of great importance is credibility. The Social Insurance Institution (ZUS) is one of the largest financial institutions in Poland. The aim of the present article is to evaluate the degree and determinants of trust in ZUS in comparison to other financial institutions in Poland. The results, in order to perform a comparative study not only inside the financial sector and assure complex approach, were confronted with trust in government and the European Parliament.

To realize the research aim, the method of logistic regression was used. The article includes the data from individual interviews with the participants of representative study "Diagnoza Społeczna 2015" conducted in a group of 34,9 thousand Polish subjects. This complex study regarding living conditions and life quality of Poles in their own perspective is conducted periodically since 2000. The results so far have shown that trust in financial institutions in Poland is still very low. Though the degree of trust in the Social Insurance Company has been increasing systematically (in 2015 it reached about 50%) and is higher than in relation to for instance insurance companies or the government, yet it is still lower than trust in commercial banks. The results also indicate that more trust in ZUS is observed among women, people aged over 60, with lower education level, pensioners and people living in the country.

KEYWORDS

trust, ZUS, financial institution

MANAGERS IN PRIVATE AND PUBLIC SECTOR – WHAT IS THE DIFFERENCE?

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ABSTRACT

Common wisdom is that behavior of managers in public sector (public enterprises and public administration) is different from managers in private sector (private enterprises). Managers in private sector are considered to be more efficient, more result oriented, better organized ..., while managers in public sector are considered to be more bureaucratic, inefficient, oriented to political power and not organizational results...

This paper, based on a research carried on in 2015, tries to compare some characteristics of managers in public and private sector in Croatia. The sample for the research consisted from managers coming from private enterprises, public enterprises and public administration of a Croatian county (Šibensko-kninska županija). Examining and comparing characteristics of managers from different aspects, we tried to find differences between managers coming from two sectors.

Although some differences could be perceived, preliminary results showed no statistically significant differences between managers in public sector and in private sector. Basic conclusion is that managers working in these two sectors are very similar by their characteristics. They are coming from the same ‘pool of managers’, with similar knowledge and abilities. It is probably ‘only’ the environment and task differences that makes ones more efficient, more result oriented, better organized than the others.

KEYWORDS

Managers, public sector, private sector, characteristics

FACTORS INFLUENCING THE IMPLEMENTATION AND CONTINUOUS IMPROVEMENT OF THE PERFORMANCE MANAGEMENT SYSTEM

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ABSTRACT

For today's rapidly changing business environment are characteristic changes like globalization of the market place, technological changes, increased business complexity, intensified global competition, increased customer bargaining power, new resources of competitive advantage and more. Therefore, to be successful and able to compete in this environment, companies must identify and analyze their existing position, define mission, vision, strategic goals and operate more effectively. The key to success is to increase the effectiveness and efficiency of all business processes based on measurement and management of their performance. Using performance management system companies can plan, measure and manage the performance of all company activities. Properly designed, created and implemented performance management system can then help the company achieve the desired outputs. The literature, however, states that this is not a simple task, and many companies have problems especially with implementation of these systems. Unfortunately, it is still not quite clear what factors influence successful development, implementation, usage and continuous improvement of the performance management

system in companies. There is a gap in the identification of factors influencing the development, implementation, usage and continuous improvement of the performance management system, their detailed study and analysis in practice. For this reason, it is important to deal with the identification, analysis and study of internal and external factors influencing the implementation and continuous improvement of performance management system. The aim of this paper is to identify and analyze internal and external factors influencing the implementation and continuous improvement of the performance management system, which these companies use. In the questionnaire survey is particularly investigated whether managers of surveyed companies are able to identify factors influencing the implementation and continuous improvement of the performance management system. Afterwards is carried out a detailed description of selected key internal factors, and their detailed analysis including identification of the relationship of these factors to the performance management system. Data were obtained by mail questionnaire survey on a sample of large manufacturing and non-manufacturing companies operating in the Czech Republic. The research findings are evaluated within the context of the theoretical background and the conclusions of similar studies.

KEYWORDS

Factors, management, system, implementation

JEL CLASSIFICATION CODES

M21, M29

METAECONOMIC APPROACHES IN GLOBAL MANAGEMENT

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ABSTRACT

The metaeconomic approaches in global management (MEM) is a system of regulative principles to be applied, p. ex., such as the co-measurability criteria in social economy or efficiency of intellectual potential. They are directly interconnected with modern multi criterial assessment techniques and their contemporary applications in stochastic, game & neural network analysis. They are especially important when modelling and managing the sustainable socioeconomic development, evaluating the competitiveness and such co-leading problems as risk evaluation, sophisticated neuromethods in finance investing, also commercialization of bio- or nanotechnologies, etc. In particular, new MEM approaches to global talent competitiveness permit to apply them productively as a criteria for distributing investments in knowledge and competencies with account of synergetic motivation. For this purposes the taxonomical structurization of the MEM has to be presented and reviewed adequately. The social criteria and tasks may be arranged into consecutive conceptual system instituting its different levels and with account of changing normative (or minimax) functions detailing admitted hierarchies of those preferences at various periods of development. At the same time, some specific methodic concepts, esp. including utility functions (UTADIS), multicriteria scoring (Simple Additive Weighting, Multi-group Hierarchical Discrimination, TOPSIS), are widely applied by the WEF, WB Institute reports dedicated to international assessment of global competitiveness, global innovations, IT, global talents a/o indices, also in financial analytics.

The taxonomic ranking of priorities in the multipurpose economic imitation of social preferences presupposes the weighed comparability of criteria functions on the qualitatively different levels - determining the alternatives of optimization, also multicriteria dynamic equilibrium, the preferable managerial strategies. The stochastic network modelling of universal socioecological sustainability for country's economic development by matching development interests, disposable resources' allocation a/o characteristics of complex adaptive systems can be recommended as a productive approach to intellectual management practice. The MEM becomes esp. significant when formulating the activities' aim hierarchies, or choosing the optimization criteria, the restrictions and taxonomy of preferences.

KEYWORDS

Metaeconomics, multi criterial analysis, global talent competitiveness, universal sustainability

EXAMINATION OF TWO COMPANIES' LIABILITY MANAGEMENT

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ABSTRACT

Companies need capital to establish, to start their activities, to continue their processes and to expand. Firm's use their money that's available to invest in instruments which are necessary for their activities (intangible assets, tangible assets and non-material assets). We can distinguish fixed and current assets that depends on the invested capital, which can be a shorter or a longer period.

Companies have to make a lot of decisions how to run their working process regarding financial and innovative questions. We would like to deal with financial decisions from these. We can make financial decisions as a change on the companies' assets and source compositions in shorter or longer periods. Company's financial decisions are the following. It can be an investment decision, when the changes affect the company's asset side. On the other hand, it can be a financial decision, when the changes affect the source of the company. However, investment

decisions are a priority because the logical order and the created value in terms of magnitude. The financing and resource decisions are only technical in nature and don't carry a specific value. We should pay attention and focus on the company's main activity, because this maximizes the value of the shareholder's equity. Afterwards we can talk about the company's financial decisions which are close to the financial decisions.

From these decisions and financial principles, we can determine the enterprises asset or liability willingness. The company's asset policy can be determined by the help of many indicators which take into account the company's assets structure and debtors and creditors.

For this, we determine the following indicators as the ratio for fixed and current assets, the rotational speed of the stocks, the ratio of equity and foreign capital and the level of indebtedness.

In addition, we examine the extent of the data obtained from short- and long-term debt, compared to the coverage metrics. And finally, we examine the ratio of debtors and creditors, current liquidity ratio and quick ratio. At the end of the study we make a summary and make proposals in connection with the company's future.

KEYWORDS

financial decisions, company financing, capital structure, profitability, capital investment

THE IMPLEMENTATION OF CLINICAL RISK MANAGEMENT IN ALBANIA AND ITALY: A MULTI-CASE STUDY

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ABSTRACT

The growth of health care costs as regards GDP and public expenditure in all countries reflects, on the one hand, the growth of health demand probably due to the change in the global epidemiological landscape and, on the other, a steady rise in health costs, significantly influencing the sustainability of the world health system. The international scientific literature and the laws of several countries have recently focused on treatment safety, with a growing interest in the issue of risk management and control in public health firms, aiming to curb costs and improve treatment outcome.

In business the wording ‘risk management’ generally refers to market risks as well as the legal and financial, organizational and production risks the company has to face in doing its own specific job. The above risks are usually linked with possible and unknown future events which could determine negative effects on the administration, virtually capable of compromising the achievement of strategic and operational objectives of the company. The various kinds of potential risks have a multidimensional nature and can be classified into four different categories: risk of danger; financial risk; operational risk and strategic risk. A further classification can be made considering the effects that the occurrence of different but specific events can determine, thus affecting the economic condition of the company. Therefore, ‘pure’ risks can be distinguished from ‘speculative’ risks. The risk management process was initially theorized by Robert Mehr and Bob Hedges (1978) and organized into five different steps: (i) risk identification (ii) risk analysis (iii) evaluation of possible methods of risk management (iv) choice of method and implementation to correlate necessary activity (v) tracking results. In the healthcare organization clinical risk management (CRM) is a particular model of risk management. By concentrating on the clinical process it can be identified with the set of procedures, instruments and specific activities the staff refers to in order to identify, analyze, manage and stem the risks which are potentially dangerous for the general organization and to preserve the original standards in quality and safety.

The clinical risk can be defined as the chance a patient has of falling victim to an adverse event. Therefore, the typical risk profile healthcare companies deal with fall into a specific category of pure risks, i.e., those responsibility-risks ensuing adverse events caused by clinical errors.

This research aims: (i) to investigate how clinical risk management is implemented in Albanian and Italian healthcare organizations; (ii) to understand whether the adoption of a new systematic approach, such as lean management, can affect on risk management processes.

The research method to be used is the multi-case study applied to a sample of Albanian and Italian healthcare organizations.

KEYWORDS

Clinical risk management, lean management, care processes, healthcare organization, kaizen, business model

KNOWLEDGE TRANSFER AND TRUST AMONG PARTNERS: THE CASE OF GREEK IJVS

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ABSTRACT

Knowledge transfer and trust among partners are identified in the literature as key factors for satisfactory IJV performance. This paper examines these two parameters in IJVs operating in South East Europe. A sample of Greek IJVs is examined and conclusions on the above matters are drawn. The focus is on the perceptions of Greek entrepreneurs and executives on knowledge transfer, in regards to the success of knowledge transfer to the IJVs their company participates as one of the partners, their overall satisfaction from the transfer process and its importance for their enterprise. Additionally, based on aspects from the Social Exchange Theory, the perceived level of trust towards their foreign partner is explored in terms of the extent and the quality of communication among them, the managers’ willingness to work closely to achieve common goals and their shared vision. The empirical findings are discussed and their importance for researchers and entrepreneurs is analyzed. Finally, topics for further research are proposed.

KEYWORDS

International Joint Ventures, Knowledge Transfer Success, Trust, Communication, Vision

JEL CLASSIFICATION CODES

M16 – International Business Administration

ADULT EDUCATION POLICIES IN EU: IN-DEPTH INSIGHT ON THEIR CONTRIBUTION TO SOCIAL COHESION

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ABSTRACT

In this paper the points under discussion are the EU policies regarding lifelong learning since the early 1950’s. It seems like these policies not only spend more attention to Vocational Education and Training than to Adult Education, they even promote it. The possible contribution of Adult Education policies to strengthen social cohesion is also analyzed. The methodological framework of International Political Economy is adopted in this study.

The bibliography used, provides confirmatory evidence that scholars from 1950 onwards support different opinions regarding Adult Education either as an ideology or as a practice. The view we shall be espousing in this study is that every citizen through Adult Education is encouraged to participate in the strengthening of social cohesion. Transformative learning theory is such a tool i.e. every participant will be encouraged to develop critical views and understanding of major problems of his life, to reassess, reevaluate and interpret his experiences and thoughts, thus becoming closer to new ideas, people and institutions. This process will in turn boost social cohesion.

In terms of policy recommendations, we propose the creation of a European plan for Adult Education, which will provide educational programs in several aspects of today’s political, social and economic realms in EU, such as: a) Domestic (Pan-European) and international migration, b) Refugee crisis, c) Enhancing Democratic participation and active citizenship, d) Helping the weaker members of society, e) Tackling political extremism, f) Dealing with terrorism and the fear it spreads.

KEYWORDS

Adult Education, Social cohesion, Adult Education Policies in EU

JEL CLASSIFICATION CODES

I21, I28

COMPARATIVE ANALYSIS OF INTERNAL REPORTING AT HIGHER EDUCATION INSTITUTIONS OF CROATIA AND BOSNIA AND HERZEGOVINA

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ABSTRACT

Efficient management is one of the key challenges for every higher education institutions. That is especially highlighted in conditions of increased demands on the one side and decreased or limited financial resources on the other side. One of the most important preconditions for aforementioned issue is quality accounting information system at higher education institutions. Financial reports that are obligatory by the normative framework are not sufficient for quality decision making process. Therefore, it is inevitable to develop internal reporting systems that would fit the specifics of higher education system and internal users’ requirements, primarily management. Developed higher education institutions have already developed instruments of cost and managerial accounting from which they prepare different internal reports.

In that context, this paper aims to present level of usage of internal reports at higher education institutions of developing countries, more precisely Croatia and Bosnia and Herzegovina. Authors have conducted the empirical research based on questionnaires in the year 2015. The questionnaires were sent to all public higher education institutions in Croatia and Bosnia and Herzegovina. Through conducted research authors have tested several

hypotheses primarily focused on main reasons for preparing internal reports, time period for preparing internal reports and usage of internal reports. Moreover, authors have analysed main limitations for successful reform of internal reporting systems in aforementioned countries.

The results of this paper might be very useful for further development of internal reporting systems of observed countries. But also it can be very helpful for all countries that are in the similar situation and are facing the problem of development of quality accounting information system that will be base for efficient and effective management at higher education institutions.

KEYWORDS

Internal reports, higher education institutions, management

JEL CLASSIFICATION CODES

I23, M41

MANAGING OF INNOVATIONS: CAN THE SCHOOL PRINCIPAL CREATE A CREATIVE ATMOSPHERE?

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ABSTRACT

A global competition forces Countries to innovations. Managers have to seek ways to improve an innovative activity of personnel. A creative atmosphere is very important for the innovative activity of school pupils in the future.

The study provides an answer to the question: can the school principal create the creative atmosphere at the school?

The study is carried out since 2011 to the present. It includes three areas:

1. A survey of school principals, heads of municipal education authorities and managers of other enterprises; school pupils and students; teachers and the staff of other companies.
2. The analysis of the questionnaires was both qualitative and quantitative.
3. This was accomplished a designing of special education programmes for school principals.

Three groups of competences were in the questionnaires:

- personal;
- social (managerial ability);
- managerial knowledge and skills.

Twelve competencies were in each group for analysis.

This is the result of qualitative analysis - an ideal "model" of the school principal was prepared for schools in Poland and schools in Russia. This ideal "model" includes 9 most important competencies: 3 - personal, 3 - social (managerial); 3 - knowledge and skills. Poland and Russia have differences in ideal "models".

This is the result of quantitative analysis - competencies were assessed for the real school principal. Both in Poland and in Russia, the real school principal has insufficient resources to create the creative atmosphere:

1. creativity;
2. knowledge and skills in the theory of a managing of innovations.

A result is like this: the average real school principal can't create a creative atmosphere in the school without special training.

It is the result of designing a program of special education – the program of special education was created. The program is called "Innovations in management". Goals of this program are: training creativity and training of a theory of an innovative management. The program duration is 30 hours.

The program was based on the theory of an integral pedagogical process, theory of a personality structure, theory about the unity of a psychosomatic system, the theory of intertype relations, principles of intensification of training, the principle of universal giftedness, the author's method of interactive training. The program was created on the case-study, when participants generated many ideas to achieve educational goals.

An experiment showed high efficiency of the special program. This is the tool of:

- development of creativity;
- training of school principals of the theory of the innovative management and training of managerial skills.

The using of this program reduces costs of Finance and time for a training and development of school principals (several times). The program is useful for creating a creative atmosphere at schools in other States: Albania, Belarus, Bulgaria, Greece, Spain, Ukraine, Croatia, etc.

KEYWORDS

Innovation, innovative activity, managing of innovations, creative atmosphere, competencies of the principal school, increasing of creativity

JEL CLASSIFICATION CODES

O310, O320

LEARNING STYLES AND PREFERENCES FOR DIFFERENT TYPES OF COURSES AND TEACHING OF CROATIAN STUDENTS OF BUSINESS

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ABSTRACT

An important element of individuals' learning process is his or her learning style. The fact is that each of us has a different kind of intelligence, learns and prefers to be taught differently. An individual's personality determines a preferred approach to perceiving, acquiring and processing new information. These approaches in the literature are called learning styles. Learning styles affect the learning outcomes of students and influence their educational development as well as their academic achievements. The knowledge about students' learning style can help them to maximize their learning outcomes. The way students learn is important not just for them and their success in education but also for teachers and the faculty providing the education. The way tasks and instructional strategies are designed can facilitate and enhance students' learning which in turn may result in the improvement of the quality of education overall. To achieve mutual effectiveness for students and teachers, it is necessary to gain deeper insights into students' preferred learning styles.

This study aims at identifying the learning style preferences of Croatian students of business as well as their preferences for different types of courses and teaching. It examines the potential relationship between these two elements of learning process. To our knowledge, there has been no research that has investigated this connection. The literature has overlooked the topic of preferences for the teaching and courses types according to students learning styles preferences. Linking these two variables and analyzing their compatibility is the first step in gathering information which can help to answer the frequently asked question: how to improve the quality of learning and teaching in higher education?

In order to accomplish stated purpose of the study, two inventory instruments were used: the VARK instrument to examine learning style preferences and the third part (Part C) of the ASSIST questionnaire to examine students' preferences for different types of courses and teaching. VARK is a questionnaire that provides users with their learning style preferences based on their perceptual modality preferences which refer to the way they extract information from their environments through the senses. It has often been employed in previous research for assessing learning styles of students of business. It is simple, quick and easy for students to understand and complete and it is regarded by relevant literature as a reliable and quality instrument. ASSIST has also been proven to be a valuable, valid and appropriate instrument for measuring students' approaches to learning.

The results of the survey are interesting and somewhat puzzling. They indicate the dominant learning style preferences as well as dominant preference for types of courses and teaching according to age, gender, year of study, and course of study. The results indicate which predominant learning style is consistent with the most preferred types of courses and teaching. Some student percentages indicate that they can use more than one learning style. Based on the overall findings, the study offers suggestions for future research in this area. The implications of the findings are discussed in terms of learning and teaching.

KEYWORDS

learning style, teaching types, students, effective learning, effective teaching

JEL CLASSIFICATION CODES

A20, I21; D83

ISHIKAWA' APPROACH IN GREEK SECONDARY EDUCATION SYSTEM EVALUATION IN RESPECT OF QUALITY ASSURANCE

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ABSTRACT

In the present study Fishbone (Ishikawa) Diagram very well known as Cause-and-Effect Diagram, tries to reveal the negative causes in Greek education system according to 300 Greek secondary teachers' opinions. More especially, it tries to identify the Likely Causes of Problems in the Greek educational system in relation to quality assurance. Possible solutions are proposed and implications for further research are made.

KEYWORDS

Ishikawa, quality, Greek, secondary, education

BLENDED LEARNING EVALUATION IN TEI OF WEST MACEDONIA

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ABSTRACT

Although traditional learning was a necessity for centuries and distance learning is sometimes the only way for learning for many learners, the last two decades a supplementary mode to the other modes of learning emerged, the e-learning. However, the last few years, blended learning has dominated as the only mode which combines perfectly the advantages of the other modes of learning.

This study evaluates the use of blended learning in TEI of West Macedonia with a two-fold means. Some metrics, which are firstly introduced by the authors, are used for this evaluation. Structured questionnaires exposed to the learners are the second means of evaluation. The learners were asked to express their attitude; how useful the blended learning is and how this blended means facilitates their studies.

The findings are interesting since they disclose whether factors such as quality and quantity affect the preference of learners to follow blended learning.

KEYWORDS

Blended learning, two-fold evaluation, metrics, questionnaire

THE IMPACT OF SCANDINAVIAN INWARD FOREIGN DIRECT INVESTMENT ON THE BALTIC STATES

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ABSTRACT

Although foreign direct investment (hereinafter FDI) has been the matter of discussion since early 1970s, it is still one of the most controversial topics in both economic and political terms. The intensity of FDI shows the host country's openness to foreign capital, its integration into the international market, and economic growth. The proponents of the positive attitude state that foreign capital increases competitiveness and labor productivity in the host country, creates new jobs, and the host country adopts new technologies. Other scientists are not so optimistic in respect of FDI impact. Inward FDI may be determined by political decisions of the host government. However, some researchers even point out that stimulation of FDI is harmful for the host economy. FDI promotion is acceptable if indirect initiatives are adopted and an appropriate legal system for controlling multinational corporations' (hereinafter MNCs) activities exists. It is noticeable that the main negative consequence of activating inward FDI stimulation is that the host economy becomes dependent on foreign capital over a certain period of time and MNCs have effect on decisions of the host government. Some studies show that the mobility of foreign capital may exist under imperfect market conditions only. MNCs are likely to invest into economically weak countries benefiting from a low labor cost. Thus, under the present economic conditions it is important to identify the benefits of FDI for the host country and to analyze MNCs motives for investment.

The article investigates the importance of foreign direct investment in the country, its role in economic development, and promotion peculiarities. The authors examine the problems, which exist in attracting FDI. The object of research is the role of Scandinavian capital in the Baltic States. The aim of research is measure the impact of Scandinavian foreign direct investment on the development of the Baltic States. The final results reveal that the Baltic States, especially Latvia, are depend on foreign capital. These countries are characterized by favorable business environment, good geopolitical situation and infrastructure, and scientific-technological potential. This proves that the Baltic States are attractive for MNCs, which tend to invest in R&D. The research indicates that the Baltic States compete for FDI, especially for investors from Scandinavia.

KEYWORDS

foreign direct investment, MNCs, Baltic States, determinants of FDI, Scandinavian capital

JEL CLASSIFICATION CODES

F21, F23, M48

COMPARISONS BETWEEN THE LEVELS OF FOREIGN DIRECT INVESTMENTS IN ROMANIA AND CROATIA

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ABSTRACT

A turning point in the economic development of both Romania and Croatia, the financial crisis of 2007-2008 was a major blow for the economies of the two countries also from another standpoint – the flow of foreign direct investments has suffered a cutback and it hasn't recovered since. The slow pace of recovery translates into insufficient foreign capital poured into the business environment of the two countries. Leaving aside the global economic crisis, in Romania's case, the political instability has fueled even more the foreign investors' reluctance to invest in the Romanian economy. Moreover, austerity measures imposed by the government, such as a higher level of taxation as well as harsh conditions for granting bank loans, have discouraged foreign investors since the economic crisis erupted back in 2008. And with other potential crises still lurking in the dark, the problems that the two economies are confronted with, are far from over. But then again, we should not look for excuses regarding the lack of foreign direct investments for the two countries after the financial crisis of 2008-2009. If we take a look at Poland for a change, we see that that amount of FDI has continued to pile up even after the world crisis and it was only the Eurozone crisis of 2012-2013 that slowed things down, but once again a big boost in 2014 put things on the right track. As it concerns Romania, the flow of FDI attracted between 2000 and 2008, shows its magnitude

on the overall economy, with fertile effects on the GDP, the increase of exports and the economic growth. The figures speak for themselves, that is to say, in 2008 the GDP reached its climax of a staggering 208 billion dollars based on foreign direct investments of 9.5 billion euros. Unfortunately, the drop in FDI after 2008 reflected itself also in the substantial diminution of the GDP, meaning that the severe economic crisis had cut the umbilical cord between the foreign direct investments and the economic growth. Although the winds of economic crisis are still blowing through the European Union, the increase in the flow of FDI should be a top priority for both the Romanian and Croatian government, along with the absorption of European funds. Moreover, foreign investors should be encouraged to come to both countries due to a number of reasons such as: skilled labor force - much cheaper than in the Western countries, lower profit tax, greenfield investment opportunities or their membership of the EU.

KEYWORDS

Foreign Direct Investments, Crisis, GDP, Economic Growth, Green Field Investments

THE ROLE OF FDI IN THE REGIONAL INTEGRATION: A CASE STUDY FROM “EU” AND “TURKEY”

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ABSTRACT

The definition of globalization is a subject of intense academic debate. A common point of all these definitions is that, globalization is the signal of the appearance of integrating processes in terms of space and economy. There are three different arguments on the “level” of; the first one accepts “pure economic globalization/fully integrated world market” which brings homogeneity in terms of economic, social and political structure on the world. The second one is that “globalization is a myth” and “there is no global market instead there are regionally integrated markets”. The third one, gathered these two approaches and emphasizes, “globalization stimulates regional integration” in terms of economic, social and political structure.

In the light of all these discussions the main hypothesis of this paper is “Globalization emphasizes regional integration more than global integration and FDI is the most important integrating force in regional integration”. Actually, FDI is one of the significant indicators in the explanation of regional integration in social, political and especially in economic aspects. Thus all these discussions on integration are strongly related with MNCs and their FDIs. Because increasing FDI flows with reference to globalization process have pushed MNCs to reorganize functional and geographical coordination of their activities by strengthening external relationships within networks for both production and innovation. In this context, after theoretical discussion on the hypothesis given above, more detailed explanation about MNCs and their locational preferences will be given in the second section of the paper. The hypothesis will be tested in the case of EU and Turkey that is a candidate of this union and investments of MNCs between these two will be analyzed to clarify integration processes.

KEYWORDS

Globalization, Foreign Direct Investment, Multinational Corporation, Global Integration, Regional Integration, EU, Turkey

JEL CLASSIFICATION CODES

F23, R12, R58

THE ROLE OF INSTITUTIONS IN ATTRACTING FOREIGN DIRECT INVESTMENTS

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ABSTRACT

The aim of this paper is to identify the role of institutions in creating a prosperous business environment for attraction of the Foreign Direct Investments. This research is based on the statement that efficient markets depend on supporting institutions that can provide the formal and informal rules of the game of a market economy, allowing a lower transaction and information costs and reducing uncertainty. Moreover, it has to be stated that the legal and governmental arrangements as well as informal institutions underpinning an economy influence corporate strategies, thus profoundly influence the operation and performance of businesses. The methodology in this paper consists of comparing statistical data for the Balkan countries (Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Romania, Serbia, F.Y.R.O.M. and Slovenia). The general conclusion drawn in this paper is that Western businesses entering countries with lower degree of institutional development face higher transaction costs than in countries with higher degree of institutional development. Hence, the institutions play significant role in process of one country’s attempt to attract Foreign Direct Investment.

KEYWORDS

Institutions, Institutional development, Foreign Direct investments

JEL CLASSIFICATION CODES

F21, O43

TECHNOLOGY SPILLOVER FROM FOREIGN DIRECT INVESTMENT IN TURKEY

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ABSTRACT

Along with globalisation, one of the significantly developing processes has been a strong increase of volume of the Foreign Direct Investment (FDI) in the world economy. Within the endogenous growth framework, this process has been seen as a major catalyst in order to enhance economic growth in developing countries. Indeed, FDI has a significant potential for not only bringing capital but also introducing advanced technology that can enhance the technological capability of developing countries in order to generate a long-term economic growth. Thus FDI provides an important channel for technology spillover spurring economic transformation in developing economies. With the expectations to gain from technology spillover, it seems that many developing countries offer various incentives in order to attract FDI. Turkey has also pursued some policies and shown enormous effort to attract FDI over the last decades. Accordingly, this paper aims to examine technology spillover from Foreign Direct Investment based on an analysis of Turkish Economy by carrying out Johansen Cointegration Test and Granger Causality Test on quarterly data over the period from 2002 to 2015.

KEYWORDS

Technology Spillover, Foreign Direct Investment, Turkey

JEL CLASSIFICATION CODES

F21, F43, O33

SIZE OF THE GOVERNMENT AND FDI INFLOWS: AN EMPIRICAL ANALYSIS

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ABSTRACT

While Foreign Direct Investments- FDI have been widely discussed in terms of push and pull factors and their economic contribution to host countries, the analysis on the relationship of FDI with government size of the host country has been very limited. Therefore the purpose of this paper is to investigate on the relationship between size of the government and FDI inflows of the recipient country.

The paper adopts a multi-national panel data. Observations for 50 European countries have been retrieved for 2000-2013 to compute regression equations aiming at assessing the impact of government size on the FDI inflows. Size of the government, as a composite index, is computed based on four factors: government consumption, transfer payments, governmental investment and tax policy. While for depending variable, to take into consideration different country sizes, FDI per capita is chosen for the measure of FDI inflows. As foreign investment decisions are subject of so many other factors, a number of control variables have also been introduced, such as market size and rule of law.

The findings will provide valuable information for discussion among researchers as well as for consideration for policy makers regarding FDI promotion and attraction governmental policies in Europe and Eastern European Countries specifically.

KEYWORDS

Foreign Direct Investment, Size of the Government, Eastern European Countries

JEL CLASSIFICATION CODES

F21, O52

THE COMPARISON OF THE PUBLIC SECTOR ACCOUNTING OF CROATIA AND BOSNIA AND HERZEGOVINA

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ABSTRACT

The decisive influence on the shaping of governmental accounting at the country level comes from two sources. The national source defines the specifics that are conditional on (dependent on) one country social system and economic development, nation's level of education and intellectual capital as well as on country customs, tradition and culture. The international sources are harmonization and unification of methodological and legislative frameworks and national accounting practices, which further lead to reducing national specifics. The transfer and use of other countries experiences into national frameworks has its special features with both, good and bad sides.

This paper analyses the governmental accounting development in two countries: Croatia and Bosnia and Herzegovina (divided on two entity: Republic of Srpska and Federation of Bosnia and Herzegovina) for the 25

years period (1990-2015). The goal is to compare the path of development and identify key influences on solutions in a particular period of time (several phases of accounting system development) in that period.

Therefore, in this paper we analyse the characteristics of national governmental accounting in the aforementioned two countries, through various system development periods, and identify factors that have influenced the developments. Also, the paper explores the similarities and differences between the current characteristics of governmental accounting and financial reporting in Croatia and Bosnia and Herzegovina. Furthermore, authors explore and detect possible implementation obstacles for application accrual accounting.

Moreover, authors have conducted the empirical research based on questioners in the year 2015. The questioners were sent to all public higher education institutions and health care institutions in Croatia and Bosnia and Herzegovina. Through conducted research authors have tested the quality of financial reporting and the use of accounting information in decision-making process of public managers.

The results of this paper might be helpful to national authorities in continuing the improvements of national governmental accounting legislation, and might be useful to other countries that are in comparable situations. We find that this international comparison study contributes to the existing literature, and is potentially of interest to international and national standard setters (i.e. IPSASB).

KEYWORDS

public sector accounting, financial reporting, accrual accounting, compare, Croatia, Bosnia and Herzegovina

JEL CLASSIFICATION CODES

M41, H83, H61

THE PRODUCT-BASED TRACKING SYSTEM BU USING RFID TECHNOLOGIES IN LOGISTICS APPLICATIONS

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ABSTRACT

Technology of RFID supplies benefits like following the process of logistics better, executing inventory managing with less workers, decreasing labor costs and rate of waste, increasing costumer's service quality and following the attitude of costumer. The wrong placement on logistic applications, errors resulting from loading and processing, errors on information are reduces by RFID technology. Despite that, the height of the value of the investment and restructuring process show that RFID investments should be considered a strategic decision for the companies. In order to ensure the success of RFID, a comprehensive analysis of assessment, the acquisitions and the costs that are required by technology investments should be examined. This study aims to develop RFID technology to be used as a 'Product-Based Tracking System'. By using the system on the logistic processes, it will be tried to resolve the problems on the existing processes and to produce added value solutions to the companies.

KEYWORDS

RFID Systems, Product-Based Tracking System, Logistics

IAS FOR SMES ADOPTION: EVIDENCE FROM THE REGIONS OF KAVALA AND SERRES, GREECE

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ABSTRACT

This paper examines the adoption and implementation of IFRS by SMEs in the regions of Kavala and Serres, Greece. Our main objective is to examine the possibility of direct implementation of International Accounting Standard for SMEs. Through empirical analysis and in accordance with the literature review we set the main factors that affect business decision to implement IFRS/IAS.

We investigate whether the willingness of businesses to implement IFRS/IAS depends largely on the educational level and size of companies. We also examine what influences the decision to apply IFRS/IAS and more specifically how much the advantages of using IFRS/IAS and the desire for transparency affect such decision.

The findings of our research suggest that SMEs have insufficient information or guidance about the Standards. This is one of the reasons that explains their reluctance to apply Standards and be indifferent about the existence of internationally comparable information. Lack of knowledge and infrastructure and given the current economic circumstances in Greece, implementation costs act as a serious deterrent in the implementation of IFRS/IAS.

KEYWORDS

International Financial Reporting Standards for SMEs, SMEs, Factors influencing the IAS for SMEs

ASSESSING THE COST INFORMATION USAGE IN HIGHER EDUCATION INSTITUTIONS – CASE STUDY IN CROATIA AND BOSNIA AND HERZEGOVINA

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ABSTRACT

In order to improve the planning process, calculation, allocation and cost control in the higher education institutions, it is necessary to keep track of costs, not only by nature and places of costs, but also by different programs and types of services. Since the information and data are the most important resources in the process of managing, the construction of adequate financial information system is the assumption in assurance of better governing with higher education institutions. Assuming that the appropriate accounting information system infrastructure is a support of the successful management, its content and structure should be seen as a function of increasing efficiency of financial management and evaluation of management in high education institutions, not only during the execution of the objectives of the budget.

The purpose of this paper is to show a current usage of cost information at higher education institutions in Croatia and Bosnia and Herzegovina through empirical research and to investigate opinions of accountants and financial officers regarding possible implementation of cost accounting methodology in higher education institutions. The paper is explaining the accounting system in Croatia and Bosnia and Herzegovina higher education systems, providing the information about the flaws of current accounting system for the recording and allocation of costs. A theoretical background about the usage of accrual accounting basis and cost accounting methodologies in higher education systems of different European countries is showing better governance and financial sustainability of higher education institutions that have introduced cost accounting methodology. The empirical research is pointing out the difference in observed two countries. The difference is visible through accounting systems, usage of cost information and through usage of cost allocation methods for calculating costs per student.

KEYWORDS

accrual accounting basis, cost, cost accounting system, high education institutions, statistical analysis

ACCOUNTING SYSTEM IN CROATIAN PUBLIC HEALTHCARE SECTOR: CURRENT STATE AND IMPROVEMENT PERSPECTIVES

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ABSTRACT

On the path of acknowledging the modern international trends of public expenditures' comparability and transparency, which started in recent decades worldwide, new governmental accounting system based on modified accruals was established in Croatia in the year of 2002, obligating all general government entities, thus the healthcare sector as well, to apply modified accruals governmental accounting and financial reporting model.

Prior research literature on appropriateness of actual modified accrual accounting and financial reporting system in Croatian public healthcare sector and its adequacy in meeting both external and internal financial reporting needs and users requests, implied discrepancies and constraints fostering the necessity of full accrual accounting implementation, as the model that is inaugurated at the international level, as justifiable.

As in many countries, public healthcare sector represents a very important subsystem of Croatian general government sector and a very important segment of total public spending. The specificities of Croatian public healthcare sector refer to its' financing model, asset structure, but mostly to large material and human resources employment needs and service delivery model /set of procedures complexity.

From a healthcare financial management macroeconomic point of view hospitals' spending represents the most demanding and the most expensive segment, whilst cost-efficiency and effectiveness of hospitals reflects the overall healthcare system quality. This implies management efficiency and effectiveness that further requires necessary quality, accurate and complete set of both financial information (which would reflect true and fair view of organization's financial position and performance) and non-financial information (which would further indicate the effectiveness level). In addition, Croatian public health system has been a subject to frequent reforms and almost permanent financial recoveries of piled incurred losses.

The paper presents empirical evidence on the current state and functional adequacy of the accounting and financial reporting system as well as the evidence on the perception/views about the accounting information quality level in meeting Croatian public sector healthcare management needs. The empirical research was conducted based on the data collected by means of questionnaire sent to all public healthcare institutions in Croatia in the year 2015.

The results of this study have relevance to all users of financial statements and in particular to accounting professions engaged in public sector accounting information system set of reforms, in their effort to upgrade and advance the existing financial reporting system by implementing accruals in public sector healthcare accounting/financial reporting system as businesslike (parts of) government. Such a system should assure the

integral information base that would enable efficient use of public goods and the existence of accountable financial management.

KEYWORDS

public healthcare, government accounting, financial reporting, empirical analysis: Croatia

JEL CLASSIFICATION CODES

H83, I18

CAN TIME DRIVEN ACTIVITY BASED COSTING APPLY IN A SMALL SERVICE ENTERPRISE? EVIDENCE FROM A GREEK SHOW CAVE

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ABSTRACT

This article deal with the implementation of time driven activity based costing in a small service enterprise. No much research have been done so far in small service enterprise and especially to a Greek Show Cave. Through a case study method , we show how to perform a time-driven activity-based costing of show caves and provide evidence of the benefits of such an analysis.

KEYWORDS

TD ABC, Management Accounting, Case study, Cost Accounting

JEL CLASSIFICATION CODES

M41, M48, M49

THE IMPACT OF THE EXTERNAL ENVIRONMENT ON THE FUNCTIONING OF SMES - RESULTS OF OWN STUDIES

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ABSTRACT

The sector of small and medium-sized enterprises (SME) is the main group of enterprises impacting the economic development. High degree of flexibility and ability to adapt to new markets allow small and medium-sized enterprises to develop as a result of their capability of effective use of resources in the economy. The SME sector contributes to jobs creation, increase in the number of enterprises and growth of the level of entrepreneurship. However, this group of companies is exposed to a negative impact of the environment, both the macro- and microenvironment, which significantly influences the fundamental strength of an organization. Macroenvironment is in most cases beyond the control of an enterprise, whereas an enterprise has a real impact on its relations with the microenvironment. Turbulence of the environment is one of the most characteristic features of the modern conditions of management, therefore it is important to be able to manage an enterprise subjected to constant changes. The sector of small and medium-sized enterprises is especially exposed to the impact of the external environment. This susceptibility results, among other things, from the size of companies, limited possibilities of obtaining external financing and low level of knowledge among company owners on management of an enterprise.

The aim of the paper is to identify elements of micro- and macroenvironment that impact this development among SMEs carrying out business activity in Southern Poland. The survey conducted in 2016 on a group of 250 enterprises classified, based on the size of employment, as small and medium-sized enterprises, allowed to indicate factors determining the development of enterprises, which are both external in character and represent stimuli from the macroenvironment and microenvironment of an enterprise.

KEYWORDS

development companies, macroenvironment, microenvironment, SME sector

JEL CLASSIFICATION CODES

O13, Q56, M21

THE IMPACT OF INVESTOR TO STATE DISPUTE SETTLEMENT MECHANISM ON INTERNATIONAL BUSINESS ACTIVITIES

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ABSTRACT

The introduction of the ISDS legal mechanism - Investor to State Dispute Settlement, i.e. the chapter on investment protection and dispute settlement between investors and states will be included in the TTIP and is the most controversial part of the agreement. This dispute settlement mechanism is built into almost every

international investment agreement, and today there are over 3,400 such agreements world-wide, and in the EU about 1,400. The Commission’s proposals ignore the fact that investments between the EU and the USA have been going on for decades and grown to more than €3000 billion without ISDS. The Republic of Croatia has concluded 58 agreements on investment promotion and protection, and each of them also contains provisions on ISDS, including the Agreement on Investment Promotion and Protection with the USA from 1996. The ISDS allows investors from states with which the agreement on investment protection was concluded to initiate a dispute. This is usually international arbitration against the state investors had invested in, in the event that any of the state measures jeopardised their investment, instead of an internationally recognised judicial instance. It should be taken into account that the reason for initiation of a dispute cannot be a mere reduction in profits; but cases in which the entire investment is at risk in the sense that it is impossible to perform normal business activities, when investors are discriminated against, when they are unjustifiably deprived of their assets, when they are prevented from freely transferring their funds to their homeland, or when their safety is at risk. In recent years, this system has come under mounting criticism from the public and non-governmental organisations, and many states have themselves noticed some of its shortcomings.

KEYWORDS

ISDS, TTIP, investments, the European Commission, international business activities

JEL CLASSIFICATION CODES

F6

EXPORT PERFORMANCE OF SOUTH EASTERN EUROPEAN COUNTRIES

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ABSTRACT

Over the last decades the European Union (EU) member states has been subject to an intensive globalization and international competition, a fact that poses both challenges and opportunities. Additionally, the recent global financial crisis implied a fall in output across economies that was accompanied by a severe contraction in international trade. As a result, countries and firms have to adjust and actively participate in this new market environment.

In the economic literature about the sustainability of an economic and monetary union (the theory of optimum currency areas) the issue of adjustment mechanisms to asymmetric shocks by individual member-states play a crucial role. According to Wierds et al. (2014: 928): “If countries in the eurozone frequently face asymmetric shocks, the resulting external imbalances may become persistent. As countries no longer have the possibility to devalue their currency or to use national monetary policy to respond to asymmetric shocks, external balance can be restored by improving competitiveness.”

The aim of this paper is to examine the export dynamics of EU countries over the period 1999-2014, focusing in particular on the Balkan EU member states of Bulgaria, Croatia, Greece and Romania. In particular, we focus our assessment on various indicators of export performance: (i) shares in global exports, in relation to a wide range of competing economies (other advanced economies and emerging economies); (ii) shares of industry group in total manufacturing exports (we use the International Standard Industrial Classification of the Organization for Economic Co-operation and Development that distinguishes between exports from high technology, medium-high technology, medium-low technology and low technology industries); and (iii) trade imbalances.

Further we survey the literature dealing with the factors driving export performance in European countries. Various factors have been put forward that may influence export dynamics, ranging from foreign demand, domestic demand, real exchange rates, FDI investments, composition of exports and institutions. However, despite the theoretical and empirical analyses to date, it seems fair to say that there is no consensus on the important determinants of exports performance.

The research results will certainly prove very useful in reflecting on the decision making process in the euro area, and in South Eastern European countries and, in this light, will be of considerable help in defining future economic policies.

KEYWORDS

Exports, Competitiveness, European economy, Europe’s periphery

TRADING VOLUMES OF FREE ZONES IN TURKEY AND EVALUATION OF THEIR CONTRIBUTION TO INTERNATIONAL BUSINESS

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ABSTRACT

The main purpose of the existence of free zones in the world is to increase the volume of trade between the countries. In addition to this purpose, it is aimed creating new employment positions and contributing them to the economy by opening up new business areas.

The geographical position of Turkey is very important and certainly it affect the international business activities in Turkey. In this context, there are nine free zones in Turkey and there are hundreds of effective companies operating in these important free zones.

In this study these free zones will be assessed as the basis of general business activities annually. On the other hand, trade volumes of the free zones will be assessed in terms of products such as; vegetable products, livestock products, fishery products, forestry products, mining and quarrying, processed agricultural products, processed petroleum products and on industrial products. In addition, trade volumes between Turkey and other countries such as; OECD and EU countries, other OECD countries, the Commonwealth of Independent States, North Africa, Middle East will be compared and analysed.

KEYWORDS

Free Zone, International Business, Trading Volumes

JEL CLASSIFICATION CODES

M10, M16

TOWARDS COMPETITIVE DYNAMICS VIEW ON OIL COMPANIES IN THE SOUTH EAST EUROPE

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ABSTRACT

Business policy and operations of leading oil companies are of strategic interest for every country that has a defined energy strategy on which build their competitiveness. Companies in the oil industry operate in a very specific market and political environment. The oil industry is exposed to very high business risks which moreover emphasize the need for adaption to the market trends and selection of the optimal strategic direction, aiming to support the sustainability of increasing the competitiveness of the company. Actually the level of competitive dynamics, forces companies to constantly improve their business strategies and adapt to market conditions, which is the only right approach if they expect to keep position and potentially prosper on the market. The paper deals with trends in the oil industry and key factors affecting the actual competitive dynamics and future development. The main objective of the paper is analysis and display the relations and characteristics of main companies which operate in the Croatian and regional market. Companies are analyzed through a SWOT analysis of several major competitors, such as INA, MOL, OMV (CRODUX), Petrol, Lukoil as well as the small competitors as a unique market unit. The market situation is further illustrated by analysis of concentration on the Croatian market, revealing the escalation of competition and increasing the competitive dynamics among the companies in the oil industry.

KEYWORDS

business strategy, competitive dynamics, oil industry, concentration, SWOT analysis

JEL CLASSIFICATION CODES

L22

BORDER PERMEABILITY AND DRIVERS OF CROSS-BORDER COOPERATION IN THE TURKISH AND EU BORDER REGION

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ABSTRACT

With the impact of globalization, increasing flows of social, economic and political relations have begun to redefine the state borders which causes the rising of new border identities. By this redefinition process, European Union's external wall forming the boundaries with the neighborhood countries have also begun to be rebuilt at local and regional level. Throughout this process, new frontier identities are formed with a degree of permeability where the state's security policies act as the prior issue in the international relations.

Border permeability, that contains gray values varying from full openness to closeness, defines the degree of permeability according to the size, shape and direction of the flows. Dynamic feature of the flows converts border space into a subject of continuous social, economic and political movement. In such places, the actors leading the flows appear as the basic elements of permeability and they can be described as economic, political and socio-cultural agents. At the edge of supranational and national border, actors use networks, which are connected to both local and regional levels, in order to build up cross-border cooperation in different aspects. In this context, border regions transform into a space, where local actors develop methods to overcome the restrictiveness of constraints for the flows among the supranational and the national borders.

This paper aims to evaluate the permeability between EU supranational border and Turkish national border and to define the new cross-border cooperation formed by the social, economic and political flows of the actors. In this context, the permeability and the new border identity will be assessed through three type of administrative body (supranational, national EU and national non-EU) by using the national and local level data supported by in-depth interviews conducted at various actors including national institutions, local organizations and NGOs in Turkey.

KEYWORDS

Cross-border actors, supranational border, border networks, border identity

DETERMINANTS OF THE TRADE BALANCE IN THE TURKISH ECONOMY

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ABSTRACT

The Turkish economy has a long-run problem of trade deficits. Several efforts and different policies, i.e. import substitution over the 1960s and 1970s, trade and financial liberalization after the 1980s and stabilization and restructuring policies in the 2000s, could not find any permanent remedy to this problem which is an important source of external vulnerability for the Turkish economy. Thus, this study aims to shed light on the trade balance dynamics in Turkey via Johansen cointegration test, VEC model and impulse-response analysis, for the period 1987-2015. The study also aims to show whether the adopted exchange rate regime has an impact on the determinants of the trade balance. Estimation results indicate that in the long-run there is a positive relationship between real effective exchange rate (REER) and the TB under both fixed and floating regimes, while in the short-run REER has no impact on the TB. The impulse-response analysis also shows that the J-curve hypothesis does not hold for the Turkish case.

KEYWORDS

Trade Balance, Exchange Rate, J-curve, Turkey

JEL CLASSIFICATION CODES

F14, C22, F31

ECONOMIES IN TRANSITION: WHAT'S NEXT FOR BULGARIA, ROMANIA AND HUNGARY?

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ABSTRACT

Countries in Eastern Europe have transferred from centrally planned to market economy starting from 1989 onwards. However, some of them in early 90s succeeded quite fast in restructuring both the real (non-financial) and financial sectors and continued with further reforms for their economic development. While others undertook the steps a decade later thus postponing the implementation of crucial reforms at the beginning of the transition. Moreover, the selected way of restructuring in the emerging economies defined the future development and trends in various sectors as production of good and services, import and export in trade, financial sector, etc. However, there are certain common policies which have been followed and implemented for most of the countries in Eastern Europe, such as the full membership in the European Union. The purpose of the paper is to analyze the challenges for Bulgaria, Romania and Hungary in economic development and especially in their foreign trade. Based on the comparative analysis for these emerging economies, two aspects of the last 25 years have been reviewed in the text. Firstly, the overall restructuring process in Bulgaria, Romania and Hungary are discussed in order to compare the differences and point the good practices. Secondly, development of foreign trade of the three countries has been analyzed as it presents the trends in the nonfinancial sector and the progress of the economy in the short run.

KEYWORDS

transition economies, Eastern Europe, export, import, economy restructuring

JEL CLASSIFICATION CODES

F10, F43, P20

CONSTRUCTIVE DEVIANCE FOR PUBLIC ORGANIZATIONS: A CASE STUDY OF DECISION SUPPORT TO THE OUTSOURCING PROBLEM

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ABSTRACT

Deciding whether to grant or not building permits is a process that in most European countries is a municipal service. This work considers a case study from the Netherlands, where five Dutch municipalities opened their data about their building permit applications process. Pursuing a redesign venture, authorities are considering outsourcing some of the hundreds of activities that may be performed during the process. In this paper, we follow the constructive deviance paradigm to support such a decision. In particular, we examine the problem from a performance perspective. Although all municipalities are subject to the same law, performance differs significantly across municipalities and from case to case. The constructive (or

positive) deviance paradigm tries to suggest performance improvements by examining resolutely positive organizational phenomena in the workplace. These improvements aim not only at reaching better performance and higher customer satisfaction, but as well as at minimizing variability, making process behavior more expected, hence more controllable. However, selecting which activities of the building permits process should be outsourced is not a trivial task for municipalities, because that particular process comprises hundreds of activities, and because the process flows are not standardized, making thousands of variants possible.

The essential research question that emerges is if positive deviance can suggest which activities should be outsourced to get the performance improved. This paper tries to respond to this question by testing the following two hypotheses: 1) Do positive deviant cases have different flow behavior? And if this is true, 2) Can these flow differences recommend activities that should be outsourced, in order to improve performance? By applying process mining, graph partitioning techniques, analytics, as well as judgment calls, we are able to identify a set of activities, that if outsourced, municipalities would experience a significant performance improvement. We evaluate performance only time-wise, ignoring other factors (e.g., organizational, regulations) that might be relevant.

KEYWORDS

Process Analytics, Constructive Deviance, Clustering

JEL CLASSIFICATION CODES

M1, C44, C38

DEFINING DECISION MAKING PROCESS FOR STUDENT LEARNING SUPPORT SYSTEM

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ABSTRACT

Every student encounters some kind of obstacle in their education life and they need some tools that help them to take correct decision. They need extra support for selecting specific interests during their university education. This kind of support increase their success. Computer based information systems may play a leading role to design some tools.

As known, decision making tools help managers, from business or academic environment, to take better decision in their professional life. Especially, that tools are necessary to solve semi-structured problems. AHP and TOPSIS, two very popular decision making tools, help user to support decision problems using some complex methods or methodologies. These methods may support effective decision making process. Besides of this, education sector uses computer technology intensively, and it needs to integrate decision tools with computer technology for better education.

In this study, computer based decision making process is designed for students who want to determine which course content is appropriate for them regarding his/her academic expectation (plan). Using web and mobile based technology, students can take better decision to choose appropriate content for themselves. Senior Lecturers' experience are used to choose specific decision points for each chosen contents. A specific course is chosen which helps to student to improve their academic knowledge for business or academic life. Every content in the course is expressed as a decision point. Numerical density, verbal density, and reachability of resource are composing decision parameters. Variable values of decision parameters are determined by the Senior Lecturers of the course. The decision points that are chosen by the students, are used in the AHP and TOPSIS process as inputs. System solves the problem with two methods and give two result as a best choice and worst choice for student. Also, system recommends to them some information about which educators interested in the best choice content and some educational materials such as e-book, pdf or some internet resource (Wikipedia, Youtube, etc.) .

KEYWORDS

AHP Process, TOPSIS Process, Decision Support Systems, Digital Selection Guide, Web based systems for business

JEL CLASSIFICATION CODES

I21 Analysis of Education, I23 Higher Education • Research Institutions, D83 Search • Learning • Information and Knowledge • Communication • Belief • Unawareness

THE CURRENT SITUATION AND DEVELOPMENTS IN THE DIFFERENT MEMBER STATES ON RISK MANAGEMENT IN AGRICULTURE

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ABSTRACT

In the framework of the Common Agricultural Policy provides the ability of using a variety of instruments supporting agriculture in emergency and crisis: subsidies for crop insurance and livestock, conducting mutual fund or to organize a fund stabilization of an income. A great number of Member States decided to use such instruments, but they also showed significant restrictions in daily use. Although these instruments can be funded by the EU, many countries decided to use their own, funded by the country's arrangements for risk management in

agriculture. In the next 3-4 years, it is necessary to build a strong, effective and accepted by European farmers insurance solutions for agriculture. If Transatlantic Trade and Investment Partnership (TTIP) sign the farmers, there will be in Europe a lot of poor protection as compared to farmers in the United States in case of a sudden weather phenomena, but also the damage caused by pests or falling price levels. The article is an attempt to indicate the necessary direction of these changes.

KEYWORDS

Agriculture, Common Agricultural Policy, risk management, insurance

GOVERNMENT ORGANISATIONS DEVELOPMENT THROUGH ISO9000:2008

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ABSTRACT

ISO 9000 (2008) is a quality management system with a high reputation all around the globe. It is a set of requirements used by organisations to attain customer satisfaction. The number of organisations implementing the ISO 9000 (2000) are increasing rapidly worldwide.

The influence of the trend to raise quality has reached the Middle East through the efforts of organisations to implement the ISO 9000 (2008) quality management system. In the United Arab Emirates there are more than 1400 (one thousand four hundred) organisations registered with the ISO 9000. Private companies have made great efforts to implement the system in the country. Additionally government departments have started quality initiatives by implementing the ISO 9000 (2008). In particular, the Sharjah Government Departments in the United Arab Emirates were one of the leading government departments that gained ISO 9000 certification. Although a good many government departments have got the certification and have followed it, others have not yet done so. Therefore the aim of this research is to identify and analyse the barriers to implementing ISO 9000 (2008) in some government departments in the United Arab Emirates.

In order to achieve the research aim, an empirically based system ratio analysis of four case studies covering organisations in the Sharjah government was carried out. Substantial field work was undertaken using a predominantly qualitative approach. Data was collected through semi structured interviews, to explore the implementation of ISO 9000, and to provide a more holistic understanding using triangulation techniques.

The primary contribution of this research is an in-depth understanding of the barriers to implementing ISO 9000 (2008) in some government departments in the United Arab Emirates. This study identified unique barriers affecting the ISO 9000 (2008) implementation in the Government Departments. They were divided into four main categories: social barriers, external barriers, Governmental barriers and organisational barriers. The key findings of the research indicate that the departments covered by the case face considerable numbers of barriers affecting the implementation of ISO 9000 (2008), taking into consideration the culture which plays a major role in the departments concerned.

KEYWORDS

Excellence, quality, management, improvement

THE IMPACT OF SERVICE QUALITY ON STUDENTS' SATISFACTION AND THE WORD-OF-MOUTH: THE CASE OF THE UNIVERSITY OF RIJEKA DEPARTMENTS

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ABSTRACT

The purpose of this paper is to determine the impact of service quality perceived by science, technology, engineering and mathematics (STEM) and information-communication (IC) students of the University of Rijeka Departments' on students' satisfaction and positive word-of-mouth.

A framework was developed based on the extensive literature review, with the following variables: service quality, students' satisfaction and word-of-mouth. It was decided to develop a new measurement tool since many existing surveys do not include all important topics considering the specific conditions of studying in STEM and IC study area of the University of Rijeka Departments. The survey method was used to explore the relationships of the study. The data were collected through online self-administrated structured questionnaire compound of adapted UNIQUAL measure of expected and perceived service quality and adapted measure of student satisfaction, to which the author added items concerning efficiency in studying and positive word of mouth. The questionnaire was administered to undergraduate and graduate STEM and IC students of the University of Rijeka Departments using Google Docs Forms.

The results of the study show that perceived service quality has a significant positive impact on students' satisfaction and on word-of-mouth, since data resulted in acceptably high reliability during the reliability tests, what leads to a conclusion that the study may show the path for future practices for higher education sector.

This study supports existing corresponding studies that a word-of-mouth has a significant effect on consumer behavior and plays rather important role in the consumer's decision-making process, therefore the students must be satisfied with the perceived service quality, what creates loyalty which generates word-of-mouth behaviors, which represent an effective way for a higher education establishment to recruit new students.

The study was carried out among STEM and IC students of the University of Rijeka Departments only - therefore, it is limited and its outcomes could not be generalized. The author kindly suggests further research to cover a wider range of universities in Croatia, including private establishments, with study programs in STEM and IC study area, and also in other branches of science study areas.

The findings provide some important insights into how the service quality impacts the students' satisfaction and word-of mouth, in a Croatian higher education context. A high positive significant impact of service quality on students' satisfaction and word-of-mouth clearly indicates that it is an imperative for higher education sector. Based on the results and remarks of this study improvements can be planned and concluded across all dimensions. Policy makers in the industry in general and in the higher education sector in particular, may benefit from the findings of this study.

The distinguishing point of this study, which enhances its originality, is the fact that this is believed to be the first study of this kind carried out among students at the University of Rijeka. Additionally, the fact that the questionnaire can be utilized in most higher education establishments can be considered as an important value of this work.

KEYWORDS

higher education, service quality, students' satisfaction, word-of-mouth

JEL CLASSIFICATION CODES

M310, I23

INCOME AND EXPENSE ANALYSIS OF RETAIL TRADE SECTOR COMPANIES TRADED ON BORSA ISTANBUL

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ABSTRACT

Retail trade sector is growing rapidly and shows significant improvements in the “World Trade”. This charming sector is expanding and developing in Turkey appropriate to the developments in the world. In particular, population growth, the spread of the use of a credit card, the developments in Turkey's economy and such other reasons, this sector has made a quite development in recent years.

There are a total of eight companies operating in the retail trade sector in Borsa (Stock Market) Istanbul. Operating expenses such as; research and development expenses, marketing, sales and distribution expenses, general administrative expenses are very important for the determination of profitability of these companies. In this study answers to the following questions are to be searched; What is the share of operating expenses in this sector? Is there a relationship between the profitability with operating expenses? What is the ratio of total expenses in operating expense? What is the rate and volume amounts of domestic market sales and export to foreign markets? This eight retail trade company operating in Bourse Istanbul will be reviewed by analysing their income tables statistically.

KEYWORDS

Retail Trade, Marketing, International Business

JEL CLASSIFICATION CODES

M10, M16

DEVELOPMENT OF ICT SUPPORT OF HUNGARIAN MEAT SECTOR

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ABSTRACT

Food safety and quality are keys to companies' business survival and great efforts and resources are devoted to them. Through the quick development of computer technology, a number of new and innovative methods have been elaborated to solve this problem. A full traceability of products can be realized by the adaptation of numbering and bar code systems, as well as by electronic and biological marking systems, on the basis of their appropriate combination. Identification technologies make the traceability of a product in a product chain possible and their use is relevant during almost every phase of the product line, as it is necessary to provide for the unambiguous identification of each individual product. In order to compare the identification technologies, we have to consider several factors. While there are numerous advantages and disadvantages for each solution in comparison with the other techniques, we still cannot unanimously choose the one that conforms to the requirements of the meat industry product chain the best, as there are different challenges on each step of the

product chain. We performed the comparison of the identification technologies on the basis of different characteristics. Our objective was to explore, systemize and analyze those identification technologies applicable for meat industrial product chains. The regulations of identification provide for the continuity and reliability of tracing among independent partners. Our research focused on food tracing systems, utilized identification systems and those which may become applicable in the future. We also studied information technology tools and examined the establishment of Hungarian meat industry enterprises. Based on our survey, we established that the bar code technique is currently the absolute leader in the sector, although modern solutions provide numerous advantages, their profitable application is not possible for the time being.

KEYWORDS

Food safety, Traceability, Identification

ROLE AND IMPORTANCE OF FANPAGE IN PROMOTION OF PRODUCTS AND SERVICES

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ABSTRACT

The development of information and communication technology significantly determines how enterprises conduct their activities. The use of ICT solutions is visible in each area of the functioning of enterprises, in particular in activities aimed at promotion of products and services. The aim of all promotional activities is to exercise influence on the current and future customers of a company. They involve providing customers with information to increase their knowledge about the products and services and the company itself. In today's digital economic life, in order to reach potential customers and retain the existing ones, companies have to observe and quickly adapt ICT solutions. Key ICT solutions include social media, which have had a significant impact on both the social and economic life. The growing number of social media users contributed to changes in the form and way of communicating and building mutual relations. Moreover, the final say on many issues belongs more and more often to people for whom Internet communication is an integral part of life, which undoubtedly is a clear signal that preferences of today's and future consumers are undergoing a diametrical change. This change in consumers' preferences, expectations and needs forces enterprises to use effective ways of communication and new forms of providing information to a specific target group. Social media users constitute an increasing group that often actively joins promotional activities undertaken by a company. In addition, the social media environment enables presentation of information that is characterised by high quality, elaborate content and interesting form (text, photos, animation or films). These are only some of the factors in favour of the use of social media in the promotional activity of enterprises. However, the modern reality as well as extended functionality and variety of social media are on the one hand conducive to building and maintaining relations with customers, while on the other hand, they require appropriate preparation of a strategy of action in a new, virtual economic world.

The aim of the paper is to analyse, based on literature studies, the assumptions of enterprises' strategies of action in the social media environment, with particular reference to fanpage. Based on the results of own studies of a group of 172 Polish users of social media conducted at the end of 2015 and beginning of 2016, key actions taken by users on fanpages were indicated, and significant elements influencing the proper structure of fanpage from the user's perspective were presented.

KEYWORDS

Information and communication technology (ICT), social media, fanpage, promotion, products and services

JEL CLASSIFICATION CODES

M15, M21

USAGE OF INNOVATIVE ICT TOOLS IN HUNGARIAN SMES ON THE NORTHERN GREAT PLAIN REGION

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ABSTRACT

Foreign companies in both the import and export markets will further increase the competitive pressure and respond more quickly to changes. The digital divide is the main reason for this phenomena. When companies do not adopt ICT tools which means they will become less competitive and the insufficient level of usage hampers the potential for their growth both on national and international markets. Using of ICT can help SMEs create business opportunities and maintain their competitiveness. The appropriate level of ICT infrastructure and usage can help SMEs to cut their costs by optimizing the internal processes, developing the communication with the customers, and better promoting and distributing their products through online presence. The using of ICT is able to improve all the steps of business process of SMEs and help SMEs in the administration of their businesses and increase the procurement and marketing processes.

SMEs were analyzed because the sector has a key role in the Hungarian economy. The situation of SME sector is important since it contributes to the economic development, poverty reduction and job creation. The overall MSME sector employs more than 70% of the employees of the private sector, responsible for over 50% of the Hungarian GDP and exceeds nearly one third of the whole Hungarian export transaction.

Considering the benefits to enterprises that would be available through the usage of ICT tools affecting many economical processes. For example, in the case of inbound and outbound logistics where the communication with suppliers would be cheaper and faster through supply chain management or the usage of e-commerce, e-marketing and CRM techniques also could improve the performance of marketing and sales activities.

We have created a survey about the usage of ICT tools in Hungarian SMEs which operate on the Northern Great Plain Region. The first goal of our research is to specify the tools (hardware and software) which with their distribution in Hungary could be measure. Regards the level and characteristics of usage of ICT tools we can say that it is a complex and multidimensional issue which is hard to analyze since it is necessary to take into account diverse technologies, variables, and territories.

Targeted sample method was used for the research and surveys have been carried out at nearly 300 SMEs. Several control questions were built into the questionnaire to check for consistency of responses when interviews were processed. This made possible to filter out incorrect or inaccurate information. More indices are used to compare ICT usage.

A lack of knowledge of how to use a computer prevents many business operators from using ICT tools, apart from the financial constraints.

This article shows our research results on the field of using ICT tools in SME's in Hungary on the Northern Great Plain Region by statistical analyses.

KEYWORDS

SME, lack of knowledge, ICT, statistical analyses

M&A IN ICT SECTOR: DATA MINING OF DEALS' OPTIONS, CASE-STUDY OF GOOGLE

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ABSTRACT

Investigation of mergers and acquisitions in ICT sector become more and more important with the development of the information economy. Nowadays a vast number of new technologies are created in the information sector. In such circumstances the giant companies are trying to get the best technology as early and as cheap as it possible. On the other hand, the startups' creation with the aim of profitable sale encourages entrepreneurs to develop new technologies. Such possibilities have particular importance for the Eastern European region (especially for Ukraine), where the creation and dissemination of new technologies go relatively slow.

The aim of the paper is to study the options of M&A deals in ICT sector using data mining methodology.

To reach the aim: 1) the list of factors that affect on the projects future was justified, 2) the deals' patterns were found out using visualization methodology, 3) four clusters were identified: “Experiment”, “Hi-Tech”, “Competition”, “Idea”.

The analysis could help Ukrainian entrepreneurs to find its own niche in the ICT market and contribute to the creation and dissemination of new technologies in our country.

KEYWORDS

Mergers and acquisitions, ICT, visualization, clustering

QUALITY OF SERVICE IN COMPUTER NETWORKING

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ABSTRACT

From the perspectives of users of the Internet, service quality can be determined based on their expectations and programs that are being used. Interactive applications or those in real-time judged by the ability to send and receive data so that users do not investigate any issue problem, but others users who use only Web and transfer the files have less such requests.

The application or user quality depends experiencing network devices with data packets must go through them. Low-speed links cause delays. Overloading the router can cause delays of loss of data. Well Service quality has to do with management of network resources to ensure that data are sent to the satisfaction as satisfying the requirements of applications.

Network planning and engineering the traffic are ways so as to ensure that sufficient capacity of the network and the resources are there to support the users and traffic on the network, it is placed in such a way that It will do best through the resources available to provide an expected Quality Service.

KEYWORDS

Quality, Service, Networks, Computer

JEL CLASSIFICATION CODES

L86, M15, L15

**CONCENTRATION EVALUATION ON THE ELECTRONIC
COMMUNICATION MARKETS IN THE SLOVAK REPUBLIC**

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ABSTRACT

Assessment of the state of the competitive environment is one of the main tasks of the regulatory authorities whose task is to prevent violations of the conditions of competition and thus maintain a healthy competitive environment in the marketplace. One of the main parameters defining the state of the competitive environment is the concentration of the market. For evaluating of concentration it is possible to use absolute and relative concentration ratios. The absolute concentration levels are designed mainly for economic purposes and describe the market structure in the sector. Indicators used to compare indirect economic power of market participants, the level of their competition and simultaneously characterize unequal distribution of market shares between the relevant entities. They create the possibility to compare the concentration between the various sectors in the same or even in different countries or in different regions. The compared industry need not have anything, but this indicator provides the ability to compare the concentration despite the fact that different sectors have different numbers of participants / companies as well as various distribution market share.

This paper considers the electronic communications market in the Slovak Republic, taking advantage when the state of competition respectively market concentration indicators for measuring the absolute concentration for example concentration ratio, Herfindahl - Hirschman Index, as well as indicators to measure the relative concentrations. The main market indicators include sales and number of market participants respectively the number of active SIM cards including those used by plants to operate GSM gateways, mobile internet services, telemetry, location services carrier, alarm and so on.

The analysis covers the period 2004-2014, which occurred in the Slovak market to a number of mergers, consolidation and development of the electronic communications market, but also a manifestation of the financial crisis. All mergers which the Slovak market for electronic communications carried out and touched in some way operators on it, are mainly due to the interference of foreign telecom companies that are majority shareholders Slovak operators. Their influence is thus an international character.

Overall, the incumbent (Slovak Telekom) has been a leader in the electronic communications market in terms of assets throughout the years. In 2012 showed nearly four times the assets of the company Orange Slovakia, Inc. and more than seven times the assets of Telefonica O2. Asset value of Slovak Telekom and Orange recorded up to 2008 continuous upward trend.

The weakening of the telecommunications sector in 2009 due to the economic crisis, regulation and liberalization led to the decline in the assets of the individual operator. Concentration in the market is relative, and its value depends on the criteria by which selected market analysis.

KEYWORDS

Regulation, concentration, electronic communication market, indices

JEL CLASSIFICATION CODES

L50, L52, L96

**DIGITAL DIVIDE IN GREECE- A QUANTITATIVE EXAMINATION OF
INTERNET NON-USE**

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ABSTRACT

During the last decade, Internet take up rate in Greece among individuals, is much lower compared to the EU average. This paper investigates issues of the Digital Divide in Greece, by analyzing micro data from the Eurostat Community Survey on Household and Individuals in 2012.

It aims to explain and quantify the influence of socio-economic and demographic factors (employment, sex, age, household income, geographic location, country of citizenship, family status, employment status and educational attainment), in the decision to have Internet Access and use the Internet.

This paper shows that: Educational attainment, Age, Employment Status, Income, Family Status, and Region of Residence are the most important factors determining Internet Access and Internet Use.

The most important reason for not having Internet Access is the lack of skills, while people with lower Education face many different barriers to engage with the Internet. Greek Non Users are a large and socio-economically disadvantaged heterogeneous group. In order to adopt effective policy interventions there should be more focused research, in order to understand which subgroups of people and for which reasons, do not access and use the Internet.

KEYWORDS

Digital Divide, Digital Exclusion, Internet Non Use, Greece

**FISCAL TRANSFERS TO LOCAL GOVERNMENT UNITS IN POLAND IN
1996-2014 PERIOD**

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ABSTRACT

The main objective this paper is a presentation, analysis and comparison of different fiscal transfer schemes that are used Polish local governments budgets (NUTS 5) . Local government revenues in Poland are supported by the three main kinds of fiscal transfers: tax shares in central government direct taxes (which are included to so called own revenues), general grants and specific (conditional) grants. During the analyzed period volume and share of these transfers in total local government revenues was changing. To compare the importance of these revenues a comparative analysis has been carried out. The estimates come from financial reports from The Regional Chamber of Audit and National Statistic Office. Maximum, minimum and medians estimates, but also the first and the third quartiles separately for all urban, rural and urban-rural local self governments from Lower Silesian voivodeship (NUTS 2) between 1996-2014 have been taken into consideration. The analysis of accessible financial budget data proved that the most vital revenues in the case of investigated types of municipalities were shares from PIT, CIT and general grants. The meaning of these transfers was different according to kind of local government. Urban type local governments were stronger supported by the tax shares, but also due to educational part of general grant this kind of revenue was also important. Looking at typical rural local government we could observe that tax shares, due to weak tax base, were low but grants – especially general (also educational part of it) were crucial for them..

KEYWORDS

Fiscal transfers, tax sharing, equalization, local government

**BUILDING EFFECTIVE GOVERNANCE: ASSESSING THE IMPACT OF
CORRUPTION ON TRUST IN INSTITUTIONS**

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ABSTRACT

Corruption and trust are assumed to have a major impact on the size, activities and the efficiency of public sector in modern societies. Both corruption and trust have been identified as determinants of various social, economic and political outcomes – economic growth, political legitimacy, income inequality, government effectiveness. Beside strong empirical evidence that corruption limits economic growth and investment, it significantly undermines the legitimacy of the state institutions and decreases their capacity to implement reforms. By diverting public resources to private hands, corrupt practices decrease the efficiency of public services delivery, while compromising the notions of government accountability, fairness and citizens’ equality before the law.

On the other hand, trust in institutions is recognized as the cornerstone of providing legitimacy of political and administrative institutions, especially in new democracies. Trust in institutions can also produce important economic effects, primarily through increasing fiscal discipline and strengthening the government’s capacity to collect taxes. However, empirical data on the levels of institutional trust report declining levels of trust in most contemporary economies. There are a large number of factors that explain variations in institutional trust – citizens’ perceptions of economic and political performance of the institutions, as well as individual political and cultural attitudes. In this paper, we focus on the impact of corruption on citizens’ trust in institutions. The paper attempts to contribute to the analysis of the interconnections between corruption and trust in institutions, in order to reach a deeper understanding of their effects on the efficiency of the public sector.

Based on the data from the fourth wave of European Values Study for 35 European countries with democratic political systems, including both mature democracies and recently transformed transition countries, we examine the impact of perceived corruption on citizens’ trust in public institutions, controlling for a number of macroeconomic variables, indicating the level of economic development. In addition, we estimate the effects of individual attitudes - satisfaction with democracy and justification of corrupt behavior, on government performance.

KEYWORDS

Corruption, Trust, Institutions, Governance

**IMPACT OF THE EXTERNAL ENVIRONMENT ON THE FUNCTIONING
OF SMES - RESULTS OF OWN STUDIES**

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ABSTRACT

The sector of small and medium-sized enterprises (SME) is the main group of enterprises impacting the economic development. High degree of flexibility and ability to adapt to new markets allow small and medium-sized enterprises to develop as a result of their capability of effective use of resources in the economy. The SME sector contributes to jobs creation, increase in the number of enterprises and growth of the level of entrepreneurship. However, this group of companies is exposed to a negative impact of the environment, both the macro- and microenvironment, which significantly influences the fundamental strength of an organisation. Macroenvironment is in most cases beyond the control of an enterprise, whereas an enterprise has a real impact on its relations with the microenvironment. Turbulence of the environment is one of the most characteristic features of the modern conditions of management, therefore it is important to be able to manage an enterprise subjected to constant changes. The sector of small and medium-sized enterprises is especially exposed to the impact of the external environment. This susceptibility results, among other things, from the size of companies, limited possibilities of obtaining external financing and low level of knowledge among company owners on management of an enterprise. The aim of the paper is to identify the process of the development of companies as well as the elements of micro- and macroenvironment that impact this development among SMEs carrying out business activity in Southern Poland. The survey conducted in 2016 on a group of 250 enterprises classified, based on the size of employment, as small and medium-sized enterprises, allowed to indicate factors determining the development of enterprises, which are both external in character and represent stimuli from the macroenvironment and microenvironment of an enterprise.

KEYWORDS

development companies, macro-environment, microenvironment, SME sector

**INSTITUTIONAL VOIDS AND THE ROLE OF NGOS IN FILLING VOIDS:
THE CASE OF GIMDES**

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ABSTRACT

This study focuses on investigating “why and how an institutional void was filled by a non-governmental organization (NGO) contrary to the established thought in the literature that voids can just be filled through the attempts of the state (Fligstein, 1990; Hooks, 1990) or business groups (Mair and Marti, 2009; Vermeulen et al., 2007)”.

The effects of institutions on the fields have been researched to a great extent by economists (e.g. North, 1990), sociologists (e.g. Beckert, 2002) and organization theory scholars (e.g. DiMaggio and Powell, 1991). However, it is seen that the subject is also discussed by international business management scholars and several studies (e.g. Khanna and Palepu, 1997: 2010) contributed to the literature with respect to the institutional void concept in terms of IBM. Moreover, organization theory scholars, recently, also attempt to respond this movement particularly within the ‘institutional entrepreneurship’ framework. Institutional void, as an emerging, concept is defined as ‘non-existence or weakness of institutional framework that regulates the industry’ by Mair and Marti (2009) and through referring to the study of Rao, et al (2000) it is explained as ‘fields of opportunity that raise desire on the side of entrepreneurs to add new norms, values and beliefs in social structures’ (Karatas-Ozkan et al, 2014). The concept can also be addressed as a problem that businesses from developing countries confront with it when they try to internationalize, and since mentioned countries lack necessary institutions that can support main activities of the businesses (Khanna and Palepu, 1997).

Particular characteristics of this study with regard to institutional void can be stated as it stresses the roles of NGOs to fill the institutional voids. Many of the studies in the literature limelight the role of state, its agencies and, further, business groups in the formation of fields and filling institutional voids. In current study, the emergence of GIMDES’s halal product and certification activities as a requirement for Turkish businesses tried to internationalize, the perception of this requirement and the development and formation of halal fields in turkey are addressed from a historical perspective through analyzing archive documents and scant interviews. In this sense, it should be stated that GIMDES firstly started its operations in 2005 in Turkey and in this scope, GIMDES joined in the WHC (World Halal Council), which is an international umbrella organization for halal, when it was invited to a meeting of the WHC in Thailand in 2008 and finally, GIMDES certificated products as halal for export since 2009. (GIMDES, 2011). Several preliminary results obtained from this study: First GIMDES , attempted to fill the

voids in this field by translation texts related to existing halal products and their certification through undertaking an agency role in the development of halal product. Secondly, GIMDES was supported by several organizations in some countries which possess institutionalized rules and norms on halal certification and gained legitimacy by the acknowledgement as an organization in this field by international umbrella organization (WHC). Finally, GIMDES became one of the leading organizations during the development of the field and implemented several strategies to keep its place. Therefore, the authors of the study consider that the study will contribute to the literature – particularly with respect to organizational theory- from the perspective of the role of NGOs in filling institutional voids, their rationales and strategies to act in this way.

KEYWORDS

Institutional voids, NGOs, GIMDES, Halal product certification

**MALCOLM BALDRIGE NATIONAL QUALITY AWARD (MBNQA)
DIMENSIONS IN GREEK TERTIARY EDUCATION SYSTEM**

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ABSTRACT

The European Foundation for Quality Management Excellence Model (EFQM Model) and Malcolm Baldrige National Quality Award Model (MBNQA model) are widely known models and are used as channels of Total Quality Management. MBNQA model can be applied by an organization or institution in order to implement the principles of Total Quality Management and to achieve excellence. In the present research the criteria of MBNQA model, such as Leadership, Strategic Planning, Customer Focus, Measurement, analysis, and knowledge management, Workforce focus, Process management, Results are recorded and the views of Pre-service teachers from ASPETE Thessaloniki are analyzed in light of these criteria, highlighting thus, the dimensions Quality Assurance of the Greek tertiary educational system. 123 Pre-service teachers from ASPETE Thessaloniki participated in the survey. The strong as well as the problematic situations of the criteria of the MBNQA model were registered and analyzed. Furthermore, the reasons of the low performance and obstacles of the education process were discussed and ways contributing to Continuous Improvement, that requires constant awareness and focus, were proposed. These points support the MBNQA model as an operational framework for Total Quality Management and also strengthen the results obtained in previous studies for the EFQM Model suggesting that quality award models actually provide a suitable framework for quality management.

KEYWORDS

MBNQA, Greek, Tertiary, Education, System

**DEVOTING RESOURCES TO ENVIRONMENTAL PROTECTION: THE
ROLE OF PERSONAL VALUES AND ATTITUDES**

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ABSTRACT

With the increased number of discussions about how enterprises satisfy different requirements of stakeholders the need exists to better understand relations between enterprises' concern for the environment and economic results and their allocation of resources to environmental protection. Using data from a study of employees and business students (as future employees) in Slovenia, we built on existing literature to examine a suite of theoretical cognitions that have been proposed to explain the influence of employees' values on concern for environment, concern for enterprises' results and their preparedness for devoting resources for environmental protection. The results indicate that universalism and benevolence for employees and benevolence and security for students are strong positive predictors of concern for the environment. Security and tradition for employees and tradition for students are strong negative predictors of concern for the environment. Concern for the environment is strongly positively correlated with the allocation of resources to environmental protection, for both groups.

KEYWORDS

Attitudes, Devoting resources, Environmental protection, Economic concern, Environmental concern, Personal values

RESEARCH AREAS IN BIG DATA ANALYTICS STUDIES

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ABSTRACT

Among the areas, which drive the economies of the modern world, big data analytics plays a significant part. Numerous scientific papers have been published in that field in the past ten years but only a few have investigated

the research areas of big data analytics studies at the global level. To clarify the current state of the research and knowledge structure this study carries out a co-occurrence analysis aiming to identify the clusters of main terms that co-occur in the examined papers and provide graphical visualization of relationships between those terms. Publications used in this study were determined on the basis of bibliometric analysis of the big data analytics papers published between 2005 and 2015 in all journals indexed by the Web of Science database. Presented study delivers an overview of the recent bibliometric research in the field and explains the used methodology, which is followed by a general bibliometric information considering research outputs in terms of research papers by countries, institutions, authors and journals. The implementation of the co-occurrence analysis is described deeply in the presented paper. The terms (sequences of nouns and adjectives ending with a noun) were extracted from the titles and the abstracts of the selected papers and a software for visualizing bibliometric networks (VOSviewer) was used to create the term map, where the distances between terms signify the amount of their co-occurrences in the analyzed papers. Three clusters of significant size were indicated each of them representing a major area of the research studies on the big data analytics. At the end the interpretation of the results, discussion and the avenues of further research are given. The proposed study supports the researchers in the area with the insights that allow them better understanding of the current state and the trends in the big data analytics research.

KEYWORDS

Big data, Big data analytics, Bibliometrics, Bo-occurrence analysis, Text mining, Visualization

JEL CLASSIFICATION CODES

M15, L86, C88

EFFICIENCY ANALYSIS OF THE BALTIC BANKS

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ABSTRACT

This paper aims to assess and analyze the relative efficiency of the banking sector in the Baltic States by using the non-parametric methodology data envelopment analysis (DEA). The basic purpose of this paper is to estimate the technical efficiency of the Baltic banks by applying the output-oriented DEA model. The choice of inputs and outputs is based on the intermediation approach and cross-sectional data is gathered for the period 2004 - 2014. The identification of the sources of inefficiency of the banking sector in the Baltic States is based on the technical efficiency decomposed into pure technical efficiency and scale efficiency. The obtained efficiency scores identify banks that are relatively efficient, as well as those that are relatively inefficient. According to the obtained results the paper provides conclusions for opportunities and suggestions for increasing the efficiency of the Baltic banks.

KEYWORDS

Banking sector, efficiency, DEA, intermediation approach, financial indicators, Baltic States

COINTEGRATION ANALYSIS OF FINANCIAL STABILITY AND NON-PERFORMING LOANS

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ABSTRACT

Until the appearance of financial crisis, non-performing loans in bank portfolio in the most of countries were satisfactory. Since then, average asset quality has sharply decreased what caused a lot of turmoil in financial stability of countries. However, credit deterioration, as well as intensity of influence on financial stability is not the same in all countries. Thus, this paper investigates causation of financial stability measured by capital adequacy, from level of non-performing loans in banking sector. Accordingly, we try to identify differences in this causality between selected Balkan countries. For that purpose, quarterly data about non-performing loans and capital adequacy for Croatia, Serbia and Bosnia and Herzegovina for period 2006-2015 were collected. Selected time horizon is representative since it covers pre-crisis as well as crisis period, what enables detection the moment of occurrence of a large number non-performing loans and possible changes in the financial stability. The main goal of this research is establishment of causality model between financial stability and non-performing loans, as well as analysis of differences in intensity of influence between countries covered by this research. Purpose of this paper is modeling multivariate time series (non-performing loans and financial stability) and comparison between obtained models for analyzed countries in order to detect causalities and bring adequate conclusions. The same methodology was applied to all data from analyzed countries in order to enable comparison between obtained models. Cointegration analysis of financial stability and non-performing loans has been conducted through Johansen test of cointegration. Results indicates on existence of at least one cointegration vector, that approves existence of causality between financial stability and non-performing loans. Since this analysis treats causality between two variables, ECM (Error Correction Model) through Engle-Granger method was applied in order to adequately measure and model dynamic of changes and causality of these variables. Results of this methodology

application indicate on long-term connection of these variables and causality of financial stability from non-performing loans in analyzed countries. However, results indicate on differences in intensity of influence of non-performing loans on financial stability. Explanation of the possible causes of these differences are presented in this paper. To summarize, research results lead to the conclusion that non-performing loans are one of the main sources of systematic risk and that they can threaten the financial stability of the entire banking sector. Also, these results are suggesting that cointegration analysis of these variables should be especially monitored and analyzed by the institutions responsible for the maintenance of financial stability. The study also identified the issue of lack adequate regulations that treats problem of bad loans, on the whole analyzed area. Inefficient legal and institutional framework, excessive length of forcible collection of collateral as well as difficulty in court proceeding representing a big obstacle for non-performing loans problem solution. This means that is necessary to create companies and institutions for managing these non-performing financial assets.

KEYWORDS

Non-performing loans, Financial stability, Cointegration, Systematic risk

JEL CLASSIFICATION CODES

G00, G21

ACCESS TO FINANCE – INNOVATION RELATIONSHIP IN POST-TRANSITION

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ABSTRACT

Innovation performance of most post-transition countries lags behind average EU performance. Inadequately developed financial sector that does not provide adequate financing to innovative firms can be damaging to the overall innovation activity in these countries. The main focus of this paper is related to the predictors of access to finance difficulties in the aftermath of the economic crisis in post-transition countries. The empirical analysis is based on the Business Environment and Enterprise Performance Survey (BEEPS V) data for 29 post-transition countries. We estimate probability of considering access to finance as a business obstacle corrected for the decision to apply for financing employing Heckman selection estimation procedure. Results reveal that innovative firms are more likely to apply for financing, probably as a consequence of constrained internal resources. Older and larger firms as well as those that expect their business growth in the future are also more likely to apply for financing. At the same time, establishments belonging to a larger enterprise are less likely to apply for financing, probably due to available internal sources. Firms with female top management according to our estimates are less likely to apply for financing as well as small and micro firms. When it comes to perceptions on access to finance as an obstacle for doing business we have established that older and larger enterprises, private firms or those established as joint ventures (i.e. more oriented towards market principles) and those with positive expectations towards their future business activities are less likely to perceive access to finance as major obstacle. Whether an enterprise is innovative or not has no bearing on the perceptions of access to finance, after controlling for application to finance mechanism.

KEYWORDS

Access to finance, innovative firms, post-transition

INSTITUTIONAL INVESTORS WITHIN FINANCIAL SECTOR OF BOSNIA-HERZEGOVINA - CURRENT STATE AND DEVELOPMENT PERSPECTIVES

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ABSTRACT

This paper analyzes the structure of the financial sector of Bosnia and Herzegovina in order to identify existing and potential opportunities for stronger participation of institutional investors of the non-banking sector which would lead to more efficient functioning of the capital market, creation of more efficient financial system, which would thus significantly contribute to financing and development of the domestic economy. Presence of the broad spectrum of problems within the real sector in B&H and a slow recovery from the economic crisis on one hand, with the highly-liquid, profitable and crisis-resilient domestic banking sector on the other hand, creates a legitimate confusion. Besides that, a long tradition of insurance business, much-needed reform of the pension system, the presence of investment companies and organized capital markets, with the value of household savings exceeding 8 billion BAM, indicate that certain reorganization of the domestic financial system is necessary. Also disturbing is the current figure of 2.5 billion BAM that local banks hold above the prescribed level of reserve even though most of these funds could be used for much-needed development projects. We must not forget that inadequate awareness of citizens and insufficient understanding of the importance of alternative forms of savings also contribute to a significant commitment to the traditional "minimum risk" banking in B&H. By drawing attention to the opening and improvement of existing and creation of new necessary institutional investors we will also

emphasize the importance and the role of financial markets and financial instruments within the financial system of Bosnia and Herzegovina. As the most important institutional investors in B&H we must consider investment funds (unlike other countries, in B&H close-end funds still dominate) and insurance companies, but for our domestic financial system to be more efficient and cease to be a purpose for itself, we need to create favorable conditions for business expansion of existing institutional investors and implement much needed reform of our pension system. This reform should, inter alia, contribute to the establishment of voluntary pension funds as new institutional investors with superior capacity even for a significant change of the very structure of the domestic financial market. This would enable adequate funding of the real sector through the issuance of securities, which is generally the most convenient way of external financing, especially in comparison with the adverse and relatively expensive bank loans in B&H. The consequences of the recent crisis and the current economic situation in the world and the domestic banking system (mostly foreign owned banks) which is not supporting our real sector enough, indicate that alternative sources of financing economic growth and development are definitively essential. Thus, we will point out the experiences of other countries, appropriate statistical models and indicators that would confirm our view on the importance of a more diversified financial sector in B&H which would be reflected in the growth and development of the economic system.

KEYWORDS

Institutional investors, Financial sector, Economic development

JEL CLASSIFICATION CODES

G23, O11, O16

**THE DETERMINANTS OF FINANCIAL RISK DISCLOSURE: EVIDENCE
FROM ALBANIAN AND ITALIAN COMPANIES**

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ABSTRACT

In recent years standard setters, regulators and professional bodies worldwide have shown an increased interest in risk reporting. This has reflected the fallacy of the financial reporting model to communicate a company's risk profile, the recent scandals and the financial crisis. In the EU, the Accounting Modernization Directive (AMD, 2003) requires companies to highlight the principal risks and uncertainties that they face, whereas the international accounting standards (IFRS 7 – Financial Instruments: Disclosure) requires companies to disclose their exposures, objectives and policies for each type of risk arising from financial instruments. Recently, the Financial Stability Board (FSB) has also developed new guidelines to improve risk reporting. High quality risk disclosures help investors and other market participants by providing a better understanding of the risk exposures and risk management practices of companies.

In the literature, the four main areas of investigation of risk disclosure are: i) risk reporting practices and the level of risk disclosure; ii) the relationship between voluntary and mandatory risk disclosure; iii) the determinants of voluntary risk disclosure; iv) the economic consequences of risk disclosure, in terms of the impact on the cost of capital (cost of equity and cost of debt). However, these have focused mainly on corporate disclosure or risk disclosure rather than on financial risk disclosure.

The aim of this research project is twofold. Firstly, we examine the level of compliance with IFRS 7 disclosure requirements on financial risks in order to understand how Albanian and Italian listed companies have implemented the risk reporting introduced by the IASB. IFRS 7 requires companies to disclose qualitative and quantitative information on their exposure to risks arising from financial instruments, including disclosures about credit risk (the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation), liquidity risk (the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset) and market risk (this risk includes currency risk, interest rate risk and other price risks). To verify the degree of compliance with regulation we use content analysis. Secondly, we investigate the determinants of financial risk disclosure in order to test whether size, leverage, industry and ownership affect the level of financial risk disclosure. To this end, we use a regression model.

KEYWORDS

Financial risk disclosure, risk reporting, IFRS 7, determinants of risk, content analysis

**SYMPTOMS OF BURNOUT IN THE WORKPLACE: COMPARISON
BETWEEN THE OLDER AND YOUNGER EMPLOYEES IN SLOVENIAN
COMPANIES**

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ABSTRACT

Modern organizations are faced with an important problem: burnout in the workplace and as a result of burnout dissatisfaction and demotivation of their employees in the workplace. It is important to know that a satisfied and motivated employee is a vital prerequisite for a healthy company. Stressful, depressed and dissatisfied employees would not be able to obtain the same quality level of work and productivity as those employees with low stress and high satisfaction. From this perspective it is important that employers can create a safe and friendly environment to work.

Further, it has become important to understand the role of individual differences in examining the effects of job characteristics on job attitudes. That means, that job characteristics are not experienced in the same way by all workers. Given the demographic shifts in today's workplace, worker age would appear to be such an important individual difference. The role of age in the relationship between job characteristics and job attitudes is important, because with the aging population, it is important to see how jobs might be redesigned to enable people to continue to work successfully. To examine the interplay between age and work characteristics is appropriate because people generally spend a significant part of their lifespan working, and therefore, have ample opportunity to display these adaptive processes throughout their working lives, but the role of age in job design has largely been ignored.

The main aim of this paper is to present burnout in the workplace of older employees compared to younger employees in Slovenian companies. We examined burnout in the workplace with physical, emotional and behavioral symptoms. The paper reports on a research including a survey between two age groups of employees, namely the younger employees that were classified in the group of under 50 years of age and the older employees that were classified in the group of above 50 years of age. Since the Kolmogorov-Smirnov and Shapiro-Wilk test showed that the data were not normally distributed, the non-parametric Mann-Whitney U test was used to verify differences in the physical symptoms of burnout, emotional symptoms of burnout and behavioral symptoms of burnout in the workplace between two groups. The results show that there are significant differences in the great majority of the variables describing the physical symptoms of burnout, emotional symptoms of burnout and behavioral symptoms of burnout in the workplace between younger and older employees in Slovenian companies.

KEYWORDS

physical symptoms of burnout, emotional symptoms of burnout, behavioral symptoms of burnout, employees, human resource management

**A STUDY OF THE POSSIBLE CONSEQUENCES IN THE EVENT OF AN
ACCELERATED ISSUANCE AND WIDESPREAD USE OF PRIVATE E-
MONEY - A CASE STUDY OF MONTENEGRO**

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ABSTRACT

The main goal of this paper is to show what changes occur in case of accelerated issuance and use of private digital money. Respectively, in this work the authors analysed an environment that would arise in the case of parallel use of private and public electronic money. The analysis was carried out for the case of Montenegro.

For the analysis of the perception of the monetary authority, authors conducted a qualitative research that was based on deep interview, while for the testing of the attitudes of clients the authors have used the quantitative research that was based on a survey.

The research results showed accelerated issuance of private digital money and its parallel use with the State electronic money can lead to negative impacts. Research has shown that the new conditions could lead to financial instability, difficulties in conducting monetary and fiscal policies, as well as to problems in the operations of the Central Bank and deposit institutions.

The results of this paper may be a contribution to the discussions on private digital currency, understanding of the attitude of the monetary authorities and private clients in terms of digital money, especially in small and developing countries. Also, they can serve as a literary basis for a comparative analysis of this kind in developing countries, such as Montenegro. Results can also be useful to employees in the banking sector and regulatory bodies to better understand the environment in which private and state money are parallel operating.

According to the authors' knowledge, previous researches on the topic of private digital money are not faced with attitudes of clients and monetary authorities, so with this paper, the authors have sought to rectify the literary gap.

KEYWORDS

digital e-money, electronic payment system, financial innovation

**MODELING THE UNEMPLOYMENT RATE AT THE EU LEVEL BY USING
BOX-JENKINS METHODOLOGY**

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ABSTRACT

Unemployment, as a measure of market conditions, appears as a crucial economic problem and a phenomenon with considerable negative social consequences, and, as such, requires attention and adequate approach to finding solutions. Enormous unemployment rates are a reality not only in developing and transition countries, but also in some developed countries. Inadequately conducted privatization, unsuccessful transfer of workers from the public to the private sector, inefficiency in attracting foreign direct investment, and the world economic crisis of 2008 have made unemployment a universal disease of modern society. The paper presents economic models in which the unemployment rate is the central analyzed phenomenon. In this context, an important task of European economic policy-makers is to project future unemployment rates. Box-Jenkins methodology, i.e. the seasonal ARIMA model, is one approach to the modeling of time series, or, more specifically, for forecasting future values. The subject of this paper is the analysis of the evolution of the unemployment problem on the basis of the values in the period from 2000 to 2015, based on the case of 28 countries of the European Union. Building on the research subject, the purpose of the paper is to create the statistical model for forecasting the values of the monthly unemployment rates in the European Union for the future and establishing its trend.

KEYWORDS

Unemployment, labor market, Box-Jenkins methodology, the European Union

JEL CLASSIFICATION CODES

C13, E24, E27

FISCAL CONSOLIDATION – IMPACT ON LABOR MARKET OUTCOMES

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ABSTRACT

Recent global economic crisis and the concerns about long-term sustainability of public finances have resulted in stronger implementation of fiscal consolidation measures. In this context consolidation has received a lot of attention in both theoretical and empirical literature with the large number of papers investigating its impact on different aspects of economy. Although fiscal consolidation has long been recognized as a hot issue, the literature does not offer a consensus on the impact of fiscal consolidation. Theoretical considerations offer a rationale for both contractionary and expansionary effect of fiscal consolidation on economic activity. Given this state of theoretical literature and quite ambiguous predictions it is no wonder that the empirical literature has provided evidence supporting both of these views.

At the same time investigation of fiscal consolidation on labor markets has received relatively little attention (IMF, 2014). Given that one of the main goals of economic policy are labor market outcomes, we find this topic extremely relevant. The exiting literature indicates that fiscal consolidation can result in long-lasting negative effects on the labor market (IMF, 2014). In addition, the literature also recognizes possible positive effects of fiscal consolidation. This paper adds to the literature by tackling the issue of fiscal consolidation through an empirical investigation focusing on labor market. More precisely, it investigates the effects on a set of specific labor market outcomes: employment rate, unemployment rate and activity rate. Given that the debate on labor market impact of expenditure-based versus revenue-based consolidations is not settled in the literature, the special attention in this paper has been dedicated to the effects of the design of fiscal consolidation on the labor market outcomes. Additional contribution of this paper relates to the usage of the relatively new database on fiscal consolidations (Devries et al, 2011) in 17 OECD countries covering the period 1978 – 2009. This new approach, following the narrative approach introduced by Romer and Romer (2010) suggests that previous empirical literature has been contaminated by using the indicators for fiscal consolidation which may be subject to serious miss measurements errors leading to a strong bias towards finding an expansionary effect of fiscal consolidation. Recognizing this as a serious obstacle the present paper first provides a brief review on the problems in the previous literature and then applies the empirical investigation using the new database which successfully removes most of the problems in providing the representative indicators for fiscal consolidation. Using these new indicators the paper next provides a thorough empirical investigation through the use of panel data analysis. The findings from this investigation provide novel empirical evidence concerning the effects of fiscal consolidation on labor market outcomes.

KEYWORDS

Fiscal consolidation, labor market outcomes, panel data

FERTILITY AND PARENTAL LABOR-FORCE PARTICIPATION: NEW EVIDENCE FROM A DEVELOPING COUNTRY IN THE BALKANS

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ABSTRACT

This paper examines the effect of fertility on parental labor-force participation in a developing country. In order to address the potential endogeneity in the fertility decision, I exploit Albanian parental preference for having sons as an exogenous source of variation. Using a repeated cross-section, I find that having an additional child has a positive and statistically significant effect on parental labor-force participation. IV estimates for mothers show that they increase labor supply, especially in terms of hours worked per week and the likelihood of working off-farm. Similarly, father’s likelihood of working off-farm and having a second occupation increase as a consequence of further childbearing. The heterogeneity analysis suggests that this positive effect might be the result of two plausible mechanisms: childcare provided by non-parental adults in extended families and greater financial costs of feeding more children.

KEYWORDS

Fertility, parental labor-force participation, gender, instrumental variables

JEL CLASSIFICATION CODES

J13, J22, C26

THE IMPACT OF ECONOMIC CRISIS ON UNEMPLOYMENT IN THE REGION OF EASTERN MACEDONIA AND THRACE (GREECE)

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ABSTRACT

The economic crisis which Greece has been facing since 2010 has a dramatic impact on the everyday life of the Greeks. The reduction or the absence of income causes losses in prosperity and pushes large portions of the population in poverty. One of the major consequences of the economic crisis is unemployment. Hundreds of people lose their jobs daily, especially in the private sector. Indicative is the fact that before the crisis the unemployment rate was around 10%, and now reaches 27%. The economic crisis affects negatively not only the mentally unstable people but the healthy people as well.

The purpose of this study was to investigate the effect of the economic crisis on unemployment and the analysis of the qualitative characteristics of the unemployed in the region of Eastern Macedonia and Thrace. In addition, an attempt was made to determine the social impact of the economic crisis.

The results from the research in a sample of 251 unemployed of the region showed that due to unemployment the highest percentage of respondents cannot meet the monthly expenses and necessarily make cuts in areas that are considered non-essential. So most said that reduced travel, entertainment and clothing and footwear. A small percentage of respondents proceeded to cut basic needs such as food and health care.

In this research also reflected the effect of the economic crisis in the psychology of the unemployed since more than eight out of ten are affected quite up too. Also, especially in men, have developed feelings of frustration, insecurity, anxiety and shame.

KEYWORDS

Unemployment, Financial crisis, Greece

JEL CLASSIFICATION CODES

P34, P35

LEVELLING THE PLAYING FIELD: THE EFFECTS OF SLOVENIA’S 2013 LABOUR MARKET REFORM

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ABSTRACT

In the recent past, the Slovenian labour market was often regarded as rigid and segmented, thus posing a barrier to faster economic growth and hindering the employment of vulnerable groups. The 2013 Employment Relations Act introduced significant changes aimed at reducing segmentation and increasing labour market flexibility. On the segmentation front, the law reduced the difference in costs between employing a worker under a fixed-term and a permanent contract. For fixed-term workers it introduced severance pay, increased the unemployment insurance contribution rate, and restricted the leeway for contract extensions. For permanent workers it reduced the level of severance pay and the advance notice period as well as, above all, significantly simplified procedures for the dismissal of permanent workers. On the flexibility front – beyond reducing firing costs of workers under the permanent contract – the law allowed for more flexible deployment of workers and introduced the option of monetary compensation instead of reinstatement, among others. As the result of these changes, the strictness of EPL, as measured by the OECD EPL index, decreased for both permanent and temporary contracts, with the former being just below and the latter just above the average for OECD countries.

The objective of this study is to rigorously evaluate whether the 2013 Employment Relations Act levelled the playing field: whether it reduced labour market segmentation between permanent and fixed-term workers, and improved access to jobs of young and old workers. To identify the effects of legislative changes, the study uses a

“double difference” approach. The specific nature of the labour market reform – the fact that employment protection for permanent workers became less restrictive and for fixed-term workers more restrictive – allows the identification of the effects by comparing differences in labour market outcomes for these two groups before and after the change of law.

Using matched employer-employee database covering the entirety of Slovenia’s labour market participants, the paper compares the difference in outcomes for workers employed under permanent vs. fixed-term contracts before and after the legislative change. It finds that the reform achieved both its stated goals of reducing labour market segmentation and improving access to jobs for vulnerable groups: (i) the reform increased the probability of accessing permanent jobs via transitions from both fixed-term jobs and unemployment, and (ii) the reform improved the accessibility of permanent jobs for both young and old workers.

KEYWORDS

employment protection legislation, labor market segmentation, labor market dynamics

DATA OF EMPLOYMENT AND UNEMPLOYMENT IN GREECE

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ABSTRACT

With the economic crisis of recent years there is a wider discussion on issues of employment and unemployment in Greece. Development, attracting new investments, creating new jobs, unemployment rates, brain drain are some of the issues that interests the political, economic and social carriers of the country. This paper presents data on employment and unemployment in our country for the last decade. Under this framework, data are presented and the relevant findings are discussed.

KEYWORDS

Employment, unemployment, labour market

ELIMINATING BARRIERS AND NEW CHALLENGES IN THE EUROPEAN LABOUR MARKET

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ABSTRACT

One of the pillars of European economic integration is free mobility of employees. The mobility of employees as a part of internal market has a positive effect on economic development and the labour market of EU member states. The current legal system of the EU facilitates cross-boarder mobility of employees and joining of families. The paper deals with the elimination of barriers in the EU labour market.

KEYWORDS

Labour market, Mobility of employees, Equal opportunities

IMPACT OF AMBIDEXTROUS MARKETING ON MARKET AND FINANCIAL PERFORMANCES

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ABSTRACT

Nowadays, firms are strongly challenged by global competitive pressures that often becomes unstable as a result of especially changes that are difficult to foresee (Cantarello, Martini and Nosella 2012). Therefore, it is vital for businesses to develop marketing capability. Market deployment is found in actions that a firm takes to generate market response, which includes parts of the marketing mix, such as advertising, distribution, and promotion activities (Grant 1991; Day 1994; Dutta et al.2002; Slotegraaf, Moorman and Inman 2003). Some researchers prefer to classify marketing mix as a capability (Morgan, Slotegraaf and Vorhies 2009; Vorhies, Morgan and Autry 2009; Murray, Gao and Kotabe 2011; Merrilees, Thiele and Lye 2011; Kaleka 2011; Evers, Andersson and Hannibal 2012; Ngo and O’Cass 2012).

To remain successful over long periods, organizations and managers must be able to implement changes. There is a challenge facing firms was the need to both exploit existing capabilities and to provide for sufficient exploration to avoid being rendered irrelevant by changes in markets (O’Reilly and Tushman 2013). In this case arises as a strategic dilemma. As a possible solution of this dilemma is ambidextrous (Tushman and O’Reilly 1996).

Ambidexterity refers to how an organization does the job today while at the same time will do the job tomorrow (Bodwell and Chermack 2010). This is why, in the literature, ambidexterity has two dimensions which are

exploitation and exploration (March 1991; Gupta, Smith and Shalley 2006; Raisch and Birkinshaw 2008; Vorhies, Orr and Bush 2011; O’Reilly and Tushman 2013; Birkinshaw and Gupta 2013). Exploitation is defined as primarily involve improving and refining current procedures associated with existing marketing strategies, including current market segments, positioning, distribution, and other marketing mix strategies. Exploration is defined as primarily involve challenging prior approaches to interfacing with the market, such as a new segmentation, new positioning, new products, new channels, and other marketing mix strategies. Exploitation can improve a firm’s current capabilities while exploration require the development of new capabilities (Kyriakopoulos and Moorman 2004). Furthermore, it can be argued that exploitation and exploration directly influence the market performance (Yalcinkaya, Calantone and Griffith 2007) and financial performances (Bierly and Daly 2007).

Market performance refers to the company’s ability to satisfy, develop, and retain customers by offering products, services, and other elements that suit their needs (Moorman and Rust 1999; Homburg, Grozdanovic and Klarman 2007; Zhou, Brown and Dev 2009; Leonidou, Leonidou, Fotiadis and Zeriti 2013). Financial performance centres on outcome-based financial (e.g., return on assets, return on investment, profit growth) indicators, reflecting the fulfillment of the economic goals of the organization (Luo, Huang and Wang 2011). Furthermore, it is expected that there is a positive impact of market performance on financial performance, which is also a well established link in the marketing literature (Moorman and Rust 1999; Rust et al. 2004; Zhou, Brown and Dev 2009; Murray, Gao and Kotabe 2011).

The aim of the research is to use ambidexterity literature which provides us with a theoretical viewpoint that we can examine how existing ambidextrous marketing may be improved via marketing exploitation and marketing exploration. In addition, this study investigates whether ambidexterity in marketing exploration and exploitation exists and effect market performance and financial performance

Firms need marketing functions capable ambidextrous as defined exploitation and exploration where activities and emerging markets. In this research, impact of ambidextrous marketing on market performance and financial performances is revealed using Structural Equation Model (SEM). Small and Medium-Sized Enterprises (SMEs) operating in information technology have been selected. For this reason, sample of the study was collected via questionnaire through 392 SME’s managers and owners.

According to the theoretical background, SEM was claimed with five hypotheses in figure 1.

H1: Marketing exploitation has significant and positive effect on market performance

H2: Marketing exploitation has significant and positive effect on financial performance

H3: Marketing exploration has significant and positive effect on market performance

H4: Marketing exploration has significant and positive effect on financial performance

H5: Market performance has significant and positive effect on financial performance.

Marketing exploitation was measured with 7 items scale adapted from Sarkees, Hulland and Prescott (2010) and Vorhies, Orr and Bush (2011). Marketing exploration was measured with 7 items scale adapted from March (1991), Sarkees, Hulland and Prescott (2010) and Vorhies, Orr and Bush (2011). Market performance was measured with 5 items scale adapted from Vorhies and Morgan (2005), Zhou, Brown and Dev (2009), Leonidou, Leonidou, Fotiadis and Zeriti (2013). Financial performance was measured with 4 items scale adapted from Leonidou, Leonidou, Fotiadis and Zeriti (2013).

We employed structural equation modeling, using Linear Structural Relationship (LISREL 8,54) to analyze the data and test the research hypotheses. We first assessed the validity and reliability of the study’s constructs using Confirmatory Factor Analysis (CFA). This involved restricting each item to load on its a priori specified factor, while allowing the underlying factors to correlate. The outputs of model indicated a good fit to the data, while the factors loaded highly on their assigned constructs. The t-value for each item was always significant. All standard errors of the estimated coefficients were low, and the average variance extracted for each construct was greater than the threshold of 0.50. After that, using SEM, it was tested the model.

According to the results of the model; marketing exploitation has significant and positive direct effect on market performance but has not significant effect on financial performance. Marketing exploration has significant and positive effects on market performance and financial performances. When dependent variables (market and financial performances) are examined, it is revealed that market performance has significant and positive direct effect on financial performance.

Additionally mentioned that research model has hidden moderator/mediator relationships. Market performance is a mediator between marketing exploitation and financial performance while moderator between marketing exploration and financial performance. As a result, it is demonstrated that ambidextrous marketing has impact on market and financial performances.

Key Words: Ambidextrous Marketing, Marketing Exploitation, Marketing Exploration, Market Performance, Financial Performance.

KEYWORDS

Ambidextrous Marketing, Marketing Exploitation, Marketing Exploration, Market Performance, Financial Performance

JEL CLASSIFICATION CODES

M100, M300, M310

CONSPICUOUS CONSUMPTION IN RELATION TO SELF-ESTEEM, SELF-IMAGE AND SOCIAL STATUS: AN EMPIRICAL STUDY

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ABSTRACT

The term conspicuous consumption has been used to explain the anticipation of expressing one's status and/or identity, via symbolic and visible consumption beyond economical or physical benefits of goods. Social function of consumption is generally associated with status, wealth and group affiliation, while psychological approach links consumption to construction of the "self". Consumption, in this sense, is means of both extinguishing one's self and relating himself with entities. Though conspicuous consumption studies have a substantial background, it is not adequately explored in the context of self and status interaction. The purpose of this study is to explain conspicuous consumption in relation to self-esteem, self-image congruence and social status display concerning the mediating effects of factors.

With reference to higher visibility expectation in youth for self-constructing effect of consumption, the sample includes 463 students from different units of Çanakkale Onsekiz Mart University. Research data is gathered using 5-point Likert questionnaires with convenience sampling method and structural equation modelling is used to test the hypothesis. Results indicate that self-esteem has negative indirect effect on conspicuous consumption, but does not have direct effect, as self-image congruence and social status display mediate this relationship completely. Also, self-image congruence is positively related to conspicuous consumption and social status display mediates this relationship partially.

Implications of this study are i) lower self-esteem causes stronger self-image congruence, stronger will for identification of the self and higher indirect effect on conspicuous consumption tendencies. This supports the understanding, that consuming symbols are related to construction of the self, or the need for. Likewise, ii) self-image congruence mediates the effect of self-esteem on social status display, which mediates the effect of self-esteem on conspicuous consumption. This supports the argument that lower self-esteem motivates demonstration of the self-image towards social attachments and wealth to lead to conspicuous consumption. iii) Partial mediating role of social status display on self-image congruence also reveals that substantial change caused by self-image congruence on conspicuous consumption occur via social status display. Finally, iv) social status display has a positive effect on conspicuous consumption, therefore social contexts play a significant role concurrently.

KEYWORDS

conspicuous consumption, social status display, self-image congruence, self-esteem, young consumers

JEL CLASSIFICATION CODES

D12, M31

GREEK OLIVE OIL IN THE U.K.: EVIDENCE OF THE PERCEPTION OF LOCAL IMPORTERS ON PRODUCT CHARACTERISTICS

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ABSTRACT

The agri-food sector has traditionally been one of the most important ones for the Greek economy. The sector makes a substantial contribution to exports as they account for one third of the country's total exports with an established strong presence in the European countries and an increasing trend in the US. Furthermore, Greece produces 20% of the world's total olive oil production, 75% of which is extra virgin olive oil. In 2015, the product ranked fourth among the top exported products of Greece.

The UK market is the seventh largest market for Greek products, the total value of which reaches approximately one billion euro per year. This paper focuses on the perceptions of UK firms that import Greek olive oil. It examines their perceptions in regards to the characteristics and attributes olive oil consumers in the UK value the most.

Seven in depth interviews were conducted with CEOs of importing enterprises, in order to obtain a detailed overview on the consumers' perceptions on the Greek olive oil in the UK. The importers have a holistic view of the market and the perceptions of end consumers in their capacity as intermediaries between the product's producers and final consumers. Through the interviews, the product's organoleptic characteristics (taste, aroma, color) and attributes such as price, packaging and certifications of Greek olive oil are identified and ranked by importance. Despite its importance for Greek agricultural products, the perceptions of the UK consumers on Greek olive oil, has never been examined before to the best of the authors' knowledge.

The findings are reported and discussed along with their practical implications. Finally, the limitations of this paper are discussed and topics for further research are suggested.

KEYWORDS

Olive Oil, Greek, UK, Exports, Imports

JEL CLASSIFICATION CODES

F14

EXPLORING CITIZENS BUYING BEHAVIOUR TOWARDS SELF-PROTECTION MEASURES AGAINST MOSQUITO IN GREECE: THE CASE OF REGION OF EASTERN MACEDONIA AND THRACE

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ABSTRACT

During the period of 2012-2014 a West Nile Virus (WNV) outbreak occurred in the Regional District of Xanthi in Greece. As the self-protection measures are the most important for securing the public health this paper aims to explore the citizens buying behavior towards those measures, and to identify the factors that affect their purchasing behaviors. An interview survey to a random and representative of the total population sample of 314 people conducted. Logistic regression analysis and chi-square analysis employed to identify the factors that affect citizens buying behavior towards self protection measures against mosquitoes. Age, education, number of children, number of family members, occupation and infection from WNV found to be significant related to people expenses towards self-protection measure. Moreover, people that have been infected from WNV have different demographic profile than those who have not being infected.

KEYWORDS

West Nile Virus, Consumers attitudes towards self-protection measures against mosquitoes, Buying behavior towards mosquito repellents

OPERATIONALIZATION OF CONSUMER ETHNOCENTRISM THROUGH RESEARCH ON PRODUCT NATIONALITY IMPACT ON PURCHASING DECISION RELATED TO CONSUMER PRODUCTS IN BOSNIA AND HERZEGOVINA

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ABSTRACT

Product nationality or national origin of the product is one of the intangible characteristics that consumers use in forming their propensity to purchase certain products. Research on influence of product nationality exist since the first books on consumer behavior and to date has been published more than 750 research findings dealing with the effect of the product nationality. The term "product nationality" indicates that the effect is caused by the national identity of consumers which is defined as a set of meanings that belong to a culture that separates them from other cultures. Individuals show a strong degree of national identity by being identified with religious, historical, cultural and social aspects of their nation, developing a strong sense of national unity. In the context of the influence of nationality of products, an important phenomenon that can be investigated is consumer ethnocentrism, which is perceived as the tendency to purchase domestic products. There are many factors that influence consumer ethnocentrism, one of the socio-psychological factors refer to the cultural openness, which is defined as the willingness to interact with people from other cultures and countries. Some studies show that members of a group who have spent enough time among other cultures develop high ethnocentric or even nationalistic tendencies towards their culture. This operationalization of the phenomenon of consumer ethnocentrism, which is viewed through the identification of members of a culture or ethnic group with the nationality of the product when selecting a product for purchase was investigated on the example of Bosnia and Herzegovina, as a multinational economy, through purchase of consumer products in several product categories. Unlike the previous few studies on the impact of product nationality and the consumer ethnocentrism on the behavior of Bosniaks, Croats and Serbs in Bosnia and Herzegovina, which had been examined in the context of consumer ethnocentrism tendency of these national segments to purchase products produced in BiH, the new research conducted at the intentional sample of 120 equally represented respondents has taken into consideration national identification of consumers with products produced in BiH, Croatia and Serbia. The survey was conducted in the area of Brcko District in the period from July 2015 to January 2016. In order to prove or reject hypotheses by identifying the key determinants, product nationality, price and perceived quality, the results showed that each of the national segment shows a high level of awareness about the national origin of the product and a high level of consumer ethnocentrism towards products with shared national identity, where the highest level of consumer ethnocentrism was noticeable among Serbs in Bosnia and Herzegovina. This approach to the operationalization of the phenomenon of consumer ethnocentrism in multinational economies confirms the lack of national identity at the national level and the need to build that identity in order to strengthen the local economy, and also the clear signal to domestic producers to use segmented positioning strategy in the local market. The study also found that consumer ethnocentrism is more

expressed in the purchase of products in categories with less distinctive or harder noticeable difference in the quality of products (cooking oil, ground coffee, milk) than in categories with more noticeable difference in quality (chocolate, canned soup), which indicates the need for BiH manufacturers to look for the ways to increase market share in the domestic market based first and foremost on improving the quality of their products.

KEYWORDS

product nationality, national identity, consumer ethnocentrism

JEL CLASSIFICATION CODES

M31

IDENTIFYING MARKET OPPORTUNITIES FOR GREEK SPECIALTY FOOD PRODUCTS IN THE UNITED STATES

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ABSTRACT

Stagnant sales of specialty food items within the domestic market in Greece have increased the need for small-scale artisanal food businesses to seek new markets abroad. 'Marianna's Vineleaves,' a small, family-owned enterprise in Thessaloniki, Greece, is one such business looking to expand its international exports of viticulture products, such as stuffed vine leaves –dolmades. The proportion of Marianna's Vineleaves products exported to the European market has grown from 4 to 35% in the past year. In the light of this recent success, Marianna's Vineleaves is seeking to expand to other global markets. This paper describes the results of a mixed method study to explore the potential of increasing exports of small-scale artisanal Greek food, such as Marianna's Vineleaves, to the United States market. Through free-lists, taste tests, focus groups, and surveys we assessed United States consumer preferences towards, and expectations of, Greek specialty food products and examined promotional strategies, including the verbal and visual portrayal of similar products. Data were collected from individuals in Massachusetts, a northeastern state with a large ethnic and Greek American community and consequently, a flourishing market for international specialty food products.

KEYWORDS

consumer behaviour, consumer marketing, consumer segmentation, specialty foods, Alphabet theory

DECISION SUPPORT SYSTEM FOR MARKETING METRICS

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ABSTRACT

The taxonomy of information systems oriented to decision making and management describes decision support systems is one of the most complex. It provides support in making the right decisions for poorly structured and unstructured problems, but can also be built for simple, routine tasks. The objectives of its building are "simplicity" of use and flexibility, „identification“ and "description" various business positions and also propose an appropriate decision. The marketing metrics is a system of indicators about marketing mix elements: price, product, promotion and distribution. Each indicator of marketing metrics "reveals" one of the components of the market and competitive position of the organizational system.

The building of the decision support system that enables "fast" identify market position of organizational system is an essential element of a successful marketing strategy and efficiency of decisions at the tactical and operational management level. For example, the price as element of the marketing mix, determines the position of the organizational system in primary distribution and ultimately the speed of its development and profitability. Decision support system that provides assistance for accurate positioning the price level has a direct impact on customer decisions about buying products or services and ultimately to competitiveness and market position the organizational systems.

The paper is based on the hypothesis that the theoretical and applicable knowledge about marketing metrics can be transferred in the form of decision support systems to help identify market position of organisation system and the timely response to the "threat" from its environment but also the opportunities with final goal to increase profitability and improve market positioning.

In the building of decision support systems except data stored in databases, data warehouses or data marts an appropriate has to be extracted a data set that will be used to calculate the indicators of the elements of the marketing mix. Data set contains data or variables needed to calculate the benchmarks. In the chapter of the experimental results is shown the part of the decision support system that helps calculating benchmarks for prices

(elasticity of sales regarding the price changes) and products (cannibalization rate). The paper uses Visual Studio 2012 development environment and the R programming language for application of the model for calculating the benchmarks of marketing metrics.

KEYWORDS

data warehouse, marketing metrics, R language, price elasticity of demand, cannibalization rate.

JEL CLASSIFICATION CODES

M31

LMS SELECTION PROCESS FOR EFFECTIVE DISTANCE EDUCATION SYSTEM IN ORGANIZATIONS

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ABSTRACT

Towards the end of the 20th century, especially development of science and technology brought some innovation to some conceptual area such as education. In society, to build a quality and civilized life, education emerges as a one of the most important actors. Unfortunately, the rights in education of the every person in society may be delayed due to financial problems, physical disabilities, time pressure, geographical distances or any other reasons. Distance learning is a one of the method that provides education for people by eliminating these disadvantages. Since end of the 19th century, distance education has been provided with some methods such as TV, radio, mail and etc. Especially, in the beginning of 21th century; internet is widely used by everybody. New technological environment has brought a new opportunity for distance education.

Learning Management System (LMS) is the most important actor of the internet based distance learning that brings together educators and students for training. LMS allows to deliver materials, having assignment and quizzes and other educational activities. Whether educational institutions or organizations that are emphasis on the training of employees can use LMS platform. Every organization has to decide which LMS is suitable for them. Decision makers face to solve this kind of problems because every LMS has different characteristics and different learning process.

This study is focused on choosing suitable LMS for organizations by using AHP methods. Two groups of LMS, open source software's (Moodle and Sakai) and commercial software's (BlackBoard and Sharepoint LMS), are compared by using selecting criteria's. These criterias are license costs, flexibility, security, user interface and prevalence of use. In the decision process, different weight ratios are used depending on their priority. The findings of this AHP Process are discussed.

KEYWORDS

Distance Learning, LMS, AHP, Decision Making Process

JEL CLASSIFICATION CODES

I21: Graduate, I23: Higher Education • Research Institutions, I24: Education and Inequality, D83: Search • Learning • Information and Knowledge • Communication • Belief • Unawareness

CURRENT ISSUES AND TRENDS IN EDUCATION – BRIEF OVERVIEW

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ABSTRACT

Importance of education and its overall economic contribution to society has been widely recognized. Literature on growth and development identifies education as the center of development process and human capital as a tool of competition in today's global economy. Many countries had development of education systems, education policy and reforms in center of their development strategies. However, methods, techniques and understanding of the education today have changed.

The New development paradigm, expansion of technology, globalization and integration has changed the ways of teaching and what is being thought. The current issues in education are centered about the standardized tests, equity in education and use of technology, especially in adaptive learning. When it comes to trends, changes in higher or tertiary education and continuous investments in technology related to learning are dominating the debate worldwide. Main goal of education system should be the production of competitive human capital that would serve its function in production process, innovation activities, improvement of competitiveness and thus, economic growth and development. This is solely done through eliminating or minimizing skills mismatch on the labor markets and this could only be done through smart education policy.

Main objective of this paper is to provide a concise overview of today's practices in education systems worldwide. The research will provide analysis of global trends in segments such as: talent pool change, open educational resources, issues of mobility and ways of teaching with references to current practices in this field. This paper presents an overview of main trends in education today and as such will use available education data from OECD, UNESCO, EUROSTAT and World Bank databases.

Young people today are growing up in a world that is quite different from that of their parents. Patterns of learning and teaching are changing. Analysis of this kind will have important scientific and practical implications in terms of policy recommendations for decision makers in terms of investment policies, curriculum creation and revision etc.

KEYWORDS

Education, change, issues, trends, resources

**ESTIMATE AND ANALYSIS OF VOCATIONAL TRAINING SCHOOL (IEK)
STUDENTS’ SATISFACTION REGARDING THE QUALITY OF STUDIES
PROVIDED BY THESE SCHOOLS**

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ABSTRACT

Measuring students’ satisfaction renders great service to the post-secondary educational institutions, since it offers the possibility to detect the strengths and weaknesses of these institutions and determine the areas that should be improved. Students’ satisfaction goes beyond teachers’ evaluation, which is a short sighted perspective, and includes wider concepts of students’ learning experience. In this context, knowing the degree of satisfaction is not enough. What is rather important is to comprehend the factors contributing to this satisfaction. The present survey aims at revealing the causes leading to IEK students’ satisfaction or obstructing it. The research was carried out at IEK of West Macedonia, Greece and the research tool used was SEVQUAL. Moreover, Analysis des Correspondence was used for data analysis. Results relating to students’ satisfaction and quality of studies were not encouraging. Finally, problems affecting the quality of studies came forward.

KEYWORDS

Vocational, Training, School, students, satisfaction

**STUDENTS’ PERCEPTIONS OF QUALITY AND SATISFACTION ON THE
HIGHER EDUCATION**

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ABSTRACT

Purpose: The purpose of this paper is to empirically investigate significant variables of customer experience in the service sector. It aims to assess the service quality and student satisfaction on a higher education university in Albania.

Methodology: The study is based on data taken from the students of a higher education University. The instrument used to assess service quality and student satisfaction is a self administered questionnaire. A modified SERVPERF version is used to measure service quality. The SPSS and factorial analysis are used to measure the effect of service quality and its dimensions on the quality perceived by the students. These analyses are also used to show the impact of service quality on student satisfaction.

Findings: The data show the effect of each dimension of service quality in quality assessment by the students. The statistical analysis demonstrates also the impact of each of them on student satisfaction.

Contribution: By offering an empirical assessment of significant variables of students’ perceptions, this study contributes to the existing literature on measuring important variables of student perception in higher education. The findings will help these institutions on understanding how students consider different aspects of their activities, on improving the service they deliver and reinforcing student’s satisfaction with the service received.

KEYWORDS

service quality, satisfaction, higher education, Albania, SERVPERF

**GREEK TERTIARY EDUCATION SYSTEM EVALUATION IN RESPECT
OF QUALITY ASSURANCE DIMENSIONS ACCORDING TO MALCOM
BALDRIGE PERFORMANCE EXCELLENCE MODEL**

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ABSTRACT

The current study evaluates Greek students’ attitudes toward Quality Assurance Dimensions in Tertiary Education System in relation to Malcom Baldrige Performance Excellence Model. Using a sample of 225 students describing

Quality Assurance Dimensions in Tertiary Education, results of Structural Equation Modeling and Path analysis show that all of the hypothesized causal relationships in Malcom Baldrige Performance Excellence Model are statistically significant.

KEYWORDS

Path, SEM, Analysis, Quality, Tertiary, Education, Malcom, Baldrige, Performance, Excellence, Model

**THE PROPOSAL MODEL OF RATIONAL WORKFORCE ASSIGNMENT IN
DOKUZ EYLUL UNIVERSITY BY ANALYTICAL HIYERARCY PROCESS
BASED 0-1 INTEGER PROGRAMMING**

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ABSTRACT

Production factors include labor, capital, nature and technology in traditional organization management. Nowadays, creativity, innovation and ability can be added to these. Competition is intense both in private and public sectors. Workforce can be said to be the main source enriching the organization and making it complex. What makes the organization powerful is that talented personnel can make new ideas to be productive by using their creativity. From this point of view workforce productivity is than important parametre in organizational efficiency.

Workforce productivity in organizations where there are too many employees is primarily related to employ the personnel in a right position. The appointment of employees to work in accordance with their capabilities increase efficiency. This situation makes the structure of the workforce and make the organization be capable of competing with the rivals. The Assignment model of the type of linear programming models is a mathematical method used to match the right person for the right job. The coefficients of the variables in the objective function of the assignment model constitute potential contributions of employees. Factors that make contributions in different types of jobs are different and expert opinion is needed for the evaluation of these factors.

In this study, more than 1000 people who work for Dokuz Eylul University as office worker, servants and guards are taken into consideration. Gender, level of education, the distance from working place, marital status, number of children and period of service of these employees have been included in the analysis. Analytical hierarchy model which is a method of multi-criteria decision-making model has been preferred as a method. Specific criteria have been determined for each occupational group depending on this method. Later, weighted average for these criteria in question have been found. With these values belonging to the personnel, a person's contribution coefficients have been calculated. These values are used in the assignment model. This model has been solved and evaluated as 0-1 integer programming. Model outputs that have been solved again by using additional constraints like task type and hinderance conditions and these are compared with the previous figures.

KEYWORDS

Analytical Hierarchy Process, 0-1 integer programming, Assignment Model, Workforce Productivity

**FACTORS THAT INFLUENCE THE FORMATION OF WAGES IN THE
BALKAN COUNTRIES**

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ABSTRACT

Advances in technology and human life have a significant impact on working conditions and wages. On the other hand, the Balkan countries have seen rapid developments in the last three decades, which inevitably affected the wages and salaries of the Balkan countries' citizens. The emergence of the global financial crisis in 2008 has also brought major changes in wages and salaries.

The present survey aims to study the structure and differences of the wages and salaries in five representative (indicative) countries of the Balkans, as well as the factors that affect them during the period of the economic crisis emergence. More specifically, factors such as personal characteristics of the worker, that is gender, age, marital status, nationality and education were studied.

The objective of this study is to investigate the degree of influence of all the above factors in salary and wage differences, and for this reason, it can serve as a useful tool in information-reporting of the existing differentials in wages and levels of these differentials. Moreover, it aims to show whether and how much the level of wages and wage differences has changed, due to the economic crisis.

Although, the study does not analyze data from all Balkan countries, it is a first attempt to investigate the impact of the aforementioned factors that affect the formation of wages and salaries.

KEYWORDS

Balkan countries, differences, factors, salaries, wages, economic crisis

MIGRATION AND INTERNATIONAL DIVISION OF LABOR

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ABSTRACT

Migration as a social phenomenon is deterministic, obeys the fundamental laws of socio-historical development, production, concentration and the social division of labor. It is an objectively progressive process, in this respect, as a manifestation of the above laws. Migration is a general phenomenon, with complex emerging nature and impact. With a higher or lower degree of development trend, time and place, the law of motion of the population is not the same everywhere and always, for all eras and all the places. Expands and eliminates government restrictions within and across borders, changing the form of states, regions and the whole world. It is the expression of overall-general law of concentration of social production, in which lies the objective basis of the phenomenon, as manifested in the slave, feudal and bourgeois society. It is also noted that is manifestations of the dialectic between the strategy and the geostrategic sphere of global economy and the homonymous community. A careful and penetrating review of the global situation today testifies to the objective fact that the immediately preceding major realities are those that form the cultural, economic and social context of movement of the productive forces. Migration is the effect of broader development processes, which move dialectically with globalization and moves correspondingly, as an intrinsic growing element of objective character. It is the link between the national and international elements due to the dual nature, the national-domestic and international-global, while traditional movement as pertaining the domestic element and the movement out of the borders is international by nature. The official progressive science and sociology also helped in the prevalence of the perception that the first right of potential migrant is the most fundamental principle in theory of human rights. The division of labor follows the development of the productive forces and that of society. It raises the productive power of labor, at the level of a company, of the state and that of global economy. Expands depending on the expansion of economic activity and following its movement takes a new form to the point that the different economies are meeting. The correlation between the movements of the productive forces with the movement of capital finds its objective basis of free disposal of the labor according to the free will of every civilized man who held this power. The expansion of the world market and the trend towards market consolidation, in the context of globalization, changes the role and how the division of labor is contributed and is ascending level, goes beyond the narrow limits of national and contributed in global level. Europe is changing and these changes are, among others, political and economical. The dynamics of changes linked to the prospect of Europe and particularly in Southeast Europe by eliminating dividing lines and the expansion in the wider area of SE Mediterranean. In practice in this region manifests the crisis of the system expressed in economic crisis, security crisis and immigration crisis and all that accumulated in the aggravation of the economy.

KEYWORDS

Migration, globalization, division, integration, capital, labor

CIRCULAR MIGRATION BETWEEN GEORGIA AND TURKEY: IS TRIPLE WIN A SOLUTION FOR ILLEGAL EMPLOYMENT?

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ABSTRACT

Circular migration is a temporary and repetitive movement between home and host countries, which migrants mostly do for working, especially in agriculture, tourism and construction sectors.

Triple win scenario supports many economic benefits for all three elements of circular migration, namely home and host countries and the migrants themselves, provided that there is a regulated circular migration. Unfortunately circular migration from Georgia to Turkey is not regulated and programmed so it creates many problems such as unregistered employment, bad living standards and lack of knowledge and new skills of migrants.

Thanks to circular migration programmes, circular migrants fill labor shortages in host countries, remittances sent home by migrants contribute to the economic development of home countries. Migrants gain new knowledges and skills. Also they can use them when they go back to their countries. Circular migration reduces the brain drain and encourage transfer of skills.

In some cases, circular migration may create some problems and bring negatives to migrants. Potential problems in the host country include lack of employment protection and opportunities for integration, and exposure to anti-migrant attitudes and behaviours.

In this study it's emphasized that a circular migration program between Georgia and Turkey is necessary to practice the triple win scenario. Also it's economic effects with advantages and disadvantages and the future of this movement were discussed..

KEYWORDS

circular migration, triple win scenario, Georgia, Turkey, illegal employment

JEL CLASSIFICATION CODES

J61, J62, J15

INTERNATIONAL LABOR FORCE EMIGRATION AND THE “BRAIN DRAIN”: THE ECONOMICAL DISCOURSE OF EMIGRATION FROM UKRAINE

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ABSTRACT

The article generalizes theoretical aspects and gives practical approaches for regulation of high qualified workers and for the estimation of international migration processes' economical effectiveness. The main aspects of the attractiveness of emigration revealed. The fact, that inequality of wages in different countries is causing migration, is emphasized. The notion of the net profit from migration is provided. The average rates of emigration from Ukraine, according to the worker's specialty, are calculated. The comparison of the emigrational attractiveness of Poland and Germany is done. Positive and negative consequences of the international migration processes for the country of origin and for the receiving country are shown.

KEYWORDS

International labor force migration, brain drain, net profit from migration, average rate of emigration, emigrational attractiveness

SYRIAN REFUGEES IN TURKISH CITIES: LABOR MARKET INTEGRATION

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ABSTRACT

Within the context of the Arab Spring protests, in the 2011 spring, political, social and economic unrest began in Syria. Ensuing Syrian civil war caused thousands of Syrian to leave their country. This unexpected immigration movement become a global problem. Since 2011, The Republic of Türkiye followed an open door policy to Syrian refugees. Türkiye established 25 temporary accommodation centers in 10 cities. Türkiye is currently hosting nearly 270.000 refugees in these centers; correspondingly nearly 2 million Syrian refugees are living in various cities outside the temporary accommodation centers. Refugees, migrate to large cities especially because of the lack of the capacity of the temporary accommodation centers and the fear of being sent back to their country. This immigration wave causes new urban problem areas in the cities. Syrian refugees try to survive in social, physical and economic context in urban areas while on the other hand they also try to provide basic needs such as shelter, job, health and education in formal or informal ways.

In this study; immigration of Syrian refugees to Turkish cities are briefly discussed within the context of social, economic and physical integration processes. Especially this study assessed the impact of refugee inflows on Turkish labor market conditions. These inflows change the level and composition of Turkish employment with particularly negative effects on Turkish workers in informal jobs, the low educated and those working in agriculture. In Turkish labor market Syrian refugees take place without work permits and they work for low wages. At the end of the study, the impact of Syrian refugees in Ankara's labor market is stated. Syrian Refugees in Ankara mostly live in Önder Neighborhood that is close to Sıtel (furniture manufacturing area) and mostly work in unskilled jobs in Sıtel. Syrian refugees' impact on labor market is discussed on available job opportunities, wage levels, working and living conditions, access to work, etc.

KEYWORDS

Refugees, immigration, labor market

JEL CLASSIFICATION CODES

J61, R23

ESTIMATING POVERTY IN ALBANIA

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ABSTRACT

Poverty has always been one of the central subjects discussed on socio-economic research, and it is particularly important for transition countries. In this sense, international organizations, such as UN, World Bank and the European Union, have introduced poverty reduction among the four priorities of middle term programming, as in the growth strategy Europe2020.

The central aim of this paper is to measure and analyse poverty in Albania in 2012, using the most recent data available, by examining its nature, extent and individual determinants. For the analyses data will be drawn from the Albanian Living Standard Measurement Survey (LSMS) collected by the National Statistics Institute (INSTAT) in 2012. Probit regression models will be estimated with individual poverty status as the dependent variable and a set of independent variables regarding the socio-economic and demographic characteristics of both individuals and households, and some variables related to the place of residence (geographical location, urban/rural, etc.).

The research will be concluded with some useful insights informing knowledge-based design, implementation and evaluation of welfare policies at national and local levels.

KEYWORDS

Poverty, determinants Albania, probit, policies

**EMPLOYEE PERFORMANCE, WORKING TIME AND TIREDNESS IN
CREATIVE R&D JOBS: EMPLOYEE SURVEY FROM ESTONIA**

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ABSTRACT

Optimal use of the intellectual resources of R&D employees is a significant success factor for achieving innovation and socio-economic development. Statutory and company level regulation of working time, including the durations and timing of a working day and a working week, remains a common feature in many countries, and these rules often apply, among others, to creative R&D employees. Our study seeks to investigate the relationships between the drivers and outcomes of creative R&D employees' work performance with particular focus on working time arrangement and the related tiredness, workability, work satisfaction and creativity issues. Our survey covers a sample of 160 creative R&D employees in Estonia. This conference proceedings paper gives an overview of some aspects of our survey while the more detailed results will be published in separate papers. Our findings include that 79% of the surveyed employees would prefer to work under a different working schedule compared to the standard 5-day working week, and 81% would prefer to have a daily schedule with an irregular start and/or end time of the working day. Emotional tiredness, sleepiness, low salary and inefficient time use are seen as major obstacles to achieving creative work results.

KEYWORDS

working time, tiredness, R&D jobs, employee performance, ``Estonia

**FINANCIAL LITERACY AND BEHAVIOURAL SKILLS: THE
COMPARISON OF STUDENTS OF ECONOMICS AND NON-ECONOMICS
STUDENTS**

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ABSTRACT

The financial literacy and behavioural finance have become a part of education not only in the United States, but also in the whole Europe. The process of education, speaking of these issues, starts at primary schools where children start to be exposed financial literacy. It is followed by additional stages of education system. Moreover, this is completed by range of other possibilities how to become familiar with this type of knowledge in the way of diverse programs, usually conducted by governments and other specialized institutions. Especially, in terms of universities behavioural finance start to play important role as well.

Based on the previous assumption, financial literacy needs to be tested, measured and evaluated, especially in terms of students studying Economics, since their participation in economic world might affect the future of our society and welfare. For the purposes of this study we have distinguished between students of Economics and students of other non-economics areas.

The goal of this article is to verify whether there are some gaps among students and to investigate into predictors standing behind the various level of financial literacy. Consequently, the target is to detect how financial literacy influences the sensitivity to behavioural biases and heuristics. This goal is reached by doing own research, which is based on an electronic questionnaire. The questionnaire consists of three main parts. In the first part, respondents provide us with their demographic data, such as age, gender, education, etc. The second one focuses on objective evaluation of respondent's knowledge of financial literacy, while the last part examines behavioural finance, notably their response to behavioural biases.

The methods used for the questionnaire evaluation are descriptive statistics, enabling us to make a first assessment of the data file, Analysis of variance (ANOVA) serving for comparison of different groups, and comparison whether objective respondent's knowledge corresponds to subjective assessment of their own knowledge.

KEYWORDS

Financial literacy, behavioural finance, survey, ANOVA, biases and heuristics

ANALYSIS OF ASSETS IN BALANCE SHEET OF CONSTRUCTION COMPANY

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ABSTRACT

In this paper we focus on analysis of the volume of assets in the balance sheet of selected construction company in Slovenia, Reflex. Selected company belongs to construction branch in the activity of the final works. According to data by Statistical Office of the Republic of Slovenia financial and economic crisis has begun in 2008, which was in Slovenia first expressed in the construction sector. The purpose of the research is to examine the volume of assets in the balance sheet of Reflex and in the construction branch in order to determine whether construction activity after a few years of economic crisis, is recovered or not. Developments in branch affect on future operations of the company Reflex. It is very difficult to say that a company or activity recovers if the volume of assets decreasing.

Research period covers the years 2008 up to and including 2012. On the problems of construction companies warn studies and statistics data for Slovenia which showing a decline of orders in construction sector, drop in real estate sales and payment indiscipline. All this affects on business volume of construction company. The volume of business is reflected also in the volume of assets on the balance sheet. Therefore, in this study was done an accounting analysis of assets volume of the company Reflex and statistical analysis of the assets in construction branch in the field of building completion. By an accounting analysis, we examined the individual movements in long-term and short-term types of assets of the company Reflex. By statistical analysis we examined, whether the volume of assets in companies within the construction branch is significantly increased. For the statistical analysis, we used t-test (One-Sample Statistics) for the analysis of the arithmetic mean of assets. Both analysis we have done on a sample construction companies engaged building completion and finishing which, in 2012, employed at least 10 workers. Thus, the selected sample contains 56 companies.

By an accounting analysis of assets volume, we found that the volume of assets in the company fluctuated and in 2012 reached the lowest value, the volume of total assets in 2012 does not even reach the value of assets in 2008. The value of tangible fixed assets of the company dropped significantly, current assets increased mainly due to an increase in operating receivables.

By statistical analysis the volume of assets construction branch, we found that volume of assets does not increase on such a scale that it would be able to confirm with sufficient accuracy, so that we can not talk about recovery within the analyzed activities.

Limitation of research represents the number of construction companies with final construction work in a sample of companies. On the other hand partial accounting analysis - we studied only assets in the balance sheet, but not other economic categories in the financial statements. Based on these limits, after a review of assets in the balance sheet of Reflex, we suggest improving the management of funds, in both types long-term such as the short-term.

KEYWORDS

balance sheet, assets, construction activity

JEL CLASSIFICATION CODES

M40, M41

MEANING OF THE MARKET VALUE OF COMPANY IN THE AREA OF CREDIT RISK ESTIMATION

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ABSTRACT

Credit risk is the biggest risk which investor undergoes when he makes an investment. Generally credit risk can be defined as a risk that debtor does not pay for his debts in the total amount at the date of their maturity. It is clear that lot of factors have influence on the debtor's failure. In this paper we try to determine that one of the facts which has influence on the debtor's failure is the market value of its company. If we want to verify this hypothesis we have to use several calculations, indicators and methods for testing the dependence between variables. Testing of this dependence we will carry out in the Slovak companies which shares are public trading. As basic values which we will use for examination we chose the market value of company and ratio indicator which is known as a creditor payment period. For the determination of the dependence between creditor payment period and the market value of company we will use the method of covariance. Then we will try to determine the tightness of this

dependence between these variables by using the Pearson’s correlation coefficient. In addition, we will try to determine how much impact the market value of company has on the creditor payment period. In the case of good results we will try to capture the sensitivity of those variables each other it means how sensitively reacts creditors payment ratio on the change in the market value of company. It follows that the main sense of this paper is captured the relationship between the debtor’s failure and the market value of its company. Then this paper is tried to determine the tightness of this relationship. This dependence is very important in the area of credit risk estimation.

KEYWORDS

credit risk, market value of company, creditor payment period

INTANGIBLE CAPITAL AND PUBLIC SECTOR PERFORMANCE: EVIDENCE FROM THE POLICE SECTOR IN SLOVENIA

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ABSTRACT

Intangible capital, defined as (Corrado, 2005): (1) computerized information (IT software and databases), (2) innovative property (primarily R&D, but also design and other) and (3) economic competencies (brand equity, firm specific human capital and organizational structure), has been shown to raise productivity in the private sector by up to a third. While the interest in the intangible capital in the private sector has been growing fast, the nature, structure and impact of intangible capital for the performance of the public sector has been receiving much less attention (Corrado et al., 2014, Redek, 2015). The recent economic downturn, austerity measures and the increasing (public) pressures for the efficiency in the public sector, call for a new approach in public sector management and for the need to identify the potential sources of inefficiency, including the nature of the intangible capital.

This study focuses on the police sector in Slovenia. The police has been, similarly as other public services, facing budget cuts, employment cuts, low technical investment, more stringent working conditions, low wages, and deteriorating relations. On the other hand, the call for public security has intensified, especially in view of recent migration problems. Despite the continuous cuts in funding and personnel, the sector so far managed to perform its duties. But the increasing strain is evident also in an on-going strike (since November 2015), requiring higher wages and better working conditions.

The purpose is to analyze the nature of intangible capital in the police sector to determine, which aspects of intangible capital are more and which less problematic and how the weaknesses in the intangible capital impact the performance of the sector.

The analysis is based on survey methodology, adapted from the methodology for the study of intangible capital in the private sector (details in Prašnikar, ed., 2010). The data on intangible capital in the public sector was collected in 2014 and 2015. For the police sector, we received 160 responses. The results reveal that the police sector is comparatively in the worst position among different segments of the public sector in terms of intangible capital. The main problems for (1) information capital are low investments into equipment and centralized decision-making about all investments, revealed in poor satisfaction with the performance of IT. In terms of (2) innovative property poor focus on service quality is revealed, the services are not user and goal focused. In terms of (3) competencies, the sector invests comparatively a lot into training (obligatory by law), but the human resources management is evaluated as poor, motivation for work is low due to very limited mechanisms to reward the employees, if working well, promotion is not performance based. The inefficiencies from the perspective of intangibles’ management are revealed in performance, primarily low motivation. In order to improve the performance of the sector and public sector at large, the state will have to improve the management of the public sector and go beyond cost and budget cutting.

The study contributes to the field of the study of the intangible capital, primarily intangible capital in the public sector. It is the first such broad and detailed study and one of the few (Corrado et al., 2014) that study the intangible capital (in comparative sense) in the public sector.

KEYWORDS

Intangible capital, public sector, police, efficiency, performance

JEL CLASSIFICATION CODES

H11, H12, H56

UNDERSTANDING MONEY & FINANCES DIFFERENTLY: ARISTOTELIAN PERSPECTIVES

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ABSTRACT

There is no doubt that in “our” times of the today so-called »global finances« and »money« (»monetary politics« included) we are in deep, very serious troubles. In the paper these »deep« and »very serious troubles« are not

going to be grasped only as “crisis” or a »deep depression«, but mainly as deep depression of our own disability to grasp the very problem, its nature, and extremely dangerous magnitude. In other words, the problem is – according to my understanding – mainly located on “our side”: at least in the sense of our very capabilities of grasping the dangerous nature of “our” times.

Trying to answer probably the highest and most dangerous question of our times, I will try to address the question »depression-of-what?« Consequently, the task is to develop somehow radically different perspective (“different horizons”) in thinking and understanding the problem of money. That “different perspective” is going to be opened from the Aristotelian, mainly »political perspective«. »Political perspective« is not going to be understood in terms of modern (mainly Machiavellian) perspective, not to mention the perspective of »political economy« and »critic of political economy«. The very terrain of argumentation will be Aristotelian kind of understanding the three main elements and categories in the field: politics (ta politikē, and not politike tehnē), »law« (nomos and not lex) and money (nomisma).

The general context – only shortly to pose – is going to be fundamental conceptual, categorical, nowadays mainly forgotten, distinction between »ekonomikē« and »hrematistikē«. The aim of this theoretical operation is to put into the question entire machinery of usual, modern (Ricardo, Smith) conceptualisations and understanding of money and finances in terms of predominant “language games” (Wittgenstein).

The main emphasis and simultaneously the hypothesis of the paper: the problem of money is not possible seriously to pose and understand from the perspective of modern and post-modern economy, let alone to »correct« its technical (dis)functioning in »our« times of global debt.

KEYWORDS

Aristoteles, ekonomikē, hrematistikē, nomos, nomisma, financial crisis

EXAMINING INTERDEPENDENCE OF MDA BANKRUPTCY MODELS' ABILITY TO PREDICT AND VARIABLES INVOLVED

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ABSTRACT

The financial soundness and stability assessment of business entities is deemed to be the information of the greatest importance in terms of dynamic business environment. Many strategic choices made by management and/or other stakeholder groups are based on the financial stability assessments, and they are the bankruptcy prediction models that enable indicating the adverse financial developments. There are many prediction models widely known nowadays differing in reliability i.e. ability to predict, variables involved, sector preferences, conditions on national markets (to what extent the conditions are taken into account) etc. Having considered the above mentioned, it is obvious that no such universal and uniform prediction model is likely to be made being able neither to indicate the adverse financial developments eventually resulting in bankruptcy reliably and timely nor to be applied to all sectors or regions.

The paper deals with the bankruptcy prediction models pointing out at the predictive ability of them, which is considered to be one of the essential quality and model reliability criteria. The terms of bankruptcy is further determined together with identifying the individual forms of bankruptcy prediction models assigned to one of the three defined groups (statistical prediction models, Artificially Intelligent Expert System models (AIES) and theoretical models). Furthermore, the scale of variables being involved but varying in intensity once applied is addressed. The overall predictive ability of bankruptcy models is also rather diverse what shows the results of a survey carried out to identify the dependence between a number of variables involved and the predictive ability of model using the Pearson correlation coefficient (the survey covered 42 random bankruptcy models, which have been applied in various countries worldwide, belonging to a category of multivariate discriminate analysis (MDA)). The reason for justifying just the MDA models is that they are being largely engaged and applied comparing to all the other known and recognized models. Given that the calculations proved there is a non linear correlation between a number of variables involved and predictive ability of a model, the quality of model is therefore impossible to be tracked in terms of the number of variables involved, and the level of predictive ability depends to a large extent on a number of variables and factors involved, which are supposed to get considered in advance.

KEYWORDS

Bankruptcy prediction models, Multivariate Discriminate Analysis, Prediction, Accuracy of Prediction Model

FINANCIAL PERFORMANCES ANALYSIS OF THE STATE RUN COMPANIES FROM ROMANIA

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ABSTRACT

Most of the state run companies registered a loss during the last financial year, up to around 500 million euro.

With more than 200 000 employees, the economic performances of these companies reached around 10 billion euros. This paper focuses on the analysis of the main financial indicators of the state run companies from Romania during the year 2015: turnover, profit, loss, reported to the number of employees. Based on the analysed results, we will make an objective analysis upon the situation, coming up with solutions for a better management and marketing strategies that could be implemented by these state run companies in the nearest future in order to raise their profitability.

KEYWORDS

State run companies, Profitability, Loss, Turnover, Romanian economic environment

CUSTOMER SATISFACTION FROM PRIVATE UTILITY COMPANIES: AN EXPLANATORY STUDY

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ABSTRACT

Customer satisfaction is considered a crucial factor for business survival and development. Moreover, it has become one of the main elements for improving quality in the global competitive marketplace. Customer satisfaction can be seen either as a goal or a measurement tool. It affects customer retention and, therefore, profitability and competitiveness. The present study examines the level of service quality offered by Gas Supply Company (EPA) Thessaloniki, as well as the factors that have an effect on the satisfaction of its customers. The main purpose of the study is fulfilled through the development and empirical testing of a conceptual framework. The proposed framework includes six dimensions (factors): (a) tangibles, (b) reliability, (c) responsiveness, (d) assurance, (e) empathy, and (f) customer satisfaction. The SERVQUAL framework (corresponding to the first five factors of the conceptual framework) was used only after analytically testing its suitability with the investigated area. More specifically, the focus group methodology was used. The proposed conceptual framework was tested on a random sample of gas consumers residing in the area of Thessaloniki. The final sample consisted of 437 adult consumers. The reliability and the validity of the questionnaire were thoroughly examined. Empirical data were analyzed using the “Structural Equation Modeling” technique. Empirical results indicate that ‘reliability’ is the most significant dimension regarding the satisfaction of EPA’s customers, while the lowest rating corresponds to ‘empathy’. The present study is empirical, explanatory, deductive and, mainly, quantitative.

KEYWORDS

Customer satisfaction, Utility companies, SERVQUAL, Empirical study, Structural Equation Modelling (SEM), Greece

JEL CLASSIFICATION CODES

D12, L80, L94

THE CIRCLE OF MARKETING PARADIGMS

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ABSTRACT

The current article examines the issue of the marketing paradigms cycle.

The aim of the research is to forecast further trends of the marketing paradigms dynamics.

The most realistic issue is the transition from the relationship marketing paradigm where the producer and supplier of the goods dominate over its buyer / user in order to improve and adapt to the change of the technological structure and consumer / buyer psychology.

Within the framework of the study of the marketing paradigms cycle the author concluded that these paradigms represent a dynamic cycle model – the so called Wheel of the marketing paradigms.

All stages of the cycle paradigms, including their modifications, are simultaneously present within the target market segments due to the customer loyalty towards them which is of a clear situational character. This circumstance determines the migratory nature of consumer segments related to the total amount of customer / consumer audience.

KEYWORDS

Evolution, marketing, paradigms

MARKET NICHEs AS THE OPPORTUNITIES FOR EASTERN EUROPEAN COUNTRIES

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ABSTRACT

In this article we brought into focus the market niches which are defined as a newly discovered or created market area formed by a group of customers characterised by a specific demand that can be satisfied merely by an adjusted, unique and highly differentiated offer. There are a limited number of future competitors and limited aggregate value of possible business, but still sufficiently profitable for suppliers of the market niche. Due to its attractiveness the market niche is often the ideal for a company or an entrepreneur on the one hand, but also sometimes the unreachable business reality due to the extreme complexity of its searching and serving, together with the related risk on the other hand. Despite the fact that the market niche can be found also just by chance, in majority of cases for its searching and serving, the systematic and carefully planned, usually innovative approach is needed. In the changed business circumstances as a consequence of processes of globalisation and integration, market niches and narrowly defined segments are the real opportunities of companies from transitional, Balkan or Eastern European countries in international markets. It is a fact that refocusing from mass to niche, individual, personalised or small-series markets (economy of scale) is in certain cases no longer possible utilising evolutionary, gradual (soft) methods, but only radical, revolutionary methods (restructuring, reengineering) that, by all means, require sacrifices as a consequence of previous neglect of the need for a timely adjustment to the current and prior developmental trends or to the recently changed external conditions. In the paper some cases of Slovene Small Business's are introduced.

KEYWORDS

market niche, niche marketing, differentiation, perceived value, offering package, Slovenia

JEL CLASSIFICATION CODES

M31

MEASURING CITIZENS SATISFACTION FROM PUBLIC SECTOR ORGANISATIONS IN GREECE: THE CASE OF THE REGIONAL DISTRICT OF XANTHI

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ABSTRACT

This study aims to explore citizens satisfaction from public sector and more particular from the services of Regional District of Xanthi in Greece.

KEYWORDS

Public Sector Marketing, Citizens satisfaction from public sector, Citizens attitudes towards public organisations

PREDICTORS AND EFFECT OF THE CONSUMER'S PRICE SENSITIVITY: THE CASE OF CROATIA

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ABSTRACT

Given the importance of consumers' sensitivities to price changes for a strategic marketing approach, as well as for the researched market characterized by the economic recession, the main purpose of this paper is to explore the predictors and outcome of the consumer's price sensitivity. This paper investigates the influence of demographic variables and personal factors on the consumer's price sensitivity, as well as its impact on the word-of-mouth sending information as an outcome. The research was conducted on the representative sample of thousand Croatian respondents/consumers using the personal telephone interviewing technique. Gathered data were analyzed with a variety of statistical methods. Exploratory factor analysis was applied for the factors/constructs' extraction. The multiple regression analysis was used in order to examine the relationships among the variables and hypotheses. The results show that some demographic factors (gender and education) and both personal factors (attitudes towards the advertising and shopping enjoyment) directly influence the consumer's price sensitivity. Furthermore, the results indicate that the price sensitivity is positively related to word-of-mouth communication (sending perspective). These research findings contribute to the consumer behavior and marketing communication theory and offer some practical marketing implications. Namely, the marketing experts (companies) can better understand the predictors and effect (outcome) of the consumer's price sensitivity and its role for the marketing strategy. The comprehension of these factors enables the marketing experts to assess the aspects of their marketing mix, such as promotion and price, with respect to the characteristics of the consumers, and thus to coordinate their marketing activities (advertising strategy, point-of-purchase marketing) in order to remain competitive on the

market. As a final point, the paper discusses the research limitations and provides some future research suggestions.

KEYWORDS

price sensitivity, demographic characteristics, attitudes towards advertising, shopping enjoyment, word-of-mouth communication

JEL CLASSIFICATION CODES

M21, M30, M31

COMPARATIVE ANALYSIS OF CONSUMER’S ATTITUDES AND PREFERENCES REGARDING THE GLOBAL VS LOCAL BRANDS

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ABSTRACT

The main aim of this paper is to analyse and compare the theoretical background and empirical research findings related to the consumer’s preferences, attitudes and loyalty regarding the global vs local brands in the same categories.

The research hypothesis initially posed is that consumer’s attitudes and preferences regarding the strong global brands are significantly more favorable, compared to the preferences for local brands in respective categories. The research will be focused on identification of main determinants of emotional attachment of consumers to the strong brands, and building positive attitudes and preferences. Special attention will be paid on the role of strategic marketing programs, especially the integrated marketing communications programs in the processes of creating the emotional brand attributes and a brand equity.

One of the major issues in managerial practice of developing local brands is that local companies often direct their marketing efforts solely on developing functional features of their products, underestimating the importance of strengthening the emotional brand features and the consumer’s emotional attachment to the brand. As a result, the overall perceived quality of local brands is significantly lower, compared to the consumer’s perceptions related to the overall quality of global brands in the same categories.

This issue will be elaborated in the theoretical part, supported with literature review, and in the next part of the paper, brand research findings will be presented as well. Using the method of survey with structured questionnaires, combined with focus group research, the data gathered will be analysed and respective indicators will be presented as well.

KEYWORDS

consumer’s attitudes, brand features, local vs global brands

DESIGNING OPEN INNOVATION BASED PRODUCT DEVELOPMENT PROCESS FOR SMES USING MOBILE TECHNOLOGIES

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ABSTRACT

The use of technology in innovative product design process is becoming very accelerative all over the world. Following that, small and medium-sized enterprises (SMEs) must practice innovative operations due to the fact that they have financial and technical incapacibilities. In spite of all the essentialities, researches showed that research and development (R&D) expenditures of SMEs are under 5% in 2015. Focusing on SMEs, it was observed that R&D infrastructure of them is extremely weak. Research conducted in 2015 in Turkey, according to R&D expenditures of firms showed that first ten enterprises in the list were multinational, so not SMEs.

Open innovation is very fundamental for SMEs to keep their competitive advantages. Nowadays, important multinational firms have left their closed structure about R&D and innovation practices. As a result of this; firms have started to behave accordingly to open innovation systems. In open innovation, all the external partners should participate in the business processes. However, there are not enough researches about it.

The purpose of this paper is to design product development processes of SMEs using mobile technologies. The system which was allowed the effects of external partners was designed for it. According to data collected through in-depth interviews with experts and literature review, the points are given by customers were taken into account and analyzed. The analysis process was applied according to selection criteria specified.

Recently, open innovation has been provided by the "contestification" method. Contestification is the method that enables users to participate in an ideation contest and all the users have right to vote for ideas. As a result of this, innovative ideas come to realize. Despite of the importance as mentioned, there are few researches about the application of contestification method via mobile technologies. For this reason, contestification method was used to accelerate the product development process in this study.

This research sheds light on the contribution of the users for the product development process. In the measurement process, it was observed that SMEs needed this kind of research for the efficient decision making with less financial resources and method developed made the analysis process easier.

KEYWORDS

Mobile technologies, SMEs Open innovation, Contestification, Customer co-creation, Product development

JEL CLASSIFICATION CODES

O35, M15, M13

MACRO AND MICRO INNOVATIVENESS OF THE WESTERN BALKAN COUNTRIES

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ABSTRACT

Innovativeness has been identified as a key success factor in today's increasingly competitive and complex environment. It is considered to have a key role as a driver of economic growth and essential instrument for business performance improvement of enterprises especially for emerging economies and economies in transition. Innovation readiness offers a possibility of new growth platforms both on macro level when talking about the economic growth as the biggest national issue and micro level when talking about competitiveness and business performances of enterprises. Innovativeness on macro level refers to country's ability to respond to challenge of innovations through factors that enhance innovation readiness including innovation related policies and practices that promote long-term growth and create framework conditions for innovations. When talking about innovativeness on micro level it could be defined as a willingness and capability of an enterprise to undertake all necessary steps to implement different types of innovation in order to strengthen their position on the market. Engaging innovation potential in a way that will keep up with the pace of technological change and changing demands is indispensable in order to increase competitiveness on both levels. The Western Balkan countries are representative examples of economies in transition as they have witnessed significant changes and economic transformations since the beginning of the 21st century and now they are challenged to keep the growth and improve it. Innovativeness has an influential role in responding to this challenge. In this paper Western Balkan countries are defined referring to geographical aspects in opposed to common use of this term referring to south-east European area that includes countries that are not members of the European Union. The aim of this paper is to analyze cross-country differences and portray the situation in the region giving the answer to the following questions: how are Western Balkan countries ranked on world economies' innovation capabilities scoreboards, how their ranking is changing over time and how they differ between themselves as well as to provide insight about innovation activities of enterprises on micro level and factors that hamper their willingness to innovate and limit engagement of innovation potential. In order to answer these questions comparative cross-country analysis of innovativeness on macro level and analysis of innovation performances and activities of enterprises on micro level in Western Balkan countries was conducted. Making this comparative analysis we got the insight on which country with its innovation related policies and practices responded best to the challenge of innovation and what are the weaknesses and obstacles in innovation efforts, both in macro and micro environment, that prevent full engagement of innovation potential. Findings are used to indicate the priority areas that need improvement. The findings in this paper build upon the comprehensive and comparable statistical data from public databases including studies on global innovativeness and available national surveys on innovation activities in enterprises.

KEYWORDS

Innovativeness, Innovation, Western Balkan

JEL CLASSIFICATION CODES

O30, O31

IMPACT OF PROCESS OF ADOPTION OF INNOVATION ON INNOVATION DIFFUSION

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ABSTRACT

Innovations take an inevitable part in the development of society, hence frequently discussed but they are the adoption and diffusion of innovations that are the most significant and discussed concepts. The processes of adopting and diffusing innovation are two different concepts, though closely related, and having an impact on one another. The adoption of innovation is defined by the process of adopting innovation and relates to an individual i.e. it is the subjective thinking process in which one shall come through various phases (perceiving, drawing one's attention, assessing, testing and adopting), and results in innovation adoption provided that the process of adoption would have succeeded. Given the speed of response of adopters to innovation (adoption rate) we shall recognize several categories defining the adopters (Innovators, Early Adopters, Early Majority, Late Majority, Laggards) having specific characteristics. The diffusion of innovation taking place depends on the process of adoption of innovation, and it is further defined by the process of spreading innovation from its place of origin towards final users i.e. it is the group process in terms of spreading the innovation within specific social system of individuals.

The diffusion process involves many adoption processes; thus, the slower the adoption rate i.e. the longer the individual processes of adoption process last the longer the diffusion process. The process of spreading out innovation over adopters is to be drawn on a map of spreading innovations representing the process of distributing innovation starting from its place of origin up to the very last adopter. Understanding the processes of adoption and diffusion provides much useful information such as an expected duration of diffusion process, a profile of innovation's recipients, medium for spreading information about innovation etc.

The paper deals with the processes of adoption and diffusion of innovation covering these two important terms, considering the distinctiveness and determining interdependencies between them; furthermore, it shows the valuable information should we gain, and also the potential use for such information to apply to practice, providing that we understand these two mutually interconnected processes.

KEYWORDS

Innovation, adoption of innovation, diffusion process, timing of innovation

DETERMINANTS OF BUSINESS INNOVATION ACTIVITIES IN MANUFACTURING INDUSTRIES – CZECH REPUBLIC AND ESTONIA CASE STUDY

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ABSTRACT

Economic entities facing an ever accelerating pace of changes, which brings with it advantages and disadvantages. In recent years, the OECD described the Czech Republic and Estonia as a strengthening economies focusing on the promotion of research, development and innovation. However, finding of proper determinants of innovative activities represent a complex process lacking universal formula of which variables positively affect innovation creation. Prior studies showed the number of factors influencing innovation activities. Purpose of this article is to show that the proper combinations of these factors allow creation of more significant effects influencing the growth of companies' turnover. We created own multiple linear regression models by using data from Community Innovation Survey conducted in the Czech Republic and Estonia between the years 2010-2012 to test the relationship between dependent variable represented by % of turnover in new or improved firms' products and selected determinants of innovation activities. The aim of this article is to measure direct effects of individual determinants of business innovation activities on growth of turnover in innovated products in the manufacturing industry in the Czech Republic and Estonia and compare them with results of combinations of these factors. We show that both countries are more effective by using proper combinations of selected determinants of innovation activities. Specifically, we show that, by combining cooperation on innovation with different partners, companies in Estonian manufacturing industry are more effective and more significantly affect their growth of turnover than companies in the Czech Republic. We also show that in both countries there is a growing inefficiency in provision of public subsidies (from national or European funds). In the conclusion, we show the appropriate combination of factors that positively affect the formation of innovation and we are proposing a number of new practical implications for the policy makers of both countries.

KEYWORDS

Innovation, industry, entrepreneur, manufacturing, Czech Republic, Estonia

JEL CLASSIFICATION CODES

O30, O31, O38

THE LINKAGE OF INNOVATION, R&D AND MARKET STRUCTURE IN THE GREEK PHARMACEUTICAL INDUSTRY

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ABSTRACT

Greek pharmaceutical industry has been emerged as one of the major drivers for the Greek manufacturing sector mostly from 2000. The contribution of Greek pharmaceutical industry in the overall economy through its impact on the gross value-added, employment, exports, innovation and global competitiveness is very significant. Greek pharmaceutical firms have one of the higher share of investments in innovation and R&D activities for the total Greek economy. However, Greek pharmaceutical industry is lagging behind its European counterparts in terms of R&D of new innovative products. The aim of this paper is to investigate the relationship between market structure of the Greek pharmaceutical industry and its characteristics with the innovation process and R&D. The methodology is proposed to be an econometric analysis of aggregated data related to the market structure, innovation and R&D.

KEYWORDS

Greek pharmaceutical industry, market structure, innovation, R&D

IMPACT OF KNOWLEDGE AND HIGHER EDUCATION ON THE DEVELOPMENT OF INNOVATION IN CROATIA

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ABSTRACT

As last year were destined as the knowledge and achieving significant results in the direction of creating a knowledge-based society as a comparative advantage in the region, it is important to point out that to realize the desired goal did not happen in a scheduled ratio, especially as far as the Croatia. The European Commission has specified period of time (from 2010 onwards) designated as a new beginning to create compatible and competitive region that will lead the way in their own knowledge and capabilities based on smart growth, sustainable development and inclusive growth. Smart growth means growth and development of the economy based just on knowledge and innovation, sustainable development means the promotion and creation of more, more economical, "greener" and thus more competitive economies, while inclusive growth is encouraging high-employment economy delivering economic, social and territorial cohesion. The paper provides a brief overview of the current situation and the position of the Croatia with respect to the foregoing, and the knowledge society through the segment allocation for science and education and the global economic crisis.

The main objective of the paper is to show the relationship and impact of higher education on the level of development of innovation in companies of the European Union, but also in enterprises in the Republic of Croatia. The primary source of data is the Flash Eurobarometer 415 from 2015, which shows the role of enterprises as a primary source of innovation and engines for growth and job creation as the basic setting. These Flash Eurobarometer focused on the analysis and detection of the basic style of behavior and business trends in companies of the European Union in relation to innovation activities of the same. Studies have been conducted in 28 member countries, as well as in Switzerland and the US, it is research designed to gather information on profiles, innovative companies, analyzing obstacles to commercialization of innovations, as well as for identifying areas where public funding can best support innovation. In the context of this paper authors use the original data Flash Eurobarometer and analyzing individual segments showing knowledge and higher education as key variables to increase innovation of enterprises of the European Union and the Croatia.

KEYWORDS

Knowledge, higher education, innovation, enterprises, Eurobarometer

JEL CLASSIFICATION CODES

I230, I250, L230

THE USAGE OF E-COMMERCE IN THE AREA OF EVROS, GREECE

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ABSTRACT

The use of technological applications is directly influenced by the perceived usefulness and perceived ease of use of technology according to the Technology Acceptance Model.

In e-commerce applications, the ease or not someone understands how the electronic purchase process works can act positively or as a deterrent, to buy or not. Also, someone is positively influenced by the perceived relative advantage when s/he considers the electronic purchase, and negatively by the complexity perceived on the online purchase process. Certainly, the price and quality are still key factors in making purchases, as in traditional commerce.

Evros is an area located in an important geographical area in northeast Greece, in the borders with Bulgaria and Turkey. It is a path for the trade among the three countries. In such a new trade area, there are a lot of issues to be addressed with regard to the consumer's purchasing behaviour. For residents of border areas, a lot of factors appear to be involved that may affect the user to carry out or not, an e-commerce purchase.

The study aims to empirically investigate how factors such as gender, age, educational level, culture, nationality, Internet access, familiarity with technology, price, ease of purchase, risk, trust and security of the website, design of the site, services it offers, past experience and the name and reputation of the e-shop, affect the consumers, residents of this outermost geographical area. The survey was conducted by interviewing 200 people, residents of Evros. The findings are interesting and show that the factors affecting the purchase are gender, level of education and income.

Although, the study suffers from a limitation in that it uses a convenience sampling technique without a fully matched profile of the respondents, it could be a basis of a reliable comparison for future research. The major contribution of this study is that it is the first attempt to investigate the impact of the aforementioned factors to the e-commerce in this part of Europe.

KEYWORDS

TAM, e-commerce, factors, Evros

CRM SYSTEMS IN THE AREA OF EASTERN MACEDONIA AND THRACE

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ABSTRACT

Nowadays, companies are paying more and more attention to the satisfaction and retention of their customers, as a result of the intensive competition and profit maximization. The new marketing techniques have as key element the dealing and relationship with customers using Customer Relationship Management (CRM) systems.

This study aims to examine whether the application of CRM affects positively the development and profitability of the companies, and how the implementation of customer-oriented management in companies, can potentially affect their overall performance.

To investigate how it affects the application of CRMs to the operational performance and to explore the CRM practices and the degree of use in companies, a survey was conducted with the completion of structured questionnaires by collecting data from companies in the area of Eastern Macedonia and Thrace (EMT). Factors that act strongly in maintaining and developing the customer relationship with the company, were identified. The number of employees in the company and the year of foundation of the company are critical factors in the implementation of CRM.

The findings showed that companies of EMT implement satisfactorily strategic methods relating to CRM, putting their customers at the heart of their business. Moreover, they want to gain a long-term relationship with them and simultaneously to integrate customer oriented approach in the culture and the structure of their company. It is evidenced by the investment, both in order to promote innovations in CRM and to organize systematically the learning processes of their companies, in terms of data and market developments.

KEYWORDS

CRM, EMT, companies, correlation

A STATISTICAL ANALYSIS OF E-COMMERCE IN GREECE: THE CASE OF YOUNG PEOPLE IN CENTRAL MACEDONIA

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ABSTRACT

The way of commerce transactions has changed from traditional ways to new ones with the use of new technologies. E-commerce has rapidly developed abroad, while in Greece has been developed more slowly. The present paper focuses on the e-commerce in Greece. For that purpose an empirical research has been conducted from November to December of 2015 and 100 valid questionnaires were selected. The study empirically investigates the consumer behaviour, the trust and safety in transactions and the advantages of e-commerce. Under this framework, the results of the empirical research are presented and the relevant findings are discussed

KEYWORDS

e-commerce, consumer behaviour, statistical analysis

THE IMPACT OF MOBILE COMMERCE IN KAVALA

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ABSTRACT

The mobile commerce, as an integral and often dominant part of a broader technological, economic and social system, is closely linked to environmental conditions that affect; this affects their decisions and strategy implemented. Undoubtedly, in the current era, the competition is increased and dominant in the market, pushing their bodies and citizens to abandon traditional and time-consuming methods of business functions, practices and yet purchases.

The purpose of this study, it is the presentation and the penetration of mobile commerce to the citizens of Kavala. In particular, how they use their mobile devices in making purchases. The survey conducted in 2015 on a random sample of 220 people with criterion that the respondents have a mobile equipment. It was studied the use of

wireless technologies in conjunction with the recognition and use of electronic commerce by both consumers and business world.

The questionnaire has 47 questions concerning the population distribution, the advanced technology of their mobile devices, the interest for products and services provided by m-commerce and the security they feel. Finally, the respondents were asked for the purchases made by their mobile equipments and whether they were satisfied.

For the measurement of the research factors which appear in the conducted study, the method of multiple determinants variables were used. The data analysis was carried out with the use of the statistical program SPSS Statistics 19.0.

The conclusions of the survey is that despite the cost of use, the connection speeds, and security and misuse of personal data problems, the mobile commerce is in constant development due to the critical mass of the users who immediately and practically use their mobile devices.

KEYWORDS

M-commerce, Impact, Kavala

E -SERVICE QUALITY AND CUSTOMER LOYALTY OF ISLAMIC BANKS IN JORDAN

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ABSTRACT

The aim of the study is to investigate the impact of e-service quality on customer loyalty from customer's perspectives of Islamic Banks in Jordan. Eight-dimensions scale used for measuring e-service quality (Reliability; Responsiveness; Ease of use; Efficiency ; Accessibility ;Customization; privacy; and Website design) from the customer's perspective. The participants in this study consisted of internet banking customers of three Islamic banks in Jordan (Jordanian Islamic bank, Arab Islamic bank, Dubai Islamic bank), which are located in the capital of Jordan (Amman).

The result of the study found that the combination of eight dimensions relating to Web design , Reliability, Ease of use, Customization, Privacy, Efficiency, Responsiveness, and Accessibility., best represents the measurement of e-service quality within the online banking context in Jordan, and they affect customer loyalty.

Based on the results of the study , service providers should focus particularly on three dimensions- Security, reliability, and Responsiveness, which are more related to customer's perception of e-service quality.

KEYWORDS

Electronic Service Quality, Customer loyalty, Islamic Banks, Jordan

JEL CLASSIFICATION CODES

M30

THE EFFECTIVENESS OF THE E-LEARNING APPLICATION: IMPACT ASSESSMENT OF THE QUALITY

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ABSTRACT

The success and the efficiency of e-Learning should be measured by a reliable method in order to use it effectively. Although, there are several studies about the success of e-Learning systems, only a few of them are about the measurement of this success within the institutions. There is a study of DeLone and McLean (2003) which examines the success of the introduction of e-Learning system with the help of ELSS model (e-Learning System Success).

We made two questionnaires to evaluate the application of e-Learning at University of Debrecen, Faculty of Economics and Business. One of them was for the students and the other one asked the lecturers. The aim was to develop such questionnaires which are suitable both for the evaluation of the e-Learning's quality and its economical benefits.

The basis of the e-Learning's quality questions was Wang's article (2007), in which he measured the success of the e-Learning systems, therefore the questions of the students' and the lecturers' questionnaires were the same.

The aim of the this survey was to compare the opinions of the students and the teachers regarding the application of e-Learning. The role of the questionnaire for quality development is to give guidance for the University of Debrecen in the e-Learning application.

We have used the Mann-Whitney test to evaluate the questionnaires of the students who use the e-Learning system. This method is used to compare the means of two groups in case of ordinal scales or not normally distributed variables. We have also used factor analysis and binominal logistic regression. We have examined whether the background variables manipulating the variables are possible to be developed on the basis of the

answers. We used factor analysis to demonstrate this since it contracts the coherent factors into one common factor. Factor analysis is used to compress data and explore data structure. In most cases, factor analysis is used foremost in order to filter out multicollinearity.

KEYWORDS

e-Learning, Higher education, Factor analysis

**BUSINESS CYCLES AND TRANSMISSION OF SHOCKS: THE ROLE OF
USA AND GREECE IN THE EMU CRISIS**

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ABSTRACT

The question of whether the Greek crisis could affect the evolution of economic activity in the EMU remains a hot topic. Meanwhile, there is increasing evidence on the leading role of the USA in the global economy. In this context, the estimation of the impact of both US and Greek GDP on economic activity in the EMU is the focus of our investigation by introducing a relevant methodological framework which combines unit root tests, filtering, cointegration, step-by-step causality, Error Correction Model and Generalized Impulse Response Functions based on quarterly data. Our findings confirm the dominant role of the USA within EMU, whereas Greece does not seem to have a very significant impact upon EMU countries.

KEYWORDS

Business Cycles, Transmission, EMU, US, Greece

**ADVANTAGES AND DISADVANTAGES OF THE MEMBERSHIP OF THE
REPUBLIC OF SERBIA IN THE EUROPEAN UNION**

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ABSTRACT

Within the EU enlargement strategy to the Balkan region, it is considered important that the Republic of Serbia becomes a member state of the European Union. The association process of Serbia is rather complicated, based on implementation of the required criteria. Currently, the application of *acquis communautaire* and the elimination of the barriers in the internal market are being emphasized. The accession of Serbia to the European Union will bring the region stability, peace, justice, freedom and security of Europe. The paper analyses the pre-accession process of Serbia for achieving the European Union membership and points out the advantages and drawbacks of being a part of this international organization.

KEYWORDS

European Union, criteria, legislation of the European Union, member state

**POLITICAL RISK, EUROPEANIZATION AND FOREIGN CAPITAL
BEFORE THE EU ACCESSION – EXPERIENCES OF NEW MEMBER
STATES IN XXI**

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ABSTRACT

After finishing the era of communism, the economies from Balkans and Eastern Europe have experienced great changes on uncounted grounds. One of them can be accession to UE, which seems to be key point in the last decades from economic angle. All adaptations to structure and rules of western countries supported limiting broadly defined political uncertainty. This process may be seen as a fundamental one because it began the fall of costs and the growth of capital inflows from abroad, what precipitated further changes in real economy as well as on financial markets.

The purpose of presented bit of writing is to pay attention on some facts and correlations which are not easily noticeable, nonetheless, the awareness of them is crucial to comprehend a unification process of national economies in context of financial markets, not only from the perspective of countries which enlarged UE in 2004 [Poland, Czech Republic, Slovakia, Slovenia, Hungary, Lithuania, Latvia, Estonia], [2007 – Bulgaria, Romania, 2013- Croatia] but also from the slant of economies which are going to join the UE in the future.

On the basis of international literature it was proved that political instability is important element of country investment risk in each national economy and is responsible for inflows and price of foreign capital. Curbing the

scale of political uncertainty generated positive moves on sovereign debt markets and in banking sectors. The main conclusion is following, to provide applicant economy with capital, political uncertainty must be minimized by Europeanization process.

KEYWORDS

Political risk, Europeanization, bonds, debt, capital, uncertainty

JEL CLASSIFICATION CODES

E44, F34, G15

EURO ZONE FINANCIAL CRISIS AND ITS IMPACT ON THE ECONOMY OF BOSNIA AND HERZEGOVINA

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ABSTRACT

The global financial crisis, which is actively lasted from 2007 to 2010, was the trigger for the creation of the euro zone crisis, whose outcome is still uncertain. The situation in which euro zone found, identified a number of deficiencies in the whole system and opened a number of questions. It is particularly interesting to note that in that period there was a widening gap and increasing imbalance between richer and poorer members of the euro zone, which is in the pre-crisis period was concealed by external borrowing less competitive economies. Regardless of the current indicators of mild recovery, many fear the fact that the crisis could be repeated, and very likely, that in the future, some Member States euro zone will face the debt crisis in their own economies. Given all these challenges, this paper attempts to determine the actual impact of the euro zone crisis on economic developments and financial system of B&H, through the analysis of a set statistical indicators of economic trends in the euro zone and by comparing these indicators with statistical data in B&H. This study confirmed a statistically significant correlation of most indicators of the euro zone with indicators of B&H, which has proved a strong influence of economic developments in the euro zone on developments in B&H.

KEYWORDS

World economic crisis, financial crisis of the euro zone, European Union, Bosnia and Herzegovina

GREEK CRISIS AND ITS SPILLOVERS IN SOUTH-EASTERN EUROPE

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ABSTRACT

In moments of recovery from recession of global financial turmoil, Balkan countries started to face a new risk. Greek debt crisis began in 2010 and is one of the deepest economic and financial crises in both the Greek and European Union history. It has already created spillover effects in the weak economies of the South Eastern Europe. This is mainly due to the strong economic integration between them, primarily as a result of intensive trade relations and high percentage of Greek direct investments to those countries. The purpose of this paper is to show how Romania, Serbia (and Montenegro), FYROM, Bulgaria and Albania are effected by the financial turbulence of Greece. The methodology of the paper is to conduct statistical analysis by using datasets on the series of macroeconomic fundamentals that were found to be severely hit by the crisis in much of the literature. The empirical research uses extensive annual data spanning from 1995 to 2014, in this manner covering a significant part of the transition period of Balkan countries, the boom cycle of all above mentioned economies, as well as the time of manifestation of the Greek debt crisis and its impact on South-Eastern Europe.

KEYWORDS

Greek debt crisis, Balkan countries, Spillover effect

FAILURE FACTORS OF THE ECONOMIC ADJUSTMENT PROGRAMME FOR GREECE

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ABSTRACT

The pursued management The Economic Adjustment Programme for Greece has not met the commitments set out, due to both endogenous and exogenous factors.

Endogenous factors are specified as the particularities of the Greek economy; such as the role and importance of the Public Sector in the economic results, the clientelist state, the characteristics of the Greek entrepreneurship, and the underground economy.

Exogenous factors are specified as the lack of alternative tools for the implementation of economic policy, as well as the assumptions and oversights of the Programme.

KEYWORDS

EU, Greece, crisis

EMPIRICAL ANALYSIS OF THE EFFECTS OF GLOBAL ECONOMIC CRISIS ON THE EXPORTS OF FYROM

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ABSTRACT

As the most of countries of the region FYR of Macedonia didn't remain resistant from the negative effects of the global crisis. The country characterizes with concentrated exports in few countries which mostly are EU member states. Therefore the main purpose of this paper is to examine empirically the impacts of global crisis on the exports. For testing the structural changes of exports between the two time periods, the crisis period and outside it, we use some econometric models, incorporating an artificial variable (dummy) for the period of crisis. The data used consist of quarterly time series from the first quarter of 1998 to the second quarter of 2014. As crisis period is considered the fourth quarter of 2008 to the first quarter of 2010. The empirical results reveal that the exports undergo significant structural changes during the crisis period. The fall of exports is estimated to have decreased the real GDP by 0.94% during the crisis period. The deficit of the external sector from year to year is growing and becomes a serious problem for the country. The spillover effects of the crisis in the economy of FYROM appear with a time lag comparing to some other region's countries.

KEYWORDS

Global economic crisis, structural changes, exports, FYROM

JEL CLASSIFICATION CODES

F40, G01

DETERMINANTS OF INTERNET FINANCIAL REPORTING OF CROATIAN BANKS – PANEL ANALYSIS

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ABSTRACT

In recent years, reporting and transparency of banks is in the focus of national and international regulators and their aim is to increase the transparency of financial institutions in order to strengthen stability of the banking system. In this paper, the authors used dynamic panel analysis in order to analyze the practice of Internet financial reporting of Croatian banks in the period of 2010 to 2014. Research of bank Internet financial reporting practices was carried out on two levels. At first, descriptive level, the goal of the research was to determine the level as well as trends of Internet financial reporting of 27 Croatian banks during the observed period. It is assumed that the level of Internet financial reporting during the analyzed period increased as a result of stricter regulations in the financial sector. In order to measure the level of financial reporting by banks, Bank Internet financial reporting score was developed on the basis of 45 elements - criteria which are divided into two groups: financial reporting (20 elements) and corporate governance and risks (25 elements). The second goal of the research was to determine factors that significantly affect the practice of bank Internet financial reporting in the Croatia. The authors applied dynamic panel analysis in order to determine the impact of size, profitability, stock listing, auditor's reputation, adequacy of capital and ownership structure on the level of Internet financial reporting of banks.

KEYWORDS

Internal financial reporting, determinants, banking sector, panel analysis

CONCEPTUAL MODEL OF OUTCOMES OF PERCEIVED FAIR INSURANCE SERVICES

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ABSTRACT

Due to intense competition and the emergence of new insurance companies on the Slovenian market, insurance services are becoming increasingly complex, while sales activity by insurance companies is becoming more marketing-oriented at the same time. Insurance services are, by nature, extremely multifaceted and this is reflected in the way in which the insurance market is manipulated. As insurance companies often change the content of their products (insurance conditions, insurance coverage, price, evaluation damage cases etc.), it is important to know who benefits most in the relationship between insurance companies and customers, and whether the content of insurance products is generally fair to customers. Insurance services involve various kinds of transactional

interventions, about a new policy, queries raised during the term of an insurance policy or making an insurance claim, in which salespeople are in contact with customers. Some insurance companies demand an intensive sales orientation from their salespeople, many of whom prioritize gaining new customers as quickly as possible above providing them with full and transparent information. The reason for this may be due to the pressures of management in insurance companies, be it related to income or internal competition. In many cases, the content of insurance products can lead to conflicts and misunderstandings after an insurance policy has been agreed. This is particularly evident when policies are terminated or claims are made. This paper presents different viewpoints in research regarding which insurance services are perceived as fair by customers. The research question was, what is the impact of perceived fair insurance services on customer-insurance company relationship? Using structural equation modeling (SEM) with a sample of $n = 200$ consumers of insurance services, it has been found that perceived fair insurance services have a significantly positive effect on perceived relationship value outcomes, as well as perceived quality of customer – insurance company relationship and customer satisfaction. It has also been found that perceived fair insurance services are most directly confirmed by customer satisfaction with perceived quality of customer – insurance company relationship. The study has found that perceived relationship quality has either a significantly positive effect or a strong effect on perceived relationship value outcomes. The study has further found that perceived relationship value outcomes and perceived relationship quality have a significantly positive effect on customer satisfaction. Perceived fair insurance services, then, are determined by the relationship between insurance companies and customers, and the extent to which customers are satisfied with the insurance services they use. The study’s findings are extremely important for institutions operating in the financial and insurance services market for the purpose of creating a relationship strategy.

KEYWORDS

Insurance, fairness, relationship

JEL CLASSIFICATION CODES

M31, G22

OPPORTUNITIES FOR PRIVATE PENSION FUND DEVELOPMENT IN ALBANIA

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ABSTRACT

The law on social insurance in Albania has established three pillars for the social insurance functioning. The first and the third columns are actually working. The first column is a compulsory one and is based on “pay as you go” scheme. It guarantees a secured pension because it is publicly managed from the Institute of Social Insurance and it is financed from the state budget. The third column is a supplementary one and it includes the involvements of the private pension funds. It is privately managed. Unlike the first column, the payment made by the contributors, are not defined by the law, but by the contributors. The benefits are proportionally related to the individual contributions. According to the statistics of the Albanian Financial Authority, which regulates and supervises the private pension funds, the volume of the private contributions has been continuously increased. But the further development of the private pension funds depends on the implementation of the second pillar, i.e. participation of the private pension funds in the compulsory scheme. The law on private pensions has been continuously improved, especially regarding the fiscal facilities. The paper describes the present problems of the actual social insurance system and the significance of the real involvement of the private pension funds in the social insurance system, through the second column. The data used in the paper are of secondary type, based on the statistics published by the respective official institutions.

KEYWORDS

social insurance, pension private funds, contributions

JEL CLASSIFICATION CODES

G22, G23

THE NEW ROLE OF MUTUALS IN THE EUROPEAN INSURANCE MARKET

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ABSTRACT

A phenomenon in the insurance industry is that both mutual and stock firm dominates the market. Mutual and stock companies differ fundamentally. In a mutual organization, consumers are also owners. They provide capital and bear the risk. And because of that the mutual form is free of the conflict of interest between the owner and the consumer. In stock organizations, the owners and the consumers are distinct. The owners supply capital and receive the residual value; the risk is shared between the owners and consumers.

For many years in the literature we try to find out the causes of coexistence mutual and commercial insurers. The issue has been pointed out in the theory of enterprises (mainly the theory of agency) or the theory of finance (in connection with the effectiveness or availability of capital).

At the same time, in the last several years, we could observe a change in the concept of financial institutions' operations. They no longer play a subordinate role to the real economy, and they have become a generator of profits for investors. A clear result of such action was the financial crisis 2007-2008. However, it seems that this trend is not stopped in the insurance sector. Such action involves a loss of confidence in financial institutions by customers.

In the article, the authors analyse whether and how the paradigm shift operation of insurance affects the mutual insurance companies. The authors verify the hypothesis that the formula of reciprocity allows mutual insurers not only easier to survive crises of confidence in financial institutions, but even improve their market position.

To achieve the objective of the article the authors analyse literature and the situation of mutual insurers in the European insurance market (with special emphasis on the countries of Central and Southern Europe).

KEYWORDS

insurance market, mutual insurer, commercial insurer

FOREIGN EXCHANGE INTERVENTIONS AS AN (UN)CONVENTIONAL MONETARY POLICY TOOL: MID-TERM EVALUATION

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ABSTRACT

The zero level of interest rates constitutes a limit of this standard monetary policy instrument. On the example of the Czech Republic we argue that in such a situation foreign exchange interventions represent a meaningful monetary policy tool for small open economies not facing serious liquidity problems. Existing studies also suggest that potential financial losses of central banks stemming from the buildup of international reserves do not necessarily compromise credibility and the ability to pursue monetary policy objectives. We provide an overview of the evidence of the functioning of FX interventions and the exchange rate pass-through to consumer prices. Using simulations which take into account the existence of the zero lower bound we argue that in such a situation the pass-through can be much larger than the existing evidence suggests. Finally we provide an evaluation of the Czech Republic experience with the use of exchange rate tool in 2013.

KEYWORDS

FX interventions, exchange rate pass-through, zero lower bound, central bank loss

JEL CLASSIFICATION CODES

E42, E52, E58, F31

IS MONETARY POLICY REALLY FORWARD-LOOKING? THE CASE OF THE CZECH REPUBLIC, POLAND AND HUNGARY

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ABSTRACT

The paper presents the cross-country comparison of the central banks' decision-making premises. Hypothesis assumes that the central banks of the Czech Republic, Poland and Hungary are forward-looking. A simple index of forward-lookingness was created for the needs of this research. It verifies whether the central bank considers its own inflation forecast while making decision on the interest rate.

The goal of this paper is to assess the central bank decisions' compatibility with its own inflation forecasts. Inflation forecast, consistently used by the central banks, may support the stabilization of economic agents inflation expectations.

KEYWORDS

inflation expectations, inflation forecast, inflation forecast targeting

JEL CLASSIFICATION CODES

E580, E430

THE PROBLEM OF CAPACITY MANAGEMENT IN GREEK PUBLIC HOSPITALS

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ABSTRACT

One of the most important problems that the users of Greek National Health System face, is the long waiting lists. A rather superficial explanation of this phenomenon is usually refer the increasing demand for healthcare services, ignoring that the problem is mainly a problem of capacity management, which is associated with the occupancy rate of specific wards of a hospital, and the average length of stay.

The theory of constraints can apply successfully to healthcare organizations, to solve problems of capacity management, reducing the inpatient length of stay and increasing the satisfaction from the offering services as has been proved by international research.

In this paper, we study the problem from this point of view. Our qualitative research revealed that there is a bottleneck in the normal flow of patients, because of the delays in the imaging departments of the hospitals.

The increase of the capacity of the imaging departments would offer a feasible solution to the problem.

KEYWORDS

theory of constraints, hospitals, efficiency, capacity

INCREASING IMPACT OF STOCK MARKET PERFORMANCE TO GOVERNMENT TAX REVENUES

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ABSTRACT

The aim of this paper is to investigate relationships between fiscal policy, economic growth and stock market in the United States. This issue gained importance in the last decade because the market has changed. A significance break has been detected, which impacts the nature of the relationship among variables. Correlation between tax revenues and stock market increase noticeably encouraging revision of current approach to fiscal policy.

This study focuses on situation in the United States and examines relationship between three variables, namely real GDP, federal government current tax receipts and stock market represented by the Wilshire 5000 Total Market Index. Quarterly data from 1971 to 2015 are used. This time period is divided into two subsets. The first investigated time period is for data from 1971 to the end of 1999. The second period contains the rest of the data from 2000 to 2015. This subsetting of the data is required due to obvious changes in trend and volatility of the time series in the second period.

The analysis applies Augmented Dickey-Fuller and KPSS unit root tests to find order of integration of the data. Simple relations between the variables are shown by correlation analysis and more detailed analysis follows applying Johansen cointegration test, vector error correction model, Granger causality test and variance decomposition analysis to test the relationship among tax revenue, stock market and economic growth.

The results demonstrate that all of the selected variables are stationary at first differences and are cointegrated between each other which imply strong long term relationship among them. Correlation between tax revenues and stock market is two times higher in the second observed period. The vector error correction model results show that there is short term relationship between economic growth and stock market in the first observed period, but in the second period this relationship is not present. Tax revenues are in the first period influenced by GDP, but in the second one this influence shifted from the GDP to the stock market. Forecast error variance of tax revenues due to stock market is also reasonably smaller in the first observed period. As a result, performance of the stock market has increasing influence to government tax revenues.

The findings of this paper contain important information for policy makers. Understanding how stock market development and economic growth influence tax revenues and vice versa is crucial for efficient implementation of successful fiscal policy. Investors in the economy of the United States are also able to benefit from these results which help them to understand economic conditions and improve their investment decisions.

KEYWORDS

Fiscal policy, stock market, economic growth, USA, VECM

JEL CLASSIFICATION CODES

G10, E62

A PANEL STUDY OF FISCAL POLICIES IN SOUTH EASTERN EUROPE

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ABSTRACT

Fiscal policy is one of the basic components of economic policy of governments, and it plays an important role in modern economies. Recently, there is a global trend of rising the public debt.

In this paper, we make an attempt to assess the abilities of South Eastern Europe countries (SEECs) to manage their fiscal policies, and to cope with public debt.

Several panel unit root tests on certain fiscal indicators are applied.

Our results are mixed, they depend on the country sample. In general, data appears to be stationary, but if we exclude from the sample the "non-typical" countries, non-stationarity can not be rejected.

Tests applied on a smaller, more homogeneous subgroup of countries suggest that for the countries in the region it is difficult to meet their fiscal goals.

KEYWORDS

SEEC fiscal policy, panel nonstationarity tests, South Eastern Europe economy

JEL CLASSIFICATION CODES

C23, E62, O52

DETERMINANTS OF DELISTING IN ATHENS STOCK EXCHANGE

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ABSTRACT

I contribute to the existing literature by testing a comprehensive set of potential indicators for involuntary IPO delisting rate; some of them are new such as age and accounting variables. In addition, several related theories are tested in this study, namely

KEYWORDS

Delisting, agency, theory, Athens, Stock, Exchange

SAND IN MY EYES FLED EFFECT: AN EVIDENCE FROM SAUDI ARABIA

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ABSTRACT

Psychological, cultural, religious and environmental factors affect human decisions and sometimes cause irrational behaviours. Even this is a common truth, traditional economics claims human is rational and many economic theories based on this idea. Behavioural Finance and Behavioural Economics go against this main assertion and postulates human has bounded rationality.

This study investigates influences of the weather conditions such as air temperature, air humidity and sandstorm on Saudi Stock Exchange. It has been applied Granger Causality Model, and it can be preliminary reported that statistically there is no evidence.

KEYWORDS

Saudi Stock Exchange, Saudi Arabia, Weather Effect, Granger Causality, Behavioural Finance

MODELLING THE SHORT-TERM DYNAMICS AND INTERDEPENDENCIES IN THE ATHENS STOCK EXCHANGE

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ABSTRACT

The aim of this paper is to examine the short-term dynamics and the interdependence of three stock indices of the Athens stock exchange that is the FTSE-ASE 20 (Large stocks), the FTSE-MID 40 (Medium stocks) and the FTSE-SMALL CAP 80 (Small stocks) using three multivariate EGARCH models. The three models are (a) the LeBaron's exponential autoregressive model, (b) the Sentana and Wadhvani's Feedback positive trading model and (c) a Nested model (nests both (a) and (b)). The variance equation is modeled through an EGARCH estimation which accounts for non-linear interdependencies. The empirical results show that there is small evidence of positive feedback trading employing the Nested-model when applied the FTSE-SMALL CAP 80 stock index, which is driving the time-varying autocorrelation. However, the volatility interdependence, both in magnitude and sign, is almost similar (with few exceptions) among the Feedback, the LeBaron and the Nested models. In addition, the asymmetric mechanism of transmission of news between the three stock indices is found to be significant for the LeBaron model and insignificant for the Feedback and Nested models. These results suggest that investors who opt for investing their money to small stocks follow the positive feedback trading strategy which imply that they buy when the prices of small stocks are high (increasing) and sell them when they are low (decreasing).

KEYWORDS

EGARCH models, nested models, Interdependencies

DELISTINGS FROM THE ATHENS STOCK EXCHANGE - A STUDY WITH AN EMPHASIS ON FINANCIAL AND ACCOUNTING DATA

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ABSTRACT

The aim of the dissertation is to examine the causes that lead the companies to exit the Stock Exchange, the reasons and the data on which it was considered the choice of exit as the most appropriate, the actions taken before, during and after the deleting process from the Stock Exchange, as well as their subsequent development outside the Stock Exchange. By doing this we would also like to highlight the differences between voluntarily and not voluntarily write-offs and to draw useful and valid conclusions from investors who are placed in diversified portfolios.

KEYWORDS

Delisting, companies, stock exchange market, financial

EVALUATING FISCAL POLICY RULES IN AN ESTIMATED DSGE MODEL

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ABSTRACT

This paper investigates the performance of fiscal policy rules using a dynamic stochastic general equilibrium model (DSGE). The specification of the model is very similar to Adolfson et al. (2007) aside from some features of the fiscal policy specification. As an illustration, the model is estimated on Slovenian data. Our comparisons focus on four alternative types of fiscal rules, namely the optimal simple rule for government consumption, the balanced budget rule, the debt brake rule and the optimal debt brake rule. The simulation experiment shows that adopting pro-cyclical balanced budget fiscal rule has a destabilizing effect on the business cycle, increasing the volatility of government consumption and output gap, and delivers the highest welfare loss. On the other hand, fiscal rules with counter-cyclical features (namely the optimal simple rule and the debt brake rule) are more successful in stabilizing the economy and reducing welfare loss.

KEYWORDS

DSGE modeling, Bayesian estimation, fiscal policy, stabilization policies

JEL CLASSIFICATION CODES

E32, E62

IS MARKETING RESEARCH STILL NECESSARY IN THE DIGITAL WORLD ?

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ABSTRACT

Traditional methodology of marketing research evolved in the first part of XX century. It was perfectly adjusted to market conditions and to market information systems. Later on, an era of computer technology meant big support for market researchers. However, there were no still reasons to change general research logic in the light of evolving data gathering opportunities. Evolving at the end of XX century and the beginning of XXI century new digital media have solved a lot problems that market research methodology used to solve before. First of all, the link between a company and its consumers started to be shorter and more direct. It started to seem that decision making can be supported by data existing within easy reach. However, the use of new decision supporting software has led to take it easy approach to consumers problems in the market.

The purpose of an article is to show to what extent new media objectively necessitate changes in marketing research logic, and what risk can be associated with total use of new digital information.

First part of an article shows the nature of traditional data gathering methodology. In the next part, directions of an influence of digital media on marketing research methodology are identified.

An article is conceptual framework supported by long run research experience of an author.

KEYWORDS

Marketing research, data gathering, communication methods, observation methods, digital media

JEL CLASSIFICATION CODES

M31

DESIGNING AN INTELLIGENT DIGITAL SIGNAGE SYSTEM FOR BUSINESS MARKETING

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ABSTRACT

Information became a vital role of human life. Today, majority of students are using technology very interactive in their social and academic life. Researches found that, 97% of students prefer to receive information via digital channels rather than from a non-digital sources. Everyday, more organisations and institutions are using digital channels to create a stimulating modern environment that makes working and learning exciting.

Digital signage, especially, helps to change the ways of educational facilities to communicate with students, faculty members and visitors. Although, most of the digital environment provide very exciting and bright feature, they don't have enough power to provide sufficient effect. This kind of platforms is very common not only for educational environment but also in business environment. Every digital platform provides information for their specific market. This information is properly presented by content management software. Content management is very important for establishing effective and productive platforms. This situation brings obligation that message and announcement which want to be forwarded to the target group (student, instructor, blue and white-collar workers, etc.) immediately. Preparing contents and publishing them manually are very expensive and needs specific efforts.

This study explores how to define popular contents using interactive screen shots. Each screen shot provides valuable data for contents. Analyzing data with intelligent software, popular contents will be chosen for student screen shot data. Then, each intelligent digital platform publish popular content gathering interactive data thorough autonomous environment. In accordance with this purpose, used that digital signage screens which has camera equipment, positioned strategically points of air stations, metro stations, educational reading room, canteen, bus stations and gyms. Face recognition software (image process) is used to evaluate interest levels of audience. System collects data (age, gender, ethnics, time) from each digital point to find out how long they spend time in front of the specific contents. An intelligent system finds out which content is important for each group using collected data (age, gender, ethnics, time), for each point. With this knowledge related content is running in specific point in determined time period. Statistical reports are published using variety of graphs for the managers to inform the digital signage platforms performances.

KEYWORDS

Digital signage, Intelligent system, Autonomous content, Business marketing

JEL CLASSIFICATION CODES

I21, I23, M31

COST – EFFECTIVENESS OF MOSQUITO AND VECTOR CONTROL PROGRAM IN THE REGIONAL DISTRICT OF XANTHI IN GREECE

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ABSTRACT

A West Nile Virus (WNV) outbreak occurred in the Regional District of Xanthi in Greece within 2012-2015 and 63 cases were reported. The Region of Eastern Macedonia and Thrace conducted a mosquito and vector control program. This study aims to estimate the cost effectiveness of this program. The cost of the mosquito and vector control program is consisted of the cost of spraying actions. The benefit for the society of this program is estimated as the elimination of the medical treatment cost, productivity losses due to illness with full recovery, neuroinvasive illness with residual long term disabilities and death from WNV and the expenses reduction for self protection measures against mosquitoes. The average annual cost of the mosquito and vector control program for the period 2012-2015 reached the 145.000 euro whilst the average cost per case (including medical treatment cost, productivity losses due to illness with full recovery, neuroinvasive illness with residual long term disabilities and death from WNV) is estimated to 30.000 euro. Hence the cost benefit analysis indicated that only 5 cases of WNV neuroinvasive disease would need to be prevented to make the cost of the mosquito and vector control program cost effective.

KEYWORDS

West Nile Virus, Cost Benefit Analysis, Cost Effectiveness of Vector Control Program

MARKETING EXPANSION STRATEGIES IN MULTINATIONAL MARKETING: THE ROLE OF E-BUSINESS

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ABSTRACT

Increasing conditions of competition, easy to reach and user friendly technological backgrounds made the markets more closer to each other, thus; international trade find a centered place to itself in companies' marketing strategies easily. In 1990s growing internet usage has been followed by the information community by the early 2000s as expectedly. This new ability that companies gained drew them a new path which will help them to consume the resources and to choose marketing strategies more successfully. That easy to reach and user friendly background has taken Small and medium-sized enterprises in to the new life too. To be integrated this new life for companies first they had to learn to deal with the new description of “time” and “value” in this sense Innovation has become an usual result to reach the goals.

If we accept the companies are expecting sustainable and profitable longlasting lives for themselves and the market conditions are changed as above detailed, we can simply understand they may welcome the help of information Technologies as e- business applications like we do in our paper.

This paper presents a framework for planning and evaluation of multinational marketing strategies as entering new markets and allocation of efforts on existing markets by the help of information Technologies as e-business application, focusing on value and efficient consuming at resources. The company we researched in our project is a Small and medium-sized enterprise, has been working on international marketing business of natural Stone products of Turkey for ten years. We have tested e-business application for gaining operational cost efficiency and using it for selecting and running expand marketing strategies by the help of innovative efforts through the final goal of incremental value and competitive advantage.

KEYWORDS

Marketing Strategies, Small and medium-sized enterprises, time and value, e- business applications

BUSINESS ETHICS AND CORPORATE SOCIAL RESPONSIBILITY IN PUBLIC RELATIONS: INSTITUTIONAL REPRESENTATIVE IN TURKEY

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ABSTRACT

Public institutions has a structure more cumbersome compared to the private sector. structural changes in state institutions is very important, that the bureaucracy was often busy and cannot be managed effectively With the beginning of the 2000s, public reforms were initiated in our country. This study aims to resolve many problems in public institutions. In particular, it began to carefully take into account issues such as strategic management and performance management. Our country has come up with a new understanding of public administration as a result of the study. Justice, fairness and equality have been raised; the concept of business ethics and social responsibility in public. In this study has attempted to reveal, the effects of the judicial reform strategy in our country. For this purpose, an investigation was conducted, in which Justice Kirikkale Justice organization unit. The study analyzed the perceptions of business ethics and social responsibility for personnel serving in various units. The aim is to put forward is to demonstrate the importance of these two concepts in the service. This study analyzed the relationship with factors such as gender, interviews and surveys conducted on 111 workers in the application. The results of the research part of the study; revealed that the creation of organizational ethics and image of business that have a significant impact in social responsibility.

KEYWORDS

Business Ethics, Organizational Responsibility, Social Responsibility

JEL CLASSIFICATION CODES

M120, M140

SOCIAL MARKETING IN PUBLIC SECTOR - THE CASE OF MUNICIPALITY IN CROATIA

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ABSTRACT

Social marketing involves activities undertaken by individuals and organizations in order to achieve specific goals, and can be used in non-profit and public organizations. Social marketing is the use of adapted standard marketing principles in order to change attitudes and behaviours of individuals and groups, to help minimize social problems and enhance the general welfare of society. The main objective of social marketing is to encourage positive social behaviour. The holders of social marketing can be institutions of public sector. Achieving better performance in public sector (in this case performance of municipalities in Croatia) on one hand, and societal benefits on the other will be easier if the integrated approach of social marketing is used, applying marketing principles and techniques

to influence the target audience. Taking into account a detailed theoretical analysis of specifics of social marketing, the main goal of this research is to determine to what extent municipality of Pakoštane apply the concept of social marketing in their work and to their key stakeholders, and how much is the local population, as the most important stakeholder, satisfied with the functioning of their local municipality. Final goal is to make recommendations and practical guidelines for improving the application of social marketing for municipalities, and to highlight the existence of a clear link between the needs of citizens and improving public performances. The paper set out three hypotheses, and research results showed that municipality of Pakoštane isn't familiar with the concept of social marketing, and does not apply the concept of social marketing in their work. It is recommended to apply a given concept in dealing with psycho-social problems of the local population (addiction, delinquency and vandalism), by changing the behaviour of individuals. The cooperation of the Municipality with other stakeholders, such as schools, religious communities and the police, would be helpful in solving this problem. The second hypothesis confirms that the municipality of Pakoštane doesn't successfully balance the relationships with their key stakeholders. Although the Municipality recognizes the relevant stakeholders, and each stakeholder is formed according to the special relations strategy, the research shows that municipality isn't successful in their actions. In this case, the recognized problem is the lack of interest and lack of information of the local population which is necessarily to change because only informed citizens can participate in the decision making process. The research also found that local people express high degree of dissatisfaction with the functioning of municipality, especially in the following areas: sewage system; social care; support of education; maintenance of roads; parking spaces; cultural events; urban planning; consumer protection; environmental protection. Also, the survey showed statistically significant differences in satisfaction of the respondents between their places of residence, so it is recommended to more evenly invest funds in certain places. The importance of theoretical and practical side of paper is also reflected in the possibilities of implementing the concept of social marketing to the other municipalities in Croatia, with the aim of improving public performance and better meeting the needs of citizens.

KEYWORDS

Social, marketing, public sector, Stakeholder, management, Municipality, Pakostane

JEL CLASSIFICATION CODES

M380, R190

VIRTUAL ORGANIZATION OF WORK SPACE - A SYSTEM GRASP

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ABSTRACT

Directions of Information and Communication Technology (ICT) development substantially determine functioning of every organization in numerous aspects of its activity. One of the meaningful changes is organizing work in virtual space, which has an influence on optimum management of remote employees or an organization of virtual dispersed teams. Surely, remote forms of organization determine the attitude of the organization in the scope of remote team management and at the same time are of key importance to the development of information society and knowledge based economy.

Virtual Organization of Work Space (VOWS) is an area of remote work organization, which should be analyzed in many aspects. Firstly, this space is identified with the virtual environment and is defined as multidimensional, full of multidisciplinary information, forming new forms and social relationships. Secondly, VOWS may be analyzed in the crossorganizational and intraorganizational grasp. The crossorganizational grasp refers to widely understood cooperation, the aim of which is to take advantage of market opportunities (work within virtual organizations). In this dimension one can distinguish cooperation between the organization and, among others, business partners, clients, suppliers as well as the influence of ICT development on creating virtual relationships between these entities (cooperation). Virtual Organization of Work Space on the intraorganizational side concerns in turn the analysis of few key issues relating to new, virtual forms of work organization, connected with geographical dispersion of organization's members, the consequence of which is functioning of virtual teams, common virtual implementation of projects and teleworking.

In the present paper the author proposes a system grasp of VOWS, which allows to analyze virtual work space in a multifaceted way. The system approach to the VOWS makes it obligatory to treat it as a compact structure which possesses various elements on the input and output. Such a grasp allows us to understand better the nature of the elements constituting the whole of it, notice the interdependencies between them, indicate the relationships and capture the feedback that occurs. These elements cooperate one with another and influence one another, by this becoming more efficient than if they operated separately (the synergy effect). The methodology of virtual work organization requires consolidation of technology and humanities and it is important for the existence and further development of the digital world. Technological factors are connected with building IT infrastructure and common virtual information space. Humanities factors in turn concentrate on the role and meaning of a human being in the cooperating activities of virtual organizational structures. The basis for the analysis are the results of own research conducted among remote employees.

KEYWORDS

Information and Communication Technology (ICT), Virtual Organization of Work Space, virtual work, telework

JEL CLASSIFICATION CODES

L10, O3

WEB BASED IT FIRM EVALUATION: WHICH ONE IS THE RIGHT SOLUTION?

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ABSTRACT

Information and communication technologies (ICTs) are a general purpose technology. In other words, they constitute a fundamental infrastructure supporting economic and social activities, similar to the continuing role played by various transportation and energy networks. From a public policy perspective, broad band communication networks, and the services provided over them, not only support existing economic and social activities, but also hold potential for tremendous innovation in these areas and others created in the future. Today, there are enough technology solutions to make any small business owner's head spin. Additionally, the many vendors competing form the business and the varying services and pricing plans they offer and selecting one solution becomes harder than ever. Furthermore, you will likely have to stick to the decision you make for a very long time, while making any changes will have a significant impact on your business and bottom line. As a business owner, choosing any new technology means you stand at a crossroads. The direction you choose, however, must put your employees' and customers' needs foremost. At this point, four subjects are important: a rich user experience, evolving capabilities, accessibility and security.

A rich user experience: Business owners should have the option to do what they want, where they want, when they want and how they want, without any interruptions in the processes.

Evolving capabilities: it's important to have technology that can evolve as quickly as your business. With cloud-based platforms, the vendor manages regular system updates, ensuring that the platform is running smoothly. That way, the business owner can stay focused on business goals, rather than the system.

Accessibility: access information from anywhere at any time. Not only does this make it easier for business owners to do what they want, when they want, but it also allows them to grant secure access to employees and partners on their own devices.

Security: When it comes to a company's financial data, employees' personally identifiable information or other proprietary information, security is a top priority for business owners.

In Turkey, there is a big market area about IT solution offered firms. However, choosing the right one is not always possible. At this point, in this paper, a web based IT firm evaluation is offered for small-businesses. The evaluation is based on four criteria above.

KEYWORDS

Information and communication technologies, IT firm, web-based evaluation

JEL CLASSIFICATION CODES

L86

ERPS IMPORTANCE IN THE INFORMATISATION OF WORKFLOWS IN COMPANIES

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ABSTRACT

In net-economy era business management has a crucial role for companies. Information and communications technology is used in all companies in the process of taking over of real time information underlying the substantiation and decision-making. The sheer volume of data with are facing companies and the need to improve working methods led to the implementation of some computing technology that increase the speed of data processing, storage space and listing methods. That made us ask ourselves how important is the choice efficient and cost effective software for a company in today's economy given that it is a struggle both for resources and survival on the market? In this paper we aimed to research the importance and role of enterprise resource planning systems (ERP) in the informatisation process of workflows, because the integrated systems of ERP type are designed to be the core of a company, being able to integrate all departments into a single management system. For this we first presented the workflow necessary resources, basic concepts related to workflow advantages and disadvantages. Then we did a study on ERP integrated systems, pointing out the features of two performant ERPs (Microsoft Dynamics NAV and SAP Business Suite) with highlighting their effects and role in the company, the reasons for why companies choose to implement them, and the issues that must to be considered for as this choice to be a profitable one for the company. Microsoft Dynamics Nav is popular because of its simplicity and ability to adapt perfectly to any company structure. Financial analyzes obtained are clear and updated in real time, providing high quality financial reports. SAP (System Applications and Products) is a complex system that radically changes the way companies do business, putting them available some tools for marketing analysis, financial statements, management of receivables and resources, and the tools of reporting and analytical enabling real-time business management. There is no easy choice for companies in finding the appropriate software to meets the requirements

of all departments, the final decision is taken depending on the costs involved and how the system modules to suit the situation of the company but necessarily must have a user-friendly interface. After the assessment, it is evident that investment in an ERP will lead to more efficient and growth of company by meeting company needs and forecasting the market and the budgets, will increase company activity performance by optimization of all processes and providing to managers of relevant information in real time. Technologies in real time, combined with the potential of mobile applications to access data and information in real time reduces the number of business processes and generates new means in order to change radically markets, enabling managers to run their business on the basis of moment requirements. The paper concludes with a set of conclusions on the decision to implement an ERP with a view the computerization workflows in a company, depending on the size of companies and the benefits they can bring, and coming ahead the companies under growing.

KEYWORDS

Workflow, net-economy, informatisation, performance, real time

JEL CLASSIFICATION CODES

D8, M1, O3

**STUDYING THE ICT MANAGEMENT OF AGRI-FOOD SECTOR ON
SUPPLY CHAIN LEVEL – THE FIRST STAGE: ANALYSIS OF
AGRICULTURAL ICT USAGE**

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ABSTRACT

The agriculture and the processing of agricultural products have an important role in the Hungarian economy. The agri-food processing industry means higher added value and thus it contributes to the GDP in higher proportion than the simple production of primer agricultural products. The sector has a key importance even in compared to the other EU-members' food industry, so keeping and developing the competitive advantage is crucial. The agri-food industry is a complex system involving multiple actors in both horizontal and vertical dimension and its effective operation depends on the fast flow of information as well. The supply chains are highly complex, they are built on many partnerships and cooperation forms and if the chain somewhere breaks it generates an “informational gap” which puts all the stakeholders in the chain at a competitive disadvantage. Therefore the appropriate level of using ICT is inevitable for all agri-food businesses in their supply chain from production to processing. The overall objective of our research is to explore the characteristics of using ICT tools in the partnerships and internal processes of enterprises throughout the whole agri-food supply chain. In our article we review the role of the agricultural production and the related food industrial enterprises in the national economy and in order to achieve this objective in the first stage we have analysed the general ICT development of the first stakeholders of the chain, namely the producers of agricultural raw materials.

KEYWORDS

supply chain, agri-food, agriculture, ICT, preliminary study

JEL CLASSIFICATION CODES

I25

**EFFECTS OF AN INFORMATION CAMPAIGN IN A RURAL AREA IN THE
FORMER YUGOSLAV REPUBLIC OF MACEDONIA**

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ABSTRACT

This paper investigates the effects of an information campaign about a governmental rural development program (RDP) in the Former Yugoslav Republic of Macedonia (FYROM) on the farmers' intention to participate in an RDP. In a survey among 600 farmers, about half were assigned to the treatment group and received a short information brochure with relevant details on selected RDP measures, while the other half comprised the control

group. Even though the intervention had been planned as experiment, randomization was not properly conducted, necessitating in sample adjustments and controlling for observed covariates in the estimation process. The results suggest that while the intervention succeeded in informing farmers, it had a negative, albeit only marginally statically significant effect on farmers’ reported intention to use RDP support in the near future. Based on evidence from further outcome variables, we argue that this is because the brochure highlighted the administrative cost associated with RDP participation. We also find that the negative effect is driven by the subsample of unprofitable farmers.

KEYWORDS

Information provision, rural development, FYROM, field experiment, treatment effects

JEL CLASSIFICATION CODES

Q18, D83

ANALYZING SOCIO-ECONOMIC CONVERGENCE IN EUROPE ONE DECADE AFTER THE EU EXPANSION OF 2004

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ABSTRACT

Ten years after the EU’s monumental expansion of ten new countries in 2004, we examine socio-economic data to determine the extent to which convergence has occurred in Europe, paying special attention to the Central and Eastern European accession states. Concurrently, we use data since 2001 to look for evidence of divergence amongst in Europe, including non-members and those that joined in 2004, 2007, and 2013. We invoke Terry Jordan’s definition of “European-ness” as our framework, employing economic, cultural, and political variables. Our methodology includes a Kohonen self-organizing mapping approach to track statistical clustering and movement in Europe since 2001. With Kohonen maps, we assess the extent to which convergence has been achieved thus far, with a focus upon new EU members. Using socio-economic data, we identify several “clusters” that remain stable over time, including Scandinavia, Benelux/UK, and statistically isolated states of the Caucasus. The countries that are most mobile across statistical space during the time period in question include the crisis-battered countries in the Mediterranean, plus Turkey, Kosovo, and Moldova. While most mobility follows a single trajectory, three countries in particular change direction during our investigated periods: Greece, Albania, and F.Y.R.O.M.. The eleven new EU countries that had been part of the Communist bloc generally show evidence of convergence, but to various extents and at different paces. In the context of Europe’s ongoing recession, we conclude by speculating upon the survival of the EU, as well as prospects for further expansion.

KEYWORDS

EU expansion, Europe, convergence, integration

CONVERGENCE AND DIVERGENCE IN EU AND IN BALKAN REGION

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ABSTRACT

Despite of the last global crisis and the actual turbulent situation related to the refugee problem, the convergence continues to be one of the main goals on long run in European Union. Convergence should be achieved among countries or group of countries inside EU, but also among regions inside each country. Based on the Kuznets curve, the convergence process could be presented graphically as an inverted U curve (showing that as much as economic development is advancing the inequality is increasing in an initial stage till a maximum level after that it is going down towards a final stage). Empirical evidences after 2000 show a strong convergence between groups of countries in EU, as it is between EU11 (former eastern communist countries) and EU15 (old members of EU). In the same period, it was a clear trend of convergence among countries inside of EU11, but a trend of divergence inside of EU15. Going to regional level, using NUTS2 dataset and the correlation between the changes of position in EU of a country (as income per capita) and the domestic convergence among its regions, we classified the countries in EU in four major typologies. Thus, some conclusions could be extracted for policy makers in order to optimise the relation between the national economic growth of a country (the convergence of a country inside EU) and the regional economic growth (the convergence among regions inside a country). For instance, during the period 2000-2014, all EU11 countries did improved significantly their position in EU (as GDP per capita), but only by scarifying the domestic regional convergence. Moreover, taking into account the new Balkan candidate countries and using the same methodology, we analysed the convergence among three groups of countries in the extended EU: EU14 (old members less Greece), EU7 (former eastern communist countries less Bulgaria, Croatia, Romania, and Slovenia), and EU10 (countries from Balkan region – Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Greece, F.Y.R.O.M., Montenegro, Romania, Serbia, and Slovenia). As a general conclusion, our study

suggests a complex dynamics of a real economic system (like EU comprising a large number of regions). Thus, inside of the two zones (separated by the average level of GDP per capita) the behaviour seems to be completely different: on the left side should prevail an accelerate convergence to the average level of the system, but on the right side should prevail a general slow divergence interrupted by some periods of convergence; the distribution could be far from a normal distribution for which the behaviour is linear; around the average level the behaviour may change dramatically, thus it could be a sub-zone of instability, a higher stability being characteristic only far from the average level on the right side etc.

KEYWORDS

European Union, Convergence, GDP, Economic Growth, Regional Convergence, Behavioral regimes

THE EFFECTS OF ALTERNATIVE CURRENCIES TO NATIONAL ECONOMIES: THE EUROPEAN EXPERIENCE

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ABSTRACT

The international economic crisis has affected European countries in many ways. Certain countries like Spain and Ireland are facing negative effects to their national economies because of their banking systems and real estate bubbles. On the other hand, Greece, Italy and Portugal are facing the consequences of fiscal imbalances and high debt. Greece in the recent past has confronted the possibility of Grexit from Eurozone. Under these circumstances the European economies are looking for policies in order to overcome the negative effects of prolonged recession or stagnation to their national economies. The aim of this article is to study the development of alternative currencies (LETS: Local Exchange Trading Systems) at European Union in two phases. Initially, we study the development of LETS after the adoption of euro as the official currency of Eurozone and the replacement of national currencies at 2002. The second phase is from the manifestation of the world economic crisis, 2007 until 2016. The study of LETS is going to reveal if they constitute an alternative option in order to strengthen national economies in the context of Euro area.

KEYWORDS

Local Exchange Trading Systems, Eurozone, Economy

JEL CLASSIFICATION CODES

E42, F45, O23

GOVERNANCE INNOVATION AND ENTREPRENEURSHIP IN GREEK LOCAL GOVERNMENT: TOWARDS THE LIMITS OF EUROPEANIZATION?

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ABSTRACT

Despite their long standing formal introduction, primary through the implementation European Union regional policy programs, governance mechanisms in Greek local government characterized from fragmentation, ineffectiveness and the lack of innovation. Limited governance performances which restrict entrepreneurship and creates obstacles to local development.

A governance deficit created from the limitations of social capital in Greece, which characterized from the lack of trust and collaboration and the limited impact of Europeanization regarding local institutional actors and enforced policies reform. Limited Europeanization, which failed to support the creation of viable networks between public sector, private enterprises and civil society organizations for the boost of local economic development. Furthermore and apart from these Europeanization deficits, various central government initiatives during the last decade for the promotion of new governance models in local government, have also failed mainly due to policies' centralization and their inability to create effective partnerships among local institutions and stakeholders.

The last of these national initiatives for the promotion of local development and entrepreneurship, through alternative governance arrangements, was European's Union JESSICA program . A program for the promotion of partnership and collaboration among local stakeholders, which implementation characterized from limited impact with the exception of only one region, the region of Crete.

Based on empirical data sources, research analyzes the performance and prospects of alternative governance arrangements in Greek local government, focusing on the experience of JESSICA program and by assessing the case of the Region of Crete. A comparative evaluation, including both economic and social impact criteria, of alternative governance performance in Greece and in order to assessed its prospects as a new model for the promotion of entrepreneurship and local development.

Empirical research is based on the results of a two year (2014 – 2015) empirical assessment of 6 regions and 18 municipalities which have experienced with the introduction of alternative governance mechanisms, through the

implementation of JESSICA program. Qualitative research includes the conduct of 61 interviews and the completion of 192 semi - structured questionnaires from local government officials and policy’s stakeholders.

KEYWORDS

Europeanization, local governance, entrepreneurship, collaboration, social capital

ECONOMIC CRISIS AND FEMALE ENTREPRENEURSHIP: EVIDENCE FROM COUNTRIES IN EASTERN EUROPE AND CENTRAL ASIA

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ABSTRACT

In this paper, we examine if women respond to the recent global crisis by starting business as a household coping strategy –necessity entrepreneurship. In particular, using the individual level data from the second round of Life in Transition Survey (2010), we evaluate the impact of the economic crisis on female entrepreneurship across 30 transition countries of Eastern Europe and Central Asia (EECA). We account for the participation rate as well as perception of women towards entrepreneurship. We consider existing female entrepreneurs, prospective female entrepreneurs and nascent female entrepreneurs separately. This allows us to examine the impact of the crisis at different stages of entrepreneurship. Our baseline identification strategy builds on the direct effect of crisis at the individual level. We use a dummy variable, which takes the value of one if respondents were reported to be affected by crisis. In addition, we use a set of victimization indicators as dummy variables identifying various aspects of crisis affecting their livelihood status negatively. It includes direct effects of crisis such as losing jobs, experiencing wage cuts, receiving lower volume of remittances and working for fewer hours, among others. We use standard OLS fixed effect model as our baseline empirical strategy. Empirical findings indicate that the entrepreneurial propensity of women is higher among households that are the hardest hit by crisis. While the outcomes are significant statistically, it fails to yield robust outcomes across the victimization indicators. We perform a variety of robustness checks. To address the existence of selection bias, we employ propensity score matching. We also perform empirical analysis across various subsamples comprising of individuals from countries that experienced crisis at a high level, at a low level; also countries that has high entrepreneurship and low entrepreneurship rate. Additionally, we test for the same relationship between female headed and male headed households. Overall, this study provides empirical evidence supporting that the recent global crisis perhaps worked as contextual factor and contributed to the growth of female entrepreneurs during and after the crisis in Eastern Europe and Central Asia.

KEYWORDS

Female Entrepreneurship, Necessity Entrepreneurship, Economic Crisis, Eastern Europe and Central Asia

JEL CLASSIFICATION CODES

L26, D13, J16

TROIKA’S ECONOMIC ADJUSTMENT PROGRAMMES FOR GREECE: WHY THEY FAIL SYSTEMATICALLY?

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ABSTRACT

The current Greek crisis – together with those of the other euro-peripheral economies - is at the epicenter of European Union’s (EU) structural problems. In order to solve these problems the EU (in agreement with successive Greek governments) has applied to Greece two Economic Adjustment Programmes and their subsequent highly unpopular Memoranda of Understandings (MoU) that delineate the recipient’s obligations. Also, a third one is in the making because the previous two, contrary to what was envisaged, not only failed to solve the crisis but also failed dismally to catch their own milestones. This paper analyses the theoretical background of these programmes which lies in the neo-conservative notions of pro-cyclicality and growth-creating austerity. The next part defines their basic structure which is a very problematic modification of the typical 1990s IMF’s Structural Adjustment Programmes as it lacks the lever of currency devaluation and had a belated, half-baked and ineffective debt restructuring. The third part shows how the Economic Adjustment Programmes for Greece failed utterly to achieve their own goals. The subsequent part explains from a political economy perspective the reasons of these systematic failures. The main argument is that the neoconservative restructuring strategy of these programmes, while being obligatory for the dominant interests of the EU, violates fundamental economic and social equilibria of the Greek society. This makes it an overambitious and concomitantly extremely precarious strategy.

KEYWORDS

Greek crisis, Eurozone crisis, IMF adjustment programmes

A TROUBLESOME RELATION: ERDOGAN’S TURKEY AND THE WEST

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ABSTRACT

For decades, Turkey was thought to be the most loyal and important Muslim ally of the West in the Middle East. The perception was the same both during the Cold War as well as in the first post-Cold War years. Turkey became a member of NATO ever since 1952 and an associated member of the then European Economic Community in 1963. Turkey's case was thought to be somehow unique as it was the only Muslim country which appeared to have encompassed the Western values of liberal democracy – even though deviations from this path were not infrequent as a result of the repeated interventions of the army in the political life. Turkey was often seen by the West as a Muslim country that could set a Western-type democratic example for Arab nations in the Middle East.

However, ever since Recep Tayyip Erdoğan rose in power in Turkey, there has been a gradual shift in Turkish foreign policy. Erdoğan and his party associates were in favor of the adoption of a more flexible and active foreign policy – the views and theories of Ahmet Davutoğlu played a major role. In this context, Turkey was perceived as a major power not only in the Middle East but in a Eurasian if not a global level. Turkey's geopolitical role should increase. Having an Islamic political background, Erdoğan wanted to see Turkey becoming a leader in the Islamic world. The success of his government economic policy facilitated Erdoğan's ambitious foreign policy plans.

Many Westerners initially thought that the seemingly liberal economy policy of Erdoğan would further consolidate Turkey's position in the Western world. This policy led to the creation of a Western-oriented elite with which the West felt comfortable to talk with and to deal with. However, in reality, under the surface of democratic legality and economic growth, Erdoğan deliberately undermined liberal democracy and worked for the creation of manipulated autocracy. As far as Turkish foreign policy was concerned, these developments, as well the turbulence caused by the Arab Spring, resulted in Ankara moving away from the West in geopolitical terms.

KEYWORDS

Turkey, West, Recep Tayyip Erdoğan, Economic policy, International relations

JEL CLASSIFICATION CODES

F50, F51, F52

**INFLUENCE OF THE MODERN TRENDS OF ECONOMIC
DEVELOPMENT ON THE RESEARCH OF THE SOCIO-ECONOMIC
SYSTEMS**

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ABSTRACT

The information-technological revolution is one of the most important factors having an impact on the current economic development, economic performance. Development of information economy is accompanied by changes in the sectoral structure of the world economy and individual national economies, formation of virtual forms of economic activity, new forms of social, individual and group consumption, network social relations and more. Increase in transnationalization creates the problems dealing with institutional ordering of the economic agents; the main economic activities and their components (capital, labor, information, management, technology, markets) are organized on a global basis with the use of an extensive network. These trends are representative both for the world economy and for European one. Analysis of these economic processes and phenomena is represented in the paper, it determine requirement of a new understanding of the socio-economic reality. Proceeding from understanding of modern economic development megatrends (globalization, informatization, virtualization, socialization, etc.) is proposed to construe concept 'the socio-economic systems' (SES) as a very complex anthropocentric systems of universal type that are forming network. Given the prospects of using "new systemacity" for the study of modern economic phenomena, as appropriate theoretical framework for further research is proposed to take paradigm developed by J.Kornai. This paradigm, on the one hand, is an alternative paradigm of neoclassical economics with the levels of the hierarchy, and with other - integrates neoclassical, institutional and evolutionary approaches. The proposed approach for consideration of SES makes possible to directly apply system modelling methodology for researches. System modelling provides universal tools for the study of any system and does not cause restrictions on the applicability of the models only for a certain level of hierarchy, as is quite often observed in economic modelling when trying to transfer modelling approaches from micro to macro level. Application of system modelling methods for SES opens up the possibility of mutual use of the methods of natural sciences and humanities, thus developing synergetic approach to the analysis of SES.

Embedded in the structure of the information society, system modelling of SES should first focus on the most widely use of information resources and modern intelligent information technology support.

KEYWORDS

Socio-Economic System, Network Economics, System Modelling, Model, Information

APPLICATION OF RENEWABLE ENERGY SOURCES IN HUNGARY IN THE SOUTH-TRANS-DANUBIAN REGION

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ABSTRACT

The European Union accepted its Europe 2020 Strategy. The Strategy fixed the fulfillment of the 20/20/20 goals (reduce of the greenhouse effect gases by 20%, increase energy efficiency by 20% and increase the renewable energy usage by 20%) in the field of energy policy. In addition to these goals the Council expressed its long-term, and grandiose intention to reduce the carbon dioxide emission by 80-95% in the European Union and other developed and industrialized countries by 2050.

The fulfill the EU exceeded goal, determined by Hungary, we have to establish hundreds of new, renewable energy source using power plant, or convert our fossil-based plants into renewable energy-based stations. The South-Transdanubian region is on the top in context of both options. The town of Bóly has played a significant role the Hungarian use of geothermic energy for public purpose district heating. The project which was started in 2003 brought only partial success, but the town continued the development. The second part finished in 2010, which makes it possible to not only fulfill the town's communal needs but can also heat the town's industrial park. The region's high geothermic gradient grants opportunity to other towns in the region, which they can use for energetic purposes. Other towns such as Bonyhád, Szentlőrinc and Szigetvár followed Bóly's positive example. Besides to utilization the geothermic energy solar power plants have shown up continuously in the last one decade, not only with domestic, but small plant nature. In 2013 the town of Selye inaugurated the 0,5 MW capacity solar power park, which is capable to serve 250 family's electricity need in a year. This plant was the biggest in the country the day it was inaugurated. Szigetvár built two solar power park between 2013-2015 with 0,5 MW capacity one by one, which is capable to serve nearly 500 family's yearly electricity needs. The country's biggest capacity (10 MW) solar plant was finished in the spring of 2016 in Pécs, the center of the region. This plant probably will reduce the countries carbon-dioxide emission by 15.000 ton annually.

The application of the renewable energy sources are supported by tender sources by the European Union and the Hungarian Government. The Operational Program's 'Environment and Energy' 4th priority axis (increasing the use of renewable energy sources) has supported the application of the renewable energy sources in the 2007-2013 EU tendering period. In the framework of the 4th priority 1624 tender got support in total of HUF 88 billion. The Operational Program supported tenders to establish and extend solar cells, solar collectors, geothermic power plants, heat pumps, bio heating plants, and hydroelectric power plants. In the South-Transdanubian Region 262 renewable energy source user project got tender money between 2007-2015. More than 80% of these projects were about solar cells and solar collectors. Thanks to this support the Power Plant of Pécs converted from coal, than natural gas to biomass. This power plant has nearly 85 MW electricity capacity and serves 150.000 citizen in the town of Pécs.

KEYWORDS

Europe2020 strategy, renewable energy sources, South Transdanubian Region, biomass, geothermal energy, solar power plant

JEL CLASSIFICATION CODES

O13, P18, Q42

THE PROFITABILITY ANALYSIS OF THE GREATEST HUNGARIAN ENERGY COMPANIES BETWEEN 2008-2013

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ABSTRACT

I examined the profit generating ability of the greatest Hungarian energy companies with a self-made database. The analysis covers the period 2008-2013. I analyzed the profitability with mono- and multi-causal indicator systems and financial methods. The cover to say the following issues:

1. How has the net sales revenue?
2. How did the three levels of profitability and break-even sales revenues?
3. What are result is seen the complex profitability mix of calculation?

My goal: is to draw attention to the sector profitability complex analysis and latent corporate crisis most frequent indication of weakness.

KEYWORDS

Sales, Profitability, Productivity, Financial realization

JEL CLASSIFICATION CODES

G3

MAKING STREET LIGHTING ESCO PROJECTS WORK IN PRACTICE

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ABSTRACT

Enhancing energy efficiency in one of the core EU goals determined by the 2012 Energy Efficiency Directive and thus mandatory for all EU member states. The ways of implementing the Directive's energy consumption targets are set in national plans for energy efficiency.

Street lighting projects have been promoted as fundamental projects for energy efficiency improvements in many European countries. Quality street lighting is a public obligation towards its citizens due to personal and road safety as well as for good visibility and urban feeling of the populated areas. These projects are also considered shorter and cheaper than other energy efficiency projects and thus are considered as easier to implement for public authorities. Depending on national regulation of the member countries, street lighting projects have been contracted under public procurement procedure as energy performance contracts. The most important feature of energy performance contracts is that the investments in energy efficiency renovation are repaid from the savings in energy consumption over the contracted period. This simple rule is nevertheless very complicated to implement in practice due to numerous reasons such as: economic and ultimate ownership of the street lighting infrastructure, insufficient public administration capacity for energy efficiency project implementation, insufficient funds, problems with energy efficiency improvements verification and measurement, complicated regulation on public procurement and/or energy service contracting, fiscal rules, etc.

ESCO financing schemes have been promoted as innovative mechanisms for financing energy efficiency projects throughout the EU. Their popularity originates from the public sector indebtedness and inability to finance improvements in energy efficiency via traditional, budgetary project financing mechanism. ESCOs have been encouraged in the Western Balkan region by international financial institutions and the governments. However, they are still not contracted smoothly in practice. This paper aims to investigate why.

This paper analyses regulatory determinants of contracting energy performance contracts in Croatia with respect to street lighting renovation. It briefly compares them with the best practice in the EU and questions positive and negative features of the regulation on street lighting renovation. The analysis is done within the context of other rules that are to some extent related to energy performance contracting such as public procurement act, public-private partnership act, or public debt reporting for statistical purposes. Based on the practical experience on implementing several projects for street lighting renovation, it highlights the possible changes in energy efficiency regulation to make the ESCO projects work better in the future. The paper also questions whether fiscal rules for public debt classification prefer small-scale projects in street lighting and whether they prevent energy efficiency renovation from being implemented on quality way and more frequently.

KEYWORDS

street lighting, energy performance contracting, public private partnerships, ESCO, public debt

JEL CLASSIFICATION CODES

O18, O22, Q48

THE INFLUENCE OF R&D ON PRODUCTIVITY OF OECD ELECTRICAL AND OPTICAL EQUIPMENT SECTOR

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ABSTRACT

This paper analyses the relationship between R&D and productivity within electrical and optical equipment sector of selected OECD and EU countries. Based on the implementation of the perpetual inventory method (PIM) and panel data analysis, new empirical estimates of chosen variables have been made. The empirical analysis is based on the sectoral data of selected OECD and EU countries within observed period. The results are intended to provide insights into the contribution of technology to productivity growth. Author's hypothesis include two key dimensions (R&D stock and physical capital stock) which play essential role for the whole of OECD electrical and optical equipment sector.

KEYWORDS

R&D, PIM method, Productivity, Electrical and optical equipment sector, Panel data

JEL CLASSIFICATION CODES

L63, O3, D24

IMPACT OF RISK CAPITAL ON STIMULATING INNOVATION

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ABSTRACT

This paper analyzes the impact of risk capital on innovative potential of businesses. It discusses types of risk capital including angel investments and venture capital. It presents the current risk capital landscape in Azerbaijan and develops recommendations on improving the financial infrastructure for startups in the country. Given that diversification of the national economy is a priority for Azerbaijan which is heavily dependent on natural resources, the government of Azerbaijan is striving to develop innovation based start-ups. Despite the high entrepreneurial spirit among founders of startups in Azerbaijan and the emerging ecosystem which is reflected by the small number of techno-parks as well as venture capital firms established recently, there is a need to improve the financial infrastructure with a specific focus on the availability and accessibility of risk capital.

KEYWORDS

risk capital, innovation, startups, venture capitals, angel investors

MANUFACTURING EXECUTION SYSTEMS AND A SECTORAL APPLICATION

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ABSTRACT

Information systems have widespread usage on Manufacturing Systems. Most companies need monitoring production processes with information systems to become prominent in highly competitive environment. There are some specific metrics need to be followed and it is important to access these data on time and they must also be reliable. These metrics include all manufacturing and quality processes. In this context; monitoring efficiency, malfunction and interruptions, product and suppliers' functions ability informations is needed. In this study MES (Manufacturing Execution Systems) is the system developed for monitoring production processes.

MES is working from receipt of order to delivery of the product that are the essentials for the production activities to achieve real time status of all manufacturing data. In this way, all information which was not manually recorded or the process taking long time to record can be monitored instantaneously and can be reached and analyzed in the future. The system also provides accurate data for us.

In this study, an automotive subindustry firm's integrated software will be examined and a MES application which is suitable for the expectations of the firm will be developed. All the phases from design to implementation will also be shown. Relevant system's integrated software will be implemented to Module Line. This study will allow monitoring related product's all processes, decision making and traceability data with serial numbers.

KEYWORDS

Manufacturing Execution Systems (MES), Information Systems, Production Processes

WHEN BLOCKHOLDING IS GROWTH ENHANCED?

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ABSTRACT

Blockholding, or concentrated ownership in the hand of one single owner or a few large owners, has been in the focus of the corporate governance research. Despite theoretical recommendations for diversification, many investors choose to hold significant blocks of equity in the same firm. Empirical literature shows that this is not only the case of the »old« Europe, but is also a prevailing trend in »new« European countries. When blockholding is growth enhanced? In the paper we study coalitions between shareholders and find out that a »weak« coalition (a coalition in which the existing coalition is replaced, if it extracts too much rents) reduces private benefits through competition for control. We use a large dataset of almost 4500 Slovenian firms with at least 50 employees or owned at least EUR 2 million in total assets in the period 2006-2014. Our study is theoretically and empirically a novelty and presents also practical advices to policy makers and firms in the present environments.

KEYWORDS

Corporate ownership, blockholdings, coalition, private benefits

JEL CLASSIFICATION CODES

G32, G34

BLOCKHOLDING AND ITS EFFECT ON CORPORATE DEBT

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ABSTRACT

The effects of blockholding and ownership concentration on corporate debt are theoretically complex, as well as empirically ambiguous. Literature has not yet reached a consensus on the effect ownership concentration has on corporate debt. The majority believes that ownership concentration is negatively correlated with corporate debt, although many studies have made a strong argument against this motion. The prevailing trend in »traditional« European countries, as well as »transitional« European countries, suggest that the equity share of the biggest owners is concentrating. In the paper we study the effects different coalitions of owners have on corporate debt. To study these relations we use the case study of Slovenia. We work on a dataset of almost 4,500 Slovenian firms with at least 50 employees or their balance sum exceeding 2 billion € in the period from 2006 to 2014. The insights of the study do not provide only theoretical novelties, but presents also practical advices for decision making.

KEYWORDS

Indebtedness, investments, core business activities

JEL CLASSIFICATION CODES

G32, G31, G01

CORPORATE GOVERNANCE IN A POST-TRANSITION PERIOD: A CASE OF SLOVENIA

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ABSTRACT

Among those transition economies that entered the new larger Europe in 2004, the Slovenian economy was the most developed. Slovenia has become a ‘benchmark’ for other post-communist economies in the region due to its successful transition process. However, the last world economic crisis revealed the serious weaknesses of Slovenian post-transition model. Slovenian economy suffered more than other comparable post-transition economies due to inefficient corporate governance model. Paper offers some insights into the characteristics of the corporate governance system in Slovenia in the post-communist period. It has changed a successful Slovenian story into the economic failure. Our paper is focused on the relationship between governance and management. Companies with external private owners outperform companies with internal or (para) state owners. We argue that effective corporate governance is essential to firm performance.

KEYWORDS

Corporate governance, transition, Slovenia

JEL CLASSIFICATION CODES

G34, M10, M14

WORKERS IN A POULTRY COOPERATIVE: A STUDY ON THEIR JOB SATISFACTION

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ABSTRACT

Poultry sector in Balkan countries presents a significant dynamic in both terms of consumption and production. Even if small-scale poultry production in farmers’ backyards is very common in all Balkan countries, modern and industrialized poultry farming facilities have been developed to confront the increasing demand for poultry products. On the other hand, there are many studies that associate business performance to job satisfaction for employees and workers. Thus, it is worth examining job satisfaction and the factors that determine the derived satisfaction as a first step to study poultry sector and its contribution to food and beverage sector. In this study job satisfaction is examined for workers in a Greek poultry cooperative, since agricultural poultry cooperatives in Greece perform better than other sectors. In addition the largest agricultural cooperative in Greece is a poultry cooperative that has a 30% market share. A similar situation is observed for many Balkan Countries.

In order to examine job satisfaction a questionnaire was developed based on the well-established questionnaires “Job Satisfaction Survey” and “Job Descriptive Index” in order to evaluate workers’ overall satisfaction. The survey took place in a medium size poultry cooperative located in Epiros – Greece with more than 300 employees and workers. However, only workers in the production line were selected to participate in the survey excluding this way: desk officers, salesmen and workers in the logistics of the cooperative. As a result, about 90 fully completed questionnaires were returned representing more than 1/3 of the total workers of the cooperative.

The first results of the study through a regression analysis indicate that two groups of characteristics affect workers’ satisfaction: the relationships among workers and the personal opportunities for development and recognition. Moreover, workers’ educational level seems to affect the perceived satisfaction for workers. This study could provide to poultry cooperatives’ managers, in practical terms, specific directions that can be used in motivating workers to be engaged with the cooperative business and increase their satisfaction and even more this

study could be used to investigate further if job satisfaction could lead in better business performance for the poultry sector.

KEYWORDS

Agricultural Cooperatives, Poultry, Job satisfaction, Greece

JEL CLASSIFICATION CODES

J28, J43, Q13

**THE BARRIERS FOR THE DEVELOPMENT OF THE SOCIAL
COOPERATIVE ENTERPRISES IN GREECE**

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ABSTRACT

This article, briefly presents, the difficulties and the obstacles for the development of the social cooperative enterprises in Greece, from their formation until today, according to the Greek legislative framework for the social economy. Specifically, this article analyzes and focuses on the barriers for the operation and the growth of the social cooperative enterprises in Greece which are mainly related to their weak financial position due to lack of investors and non-activation of state funding tools, the lack of evaluation and measurement of their social impact by institutional entities, the high levels of administrative bureaucracy of the involved public authorities, the reduced information of the public servants and the employees of the private sector for the social entrepreneurship, the lack of training for the staff of the social cooperative enterprises that deals with the administrative tasks, the low level of sensitization of the local societies for the sector of social economy, etc. The article leads to some conclusions and suggestions for the improvement of the effectiveness of the national legislative framework and also to some prerequisites in order to boost the growth of the social cooperative enterprises in Greece that itself will contribute also to development of local economies and increment of the national GDP.

KEYWORDS

social economy, social entrepreneurship, social cooperative enterprises, Greek legislative framework, barriers, obstacles, development

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